PROSPECTS AND CONSTRAINTS OF AGRICULTURAL FOOD PRODUCTS EXPORT FROM TAMILNADU

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KEYWORDS

Agro Products, Sustainable Development, Health Benefits, Purchase Behaviour.

ABSTRACT

India's agriculture sector is the backbone of its economy, employing millions and contributing significantly to its GDP. In recent years, there has been a growing emphasis on leveraging this sector's potential to produce processed food products for export. This shift from traditional agricultural practices to value-added processed goods holds immense promise for India's economic growth and global market presence. Retailers have a role in both the public's appetite for a company's products and the growth of its profitability. The skills required for this kind of marketing are different from those needed for conventional marketing, and the initial costs may be higher. By adopting the right marketing strategies and putting such concepts into practise, producers and enterprises may set up organic production and affect consumers' purchasing patterns. Due to the fast growing sector, marketing agro food in this day and age poses a variety of new and more challenging difficulties. If stakeholders, authorities, researchers, and organic farmers studied and were aware of the current marketing strategies and issues encountered by organic farmers, they would be better able to identify the system's weaknesses and properly fix them. It gives information on the sector's status, environment, and prospective future. The study examines the patterns in the marketing of organic food products and identifies the problems that need more research, correction, and improvement. The analysis also identifies the areas that need additional attention.

1. Introduction

In recent years, India and other developing nations have seen tremendous growth in the production of organic food and other products for commercial sale. It is largely acknowledged as a successful strategy for facilitating sustainable development. In the context of this study, we look at the marketing approaches, difficulties, and perspectives of organic farmers. The topic of the discussion at this point will be the marketing of organic food products. The effort to increase organic agriculture will be primarily by the marketing of organic products. A country like India stands to benefit from switching to an agricultural system based on organic practises in a number of ways. The processed food industry in India has witnessed a remarkable transformation over the past decade. Rapid urbanization, changing lifestyles, and increasing disposable incomes have led to a surge in demand for convenient and ready-to-eat food products. This trend has propelled the growth of the processed food sector, which encompasses a wide range of products including snacks, beverages, dairy, bakery, and ready-to-eat meals.

The creation of rural employment, increased household earning capacity, reduction of poverty, social uplift, promotion of women's empowerment, sustainable development, prevention of pesticide-caused disasters, improvement of environmental conditions, conservation of natural resources, improved soil fertility, prevention of soil erosion, and

preservation of natural and agro-biodiversity are just a few of the economic and social benefits. More thought is being given to the possible damage traditional food products may do to the environment as well as to human health. As the demand for such foods increases, the development of nourishing meals is receiving more and more attention. Despite the fact that 50% of the organic food produced in India is destined for export, there are a lot of individuals who are interested in eating organic food at home. The figure 1 illustrates the key prospects and constraints influencing the export of agricultural food products from Tamil Nadu. The state's geographical advantage, characterized by a favorable climate and diverse agro-ecological zones, enables the cultivation of a wide range of crops, including rice, millets, spices, fruits, and vegetables. The presence of agro-processing units and growing international markets enhances export potential. Tamil Nadu's emphasis on organic farming, climate-resilient agricultural practices, and green technology adoption aligns with global sustainability trends, providing a competitive edge in the export of fair trade and value-added products. Collaborative models involving farmers, government bodies, and private enterprises further strengthen export capabilities.

