Study of Issues & Challenges Faced by Strawberry Exporters from Western Maharashtra Region

Dr. Sonali Dharmadhikari
Associate Professor,
Dept. of Financial Management,
BVDU, IMED, Pune-411038.

Abstract
Indian Economy is predominantly agrarian economy. More than two thirds of workforce is engaged in agriculture and allied activities. The paradox observed is that contribution of agriculture exports in total exports is relatively less than that of industrial goods.

While discussing with Mr. Balasaheb Bhilare, Chairman of the All India Strawberry Growers’ Association, the researcher observed that the strawberry growers are apprehensive in exporting strawberry crop and they are not aware of various export finance schemes as well as exports incentives offered by Govt. of India in Foreign Trade Policy. Hence, to probe further in the challenges faced by strawberry growers of Western Maharashtra, the researcher undertook the research work.

The research work takes a micro view and restricts its coverage to issues, prospects and challenges of Strawberry exporters.

With a view to make the scientific and systematic study, the Research work undertaken is carried out in two parts. The initial part of the study is based on secondary data collected from geographical aspect of the Western Maharashtra region, Strawberry cultivators, current scenario as regards domestic/ foreign market potential, Financial Institutions disbursing finance, the area under cultivation, climatic conditions, revenue generation etc.

The latter part of the study is based on primary data comprising of extensive survey carried through specially unstructured questionnaire to be administered to Strawberry cultivators and exporters.

All above aspects are critically analyzed further to explore the potential and prospects for “Strawberry Exports”.

In the concluding part of the study, on the basis of analysis of secondary and primary data recommendations are given.

Key Words: Strawberry Exports, Export Finance, Foreign Trade Policy, Agro exports.

Background of the Study: In this Post globalization era, cross border (international) trade is on the rise. Cross border trade has a direct bearing on Balance of Payment (BoP) position of the country. It is observed that a developing economy like India has experienced deficit in its BoP. In order to convert this deficit-ridden economy into surplus economy, thrust on “Exports” is a necessary concomitant for growth and welfare. Hence, it becomes imperative to stimulate “Exports” and therefore RBI has come out with various financial and non financial schemes to encourage exporters to take up export activity.

Indian Economy is predominantly Agrarian Economy. More than two third of workforce is engaged in agriculture and allied activities. The paradox observed is that contribution of agriculture exports in total exports is relatively less than that of industrial goods. The World Bank document in its comprehensive review of the performance of Indian Agriculture, draws attention to the flaws in policy and suggest strategy framework for an adjustment program.
Some of the critical areas identified are subsidies, prices, procurement of finance, domestic and foreign trade, investment & technology.

As mentioned in the World Bank document, the attention needs to be drawn to take a review of existing policies and strategies framed by government and identify limitations from the perspective of the beneficiaries. The policies in general deal with various issues right from prerequisites/ eligibility as well as financial assistance through Institutions and organizations along with subsidies related issues etc. with an aim to enhance agricultural sector contribution to the GDP. Thus, the World Bank document gives a broader coverage to Indian agricultural and various agro products and thus focuses upon macro-economic aspects.

The proposed research takes a micro view and restricts its coverage to study of strawberry exports from Western Maharashtra region and focuses upon financial assistance provided particularly by banks. The study is carried out to comprehend problems, prospects and challenges of Strawberry exporters.

The researcher has reviewed the available literature related to agro exports, Export Finance. The summary of review of literature is given below:

**Review of Literature:**
The following literature was reviewed by the researcher:

i) APEDA reports and sites (Export Statement of Agro Products)

ii) Reports published by RBI

iii) Finance Schemes by EXIM Bank

iv) RBI Journals and Reports on Indian Agriculture

The extensive review of literature has been carried out to study various aspects of typical Agrarian economy like India with respect to agriculture produce and crop patterns etc. These studies pertain to unemployment, poverty, urban disparity prevalent in a typical agrarian based economy. The RBI literature reviewed also covers policies enunciated from time to time for the promotion of agriculture. As agriculture provides a source of raw material for the industry, the literature reviewed also covers complementary relationship that exists between agriculture and industrial sector. The available literature at international level deals with macro aspects of strawberry exports in general.

