

## Chapter - 1

### **Trade and Development Linkages**

Trade can be a powerful source of economic growth. International trade can expand markets, facilitate competition and disseminate knowledge, creating opportunities for growth, poverty reduction and human development. Trade can also raise productivity and increase exposure to new technologies, which often spurs growth. But while broad based economic growth is necessary for human development, it is not enough. To ensure that benefits of international trade percolates down to the grassroots stakeholders, complementary domestic policies need to be in place. Synergy between Trade and Human Development thus requires proper international trade policies that are complemented by appropriate domestic policies.

In the Indian context, the National Foreign Trade Policy 2004-2009 envisages a programme that seeks to secure economic growth and national development. The enunciation of the NFTP makes it evident that foreign trade is not just about exports and imports but incorporates such concerns as economic growth and employment generation, especially in the context of semi-urban and rural areas. In order to promote economic growth, the NFTP considers further liberalisation of the tariff regime and simplification of procedures, to bring down transaction costs while engaging in trade related activities. And the concern for employment-generation is sought to be addressed through the promotion of employment-intensive exports in areas such as agriculture, horticulture, gems and jewellery, leather & footwear, handloom & handicraft and marine products. The Foreign Trade Policy is built around two major objectives. These are:

- (i) To double our percentage share of global merchandise trade within the next five years; and*
- (ii) To act as an effective instrument of economic growth by giving a thrust to employment generation*

The Annual supplement (2006) to the NFTP draws attention to a ‘*Grand Leap Forward*’- showing that in just two years, exports have jumped by 60 per cent, from \$63 billion to \$101 billion. Yet the intriguing question is how much of the resultant benefits have accrued to the real producers. India’s development would remain largely vacuous if these producers do not enjoy a fair proportion of the fruits of economic growth resulting from foreign trade.

This case study is an attempt to understand whether benefits (or, adverse effects) of International Trade are percolating down to (reaching) the grassroots stakeholders by way of affecting (increase in) employment and hence disposable income. The study enquires into the channels through which such benefits are reaching (or, not reaching) the grassroots stakeholders.

## Chapter - 2

### **Methodology of the Case study**

#### *2.1 Selection of Specific Product*

Mango was selected as the specific product to be studied in the second year of GRANITE-II in West Bengal. Some of the major reasons for selecting mango are as follows:

- ⇒ Mango, called the king of fruits in India, accounts for 40 percent of the national fruit production of 22.168 million tonnes a year
- ⇒ It occupies 42 percent of the country's 24.87 million hectares land under fruit cultivation
- ⇒ India exported 79,060.88 MT of fresh mangoes with the value of Rs.141.93 crores (USD Million 31.48) in 2006-07
- ⇒ India is estimated to account for about 60 percent (9.5 million tonnes) of the world's mango production of 15.7 million tones.
- ⇒ West Bengal is one among the top ten mango producing states in India
- ⇒ Mango constituted 22.3 percent of the total fruit production in the state during 2005-06

#### *2.2 Selection of site for the study*

Malda being the area with highest production of mango in the state and also the district with the largest area dedicated to mango cultivation was the most obvious choice for the study. Malda was also declared an Agri Export Zones for Mango under *the EXIM Policy 2001*. Further, due to its proximity to Bangladesh the area is highly convenient & suitable as a hub of inter country mango trade between India & Bangladesh, one advantage none of the other districts of the State enjoys. In Malda the study concentrated in *Amriti* Gram Panchayat and *Sadullahpur* Gram Panchayat (GP) of Englishbazar Block and *Araidanga* Gram Panchayat of Ratua-II Block, selected primarily on the basis of feedback received from the exporters and mango merchants.

### 2.3 Sample composition and sample size

A sample of one hundred and ten (110) was interviewed. Sample composition was as follows:

**Table 1. Table showing the various stakeholders along with their role in a mango economy**

Serial Number	Stakeholder Category	Their Role in the <i>Mango-Economy</i>	Number
1.	Mango Exporters	Export mango to Other countries (though a majority of them export mango to Bangladesh only)	7
2.	Mango Merchants ( <i>Mahajan</i> )	This group of stakeholders invest their money in mango cultivation which includes buying and selling of orchards. They appoint <i>Barials</i> , who purchase/ sell orchards on their behalf and also oversee the activities necessary to maintain the orchards during the entire cultivation period. The mango merchants share profit with <i>barials</i> on pre-specified terms. The mango merchants may or may not have their own marketing network. During the ripening season for mango, the mango merchants sell the produce either to the local wholesaler ( <i>aratdars</i> ) or to the exporters.	6
3.	Growers	Primary stakeholders who grow mango. They are different from the <i>baryials</i> in the sense that the <i>baryials</i> are more like contractors and share profit with the merchants. Growers on the other hand invest their own fund, look after their own orchards and finally sell the product themselves to the <i>aratdars</i> . Growers also do not share their profit with any other group of stakeholders.	35
4.	Labourers	This refers to the wage labourers working in the orchards. They get their payment either daily or, weekly.	50
5.	Processing Units in the Formal Sector	The processing units registered with the Department of Food Processing Industries & Horticulture (DoFPI&H) or any other government certifying agencies	3

