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RBI Working Paper No. 03/2023: Competitiveness and Determinants of Agricultural Exports - Evidence from India

Today the Reserve Bank of India placed on its website a Working Paper titled, "[Competitiveness and Determinants of Agricultural Exports: Evidence from India](#)" under the Reserve Bank of India Working Paper Series¹. The paper is authored by D. Suganthi.

Domestic and global commodity price cycles influence India's export competitiveness of agricultural commodities. Against this backdrop, this paper examines the relative export competitiveness (REC) of eight agricultural commodities (rice, wheat, maize, gram, groundnut, onion, bovine meat and shrimp) from 1990 to 2020.

The major findings of the paper are:

- i) India's rice exports were most competitive during the study period, followed by groundnut, shrimp, gram, onion and bovine meat.
- ii) Higher competitiveness, elevated global prices relative to domestic prices and a stable export policy contribute to improved agricultural export performance.
- iii) India needs to expand its trading partners by shaping alliances through bilateral and free trade agreements. There is a need to increase the value addition and product differentiation through promotion of processed and organic commodity exports. In addition to forming agri-clusters through the scheme 'One District One Product', there is also a need to develop organic or pesticide-free clusters through farmer producer organisations to boost the export of organic products to high-income countries.

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(Yogesh Dayal)
Chief General Manager

¹ The Reserve Bank of India (RBI) introduced the RBI Working Papers series in March 2011. These papers present research in progress of the staff members of the RBI and at times also those of external co-authors, when the research is jointly undertaken. They are disseminated to elicit comments and further debate. The views expressed in these papers are those of the authors and not necessarily those of the institution(s) to which they belong. Comments and observations may please be forwarded to the authors. Citation and use of such papers should take into account its provisional character.