The proposed study focuses on potential for “Export of Strawberry” from Western Maharashtra region and hence more of micro in nature.

**Summary of Literature reviewed:**

**Scope of Agro Exports:** Agriculture Sector plays very important role in Indian Economy. The agricultural economy of Indian states is drafted according to the needs of rural India. These sections of Indian population are engaged primarily with agriculture, directly or indirectly. Agriculture is the main source of Income for rural India. There is a lot of scope for agro exports from India.
The following data shows the composition of Exports of India.

**Graph 1.1: Composition of Exports of India (2013-14)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Primary Products</td>
<td>2.20%</td>
</tr>
<tr>
<td>II. Manufactured Goods</td>
<td>14.90%</td>
</tr>
<tr>
<td>III. Petroleum Products</td>
<td>18.30%</td>
</tr>
<tr>
<td>IV. Others</td>
<td>64.70%</td>
</tr>
</tbody>
</table>

**Changing structure of “Exports”**

The structure of Indian exports is typical of a developing economy. India has traditionally been an exporter of agricultural raw materials and manufactures based on agricultural raw materials. There has been a continuous decline in the share of agricultural raw material and allied products. One reason for the relative decline of food, beverages and tobacco in the total exports is the increase in domestic consumption of these goods. Accordingly, the export surplus in many traditional commodities like tea has not been increasing as much as the Government would have expected. In this context, the growing importance of certain engineering products, marine products, cashew kernels and coffee cannot be denied. Of late with the boom in the IT industry service exports (Software) has gained importance in the total composition of Exports.

Strawberry growers in the Panchagani-Mahabaleshwar belt of Maharashtra are expecting a bumper crop this year and a rise of 10-20% from the production in the previous year. The focus this year would continue to be on the domestic market because of the rise in demand in the domestic market. There have been several festivals that have been held in the past to increase awareness among the people and that have paid off. Around 50% of the crop is consumed by tourists while the rest are sent in the markets.

**Indian Strawberry Exports uncertain:** Higher domestic prices for strawberries in India, with a decline in production, could mean less of the country’s crop is exported to areas such as Europe and the Middle East this year. “Farmers were hoping to produce around 20,000 tonnes strawberry this year but the output is expected to come down by at least 30 per cent due to damages caused by post-monsoon rains,” said Balasaheb Bhilare, chairman of the All India Strawberry Growers' Association. According to a report in the Times of India there has been a significant decrease in the country’s crop due to inclement weather. Thus, the available literature focuses on scope of Agro exports, various Export finance schemes available to the exporters.

**Identification of Research Problem:**

**Research Gap:**

After reviewing the available literature, it was observed that:
• It focuses on macro aspects of Strawberry Exports.
• Thus, the study will focus on problems and challenges faced by exporters with focus on financing aspects.

Contribution of Agro Exports in total exports is comparatively less. The exporters are not availing Export Finance schemes, though schemes are offered by Govt. To know the issues of Strawberry exporters, the researcher has undertaken project titled “An Analytical Study of Strawberry Exports from Western Maharashtra Region from the perspective of Procurement of Export Finance and its Promotional Strategies.”

Objectives of the Study:
• To study the potential and growth prospects of strawberry exports.
• The study also aims to evaluate existing sources of mobilizing finance and the extent to which requirements of cultivators are meted out by Financial Institutions particularly bankers.
• To review the existing policies of APEDA, EXIM Bank, Foreign Trade Policy.

The research undertaken aims to study the potential and growth prospects of strawberry exports. The study also aims to evaluate existing sources of mobilizing finance and the extent to which requirements of cultivators are meted out by Financial Institutions particularly bankers.

Scope of the Study:
• Focuses upon financial assistance provided particularly by banks and strategies for promotion and exploring the possibilities of enhancing contribution.
• To comprehend problems, prospects and challenges of strawberry exporters.
• To evaluate existing sources of mobilizing finance
• Evolving strategy for the promotion of strawberry exports from Western Maharashtra region

The significance of the research paper lies in evolving strategy for the promotion of strawberry exports from Western Maharashtra region and to encourage the strawberry growers from Mahabaleshwar and Panchgani to take up exports as an entrepreneurial activity.