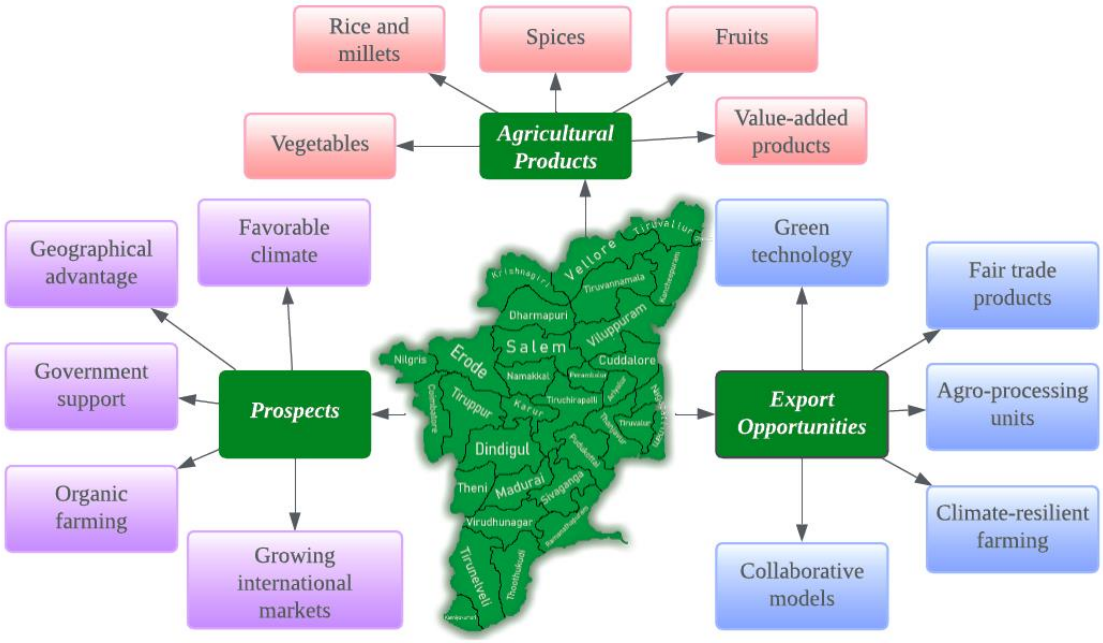

Figure 1: Prospects and Constraints Influencing Agricultural Exports from Tamil Nadu

On the other hand, constraints such as fluctuating international demand, stringent export regulations, and the need for consistent quality standards pose challenges. Despite government support, smallholder farmers may face barriers related to finance, infrastructure, and access to export-oriented supply chains. To overcome these constraints, Tamil Nadu is focusing on enhancing agro-processing capacity, promoting climate-resilient farming, and encouraging the production of fair trade and organic products. These initiatives aim to tap into growing international markets and secure a prominent position in the global agricultural export landscape. This figure 1 serves as a comprehensive overview of the opportunities and challenges associated with agricultural exports from Tamil Nadu, highlighting the need for strategic interventions to ensure sustainable growth in the sector.

2. Objectives of the study

- To analyse the constraints encountered by the agro processed food product from Tamil Nadu.
- To explore the awareness of export documentation among the agro processed food product from Tamil Nadu.
- To estimate the export performance of the agro processed food product from Tamil Nadu.

3. Review of Literature

According to Kumar Saravana (2003): When seeking for a natural, healthy, and risk-free food supply, organic produce is often viewed as the best choice. In recent years, several nations and regions have worked hard and taken numerous actions to promote organic farming, production, and trade on a number of different levels. According to the commonly recognised definition of the word "organic," fruits, vegetables, cereals, and processed items are deemed organic if they were cultivated without the use of any artificial fertilisers or pesticides.

According to Sylvander (1999): The market for organic food is now growing by around 20% annually. Although organic food is more expensive, consumers are becoming increasingly interested in buying organic products. Because they were aware of the risks associated with eating conventionally produced food that was laced with chemicals and the need of maintaining good health, consumers were very interested in buying organic food. Because of this, the organic market is increasing quickly, yet demand is inconsistent.

According to Pradhan, Swapna (2009): This study aimed to understand the factors influencing the process of agriculture processed food product export. The study variables included market demand, government policies, infrastructure facilities, and export documentation requirements. A qualitative research methodology was adopted, involving interviews with key stakeholders in the export industry. Thematic analysis was performed to identify recurring themes and patterns. The findings revealed that challenges such as inadequate infrastructure and cumbersome export procedures hindered the export process, while opportunities such as growing market demand and supportive government policies encouraged export growth.

According to Majumdar Ramanuj (2010): Examining the relationship between export performance and infrastructure facilities in the agriculture processed food product sector was the objective of this study. The study variables included export volume, transportation facilities, storage capacity, and port infrastructure. A quantitative research methodology was employed, utilizing secondary data analysis of export statistics and infrastructure indices. Regression analysis was performed to assess the impact of infrastructure facilities on export performance. The findings indicated a positive correlation between improved infrastructure facilities and higher export volumes, highlighting the importance of infrastructure development for enhancing export performance.