**Table 1. Table showing the various stakeholders along with their role in a mango economy .....(contd.)**

<b>Serial Number</b>	<b>Stakeholder Category</b>	<b>Their Role in the <i>Mango-Economy</i></b>	<b>Number</b>
6.	Processing units in the Informal Sector	The unregistered units mainly engaged in selling mango slice to the various registered Food Processing units for preparing pickles	1
7.	Women	They prepare various mango products like <i>Amshawtto</i> , <i>Amchur</i> . They also work in various fruit processing units (locally called <i>SLICE FACTORIES</i> ) in both formal & informal sectors during May-August	5
8.	Packing Box manufacturing unit	After the mango is plucked, it is packed in wooden boxes for exporting to Bangladesh or other states of India. This is necessary to prevent the fruits from perishing in transit.	3
<b>TOTAL</b>			<b>110</b>

### Chapter – 3

#### **NFTP: The backdrop and early developments**

Malda is one of the largest producers of mango in the State as well as the district with the largest proportion of cultivable land devoted to mango cultivation. The major export destination for Malda mangoes has been, and to a large extent still is, Bangladesh. The growers, till a very recent time, were not much concerned with the quality specifications of mango produced. The reason for this was threefold - *firstly*, the growers were not enough informed and hence were not aspiring for international markets other than Bangladesh, *secondly*, the sanitary and phyto-sanitary measures (SPS), that have now been introduced in the international trade clauses, were not so stringent in the past, *lastly*, the growers were more concerned with immediate production rather than the sustainability of future productions i.e. they were not aware of the downsides & evils of using chemical fertilizer and pesticides.

A transformation in the mango-economy emanated after Government of India earmarked Malda as an Agri-Export Zone for Mango (AEZ Mango) in 2001. The idea was to ensure a holistic development in the mango-economy that will benefit all the related stakeholders in the economy. The thrust was on fostering a more export oriented production of mango in Malda. In the years that followed, the idea of export oriented production received greater thrust through various policies and schemes of the National Horticulture Mission (NHM). Another important development in this respect was the introduction of the National Foreign Trade Policy (NFTP), 2004-09, which was aimed at chalking out long term strategies to enhance India's share in International trade.

In the Political front there were significant changes as well. During the Lok Sabha elections 2004-09, the United Progressive Alliance (UPA) assumed power. After forming the ministry, UPA announced a number of pro-poor strategies for overall development of the economy with primary focus on the Millennium Development Goals. Almost at the same time the idea of bottom-up approach in political decision making assumed greater importance. These policies along with the changing face of governance in India together attempted to ensure a better trickle down effect of development at the grassroots and so started the process of gradual transformation that the mango economy of Malda is witnessing now.

## Chapter- 4

### **Major findings of the case study**

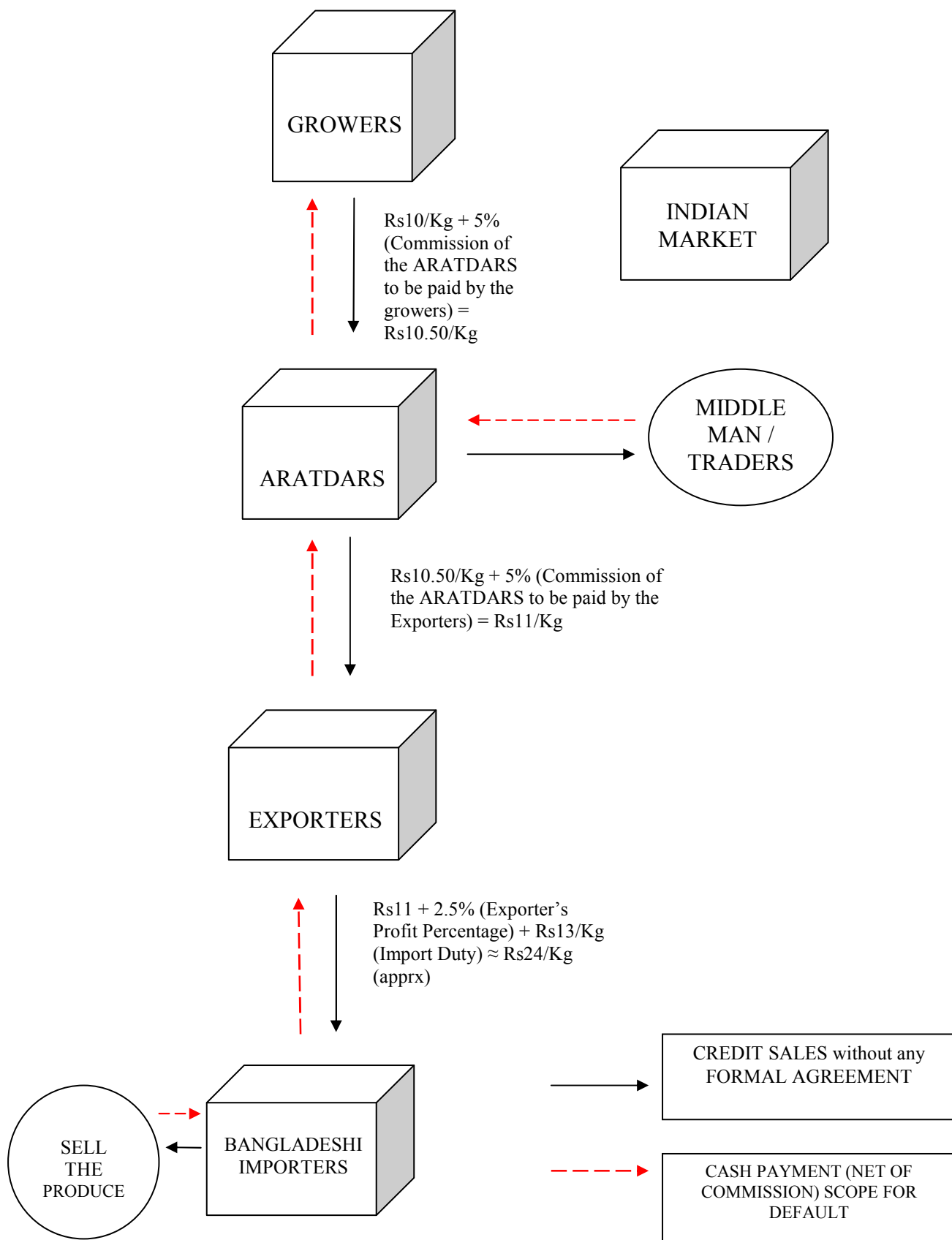
The case study tried to identify and document the major trends and practices that are prevalent in the Malda mango economy along with researching the effect that trade and more specifically NFTP 2004-09 has had on them so far. The focus of such research was to specifically identify how the grassroots stakeholder are being affected by trade and how the consequent change in factor flows influence specific variables viz. employment, gender balance etc. The overall perspective gathered indicated that the NFTP did in ways influence these factors. However to grasp how such mechanisms work, it is necessary that one gains a workable idea about the inter-linkages among various stakeholder groups in the mango economy along with a clear idea regarding the flow of commodity and money in the economy.

