

ABSTRACT

The gap between India's relative competitiveness in agricultural production and its status in the world agricultural trade is the dominant concern of this research effort. This exercise endeavors to analyze some of the issues that explain India's current performance in international markets and generate broad guide-lines for future corrective action. A significant proportion of this effort is directed towards analysing consequential firm-level decisions and grasp their impact on the firm's export competence and performance. In addition, this research effort attempts to analyse the government policies directed at this sector and their implications for enhancing India's export performance.

The specific objectives of this research effort are:

- * To analyse the Government policies prior to the New Economic Policies announced in 1981 and their impact on the Structure, Conduct & Performance of the Fruit & Vegetable Processing Industry in India.
- * To assess the changes proclaimed in the New Economic Policies in 1981 and identify the signals communicated to the Fruit & Vegetable Processing Industry in India.
- * Given such macroeconomic insinuations, to investigate the process and the context in which product and market decisions are made in an exporting firm and understand the linkages of such decisions with other elements of an export strategy.
- * To identify the various patterns of strategic response emerging in the Fruit & Vegetable Processing Industry in the context of the emerging constraints and opportunities.

The methodology for this exercise includes an initial study of some exporting firms, in the form of caselets, which has been used as a basis for defining the research problem. Further, case studies of a representative sample of Manufacturer and Merchant Exporters have been undertaken to analyse the firm-level responses to the emerging opportunities and constraints in this sector. In addition, a sample-survey of small and medium-scale processors has been conducted to widen the coverage of this study and represent all dominant categories in this sector.

The scope of this study is limited to the Fruit & Vegetable Processing Industry in India and the Processed Fruits & Vegetables Products exports (Category 5), as defined by the Directorate General of Commercial Intelligence & Statistics.

The first stage in this research-exercise is the analysis of Government policies, specifically the industrial, foreign investment & technology, trade and export-promotion policies, and their impact on the food-processing sector and the Fruit & Vegetable Processing Industry in India. Here, the Government policies have been categorised as those prevalent in the pre-1991 phase and New Economic Policies administered in the post-1991 years. The structure, conduct and performance of the Fruit & Vegetable Processing Industry has been presented in the perspective of these policies. This stage concludes with the identification of some of the emerging opportunities and constraints for firms in the Fruit & Vegetable Processing Industry.

The second stage of this work is the analysis of firm-level strategies and resource-allocation decisions in the context of the signals transmitted from the new macroeconomic setting. This stage includes case-studies of Manufacturer and Merchant Exporters, representing distinctive categories in the organised/corporate segment of the Fruit & Vegetable Processing Industry. These cases indicate the pattern of strategic responses in this Industry, which have been explained in reference to the objectives and resources of each firm. Specific attention has been given to the manner in which these firms managed their downstream operations and their proposed resource-allocation decisions. In the longitudinal analysis of the cases, the Value-Chain Framework has been utilised to depict the shifts in firm-level strategies and competitive base. The principal elements of firm-level strategies, identified from the review of literature and preliminary analysis, have been considered for a cross-sectional analysis of these cases.

This stage also includes a sample-survey of small & medium-scale processors, with specific emphasis on their resource-profile, product & market composition of exports and reactions to prevalent Government policies.

The concluding section of this dissertation focuses on the promotional policies of Agricultural & Processed Foods Export Development Authority (APEDA) and the Ministry of Food Processing Industries, the two nodal Government agencies, and the Industry's expectations in reference to such policy-support.

It is expected that the findings of this study would be a useful input for initiating corrective government policy measures. In addition, these deductions can possibly help generate a plausible construct that would act as a signpost for the future resource allocation decisions of firms engaged in this business.