
INDIAN AGRIBUSINESS AND GLOBALISATION: PROSPECTS AND CHALLENGES

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ABSTRACT

The agricultural sector in India is undergoing a metamorphosis since the economic liberalisation of 1991-92. Globalisation's effects in this sector are showing healthy signs of transition from inhibitive to innovative farming and from subsistence to a sustainable one. The vast changes from traditional farming to hi-tech agribusiness have opened new vistas for socio-economic growth and development in the country. Globalisation of agribusiness paved way for high competition, fast technological changes, mobility of capital and rapid dismantling of barriers in the international tradability of goods and services. All these demand for increasing professionalism in the management of agriculture and allied activities. Agribusiness management therefore aims at developing analytical and cognitive skills of entrepreneurs dealing with agriculture and allied activities on individual as well as on institutional basis. Agribusinessmen are now following better strategies and managerial techniques for value added agriculture to improve quantitatively and qualitatively. The global character of perfectly competitive market demands standardised products, need for reorganisation of input supply to output marketing channels, broadening the vision of agriculture by including both on-farm and off-farm activities. The objectives of this study include: analysis of agribusiness in India from the globalisation perspective, identification of principal areas of agribusiness which need specialised managerial techniques, exploring the prospects of agribusiness in the present time of globalisation, examining the challenges faced by agribusiness in context of globalisation, suggesting measures to improve effectiveness and

efficiency in view of changing global scenario. Methodology includes various types of data collected primarily through secondary sources. It includes information collected from studies, reports, books, articles, periodicals and web sites, data from government, non government, national and international organisations. The findings reveal that globalisation has caused developed a more scientific and professional approach towards agribusiness, develop world class infrastructure, boost agricultural growth through diversification, create employment opportunities, increase productivity, enhance quality, better utilisation and strengthening of manpower resources. At the same time, it is not free from challenges like inequalities in the distribution of income among countries and also within countries, loss of national sovereignty, and differential treatment in the matter of trade agreements. Other problems like debt trap due to high input cost for seeds and fertilizers, low price of output due to crop failures and drought, lack of convenient and effective credit facility and dependence on money lenders charging exorbitant rates of interest resulting in indebtedness and increased suicides among farmers need to be looked into. Suggestive measures include need to address the socio-economic imbalances particularly at the grass root level, facilitate rapid innovation, reduce bureaucracy by streamlining government procedures to make them more transparent, ensure that Indian agribusinesses are not the victims of unfair trade practices. Good governance in agribusiness is needed to meet the risks, uncertainties and challenges and avoid further crises. It will ensure empowerment, development of infrastructure to improve standard of living and boost economic performance and equity in the agricultural sector.

Key words: Globalisation, Agribusiness, Agribusiness Management.

INTRODUCTION

In the present days of globalisation, privatisation and liberalisation, agriculture is managed by comparatively better skilled manpower and a shift from 'agriculture' to 'agribusinesses' is being viewed as an essential pathway to revitalise and rejuvenate Indian agriculture sector. The Agribusiness Council (ABC) of the US defines "agribusiness" as a broad term encompassing all aspects of agricultural production, processing and distribution. This includes food, forest and fibre production, their by-product utilisation, agricultural chemicals and pharmaceuticals, agricultural finance and trade, agribusiness farm management, agro-environmental considerations, and land development; in short, it means the management of all of the major elements essential to the establishment and operation of efficient agro enterprises.

John Davis and Rav Gold Berg both defined agribusiness as the sum total of all operations involved in the manufacture, and distribution of farm supplies; production operations on the farm; and the storage, processing, and distribution of the resulting farm commodities and items. It is, in simple and common parlance, a process and product of applying economics in business and development of agriculture. It engulfs efforts to modernise and diversify agricultural operations using industrial approach and managerial expertise. It is, thus, an umbrella term to bring together agriculture, manufacturing and services for the sake of socio-economic integration and development (Hans).