### **Interlinkage among the various stakeholders in the Mango Economy of Malda**

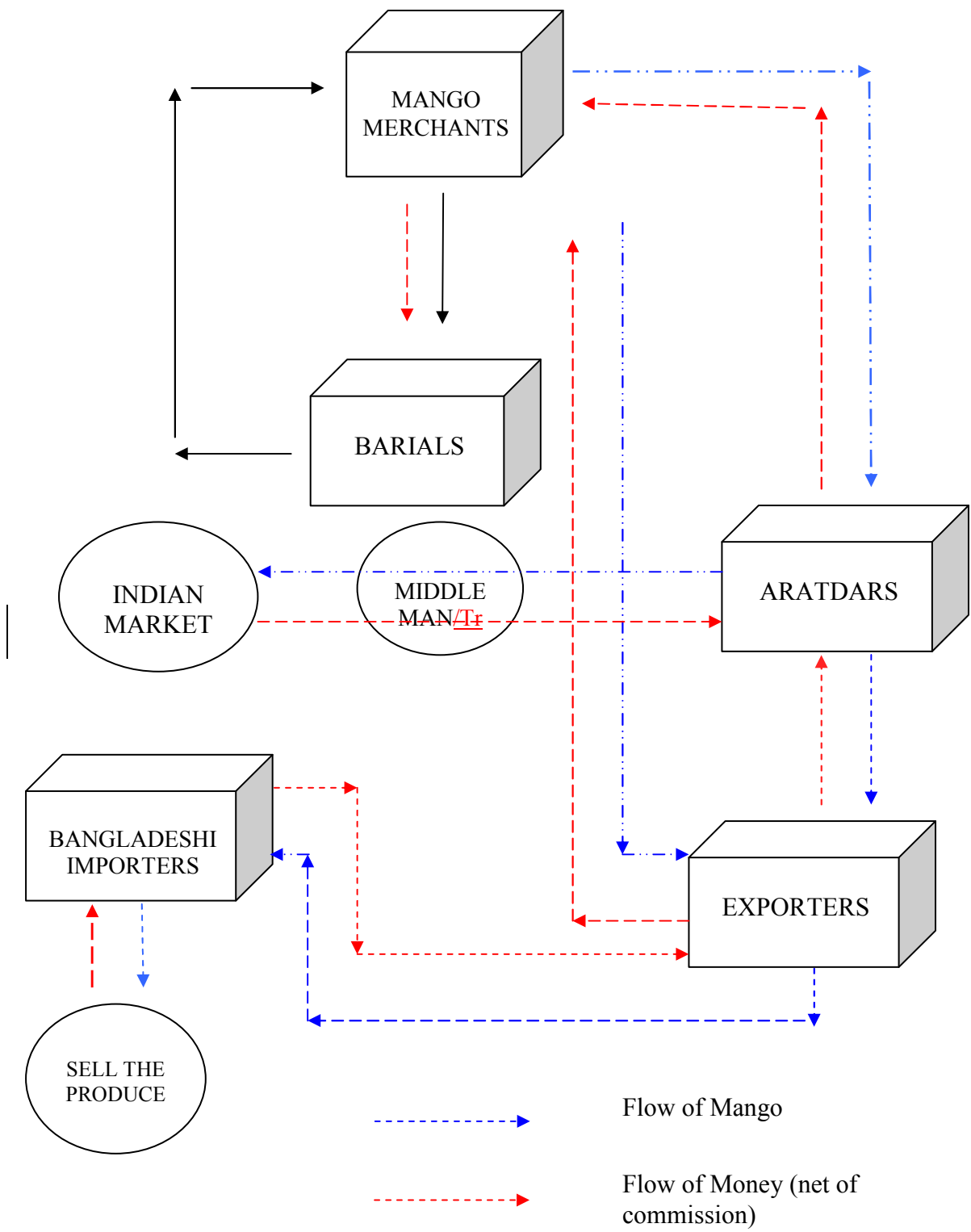
#### *4.1 Flow of Commodity*

Figure 1 and Figure 2 explains the interlinkage between the various stakeholders in the mango economy of Malda. It is evident from the figure 1 that as mango moves from one stakeholder to the other its price increases steeply due to the profit percentage charged by each one of the stakeholders. While the farm gate price for mango is Rs10.50/Kg, it is sold to the Bangladesh importers at approximately Rs24.00/Kg. The growers sell the produce directly to the *aratdars*. The *aratdars* then sell it off either to the exporters or traders in other states. The *aratdars* charge a commission of five per cent from the growers as well as from the exporters/traders. Thus they make a total profit of ten percent on each consignment of mango that they trade in. The exporters then sell the produce to importers in Bangladesh, which forms the bulk of fruits exported from Malda. The exporters enjoy incentives/duty rebates approximately amounting to 7.5 percent of total export value under different schemes of the government aimed at export promotion. In addition to this they charge a commission of 2.5 – 5 percent from the importers in Bangladesh. Thus they are earning around 10-12 percent profit (including the export incentives from the govt.) by exporting fruits to Bangladesh. As expressed by a majority of the exporters in Malda, they are not faced with any serious problems while getting the incentives from the Directorate General of Foreign Trade (DGFT) office.

Figure 2, depicts the role of mango merchants and garden contractors (*bariyals*) in the mango economy. Mango merchants are businessmen who are interested in investing their money (mostly profits earned from their businesses) in the mango economy. These mango merchants lease in mango orchards and employ *bariyals* to take care of those. The *bariyals*, as *facilitators*, employ and manage whatever resources that is required for ensuring a healthy harvest. The profit, earned after selling the produce, is shared between the mango merchants and the *bariyals* in a 50:50 or 75:25 basis. It is to be noted that mango merchants bear the cost of all the resources employed for growing the orchard. The produce is sold to the *aratdars* and is then either sold to the Indian markets or exported to Bangladesh. Some of the mango merchants have well established marketing channels in Bangladesh and deal directly with the Bangladeshi importers to sell their produce. The latter then designates an exporter, having Import-Export Code (IEC) code, in Malda to take delivery of the consignment. A majority of the exporters in Malda are of this type. They charge a commission from the merchants and send their consignments to Bangladesh. The increase in price of mango from the mango merchants to the Bangladesh market is more or less the same as discussed with the help of Figure 1.