Research Methodology: With a view to make the scientific and systematic study, the Research work undertaken is organized as follows:
• The initial part of the study is based on “Secondary Data” related to global scenario of strawberry exports. The data is collected from geographical aspects of Western Maharashtra region, its crop pattern with special focus on strawberry cultivators and current scenario as regards domestic or foreign market potential, Financial Institutions disbursing finance etc.
• The later part of the study is based on “Primary Data” comprising of extensive survey carried out through unstructured questionnaire administered to Strawberry cultivators and exporters.
In the concluding part of the study, the Primary Data as well as Secondary Data is analyzed, after considering the findings, recommendations are given by the researcher.

**Text of the Paper: Strawberry Production and Exports from Maharashtra**

Maharashtra is India’s leading agriculture state. The state has achieved many innovative agro-industrial ventures, the sugar co-operative and cooperatives for cultivating and marketing, including exports of grapes, mangoes, strawberries etc.

Many decades after the British introduced strawberry cultivation in the Mahabaleshwar-Panchgani belt, near Pune.

Around three years ago, farmers from talukas such as Wai, Koregoan and Jaoli had been inspired enough by the success of strawberry cultivation in the nearby hill towns of Mahabaleshwar and Panchgani, to try their hand at it.

Today, an estimated 700 acres of land in these areas is devoted to cultivating the luscious, red, winter fruit.

The figure in and around Mahabaleshwar is 2,500 acres, which produced 24,000 tonnes of strawberry last year.

But with inclement weather bringing two consecutive bad years, the land under its cultivation is poised to drop, and farmers will opt for other crops, he says.

Cultivation of Strawberry: Mahabaleshwar and Panchgani – 70%, Wai, Koregoan, Jaoli and some parts of Nashik in Maharashtra and some parts of Himachal Pradesh – 30%.

**Overview of Export Promotional Measures:**

Exports play very important role in the growth of Indian economy. Government of India along with RBI has come out with various measures to promote exports.

**Promotion of Exports:** As a leading agricultural State in the country, today the state of Maharashtra has a major say in country’s agriculture sector and continues to play a role in export of agriculture produce and products from the country. Large portion of all horticulture produce exported from the country are from Maharashtra.

**Incentives for export awareness amongst farmers**

Government of India has sanctioned Agricultural Export Zones (AEZ) for Mango (Alphanso & Kesar), Pomegranate & Onion, on the same line AEZ for Banana & Oranges are under consideration. It is, therefore necessary to educate the farmers regarding importance and concept of AEZ and production technologies for export quality material as well as packaging, processing etc. This training will be organized in AEZ areas as well as remaining areas as per requirements.

**APEDA takes initiatives for development of strawberry and provides financial assistance to its registered member exporters under the following schemes:**

i) Scheme for Market Development

ii) Scheme for Infrastructure Development

iii) Scheme for Quality Development

iv) Scheme for Research and Development

v) Scheme for Transport Assistance
vi) Scheme for Transport Assistance  
vii) Agriculture Promotion Export plan schemes wef 1/4/14

**Sources of Export Finance:** The following are the commonly used sources of Export Finance made available by RBI and are classified as shown in the chart given below:

![Diagram of Sources of Export Finance](image-url)
Export finance means Short Term Working Capital Finance which is purpose oriented and need based. To promote exports, Government of India in association with RBI has come up with various financial measures. **Conclusion:** Though various Export Finance schemes are available for exporters, the awareness among Strawberry growers and exporters is very less and the utilization of schemes is not up to the mark.

**Research Design & Data Analysis**

The Research Design developed for the project is **Exploratory in nature**.

The process of Exploration has begun with the analysis of Secondary Data which is obtained from the following sources:

1. Strawberry Exports from Western Maharashtra region
2. RBI Circulars on Export Financing schemes
3. Statistical data published in various RBI Reports and Magazines
4. Export Finance Schemes by EXIM Bank

The Secondary Data collected from above sources is elaborated further and same has been classified, presented and analyzed systematically. The Exploration of Primary Data is done through an Experience Survey of following focused group of Strawberry Cultivators & Exporters from Western Maharashtra.

**Representative Sample from the Target Population:**

The Target Population of the research undertaken comprises of various exporters. As per All India Strawberry Growers’ Association’ Report, there are 1,980 strawberry growers which constitutes Target Population of the research.