In a nutshell, the broad scope of Agribusiness incorporates management of agricultural input, its processing and output management. Input management covers the management of seeds, feed, fertilizers, pesticides etc. Agri infrastructure includes irrigation;

power, and machinery, primary production includes production of fruits, vegetables, forestry, dairy, livestock etc. Agribusiness also adds value through processing of agricultural products in the form of processed food, beverages, agrichemicals etc. Above all, it encompasses agricultural marketing (storage, distribution, packaging etc), agricultural services (finance, insurance, research and development) and agricultural sciences (agro climate studies, bio technology, disaster management etc) that open new vistas for socio economic growth and development in the field of agriculture and allied sectors in the country.

Role of Agribusiness in India

India possesses one of the most crop yielding lands in the world and has the highest potentials to be the leader in agricultural sector. Agriculture has a major role to play in the country's economy through employment generation for a vast majority, with its share in total employment as high as 58.2%. There is a need for a paradigm shift from subsistence farming to commercial farming. Many changes such as raising productivity through diverse activities rather than pure crop husbandry, resorting to value added agriculture, market reforms, and creation of new capacity in agro services etc should be focused to help and enable farmers to reap the benefits of hi-tech scientific agriculture. Agribusiness can be instrumental in contributing towards growth and development of especially the rural population in India. However, it would take a lot of hard work and time to instill technological innovations, competitiveness and professionalism of cities among the rural and sub-urban masses.

The share of agriculture in GDP might decline, but the share of agribusiness will not and is bound to go up with the demand for value addition continuously increasing. It is in this context that it has long been argued for redefining the agriculture as 'the science and practices of activities relating to production, processing, marketing, distribution and trade of food, feed and fibre' (Acharya).

Globalisation and Important Reform Measures

There was a very deep and severe crisis in the Indian economy in the mid of 1991. Foreign currency reserves had plummeted to almost \$1 billion; Inflation had hiked to an annual rate of 17 percent; fiscal deficit was very high and had become unsustainable; foreign investors and NRIs had lost confidence in Indian economy and also her economic system and political governance. Capital was draining out of the country and India was close to defaulting on foreign long and short term loans repayment. Along with these bottlenecks at home, many unexpected events swept the economies of nations around the world. These economic compulsions at home and abroad called for a complete overhauling of our economic policies and programmes. Major measures initiated as a part of the privatisation, liberalisation and globalisation strategy in the early 90s included announcement of the devaluation of Indian currency by approximately 20 percent against major currencies in the international foreign exchange market. To make the process of globalisation smooth, privatisation and liberalisation policies were also initiated and encouraged. There was dismantling of the Industrial Licensing Regime and also Foreign Direct Investment (FDI) by M&TNCs was allowed, quantitative restrictions on imports and peak customs tariff were removed (Goyal).

Management Perspective for Agribusiness

Agribusiness management includes study of input supply system, agricultural production system, and output marketing system. Agriculture must adopt a system approach in order to achieve the goals of increased production, enhanced quality and reduced cost of production. It should be oriented towards understanding the nuances of globalised agriculture and stabilise agricultural production system. (Vijayakumar, op. cit.).

Principal Areas of Agribusiness Requiring Specialised Managerial Techniques

Indian planning and policy makers at national as well as provincial levels need to look at the following aspects so as to boost agribusiness to save the nation and the nationals better in short and long run both.

- **Production Management**

The success of agribusiness management depends upon how the farmers produce according to the taste and preferences of consumers in the market rather than what they are better at producing. Factors like production cost, yield, technology, diversification, demand for the product, marketing strategies etc should be effectively managed so as to stimulate growth of agribusiness sector. Improved technologies fostering eco-friendly production practices coupled with, developing high yield varieties, all ensure sustainable development in an efficient and effective way. Globalisation in agribusiness gave thrust to diversification in agriculture through development of horticulture, floriculture, sericulture, dairying, livestock, aquaculture etc. A proper link is to be established between agricultural suppliers, farmers and marketing, firms and they need to work in tandem for fruitful results necessary for serving national interest better.

- **Input Management**

Various resources in the form of land, labour, capital, information and other infrastructural inputs are to be judiciously allocated and combined together for producing value added outputs of agriculture. Agricultural input includes seeds, fertilizers, herbicides, pesticides, machinery, crop protection, just and honest system credit etc. The input supply sector of agribusiness can be categorised into the manufacturing sector, the distribution sector and the services sector. Input Management should focus on increasing agricultural productivity and raising quality for meeting the increasing and changing demands of the consumers. There should be a positive productivity growth which indicates that the same output can be produced with fewer inputs and lower costs. Rapidly changing markets in global trade has increased the need for bringing innovations and introduction of scientific techniques for managing the agricultural inputs for bringing spontaneous changes in growth and development of agribusiness.