**Figure 1: Mango supply chain without Mango Merchants**



**Figure 2: Mango supply chain with Mango Merchants**



## 4.2 Flow of Money

Interlinkage among the different stakeholders in terms of flow of commodity has been discussed in the previous section. This section traces the flow of money in the mango economy of Malda. An important feature of the mango economy in Malda is that the entire flow of commodity from Farm Gate to the import market takes place on informal credit terms i.e. on word of mouth basis and no formal agreements/contracts are effected between the parties. Neither do the growers and *aratdars* take any advance from the exporters or traders before delivering their consignment. (Figure 1). For all exports that happen the *aratdar* receives his commission only after the exporter has received his payment from the importer. The grower will receive his payment only after the *aratdar* has received his payment from the exporter. This process & steps of payment/money flow is the same for the mango merchants as well. They, after receiving their payments from the exporter/trader, give out the *bariyal's* share in the profit.

Thus, the role the Bangladeshi importer plays is an extremely crucial one considering the fact that the sustenance of the entire chain hinges on when and whether or not he pays for the consignment imported from India. It is only expected that such trade without any formal terms would involve high default risks for the stakeholders involved. Almost all the growers, mango merchants and *bariyals* cited more than one instance where their share of income was wrongly appropriated by the importers in Bangladesh. One obvious question which arises here is *why then do the mango growers, merchants and exporters prefer trading with Bangladeshi importers!* Some of the major reasons, as opined by the respective stakeholders, are as follows:

**Table 1. Reasons why the growers, mango merchants, and the exporters prefer trading with Bangladesh**

### *Perspective of Growers*

- ⇒ Price of mango in Bangladesh is higher than in any other market in India. For example, the same *Fajli* variety that sells for Rs10/Kg in Indian markets, will fetch anything around Rs. 12-13/Kg when sold to a Bangladeshi importer
- ⇒ Bangladesh consumes almost sixty percent of the mango produced in Malda
- ⇒ Due to the geographical proximity of Malda and Bangladesh, chances of the consignment getting perished due to transportation lags are less

### *Perspective of the Mango Merchants*

- ⇒ Due to long standing trading relation with a few mango importers in Bangladesh
- ⇒ It is much cheaper to export to Bangladesh when compared to other countries due to proximity, low transportation charges and loose or no quality control specifications for mango,
- ⇒ They have limited knowledge about other export markets.
- ⇒ The mango merchants do not directly export. They send the consignments to Bangladesh via the local exporters. Since most of the exporters are keen to send the consignments to Bangladesh, the mango merchants follow suit.

