

Export Scenario of Dry Fruits in Jammu and Kashmir

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Abstract

Agriculture is the backbone of Indian economy and it plays a prominent role for development of economy. Around 70 per cent of the population in the State of Jammu and Kashmir gets livelihood directly or indirectly from the Agriculture and allied Sectors. The major fruits grown in the state are Apple, Walnut, Almond, Pear, Cherry, Apricot, Peach and Plum. Kashmiri apple is famous both in taste and appearance. It has gained fame in the export market and fetches a very good return. The horticulture industry contributes nearly 60 percent of the states revenue and 22 percent of gross state domestic product (GSDP). Looking to the specie-wise details of area figures under fruit for the year 2013-14, it is observed that largest area of 45.34% (161364 hectares) is occupied by apple out of total area of 355921 hectares under fruit. Walnut is the next major fruit occupying 26.86% in the overall area under fruit. Jammu and Kashmir is the major producer walnuts in India, 90 percent of walnut production in India belongs to Jammu and Kashmir and percentage share of state in India's total production is showing an increasing trend and the state has been declared as the " Agri. Export zone for Apples and Walnuts". Agribusiness including export of fresh and dry fruits is the foundation of economy. Foreign exchange earned on account of export of dry fruit viz; Almond and Walnut (in shell and kernel) during the year 2013-14 was Rs 365.25 crore. In this paper an attempt has been made to explore potential and strength of Jammu and Kashmir with regard to its production and export of dry fruits.

Keywords

Export; Dry fruits; Foreign Exchange.

Introduction

Jammu & Kashmir is the leading producer of apple and walnut in the country. It offers good scope for cultivation of all types of temperate fruits such as apple, pear, peach, plum, apricot, almond, walnut, cherry etc, the sub-tropical fruits like mango, guava, citrus, litchi, Ber, Loquat, all types of vegetables and flowers like gladiolus, rose, chrysanthemum, carnation, lillies, tulips, gerbera etc. In addition, well known spices like saffron and black jeera are also being cultivated in some pockets. In view of annual rainfall from 1000 to 1500 mm except in case of Ladakh region where it is as low as 100 to 200 mm, the agro-climatic conditions coupled with geographical location, nature of terrain and soil condition make the state suitable for the production of variety of horticultural crops. The climate of the state varies from sub tropical in Jammu plains to semi-arctic cold in Ladakh with Kashmir and Jammu mountainous tracks having temperate climatic conditions. The average annual rainfall also varies from region to region with 92.6 mm in Leh, 650.5 mm in Srinagar and 1115.9 mm in Jammu. A large part of the state forms part of the Himalayan Mountains. The state is geologically constituted of rocks varying from the oldest period of the earth's history to the youngest present day river and lake deposits. The state is a major exporter of walnut & its international market share is about 7%. During the year 2013-14, the state exported 8561.03 metric ton dry fruit i.e. almond and walnut both in shell and kernel and earned foreign exchange of Rs. 365.25 crore recording impressive growth of 78% over foreign exchange earnings of

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last year. Production of Walnut is increasing and currently is estimated to touch 245.38 thousand metric ton. Latest techniques of Walnut budding/grafting have been introduced which have helped in reducing gestation period of this crop. A Hi-tech Green House has been setup at Zakura which is being used for raising budded/grafted walnuts. Besides this, one Hi-tech Green House has been setup at Siot Rajouri Walnut cultivation plays a significant role in the economic profile of the farmers living in hilly and backward areas, where economic condition of the people is extremely fragile. Talking about the Macro Economic Aggregates Gross State Domestic Product at constant (2004-05) prices for the year 2014-15 is estimated at Rs. 45126.30 crores (Advance Estimates) as against Rs. 45847.15 crores for the year 2013-14 (1st Revised Estimates) registering a negative growth of -1.57% over the previous year. At constant (2004-05) prices, the growth in Agriculture sector (Agriculture & Livestock only) is likely to decelerate to -16.23% (advanced estimates) in the year 2014-15 as compared to 6.25% in the year 2013-14 (1st Revised estimates) while as the Agriculture & the allied sectors which includes Agriculture & Live Stock, Fisheries, and Forestry & Logging sectors, is likely to decelerate to -14.9% as compared to positive growth of 5.14% in the year 2013-14(1st Revised Estimates). (Directorate of Economics and Statistical Planning, Government of Jammu and Kashmir)

The Importance of Exports in An Economy

Growth of an economy is directly related to exports. If exports increase at a faster pace as compared to imports, nothing can stop an economy from being a developed one. On the other hand, the instability in exports can adversely affects the process of economic development. Lower exports mean low foreign exchange and lower foreign exchange in turn means a small purchasing capacity of a nation in the international market.