According to Assael (2008): This study sought to analyze the constraints encountered by agriculture processed food product exporters in Tamil Nadu. The study variables included infrastructure deficiencies, regulatory barriers, market access constraints, and logistical challenges. A mixed-methods research methodology was adopted, combining surveys with key informant interviews. Content analysis was performed to identify common themes and challenges. The findings revealed that inadequate cold storage facilities, bureaucratic red tape, and limited market access were significant constraints faced by exporters, underscoring the need for targeted interventions to address these challenges.

According to Easwaran (2010): Exploring the awareness of export documentation among agriculture processed food product exporters in Tamil Nadu was the focus of this study. The study variables included knowledge of customs declarations, certificates of origin,

phytosanitary certificates, and other export documents. A qualitative research methodology was employed, utilizing in-depth interviews and focus group discussions. Thematic analysis was performed to identify patterns and trends in exporters' awareness of export documentation requirements. The findings indicated varying levels of awareness among exporters, with some lacking understanding of documentation procedures, highlighting the need for capacity building initiatives and awareness campaigns.

4. Agriculture products export from Tamil Nadu

Agricultural product exports from Tamil Nadu play a significant role in the state's economy, contributing to revenue generation, employment opportunities, and rural development. Tamil Nadu, located in the southern part of India, boasts a diverse agro-climatic environment that supports the cultivation of a wide range of crops, including cereals, pulses, oilseeds, spices, fruits, and vegetables. The state's favorable geographical location, well-developed infrastructure, and access to ports facilitate the export of agricultural products to domestic and international markets, making it a key player in India's agro-export landscape.

One of the flagship agricultural products exported from Tamil Nadu is rice, particularly Basmati and non-Basmati varieties. The state's fertile plains and extensive network of irrigation canals make it conducive for paddy cultivation, with regions like the Cauvery delta and the Vaigai basin being major rice-growing areas. Tamil Nadu's rice exports cater to diverse international markets, including the Middle East, Southeast Asia, Africa, and Europe, where Indian rice is highly valued for its aroma, flavor, and cooking quality.

In addition to rice, Tamil Nadu is renowned for its production and export of spices, which are integral to Indian cuisine and are in high demand globally. The state cultivates a variety of spices such as turmeric, cardamom, pepper, cloves, and cinnamon, which are prized for their aroma, flavor, and medicinal properties. Tamil Nadu's spice exports cater to a wide range of industries, including food processing, pharmaceuticals, cosmetics, and perfumery, making it a major contributor to India's spice trade.

❖ Organic production in India

India has a rich tradition of practising organic gardening that dates back thousands of years. All forms of agriculture were conducted using organic methods in old India, where organic farming served as the economic backbone. Fertilizers, insecticides, and other agricultural supplies were derived from plant and animal products. This made it possible for an agricultural system that is more ecologically friendly and sustainable.

❖ Organic Agro Products and Markets in India

Major organic agro produces in India include plantation crops (tea, coffee, and cardamom), spices (ginger, turmeric, chillies and cumin), cereals, pulses, oilseeds (groundnut, castor, mustard and sesame), fruits (Banana, sapota, custard apple and papaya), vegetables (tomato, brinjal, and other leafy vegetable), besides honey, cotton and sugarcane especially for jaggery. The organic products available in the domestic market are rice, wheat, tea, coffee, pulses and vegetables. On the other hand, products available for export market, besides these, include cashew nuts, cotton, oilseeds, various fruits, ayurveda products and medicinal herbs.

5. Research Methodology:

The research methodology for studying the prospects and constraints of agricultural food product exports from Tamil Nadu involves a mixed-methods approach, combining both qualitative and quantitative techniques. Primary data will be collected through structured interviews and surveys with key stakeholders, including farmers, exporters, policymakers, and logistics providers, to understand their perspectives and challenges. Secondary data will be gathered from government reports, export statistics, and academic studies to analyze trends and policy impacts. The study will also employ SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to evaluate Tamil Nadu’s competitive advantages and barriers in the global

market. Statistical tools and thematic analysis will be used to interpret the data, ensuring a comprehensive understanding of the factors influencing agricultural food product exports from the region.