The researcher has identified and selected sample of eighty strawberry growers to make the sample size representative one.

In order to elicit the information from each category of the above samples selected, the researcher has used the standard technique of survey through unstructured Questionnaire.

**Statistical tool for interpretation of data:**

For analysis of the Primary Data collected, the researcher has initially prepared Frequency Table and then made use of percentages for simplifying the data by reducing all numbers to a range of 0 to 100 and then translated the data into a standard form with a base of 100 for relative comparisons.

Thus, the Statistical tools used for Analysis Nominal Data collected from Primary and Secondary sources are:

1. Percentage method to analyze Primary Data
2. The analysis of Secondary Data is done through usual statistical tools like Graphs, Bar charts etc.

The Primary Data so collected and analyzed along with the Secondary Data has formed the basis to provide suggestions and recommendations.

**Data Analysis:** The Research Design adopted for the study undertaken is Exploratory in nature. This exploration process is carried out in two parts:
I. By going through literature search like published material in the form of textbooks, articles and journals mainly based on Secondary Data.

II. By exploratory interviews with “Focus group” comprising of survey through unstructured questionnaire and interview which forms the Primary Data.

Presentation of data collected from Primary sources viz., Survey through Unstructured Questionnaires & interviews of Strawberry Growers & Exporters

The specifically designed unstructured Questionnaire was administered to the representative group of Strawberry Growers & Exporters (80) from Western Maharashtra region. The research work is of Exploratory and the data collected is of “Nominal” in nature.

For analysis of the data so collected, the researcher has initially prepared Frequency Table and then made use of percentages for simplifying the data by reducing all numbers to a range of 0 to 100 and then translated the data into a standard form with a base of 100 for relative comparisons. The Question wise percentage responses are presented in a summarized format below:

i) Proportion of Strawberry Growers & Exporters

<table>
<thead>
<tr>
<th>Proportion of Strawberry Growers &amp; Exporters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Strawberry Growers</td>
<td>92%</td>
</tr>
<tr>
<td>ii. Strawberry Exporters</td>
<td>08%</td>
</tr>
</tbody>
</table>

ii) No. of years in Export Business

<table>
<thead>
<tr>
<th>No. of years in Export Business:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Less than 3 years</td>
<td>7%</td>
</tr>
<tr>
<td>ii. 3 years to 5 years</td>
<td>25%</td>
</tr>
<tr>
<td>iii. 5 years to 10 years</td>
<td>51%</td>
</tr>
<tr>
<td>iv. Above 10 years</td>
<td>17%</td>
</tr>
</tbody>
</table>

The Question wise percentage responses are presented in a summarized format below:

![Proportion of Strawberry Growers & Exporters](image1)

![No. of years in Export Business](image2)
iii) Percentage of Exports to Total sales

<table>
<thead>
<tr>
<th>Percentage of Exports to Total sales: 2013-14</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. 10% to 20%</td>
<td>90%</td>
</tr>
<tr>
<td>ii. 20% to 30%</td>
<td>05%</td>
</tr>
<tr>
<td>iii. 30% to 50%</td>
<td>05%</td>
</tr>
<tr>
<td>iv. More than 50%</td>
<td>0%</td>
</tr>
</tbody>
</table>

iv) Membership of Export Promotion Council

<table>
<thead>
<tr>
<th>Membership of EPC:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Yes</td>
<td>95%</td>
</tr>
<tr>
<td>ii. No</td>
<td>05%</td>
</tr>
</tbody>
</table>

v) Exporters availing facility of Export Finance

<table>
<thead>
<tr>
<th>Exporters availing facility of Export Finance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Yes</td>
<td>68%</td>
</tr>
<tr>
<td>ii. No</td>
<td>32%</td>
</tr>
</tbody>
</table>
vi) Usage of working credit facility available

