

TRADE PERFORMANCE OF PEPPER IN INDIA IN THE POST-REFORM PERIOD

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ABSTRACT

India implemented trade policy reforms in the agricultural sector in 1995. The trade policy reforms were aimed at increasing exports and higher economic growth. India is the third largest producer of pepper in the world. The pepper production and exports from India declined in the post-reform period. The present study examines the trade performance of pepper in India in the post-reform period. The empirical results of the study show that there was a negative growth rate in exports of pepper and a positive growth rate in imports of pepper in the post-reform period. The import – consumption ratio and import – production ratio showed an increasing trend in the post-reform period. The export-import ratio of pepper declined during the same period. The increased imports have led to a decline in the price of pepper and worsened the position of domestic producers. The government should impose a floor price for pepper imports to India to protect the interests of the domestic farmers. Stringent measures should also be adopted by the government to regulate illegal pepper imports to India.

KEYWORDS: Import-Consumption Ratio, Import-Production Ratio, Export-Import Ratio, Compounded Annual Growth Rate