❖ **Demographic Profile of the Exporters**

The table 1 and figure 2 provides insights into the characteristics of export companies based on four key aspects: the nature of exporting, ownership type, company size, and operational duration.

Table No. 1: Percentage Analysis – Demographic Profile

		Frequency	Percent
Nature of Exporting	1.Seasonal	70	11
	2.Year around	570	88
	Total	640	100
Types of Ownership	1.Sole Proprietor	240	38.1
	2.Private Ltd.	302	47
	3.Public Ltd.	32	5.3
	4.Others	60	9.5
	Total	644	100
Size of the Exporter	1.Large Scale	72	11.6
	2.Medium Scale	262	41
	3.Small Scale	304	47.8
	Total	645	100
How long your company is being operating?	1.Less than 5 Years	72	10.2
	2.5 - 10 Years	192	29.6
	3.10 - 15 Years	216	33.1
	4.Above 15 Years	175	26.3
	Total	644	100

Source: (Primary data)

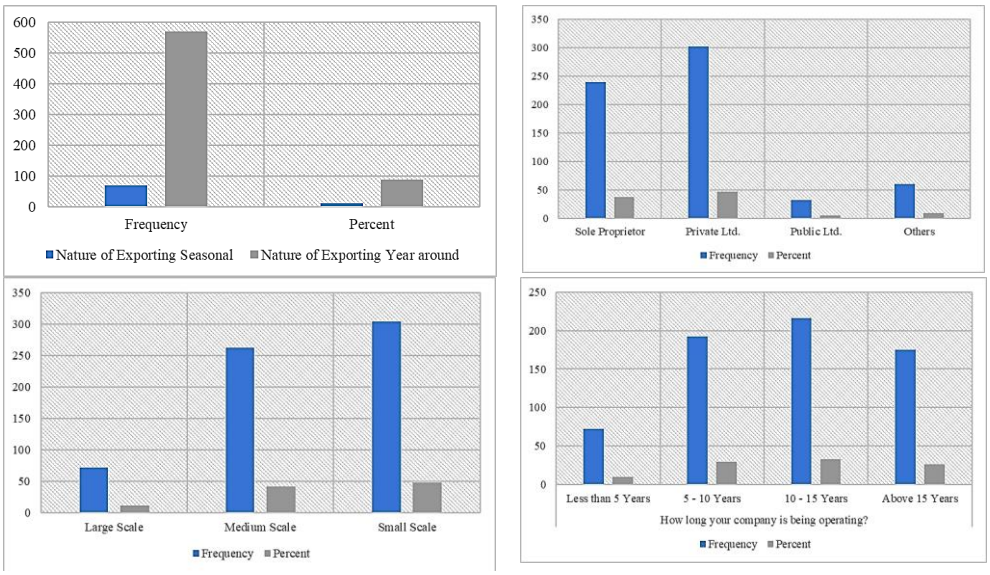

Figure 2: Distribution of Export Characteristics in Tamil Nadu's Agricultural Food Product Sector

❖ **Reliability Statistics – Export Performance**

The study assesses the reliability of various factors influencing the export performance of Indian agricultural processed food products (PFP) using Cronbach's Alpha, a measure of internal consistency. The analysis is based on 26 items that explore aspects such as product quality, pricing, packaging, marketing strategies, and government support.

Table No. 2: Reliability Statistics – Export Performance

Reliability Statistics				
Cronbach's Alpha	N of Items			
0.789	26			
Item-Total Statistics				
	Scale Mean if Item Deleted	**Scale Variance if Item Deleted**	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
Indian Quality & taste meets international standards.	53.257	28.749	0.086	0.702
Competitively priced in the international market.	53.4518	28.55	0.287	0.774
Indian PFP is sufficient to meet global demand.	53.3683	28.499	0.182	0.688
Indian PFP Packaging is attractive and meets international packaging standards.	53.4734	29.111	0.2	0.683
Indian PFP are perceived as safe and hygienic in the international market.	53.4672	29.003	0.221	0.684
The marketing efforts and strategies for promoting Indian PFP in the international market.	53.342	27.2	0.351	0.768
Export regulations and policies in India support the growth of the agricultural PFP industry.	53.3405	28.184	0.203	0.685
Indian agricultural PFP have a positive reputation in the global market.	53.4502	28.411	0.326	0.773
Export documentation and customs procedures in India are reliable, efficient and user-friendly.	53.3111	27.622	0.284	0.674
Indian agricultural PFP are compliant with international food safety standards.	53.4781	28.776	0.254	0.678
Indian exporters collaborate effectively with international distributors and retailers.	53.4873	29.189	0.203	0.681
Indian exporters respond promptly to international market trends and consumer preferences.	53.4502	28.442	0.275	0.774