- **Agricultural Marketing**

Agricultural marketing management includes ensuring the smooth flow of agricultural products and services from the point of production to the final customer and subsequently consumer. Agri marketing starts from studying the consumers and ends with satisfying the consumers. Globalisation has led to feeling the need for undertaking extensive research and development activities to understand the varied taste and preferences of consumers. A systematic approach has to be followed for designing, distributing and making available the required products and services at the right time in the right market. It involves a large number of activities from monitoring demand patterns, analysing the consumer behavior, transportation, sorting, grading, refrigeration, packaging, labeling, advertising and processing so as to add value to farm products by creating time, form, place, and possession utility.

- **MIS and ICT**

Knowledge about recent technological and scientific prospects, production patterns, product areas and product flows, distribution and logistics, markets and consumers (at local, state, national and international levels) play a decisive role in developing competence and reaching new horizons of agribusiness. Management Information System (MIS) and Information and Communication Technology (ICT) applications enable easy availability and usage of requisite information to all the end users focusing on village and towns connectivity linking agricultural universities and colleges, scientific and research organisations as also local, state and central government departments with the end users and the establishment of community access points. Management of information and communication technology is a strategic weapon for tackling competitive battles of global era and a key factor in driving the performance of agro sector far ahead.

- **Supply Chain Management**

Competitive advantage can be achieved and quality can be delivered by firms only through the engineering and management of effective supply chains in collaboration with producers, wholesalers, retailers, agents and customers. There should be productive cooperation in purchase, finance, strategic operations, logistics, manufacturing and marketing and sales management areas. A proper supply chain management of agribusiness makes it possible to reduce transaction cost, increase profit margins, rationalise operations, achieve economies of large scale operations and reduce the steps between production and consumption. Gone are the days when marketing used to play secondary role in agriculture and agribusiness. Present time is characterised and known as an era of media and marketing wherein success depends solely on developing value chains and its publicity besides quality and price.

- **Insecurity and Risk Management**

Risk is quite higher in agribusiness due to impact of liberalisation and globalisation, technological advancement, cut throat competition, climatic changes etc. Risk management is

dependent on the certainty or uncertainty related with various activities and events in both the agriculture and agribusiness. It is one of the neglected areas of Indian agriculture that needs special attention. Use of remote sensing technologies, pre and post harvest technologies, sound climatic studies, viable methods of disaster management techniques etc can bring substantial changes and better results in agribusiness sector. Risk is inevitable in the modern agribusiness. However, it can be reduced to a greater extent through proper forecasting, insurance coverage and its effective and efficient management both at micro and macro level.

AGRIBUSINESS AND GLOBALISATION

Indian agricultural sector is undergoing through a renaissance since the economic liberalisation of 1991-92 as it is one of the world's largest and oldest agrarian economies. Agriculture in India is the lifeline of economy and is both a source of livelihood and food security for a vast majority of low income groups and vulnerable sections of the domestic society. Globalisation of Indian agricultural sector is in fact undergoing a sea change and is showing healthy signs of transition from inhibitive to innovative farming and from subsistence to sustainable farming in the whole of India in general and states like Punjab, Haryana, Gujarat, Maharashtra, Karnataka and Kerala in particular. The structural change from traditional farming to hi-tech agribusiness has opened new avenues for overall socio-economic growth and development in the country. Globalisation involves an integration of various nations or economies through cross country flows of goods, services, technologies, capital, finance, information and human resources. Agriculture at present is being viewed by philosophers and policy makers not just as farming alone but a holistic value chain, consisting of input management, production farming, agri processing, agri infrastructure, agri finance, agri services etc. Agricultural development is bringing about a cumulative growth effect in terms of meeting the growing demands of farm and off farm operations, of rural and urban population, expanding the secondary and tertiary sectors of the economy, widening the markets for industrial produce, earning foreign exchange, stabilising prices and mobilising of resources for capital formation. On the contrary, the global shock in the form of financial crises that emerged from the western countries led to deterioration of world economic environment significantly. The economic conditions around the globe remain fragile and uncertain. Indian economy is also vulnerable to these global crises and called for an economic rebalance to counter risks. Despite all these factors, there is an ongoing debate whether agrarian based nations can reap from globalisation or is it a manifestation of wide range of adversities of a vast section of population across the globe.