### *Perspective of Exporters*

- ⇒ The exporters have long standing trade relationship with the importers in Bangladesh
- ⇒ Cost of transporting consignments of mango to Bangladesh is much less than any other country
- ⇒ Due to the proximity to Bangladesh the exporters can visit Bangladesh frequently and can follow up with the importers. This helps in reducing the default risk to a large extent
- ⇒ Quantum of orders received from importers in Bangladesh is much higher when compared to any other country

### 4.3 Significant changes in the Mango Economy

#### *a) Increase in the area and production of mango*

Since 2001, there has been a marked increase in the area dedicated to mango cultivation. A number of paddy fields are being rapidly converted to mango orchards partly in search of greater profitability and partly because cultivation of food crops could not be carried out within close proximity of well grown mango orchards. Though a majority of the growers interviewed said that they are better off by growing mango orchards, a few however expressed their concerns about the increasing threat to food security as production of food grains are progressively being replaced by cultivation of cash crops. Good agricultural practices as disseminated by the department officials have helped ease out the fluctuations in mango production to a large extent. The growers in Ratua-II Block agreed equivocally that while the production per hectare in 2005 was 5.5 tonnes, in 2008 the figure registered an encouraging upswing to stand at around 7.5-8 tonnes per hectare.

#### *b) Improvement in the quality of mango orchards*

Department of Food Processing Industries and Horticulture (DoFPI&H) through its various schemes, training and outreach programmes has been able to influence a large number of mango growers to stop using chemical fertilizers in their orchards. As a result area under organic cultivation of mango is increasing every year. Almost all the growers interviewed in course of the field survey agreed that quality of mango is improving and that not only do they look better but also taste better than before.

#### *c) Increase in daily wage of the laborers*

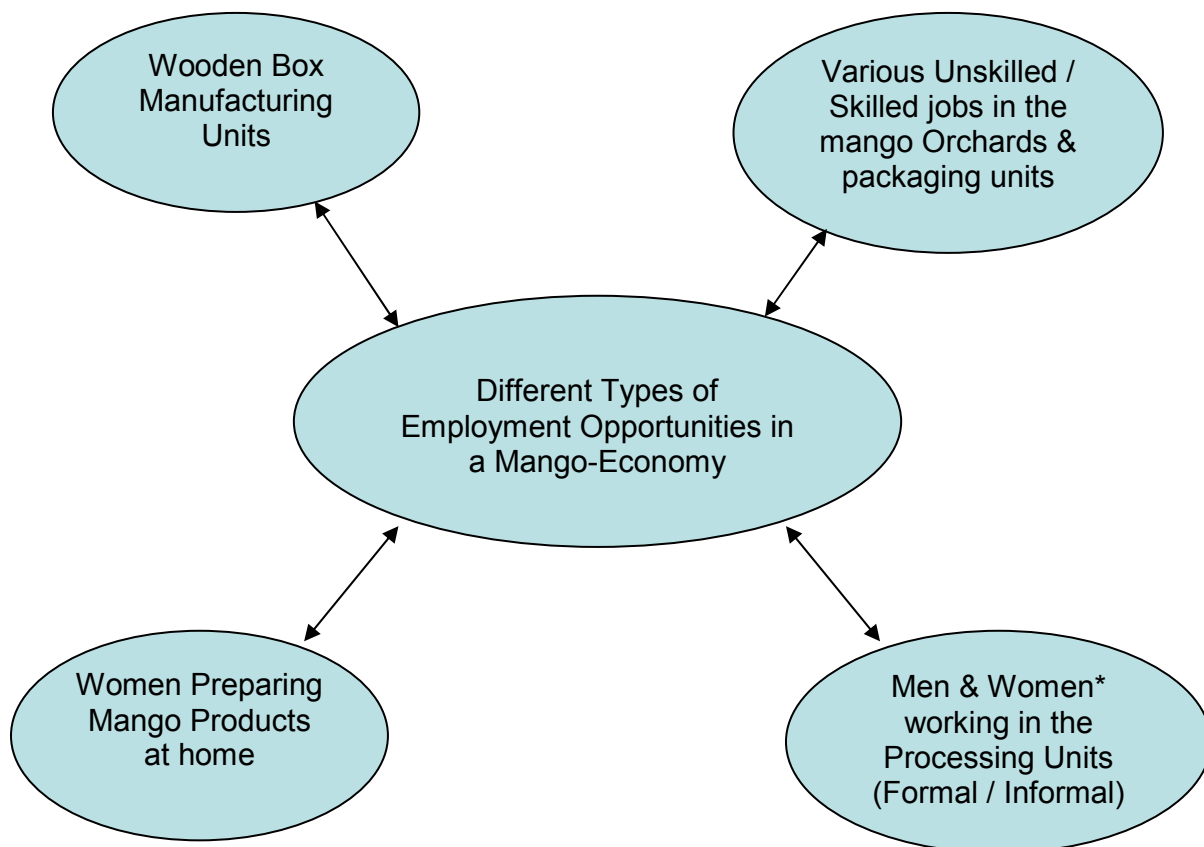
With a gradual expansion in the area under cultivation of mango, there has been a corresponding increase in the demand for labourers in the orchards for various works viz. spraying pesticides & other medicines, plucking mangoes, loading or unloading them for transportation, etc. this increase in demand has been further compounded by two important factors - *firstly*, the increase in employment options & opportunities under the National Rural Employment Guarantee Scheme (NREGS) and *secondly*, the increasing out-migration of labourers due to better work opportunities and higher wages outside the State. Together these factors had led to a labour shortage during mango harvesting season and a corresponding increase in the daily wage for labourers. While the daily wage in 2008, i.e. the last year, was Rs 50/- per day, this year it is Rs 60-70/- per day, which is more or less tallies with the minimum wage to be paid under NREGS.