<table>
<thead>
<tr>
<th>Total working credit facility available:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Cash Credit</td>
<td>95%</td>
</tr>
<tr>
<td>ii. BP/BD</td>
<td>50%</td>
</tr>
<tr>
<td>iii. FOBN</td>
<td>80%</td>
</tr>
<tr>
<td>iv. Term Loan</td>
<td>15%</td>
</tr>
<tr>
<td>v. Overdraft</td>
<td>5%</td>
</tr>
</tbody>
</table>

vii) Awareness of availability of Export Finance in Foreign Currency

<table>
<thead>
<tr>
<th>1. Awareness of availability of Export Finance in Foreign Currency:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Yes</td>
<td>60%</td>
</tr>
<tr>
<td>ii. No</td>
<td>40%</td>
</tr>
</tbody>
</table>

viii) Usage of Source of Export Finance

<table>
<thead>
<tr>
<th>Source of Export Finance used:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Pre-shipment Credit in Rupee</td>
<td>65%</td>
</tr>
<tr>
<td>ii. Post-shipment Credit in Rupee</td>
<td>65%</td>
</tr>
<tr>
<td>iii. Pre-shipment Credit in Foreign Currency</td>
<td>15%</td>
</tr>
<tr>
<td>iv. Post-shipment Credit in Foreign Currency</td>
<td>15%</td>
</tr>
<tr>
<td>v. Factoring</td>
<td>5%</td>
</tr>
<tr>
<td>vi. Forfaiting</td>
<td>5%</td>
</tr>
</tbody>
</table>
ix) **Export Promotion Facilities utilized:**

<table>
<thead>
<tr>
<th>Facilities utilized</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Cash Incentives</td>
<td>45%</td>
</tr>
<tr>
<td>ii. EPCG</td>
<td>55%</td>
</tr>
<tr>
<td>iii. Duty Drawback scheme</td>
<td>36%</td>
</tr>
<tr>
<td>iv. EEFC A/c</td>
<td>42%</td>
</tr>
<tr>
<td>v. Market Access Initiative scheme</td>
<td>15%</td>
</tr>
<tr>
<td>vi. Marketing Development Assistance</td>
<td>12%</td>
</tr>
<tr>
<td>vii. Any other scheme (DEPB)</td>
<td>9%</td>
</tr>
</tbody>
</table>

x) **Terms of trade in respect of Export transactions:**

<table>
<thead>
<tr>
<th>Terms of trade in respect of Export transactions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Advance Payment</td>
<td>20%</td>
</tr>
<tr>
<td>ii. Open account</td>
<td>10%</td>
</tr>
<tr>
<td>iii. Bills on collection</td>
<td>20%</td>
</tr>
<tr>
<td>iv. Letter of credit</td>
<td>85%</td>
</tr>
<tr>
<td>v. Combination of above</td>
<td>60%</td>
</tr>
</tbody>
</table>
Researcher’s Observations based on the Primary Data collected from Strawberry Growers & Exporters:

Data Analysis:
The responses to the questionnaire administered to the Strawberry Growers & Exporters are analyzed below:

i) Strawberry growers prefer to sell the crop of Strawberry in the domestic market than exports. (8% Strawberry growers have exports business)

ii) Maximum exporters are in the range of three years to ten years in the business of exporting strawberry. (76% exporters)

iii) The percentage of exports to total sales is in the range of 10% to 20%.

iv) Maximum Exporters have availed membership of Export Promotion Council.

v) The percentage of exporters availing Export Finance is not up to the mark. (68% exporters are availing export finance).

vi) Maximum exporters are availing Cash Credit facility.

vii) Forty percent exporters are not aware about Export Credit in Foreign Currency.

viii) Pre shipment & Post shipment credit in Rupee is the most popular source of Export Finance. (65% exporters are availing). The use of other sources of finance is negligible.

ix) The incentives offered in the form of non financial schemes like Market Access Initiative, Marketing Development Assistance are not availed off by the exporters while financial schemes like EPCG or Duty drawback are availed off frequently.

x) Letter of credit is found to be the most popular method of trade settlement.

xi) Though exporters are aware of Foreign Currency financing, however found to be apprehensive in opting for same.

xii) Banks are very comfortable in financing bills drawn under L/C where payment and performance is secured and found to be averse on financing Bills under collection basis.

xiii) Though bankers agree the usefulness of the scheme when it comes to implementation, they found to be lethargic as bankers do not have any marketing strategy to promote EBD.

Findings:

Strawberry Cultivation:

• The Panchgani-Mahabaleshwar belt contributes around 85% of the total production in the country. The rest come from Himachal Pradesh and Jammu and Kashmir.