In addition to the above factors, export growth is also important because of its effect on internal trade and economic stability. Even more, the rate of economic growth and the distribution of income and wealth in a country are closely related to export growth.

There are many good reasons (or benefits) for exporting. These include the following:

- Increasing sales
- Increasing profits
- Reducing risk and balancing growth
- Economies of scale
- Overcoming low growth in the home market

- Improving efficiency and product quality
- Minimizing the effect of seasonal fluctuations in sales

Research Methodology

The present study is based on the secondary data. Main source of data collection include government official records, Economic survey, Jammu and Kashmir Statistical Digest, Magazines and journals. The data has been analyzed and interpreted through tabulation and simple percentage method.

Compound annual growth rate is calculated by using formula:

$$CGR = \left[\frac{\text{Ending Value}}{\text{Beginning Value}} \right]^{1/\text{last year-first year}_1}$$

Objectives of the Study

The present study has certain specific objectives:

- I. To study the Status of Jammu and Kashmir in dry fruits export market.
- II. To study the foreign exchange earnings of Jammu and Kashmir from the export of dry fruits.
- III. To give some suggestions for increasing the export of horticulture product.

Results and Discussion

J&K is blessed by nature with tremendous biodiversity and extremely congenial climate for growing of various kinds of crops. In the economy of Jammu and Kashmir, horticulture plays an important role in the foreign exchange earnings. During the year 2013-14, the state exported 8561.03 metric ton dry fruit i.e. almond and walnut both in shell and kernel and earned foreign exchange of Rs. 365.25 crore recording impressive growth of 78% over foreign exchange earnings of last year. Potential for bringing additional area under Walnut is enormous. As per preliminary estimates about 0.50 lakh hectares are still available on which walnut cultivation can be undertaken successfully. This will help to create green cover in hilly areas and conserve soil from erosion, besides, providing high value wood for wood carving industry, as well as walnuts for export purposes. The state is a major exporter of walnut & its international market share is about 7%. Table 1 is showing the area and production of dry fruits in Jammu and Kashmir from 2004-05 to 2014-15. The production of

dry fruits during 2004-05 was 114,257.00 metric tonnes and 2014-15 is 198,123.00 metric tonnes showing a compound growth rate of 5.13%. The production was maximum during the year 2013-14. Table 2 and 3 are showing data related to the export and foreign exchange earnings from almonds and walnuts respectively. From export of almonds and walnuts foreign exchange earnings for 2012-13 was Rs 5.90 crore and Rs 199.82 crore respectively. The Government is simultaneously working on drafting Trade Policy and Manufacturing and Export strategies of the State. In J&K various private companies such as Kashmir overseas, Karamhans Food Pvt. Ltd. etc are engaged in the export of dry fruit products. Vietnam, Social Republic, Egypt, Arab Republic, Netherland, United Kingdom, Spain, United States, Germany, France, Thailand, and Australia are the some famous destinations for the export of dry fruits.

Table 1: Area and production of dry fruits in Jammu and Kashmir

Year	Area (Ha)	Production (Mt)
2004-05	90,743.00	114,257.00
2005-06	93,188.00	123,696.00
2006-07	98,369.00	130,342.00
2007-08	99,005.00	158,283.00
2008-09	102,301.00	159,936.00
2009-10	105,424.60	177,727.70
2010-11	108,018.00	176,436.00
2011-12	102,606.00	211,996.00
2012-13	110,443.00	217,549.00
2013-14	143,000.00	254,000.00
2014-15	113,017.00	198,123.00
CGR	2.02%	5.13%

Source: Directorate of Horticulture Kashmir, Government of Jammu and Kashmir

Fig. 1:

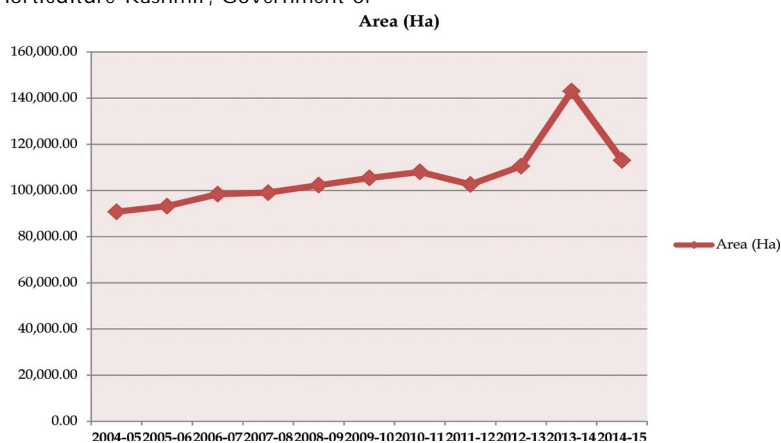


Fig. 2:

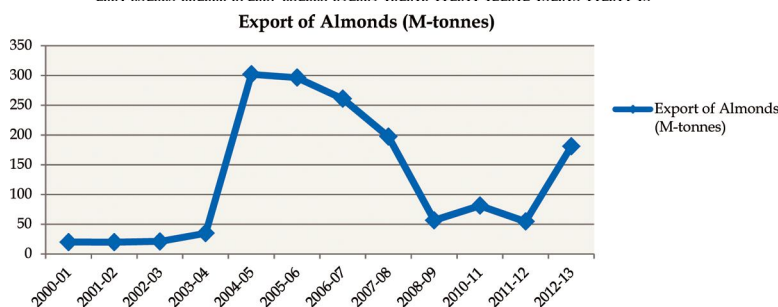


Table 2: Export of almonds and foreign exchange earned

Year	Export of Almonds (M-tonnes)	Foreign Exchange Earned (Rs. In Crores)
2000-01	20.00	0.22
2001-02	19.74	0.22
2002-03	21.00	0.22
2003-04	34.86	0.24
2004-05	302.01	1.19
2005-06	296.45	1.48
2006-07	260.88	1.82
2007-08	197.108	0.91
2008-09	56.64	N.A.
2010-11	81.29	1.44
2011-12	54.47	1.09
2012-13	181.00	5.90

Source: Directorate of Economics and Statistical Planning, Government of Jammu and Kashmir

Table 3: Export of walnut and foreign exchange earned

Year	Export of walnuts (M-tonnes)		Foreign Exchange Earned (Rs. In Crores)
	In shell	Kernal	
2000-01	597	7145	109.94
2001-02	987	6415	117.78
2002-03	656	6976	121.23
2003-04	300	6001	99.30
2004-05	257	5417	92.83
2005-06	179	5077	114.47
2006-07	376	5061	118.02
2007-08	161	6531	160.53
2008-09	273	4000	N.A.
2010-11	235	3124	87.89
2011-12	142	4321	177.91
2012-13	309	4986	199.82

Source: Directorate of Economics and Statistical Planning, Government of Jammu and Kashmir

Fig. 3:



Conclusion

Due to globalization, it has become easier for the countries to carry out trade practices across the national boundaries. International trade has increased the market size and thus there is huge opportunities for the companies to sell their products to the customers globally, which in turn strengthen the economy of the home country. Horticulture plays a very important role in the state economy. Export of horticulture product has led to the inflow of foreign exchange into the state and contributed in the economical development of the state. The total foreign exchange earnings from the export of walnuts and almond (combined) in 2000-01 was Rs 110.16 cr and it increases to Rs 205.72 cr in 2012-13. This figure of foreign exchange earnings has been raised Rs 365.25 cr in 2013-14. The government of Jammu and Kashmir should work on the Export promotion and should make farmers more aware about various opportunities prevailing in international market. To improve the domestic marketing and promote export of major commercial fruit crops- Apples, and Walnuts, the J&K State has already been declared as "Agri Export Zone for Apples and Walnuts" having project outlay of Rs.120.28 crores with Government of India Incentive at Rs.45.26 crores for the 1st five years. Agri Export Zone Walnut project with an outlay of Rs.36.93 crores covers production and post production aspects of development like Nursery modernization, area expansions, development of testing facilities, agri

information system, integrated post harvest management, export promotion in thrust markets of Germany, France, Netherlands, UK, Belgium, Spain, Egypt and other countries. To implement the scheme the Horticulture Planning and Marketing Department identified zones, enlisted the growers/traders, issued guidelines, for securing license product Grading and Packing for export promotion.

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