Indian exporters provide excellent customer service to their international clients.	53.3915	29.03	0.118	0.69
The export promotion programs conducted by Indian trade associations benefit the agricultural PFP industry.	53.7569	30.476	0	0.691
Indian exporters invest in research and development to improve product quality and innovation.	53.4286	28.035	0.342	0.673
The Indian government provides adequate financial support for exporters of agricultural PFP.	53.3389	28.859	0.104	0.694
Indian exporters actively seek new markets and opportunities for expansion.	53.4533	28.757	0.245	0.678
Export-related bureaucracy and red tape in India hinder the growth of the agricultural PFP industry.	53.4611	28.289	0.338	0.672
Export subsidies and incentives in India are distributed fairly and transparently.	53.3158	27.67	0.279	0.678
The Indian government effectively negotiates trade agreements that benefit the agricultural PFP industry.	53.492	29.16	0.193	0.682
Export-related infrastructure, such as ports and transportation, needs improvement to boost exports.	53.427	28.032	0.362	0.673
The Indian agricultural PFP industry faces stiff competition from other countries.	53.4595	28.574	0.281	0.675
Indian exporters have strong relationships with international importers and buyers.	53.4394	28.561	0.273	0.671
The Indian government provides sufficient support for market research and intelligence.	53.3451	27.804	0.262	0.678
Indian exporters are responsive to environmental and sustainability concerns in the international market.	53.4518	28.241	0.341	0.672
Export-related disputes and legal challenges are handled effectively by Indian authorities.	53.3838	28.323	0.208	0.684

Source: (Primary data)