Globalisation of Indian agriculture and agribusiness in particular created prospects and has opened new avenues for profitable operations in multi-sectors of the economy. An array of reforms along with the concept of free and fair trade has provided immense scope for achieving productivity and efficiency level that are comparable with the world class standards. Process of globalisation of agriculture in India can help in maintaining professionalism and commercialisation of agriculture to boost agribusiness so as to serve primary, secondary as well as tertiary sectors of economy in both short and long run. It paves way for growth of domestic market, widening of global market, easy availability of labour, varied soil and climatic conditions, increase in financial services, information resources etc. There will be a favourable change in the occupational structure of the country by providing scope for greater degree employment generation, rising wages and salaries, closing the gap

between white collar and blue collar jobs. Technological innovations and upgradations of greater strategic importance can be acquired. New methods in ICT, production, processing and specially researches may easily cut down the production cost, and subsequently increase yield and sales turnover. In global market the consumers have wider choice, get better products at lower prices. With growing markets to an unlimited extent, globalisation provides opportunities for low inflation rate that helps the country to have a stabilised economy both at micro as well as macro level. Easy access to foreign capital at a comparatively low rate of interest and increased FDI and IFI increases competitive spirit among global and domestic market players. Competitive dualism between urban and rural sector, domestic and foreign markets help in raising quality and meeting international standards. Globalisation of agribusiness provides scope by removing distorted subsidies and tax regimes, high rates of tariffs and other trade barriers to accelerate global trade. Agricultural outsourcing is also a new prospect for India in the form of exploring the possibility of offshore agriculture investments for addressing food security and also leveraging the skills of vibrant Indian agribusiness entrepreneurs.

Despite of the above prospects, Indian agriculture is not free from concerns and fears. The high sophistications, competitions, and major transitions taking place in international business have been creating challenges for India. Advanced and developed countries are emerging stronger through global operations while developing countries like India still have to go a long way before they could realise the full potentials of globalisation. Experts on the subject believe that the contribution of India in the world GDP is estimated to increase from 6% to 11% by the year 2025. This indicates that India is gradually likely to emerge as the third biggest global economy after US and China. (Dhanabhakym and Sakthipriya, 2012). Sustaining the growth momentum in the present as well as the next decade is a challenge to meet. Though there is a lot of optimism due to abundance of resources (material and manpower) available easily. Arresting of Imbalance in socio-economic development and urban-rural divide is required. It is only possible if the infrastructure in rural areas is made sustainable and a growth oriented one. Different heads of several categories' of projects need to be accountable in real sense. Agriculture land is reducing day by day due to rapid industrialisation, urbanisation and increasing population and as a result these lands are converted to industrial units, houses and flats. Insufficiency of land available for cultivation has reduced the agricultural output resulting in shortage of food crops thereby, increasing the food prices. The socio-economic and cultural problems are becoming worse in some developing countries due to the emergence of global free trade economies. Many countries including India have suffered economic losses and social dislocations hence it remains an issue that needs a revival. New inputs and latest technologies are hitting the market daily, need for innovations and upgradation, making them available at correct time and place etc is always a challenge. The entry of other global agribusiness firms in the Indian market for trade, particularly the retail sector is a threat in the form of unhealthy competition between domestic and foreign markets, profiteering, dumping of cheap goods, depletion of national resources etc. Globalisation has led to exploitation of labour as there is always a lack of proper labour welfare measures, an increase in job insecurity and job competitions resulting in wage reductions. Indian labour laws are being targeted by the foreign and multinational corporations so as to mould them in favour of capitalists rather than labour. Debt traps is becoming the order of the day; due to high input cost for seeds and fertilizers, low price of output due to crop failures and drought, lack of credit facility and dependence on money

lenders charging exorbitant rates of interest resulting in indebtedness and increased suicides among farmers need a solution. Revamping of agricultural credit system to make it a pro farmer approach in place of a capitalistic one is needed so as to curb and arrest the increasing menace of farmers' suicides in the whole of India in general and south and western India in particular. Globalisation spreads western culture at the cost of local culture. Protecting domestic culture is also a challenge. Protecting sovereignty of nation, ensuring sustainable and equitable growth and development are various factors that need due consideration by policy and plan makers and decision takers at the national as well as at the provincial levels.