• The Strawberry Growers Association has seen a rise in demand from markets in Bangalore, Chennai and Hyderabad, in addition to regular markets in Mumbai and Pune. Around 15-20 tonne strawberry find way to Chennai and Bangalore. Retail chains have also emerged as major buyers with Reliance Retail purchasing around 100-150 tonne from the growers. Other retail chains such as Big Bazaar purchase similar amounts from local traders.
There were farmers having ½ & 1 acres of land and more, were in developing stages and extension of green house and cold storage were under constructions.

Strawberry market has a very bright future &Prospects.

Season of Strawberry: Dec, Jan, Feb, March, April, May

Infrastructure required: Cold storage, also cold van which keeps the quality of Strawberry-fresh for more than 5 & 7 days.

Farmers having minimum land of 5000 sq. mtr. can start this business.

Initial Investment required: Rs.2,00,000 to around Rs.2,75,000 is needed. In which structure plan, soil to plant and irrigation is included.

Farmers are not aware of the new technology of cultivating. But this information and technical know-how information is provided to small farmers.

Organic fertilizers and pesticides can be alternative to more expensive imported fertilizers but organic fertilizer gives effect very slowly and steadily, where as criteria for export is very rigorous. if a very small infection of pest and disease being found whole assignment gets rejected so we don’t take any risk as Strawberry exporters require results in one two days i.e. in hours.

Majority of income spread on royalty to their exported nations. Agricultural research has tremendous potential, but unlikely the Govt. is not giving importance to research and development of this particular area, where the substantial flow is required. But yes if our Govt. gives high recognition to this issue we decently can have our own strawberry variety which can change the cost ratio tremendously.

After nearly 2 months Strawberry plant starts giving its first season then nearly by 40 to 45 days, second lots of strawberries are ready for cutting.

There is scarcity of water, only seasonal crops were possible. Different vegetables are cultivated, but the prices are very volatile. Thus, hardly any profit left compared to the hard effort and cost put in. As compared to this, Strawberry fetches good profit margin.

Farmers are not aware and not using any Farm Insurance to cover risk due to natural calamities.

High degree pesticides are being imported.

The decrease in production, combined with effective marketing, has pushed up prices in the country’s major cities.

Unseasonal rains in Maharashtra have washed away prospects of good returns for these cultivators for the second year in a row.

**Strawberry Exports and Export Finance:**

There are too many hassles involved in exports and therefore it is easier to tap the domestic market. “Pesticide Residue Norms” in strawberries pose a major problem for potential exporters and a pilot consignment sent a few years ago had to be sent back
because of this issue. Farmers usually end up using pesticides because of erratic climatic conditions and this causes problems later.

- The focus is on the domestic market because of the rise in demand. Previously, customers were under the impression that this is a fruit that could only be enjoyed by Britishers. However, there have been several festivals that have been held in the past to increase awareness among the people and that have paid off. Around 50% of the crop is consumed by tourists while the rest are sent in the markets.
- Farmers are facing challenges owing to rise in input and labour costs. Labour cost has doubled in last one year and it becomes difficult for farmers to sustain this crop. Therefore, the acreage under cultivation is expected to go up by a modest 100 acre next year. India is a negligible player in the world strawberry market of over four million tonnes. USA is the biggest producer.
- Few Strawberry Exporters are availing incentives of APEDA, as they are not aware about the schemes available.
- Strawberry fruit has export demand and strawberry plant is itself very delegate, which is susceptible to disease. Lot of care has to be taken while cultivating Strawberry.
- Export is not possible at small farmers’ level. As they do not have refrigerated vans for transport, storage facility is not available at both the ends for small growers. Since there is a good domestic demand, domestic sale is easy.
- Small scale farmers cannot take the advantage of diff Govt. incentives nor the facilities.
- In the course of discussion with respondents it was revealed that price paid to small farmers and price earned by the exporter there is a sizeable (large difference)
- Producing fruit for domestic consumption was desirable as growers saved on costs associated with complying with foreign market regulations. The returns from domestic markets are around Rs80,000 per acre [US$1,800], while exports would fetch us Rs1 lakh [Rs100,000]. But the process of exporting the fruit is annoying as one has to follow recommended processing methods and use only permitted pesticides and fertilisers. It also involves a lot of documentation, which is time-consuming. Hence, strawberry growers prefer to sell my produce in domestic market.
- Strong marketing in metro cities helped to place the fruit in star hotels, attracting more customers. The annual strawberry festivals attracted higher middle class people from Pune and Mumbai. This resulted in an increase in demand in the domestic market, which led to higher returns. So most of the farmers are focusing on marketing the fruit in local markets.