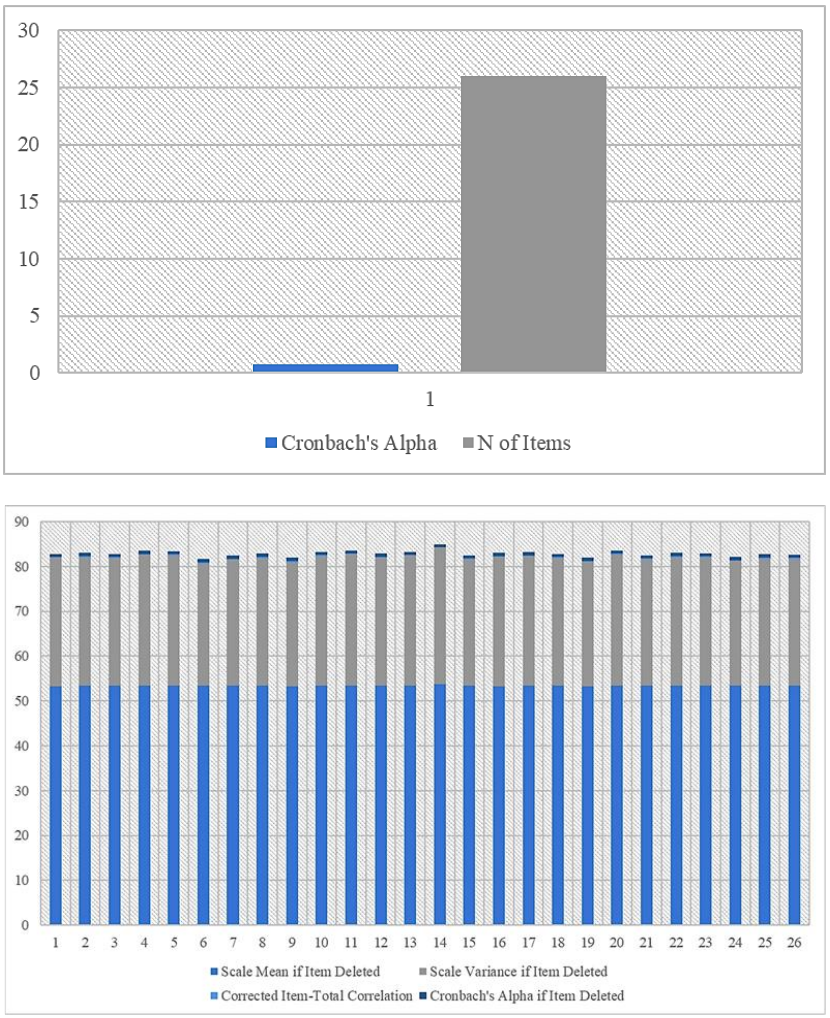

Figure 3: Reliability and Item-Total Correlation Analysis for Factors Influencing Agricultural Product Exports from Tamil Nadu

❖ **Interpretation**

The overall Cronbach's Alpha value of 0.789 indicates a good level of reliability, suggesting that the survey items consistently measure the factors related to export performance.

6. Findings for problems of organic agro producers

To learn more about the many difficulties the producers face, the researchers had one-on-one discussions with them. The questionnaire also includes open-ended questions designed to elicit feedback from producers on the difficulties they encounter. The limits information was obtained by the researchers via informal discussions and surveys, and it is provided here for your review:

❖ **Constraints faced by the Agro exporters**

- Main problem is cost involved in the production process. To produce organic products 3-4 times cost is involved when compared with conventional non-organic products.
- No market/less market share in India. For organic products usually the premium is very high due to the high production, processing and distribution cost. An ordinary customer in Indi cannot afford that price. Even in metro cities a big campaign is needed to attract rich customers and create awareness. This again adds cost and demand should be created within short time period because of the short shelf- life of the products.

- Financial shortage and quality maintenance problems
- Non availability of commodities and skilled manpower
- Infra-structure and system maintenance problems
- Changing climatic conditions and consumer tastes and preferences
- Competition and consistency in supply.
- Usage of IPM products (Integrated Pest Management) instead of organic products.
- Marketing problems.
- Inadequate Supporting Infrastructure -The state governments should formulate policies and a credible mechanism to implement them. Exclusive bodies and departments should be set up for that. More certifying agencies, awareness campaigns, organic markets, trade channels etc., are yet to be formed.
- High Input Costs -The costs of the organic inputs are higher than those of industrially produced chemical fertilizers and pesticides including other inputs used in the conventional farming system.
- Labour turnover.

❖ **Constraints faced by the Domestic Agro producers:-**

Government is not doing anything specifically to encourage organic producers and to increase the consumption of organic products. Government support is needed to create the public awareness.

- Lack of Awareness - Social groups and other stakeholders must show more interest in awareness building and encouraging the producers.
- Changing climatic conditions.
- Shortage of Bio-mass - The small and marginal cultivators have difficulties in getting the organic manures.
- Unexploited opportunities in national and international market.
- Absence of an Appropriate Agriculture Policy to co-ordinate and help organic producers.
- Absence of certification.
- Inability to tap the export market.

7. Conclusion

Exporting agriculture processed food products from Tamil Nadu presents a promising avenue for economic growth and international market expansion. However, several challenges and constraints hinder the realization of its full potential. Understanding these issues is crucial for devising effective strategies to overcome them and maximize the benefits of agricultural exports.

The suggested to comprehend the intricacies of the export process for agriculture processed food products from Tamil Nadu. While the state boasts a rich agricultural landscape and a thriving food processing industry, navigating the export procedures can be complex and daunting for exporters. Understanding the documentation requirements, export regulations, and logistical intricacies is essential for streamlining the export process and ensuring compliance with international standards.

All organic agro producers, whether exporters or domestic producers, agree that the sales of organic goods will increase over the course of the next five years and are happy with the direction their companies are taking. They made it obvious that they are willing to support the expansion of the business. They have high hopes for the future growth of the organic sector in Tamil Nadu and for the general uptake of organic products.

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