Objectives of the present study

The study has following objectives:

- Analysis of agribusiness in India from the globalisation perspective.
- Identification of principal areas of agribusiness which need specialised managerial techniques.
- Exploring the prospects of agribusiness in the present time of globalisation.
- Examining the challenges faced by agribusiness in context of globalisation.
- Suggesting measures to improve effectiveness and efficiency in view of changing global scenario.

Methodology

The present study is primarily based on secondary source of statistics, which is mainly collected from research studies of similar nature, annual reports, books, articles, periodicals and web sites, data from government, non government, national and international organisations, associations etc.

Indian Agriculture

At the time of Independence, Indian economy was basically a backward agrarian economy. During the planning period, Indian agriculture has passed through various phases, experiencing a lot of policies and measures for raising productivity and contributing to growth. However, the share of agriculture has been persistently declining due to the developments of the secondary and service sectors of the economy. Table: 1 indicates that the service sector remained buoyant with a major share of 57.7% in GDP. Service sector is growing rapidly at the expense of agriculture whose share has been declining over a period of time.

Table: 1 Sector-wise Share of GDP at Constant Price Percentage

Sectors	2004-05	2010-11
Primary	19.0%	14.5%
Secondary	28.0%	27.8%
Service/Tertiary	53.0%	57.7%

Source: Source: Central Statistics Office, Ministry of Statistics and Programme Implementation, Govt. of India.

Table: 2 indicate the trend of total Indian GDP and agriculture GDP in India during the various planned periods. The growth of total GDP was 3.6% during the first five year plan and the agricultural GDP was 2.4% only. During the eighth plan period, there was an increase in the total GDP by 6.7% and Agricultural GDP grew only by 4.7%. The tenth plan showed an increase of 7.8% in overall Indian GDP whereas the agricultural GDP has declined to 2.3%.

Table: 2 Plan-Wise Trends of Growth of Total GDP and Agriculture GDP (Including allied sector)

Plan	Annual Average Growth (% per annum)	
	Total GDP	Agricultural GDP
First Plan(1951-56)	3.6	2.4
Second Plan(1956-60)	4.1	2.2
Third Plan (1961-65)	2.5	1.6
Fourth Plan(1969-73)	3.3	3.6
Fifth Plan(1974-79)	5.0	5.7
Sixth Plan(1980-85)	5.4	3.1
Seventh Plan(1985-90)	5.8	1.3
Eighth Plan(1992-97)	6.7	4.7
Ninth Plan(1997-2002)	5.5	2.4
Tenth Plan (2002-07)	7.8	2.3
Eleventh Plan (2007-12) target	9.0	4.0

Source: Ministry of Agriculture, Govt. of India. (11349), (ON116)

Table: 3 indicate that the growth or performance of Indian economy has been fluctuating across the periods. Overall GDP growth (at factor cost) was 9.5% during 2005-06, and 6.9% during 2011-12. There was a sharp decline of 6.7% and 6.9% during the years 2008-09 and 2011-12 respectively. Agriculture and allied activities showed a downfall in the years 2008-09, 2009-10 and 2011-12 which was 0.1%, 1.0% and 2.5% respectively. The percentage to total share in GDP for Agriculture and allied activities also showed a declining trend with the lowest in 2011-12 of 13.9%.

Table: 3 Growth of the Indian Economy from 2005 to 2012

GDP Indicators	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total GDP Growth (2004-2005 Prices) (Factor Cost)	9.5	9.6	9.3	6.7	8.4	8.4	6.9
Agriculture & allied sector	5.1	4.2	5.8	0.1	1.0	7.0	2.5
Percentage to Total GDP	16.8	17.4	16.8	15.8	14.7	14.5	13.9

Source: Central Statistics Office, Ministry of Statistics and Programme Implementation, Govt. of India.