**Table 2. Different Types of Unskilled works in a Mango Economy**

<i>Works for Daily Labourers in a Mango-Economy</i>	<i>Tenure of work (in months)</i>	<i>Wages (Rs/day)</i>
1. Digging topsoil near the bottom of the trees and applying fertilizer	2 - 3	60-70
2. Clearing the weeds around the trees	1 – 2	60 – 70
3. Spraying medicines and pesticides	4 – 5	60 – 70
4. Guarding Mango Orchards	3 – 4	500 – 600 per month + mango
5. Plucking Mango	3 – 4	100 or, mango received from the orchard owners, which they sell in the local market
6. Packing Mango and Loading or Unloading the same for transportation	3 – 4	100 or, mango received from the orchard owners, which they sell in the local market

*d) Increased employment in supporting sectors*

Expansion of the mango economy has led to creation of employment opportunities in supporting sectors like the packaging industry. There are a number of wooden box manufacturing units in and around the mango growing hubs of Englishbazar, Ratua, Milky etc. These units manufacture the wooden boxes used for packing the mangoes. These units continue production throughout the year to avoid shortage situations during peak seasons. Production during lean season is principally a part time activity carried out by employing part-time labourers, who are often students earning for their educational expenses. There is also a category of labourers who are specifically engaged in the job of packing the mangoes and loading & unloading of the packed boxes for transportation. In a nut shell as pointed out by all the respondents “.....during mango harvesting season there is no dearth of employment in Malda”.



\* *Women constitute the mainstay of the workforce in the processing units.*

**Figure 3. Various employment opportunities created in the mango economy of Malda**

*e) Exporters are being able to access various government schemes better than before*

The exporters have pointed out that NFTP has been beneficial for them to a great extent. Exporter of fresh fruits are getting a number of benefits like *Visesh Krishi* and *Gram Upaj Yojna*, Duty Entitlement Pass Book, Duty Drawback schemes etc. The exporters were of the opinion that the overall export from Malda to Bangladesh had increased to a great extent<sup>1</sup>. As expressed by one of the exporters “...NFTP is a very useful tool for facilitating International Trade and it has helped us by boosting our exports.” When asked about suggested changes for the next phase of the policy, he expressed that they were mostly happy with the present state of things, however “...the government should not reduce the incentives given under the various schemes in the next phase” - he added. The exporters can now carry out most of the paper work and their submission online, thereby ensuring a significant reduction in the associated transaction costs.

<sup>1</sup> It is important to note that majority of the exporters in Malda export to Bangladesh. Regular Exporters to other countries could not be found in Malda.

*f) Women are more involved in Mango-Economy than before*

The mango-economy in Malda has been witnessing a marked increase in the number of women working in the processing units. Women have little or no role in the pre-harvest mango season, but during the harvest season they hardly find time for their regular household chores, the work pressure at the processing units being at its peak.. A woman can earn almost Rs55-60 per day by working in the processing units either for preparing mango slices for pickles or for preparing mango jams, jelly, pickle or other mango products. In recent years, the Horticulture Department has been distributing organic cultivation kits among the women Self Help groups to encourage a more substantial involvement of women in the mango economy. The Department is also arranging for training sessions for women. To give a further thrust to promote organic farming, women SHGs are being motivated to produce more vermicompost that can be both marketed as well as used by their husbands in the mango orchards. For women not engaged with any processing unit, the harvesting season has traditionally meant the time when they prepare various mango products at home, especially Mango Biscuits (*Amshawtto*). These fetch rather handsome prices in the local markets. The overall perception gathered was that the status of women in the mango-economy has certainly improved, the direct fallout of which is an increased income and subsequently a better participation by them in the family decision making process

***Box 1. Some stories associated with the Gopalbhog Amshawtto***

The Araidanga gram panchayat of Ratua-II Block is known for its *Gopalbhog Amshawtto*. These are *Amshawtto* made from *Gopalbhog* mangoes and are priced much steeper than the other varieties of *Amshawtto*. It has many a fascinating story to its name and is considered a coveted item. Some of these stories, as told to us by housewives have been captured below:

- ⇒ “....my son performed poorly at the Higher Secondary Examination and was finding it hard to get admission in the college. Then one fine day he went & met one of the teachers at the college with 2 kgs of the Amshawtto. It worked wonders! He got admission in the college and at present is working in a private company”.
- ⇒ A number of company officials have been known to purchase this product to present it to their clients or immediate bosses, which reportedly helped them clinch deals or facilitate a promotion.
- ⇒ A person had traveled to Bangalore for medical consultation and treatment. After undergoing the necessary surgery and before he was about to be discharged from the hospital, he gifted the surgeon 2kgs of *Gopalbhog Amshawtto* that he had carried along. When his bills arrived he was pleasantly shocked to learn that he had got a whopping Rs. 30, 000 off from his total treatment charges!