Conclusions:
I. Majority small scale farmers prefer domestic market rather exports for various reasons as follows:

There is rise in demand in the domestic market and strawberry is fetching quite good price.
• It is difficult for farmers to achieve International standards to export strawberry like pesticide residue norm, due to which the consignments gets cancelled and farmers have to suffer huge loss.
• There is a huge difference in price paid to small farmers and price earned by exporters.
• Small scale farmers cannot avail schemes of Export Finance.

II. Lot of improvement has to be done in the cultivation process of Strawberry:
• Due to natural calamities and unseasonal rains, farmers suffer huge loss in the strawberry crop.
• The farmers are using imported costly fertilizers.
• Farmers are not aware about new technology of cultivation, technical knowhow.
• For a developing economy like India having deficit in BoP as a chronic feature, Export is the only reliable and permanent source of earning Foreign Exchange.

III. Though, Government along with RBI has launched various Export Promotion schemes as well as provided export finance at concessional rate, the results are not up to the mark:
• As India is known as agrarian economy, the percentage of contribution of Exports to the GDP is relatively less from agro exports. In fact the surplus in the BoP was attributed to the service exports only.
• The Export business have been taken up by large, medium and small industries however, entrepreneurship initiative is missing and concerted efforts to develop entrepreneurship skills exclusive for exports is the need of an hour particularly such entrepreneurship can be identified from rural sector thereby promoting agro exports.
• The reasons for unutilized export credit limit needs to be investigated and probed further by the Bankers as well as policy makers.

Recommendations:
• Exports & Exports Finance Awareness Program:
  Steps should be taken to make the strawberry growers aware about:
  a) Importance of exports,
  b) Exports Procedure & Documentation
  c) Exports Incentive Schemes from Foreign Trade Policy
  d) Exports Finance Schemes by RBI
  e) Advantages of Export Credit in Foreign Currency
• Training on using Latest technology of cultivating strawberry, information of technical knowhow should be given to all strawberry growers.
• To take up extensive Agricultural research so as to improve the quality of strawberry fruit to meet international standard. Research should be conducted in the area of fertilizers to avoid importing fertilizers.
• Instead of depending on rains, irrigation facilities should be given to the farmers.
• It is observed that majority of strawberry growers are shying away from the Export Market and prefer to continue production in the domestic market. The reasons put forward are that returns are relatively less attractive than returns in domestic market, in addition to adherence to standards and lack of institutional support. It is felt that solution does not lie in shying away from the export but investigating and probing deeper into issues like maintaining quality standards, making available institutional, financial support.

• To take necessary measures to induce strawberry growers in India to enter into export market rather than shying away from market.

• To comprehend problems faced by growers when they enter into export market and initiate efforts to tackle the problems effectively through institutional, financial and other support.

• To develop supply chain management right from production, delivery, distribution and consumption stage.

• To explore the possibility of giving subsidy to the strawberry exporters desirous of entering into foreign market.

• To monitor sales at regular intervals by conducting workshops under the guidance of APEDA, Export Promotion Councils and other agencies.

• To induce rural youth to take up strawberry export as lucrative entrepreneurial activity.

• To develop Cluster development Plan by identifying particular area.

• To give more thrust on developing Processed Food instead of traditional export.

• It is observed that strawberry growers are not using any tool to manage the risk and suffering huge losses. Information should be provided to them about use of Insurance and derivatives to manage risk to tide over market volatility.

References

Reference Books:


Websites:

[7] http://www.dgciskol.nic.in/ (Directorate General of Commercial Intelligence and Statistics Ministry of Commerce and Industry) “India’s Exports of Principal Commodities” and “country wise analysis of India’s exports”

Journals:
[1] Times journal of Agriculture
[3] Foreign Trade Review