Table: 4 indicate the composition of various agricultural and allied sectors in Triennium Ending (TE) 1990-91 and 2009-10 (at 2004-05 prices). Cereals, horticulture and livestock constitute a major percentage in India's agricultural output composition, of which livestock is showing an increase from 20% to 25% and horticulture from 16% to 20%. A major shift can be seen from traditional crops sectors to high value commodities focusing on fruits, vegetables, livestock etc that give more value per unit and opens greater growth potentials for India in the years to come.

Table: 4 Composition of Output of Agriculture and Allied Sectors

Agriculture and Allied Sectors	1990-91	2009-10
Forestry and Logging	12%	9%
Fisheries	3%	5%
Livestock	20%	25%
Horticulture	16%	20%
Cereals	23%	18%
Pulses	4%	3%
Oil Seeds	7%	6%
Sugar	4%	4%
Fibre	2%	3%
Other Crops and By- products	9%	7%

Source: Central Statistics Office, Ministry of Statistics and Programme Implementation, Govt. of India

Agricultural Exports and Imports during the Period of Reforms

Agricultural sector is one of the main thrust areas of India's foreign trade and India is among the fifteen leading exporters of agricultural products in the world. It is a significant exporter having more than 5% share of global exports in certain crops like cotton, rice, eggs, beefs, oil meals etc. As per the International Trade Statistics 2011, published by the World Trade Organisation (WTO), India's agricultural exports amounted to US \$ 23.2 billion with a 1.7% share of world trade in agriculture in 2010 whereas India's agricultural imports amounted to US \$ 17.5 billion with a 1.2% share of world trade in agriculture in the same year period. Agriculture and its related goods contribute about 38% in total export of the country. During the period 1990-91 agricultural export was Rs.6012.72 (18.49 %) crores and the export increased to Rs.89522.59 crores in 2009-10. The percentage of agricultural export to total national exports is continuously declining from 2005-06 to 2009-10, i.e. from 10.78% to 10.59% respectively. The share of agricultural exports in total exports decreased from 10.57% in 2009-10 to 10.47% in 2010-11.

Table: 5 Export of Agricultural Commodities in India (Rs in crores)

Year	Agricultural Exports	Total Exports	% of Agriculture Exports to National exports
2005-06	49216.96	456417.86	10.78
2006-07	62411.42	571779.28	10.92
2007-08	79039.72	655863.52	12.05
2008-09	85951.67	840755.06	10.22
2009-10	89522.59	845125.21	10.59

Source: Ministry of Agriculture, Govt. of India. (11349), (ON116)

Agricultural imports recorded overall decrease from Rs. 59528.33 crore in 2009-10 to Rs 56196.20 crore in 2010-11 registering decline of Rs. 3332.13 crore (-5.6%) over the corresponding previous period. Decrease in value of agricultural imports during this period was primarily due to lower imports of other cereals, pulses, cotton, oilseeds, tea etc. Share of agricultural imports in the total imports also decreased from 4.37% in 2009-10 to 3.50% in 2010-11.

Table: 6 and Table: 7 given below show the value of major agricultural exports and imports commodities of India during the year 2010-11. Cotton, marine products and oil meals tops the Indian export list where as the major import items include vegetable oils, wood products and pulses.

Table: 6 India's Major Agricultural Exports during 2010-11

Export Commodities	Value in Crore (Rupees)
Cotton, raw including waste	12981
Marine Products	11548
Oil Meals	10846
Rice Basmathi	10582
Sugar	10339
Meat and Preparations	8776
Spices	7870
Paper / Wood Products	7763

Source: DGCI&S

Table: 7 India's Major Agricultural Imports during 2010-11

Import Commodities	Value in Crore (Rupees)
Vegetable Oils	29442
Wood Products	7251
Pulses	6980
Fruits and Nuts (Excluding Cashew Nuts)	3684
Sugar	2787
Cashew Nuts	2480
Spices	1359
Cotton	604
Milk and Cream	492
Jute, Raw	273
Wheat	236

Source: DGCI&S

Table: 8 indicates the Indian agricultural exports and imports as a percentage of agricultural GDP which has been increasing from 11.1 % in 2005-06 to 13.7% in 2009-10 but slightly dropped to 12.7% during the year 2010-11.