The above stories will fascinate anyone just like it did with the research team, but it is extremely unfortunate to learn that for an item which has such mind boggling stories to its name, hardly any efforts have been made to promote and market it. The women who prepare this, can not market them on a regular basis due to dearth of avenues and channels. The *Amshawtto* has a very high potential of being marketed as a home-made novelty, only if the appropriate people would take notice!

#### 4.4 Some Roadblocks to a better Mango–Economy

##### a) *Security of Payment*

As indicated in Figure 1.1 and 1.2 a major concern for the stakeholders is the security of payment this is even more so in case of the growers. The only stakeholder group who is comparatively better off in matters of payments is the exporter. The exporters, many a times having their own communication points or counterparts in Bangladesh, are in a more advantageous position to pursue payment matters. But that again can hardly be termed a fool proof arrangement. A large number of respondents, both exporters and growers, complained about the default risk involved in trading with Bangladesh. The growers said that they take such risks because the price they get for mangoes sold to Bangladesh markets is reasonably higher when compared to the Indian markets.

##### b) *Growers were not sure whether exporting mango to other countries will be Profitable*

The growers in the blocks of Ratua-II Block and Englishbazar expressed their concerns about exporting mango to other countries. Major concerns as expressed by them are as follows:

- ⇒ Only one or two exporters have tried exporting mango to the U.K. There have been instances in the past when growers had heavily invested in their orchards based on promises of overseas export which later turned out to be all hearsay. The growers later learnt, much to their dismay, that the promised prospects had lots of conditions and specifications that were not discussed earlier. This had resulted in huge loss for them and effectively scared them away from venturing into such territories again.
- ⇒ Expense towards quality certifications necessary for export clearance is quite substantial and often not possible for a grower to afford. Moreover, there are no quality certification labs in or around Malda that is equipped enough to give the necessary clearances.
- ⇒ In recent years price of mango has not seen any significant rise whereas the price of input is increasing steadily. Growing export quality mango is an expensive venture and if in any case the grower fails to sell the produce in time then they will have to incur huge financial losses.

##### c) *Lack of necessary export infrastructure in Malda*

The district severely lacks the necessary infrastructure required for exporting good quality mango. Though the district does have a pack house operational since the last three years, there are no quality certification labs or ripening chambers, cold chain etc. which are pre-requisites for exports to more advanced countries. Setting up all the necessary infrastructures will not be economically feasible unless there is a perennial demand for using the infrastructure. This however requires two necessary pre-conditions:

- ⇒ Huge Market for mangoes; and
- ⇒ Sufficient number of exporters who are ready to avail the infrastructural support and export mango to various countries in large volumes

Even though there exists reasonable demand for mango in markets world wide, absence of appropriate promotion, training and facilitation has meant that growers are hardly aware of the prospects, markets and their requirements & specifications. This in turn has resulted in dearth of growers/exporters who would want to venture into the world market and consequently Malda has never quite been able to live up to the above mentioned pre-conditions. This poses as a serious impediment to development of the mango-economy in Malda.

*d) Processing Units in the District suffer from infrastructural weaknesses*

In Malda the number of processing units is very limited. The units do not operate on a large scale for fear of suffering losses due to overproduction, the avenues for marketing being not very robust. Their annual labour requirement varies from 20-50 labourers with at least 20 during the lean seasons and 50 during the peak seasons. Furthermore, the last technology & machinery up-gradation that these units went through dates back to anything between 10 to 15 years. Neither did any of the units receive government incentive support in the recent years to help them modernize their facilities and increase production capacity. These units have serious potential to generate future employment and also to act as important safeguards for the Malda mango economy in the event of crop failures due to various weather vagaries like severe hail storms and rain. But all such potential can only be realized if they are assisted with putting in proper infrastructure. The marketing infrastructure is also very weak as opined by owners of the processing units.

## Chapter - 5

### **Key Recommendations**

This present case study is not only an attempt to explore the dynamics of the mango-economy and interlinkage among the various stakeholders, it is also an attempt to identify specific bottlenecks and put forward some realistic recommendations that can address those bottlenecks. Some of the recommendations are as follows:

#### *a) Promoting mangoes from Malda as a brand in International Markets*

It is beyond doubt that marketing forms the backbone of an organisation. It not only ensures better returns but also helps diversify the risk associated with selling a particular product in a single market. Again, successful marketing requires advertising and brand promotion. One of the best examples had been promotion of “*Brand India*” in recent years which had attracted not only Foreign Direct Investment (FDI) but also Portfolio Investment (PI). This same concept can be applied for the mangoes produced in Malda.