Table: 8 Trends in Trade of Agricultural Commodities (Ratio of Agricultural Export and Import as a % of Agricultural GDP)

Agriculture Exports/Imports	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Agriculture Imports/GDP (Agriculture)	3.4	4.1	3.6	4.0	5.5	4.1
Agriculture Exports/GDP (Agriculture)	7.7	8.6	9.4	9.3	8.2	8.7
Agriculture Exports and Imports/GDP (Agriculture)	11.1	12.7	13.0	13.3	13.7	12.7

Source: CSO, DGCI&S

Although recent global developments per se are unlikely to have serious negative repercussions on major domestic staple food (rice and wheat) supply and price situation in India, high global prices of soyabean oil and exchange rate uncertainty could impact domestic prices as India is a major importer of vegetable oils. On the positive side, the likely global decline in grain and oilseeds production from the earlier expected levels and the strengthening of global prices of wheat and corn should result in increased competitiveness of Indian wheat, corn and soyabean meal exports, which however will be somewhat affected by higher domestic prices and rupee appreciation against US Dollar. In the case of sugar, the declining sugar prices in the international market when domestic prices are on the rise imply that exports may not achieve the high levels of last year and stocks will remain high. The scenario in the case of milk is also similar high domestic prices but declining international

prices of dairy products. The subsidies in the farm commodities make it difficult to interpret the longer term competitiveness of Indian produce in these sectors. However, monitoring these trends would be of significance to the efficient use of scarce resources such as land and water, National Food Security Mission (2012).

CONCLUSIONS AND SUGGESTIONS

Globalisation has been deemed as the panacea for solving many problems because it is presumed to bring rapid technological innovations, improve quality and standards, promotes competitive spirits etc. However, it is also not free from criticisms in the form of more iniquitous distribution of income, loss of national sovereignty etc. India gained from the LPG model as there has been a growth in the overall GDP upto 2010-11. It broadens the vision of agriculture, but even after globalisation, condition of agriculture has not improved even marginally. The number of landless families has increased and farmers are still committing suicide, besides many starvation death reported in media. India needs to tackle these hurdles and move forward strongly on its path of development. In the dynamic and competitive economy of global era, consumer orientation model that meets the changing needs of the consumers and growing needs of the nation plays a significant role in determining the success of agribusiness. In India, most are small and marginal farmers who are not interested in adopting latest technologies of field mechanisation, seed replacement rate, bio fertilizer application etc, so efforts should be taken to disseminate information and encourage farmers to adopt them. They are extremely industrious and entrepreneurial, they should be provided with a platform to utilise it and improve their life, provide market orientation and market linkages to ensure that they get a greater share of consumers' rupee. India being a country with rich resources and diversities has high potentials to increase its agricultural exports in a globalised world provided it can diversify a significant part of its agriculture in to high value crops and in agro-processing way as well as units. This would depend first on undertaking large infrastructure investment in agricultural and agro processing as also in rural infrastructure and research and development at micro as well as macro level, with a thrust on rural and sub urban agribusiness growth and development.

- Government should address the socio-economic imbalances and reduce the urban-rural, foreign-domestic divide and concentrate on growth oriented agro sectors which will certainly prove fruitful.
- Indian policy makers and planners ought to cut down the budget deficit through proper pricing mechanisms and better direction of subsidies, tax and tariffs. Government should reduce bureaucracies in formulation and implementation of various plans and policies to make them more transparent and reduce trade barriers.
- India needs to focus on more diversification in agriculture, promote scientific farming, give thrust to off-farm activities, develop world class infrastructure in all sectors of economy, allow FDI in more areas etc.
- Setting up agro-processing units and encouraging private public participation, collaborations between producer cooperatives and the corporate sectors etc.
- There needs to be a shift from inhibitive and exploitative agriculture to innovative and experimental agriculture. There should also be better management practices for rehabilitation of degraded lands, water and other scarce resources.
- Special Economic Zones as well as Export Processing Zones that would act as a catalyst in bringing progressive changes in economic development of the nation and protects the genuine interest of Indian farmers.

- Sustainable agriculture that ensures both food security and ecological security through promoting eco friendly techniques over wide spectrum of activities should be encouraged.
- There are food shortages in many parts of the world and steep hikes in food prices, immediate measures are to be taken by the agro sector to meet the menace of food scarcity that may become severe in near future.

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