Promoting “*Malda Mango*” as a brand, supplemented with export quality production of same is most likely to boost up demand for the same. There are some reputed professionals working on this and they may be consulted. This is of prime importance considering the fact that most of the consumers in overseas markets are more acquainted with the *Alphonso* variety produced in the Southern part of India, rather than *Himsagar*, *Fajli* and *Gopalbhog* varieties produced in Malda. To acquaint the overseas consumers with these varieties one needs overseas promotional activities.

#### *b) Orientation to local growers and exporters in the district to encourage them to export to countries apart from Bangladesh*

The mango-economy of Malda depends heavily on mango export to Bangladesh. According to the stakeholders if at any point in time, Bangladesh stops importing mangoes from Malda, the growers will have little option but to literally throw away their produce as India consumes only a small fraction of the produce. On an average almost 60 percent of the produce of a mango grower is exported to Bangladesh.

Orientation programmes to the local growers and exporters will not only enhance their knowledge about overseas markets and the particular quality specifications necessary to operate in those markets, but will also give them the extra incentive to hedge the risk involved in exporting mango to only one country. If the necessary infrastructure is provided to them they will be able to materialise their aspiration to explore overseas markets as well.



*c) Promoting creation of Growers' cooperatives*

Promotion of growers' cooperatives may also act as a key component to boost up the mango economy. This will help enhance the bargaining power of the producers and will additionally help the exporters to procure bulk produce with ease. This will further help to counter the market fluctuations in price of mango sold. An added advantage of the cooperatives is that when it comes to creating the necessary infrastructure, the cooperative can contribute to the cost of building the infrastructure, which an individual grower may find far fetched.

*d) Providing the necessary infrastructural support required for export*

Provision of infrastructural support is necessary for enhancing exports from Malda, but this will have to be supplemented by creation of overseas buyers as well as domestic exporters. Otherwise, the infrastructure support will not be a viable option for the government. As evident from the packhouse in Malda, it remains under utilised for most of the time as exports have not been happening in huge quantities.

According to some of the exporters it is necessary to have overseas counters that will receive the export consignments and will subsequently distribute the same in overseas markets. However the cost of building the same is huge (estimated at around a crore), and is entirely non-feasible for any individual exporter to consider financing such a project. In this regard the Market Access Scheme by the Government of India may be explored to help support such initiatives but most of the exporters are unaware of the scheme. In this respect a proactive role is desirable from the part of the government to ensure that mango exporters can effectively utilise the scheme. The government may consider putting in place an exporters' association who will be monitoring the construction, facilitation and proper utilisation of such infrastructures.

*e) Developing a Market Intelligence cum Marketing Network*

A majority of the exporters are not aware of the benefits / pre-conditions for exporting mango to countries other than Bangladesh. They are often not sure about the quality specification and infrastructural requirements. Moreover they feel that unlike Bangladesh market, where they already have a well established information network, in other countries they might face problems in realizing payment for their export consignments.

These gaps may well be addressed if some kind of information cum export handling agency is created by roping in APEDA, Indian Institute of Foreign Trade (IIFT), Federation of Indian Export Organisations (FIEO) and few professional marketing consultants. This multidimensional body will not only provide valuable market information but will also provide assistance and help monitor the various procedures that the exporters need to follow for exporting their consignments. The agency may additionally facilitate the process of roping in overseas importers which will help strengthen the marketing channel of the export items in the overseas markets. This will not only help bring in new exporters but will also help growers directly export their produce in overseas market destinations. This agency is envisaged to provide the initial thrust required to successfully explore & materialise the export potential of various horticulture products in the targeted overseas

markets. Once a tolerably facilitated network is put in place, the agency may concentrate on relation building and information dissemination.

*f) Technological Support, especially to the ailing food processing units*

Change in technology is imperative to any development in the arena of trade in the face of increasing competition. This change is not always a cost efficient one and might call for displacement of the existing technology. The processing units in Malda, are in many ways, lacking in new-age technology and cutting edge equipments & infrastructure. Such facilities again would normally mean substantial investments which are often not possible for weaker units to finance. But small units in the districts if strengthened will certainly help create more employment and will also help in effectively managing the problems caused by hail storms, pre-mature ripening due to unfavorable weather conditions, or overproduction. It may however be pointed out here that these units may not necessarily market their products in overseas markets only.

If technology transfer support/assistance is provided to the ailing units along with marketing ideas by roping in marketing consultancies, it is likely to benefit them in a big way. This will help them compete with big players in the processed food market, both in the common consumer segments like juice, pickles, etc. as well as in selected niche segments like – *Amshatto, Amchur* etc.

*g) Representation of all Stakeholders in the Board of Trade*

It is noticed the Primary Producers, Civil Society Organisation (CSOs) have no representation in the Board of Trade. Inclusion of these stakeholder groups in the Board is highly desirable since that will not only ensure a wider consultation but will also incorporate concerns of the vulnerable and grassroots groups.

## Chapter - 6

### **Conclusion**

The National Foreign trade Policy may be considered as a welcome step taken by the Government of India to enhance exports of indigenous products. This policy had a considerable impact on the mango-economy of Malda as discussed in the previous sections. It had its manifestations through increase in seasonal employment in various areas of mango production and also in supporting sectors. Though in an indirect manner, it has arguably led to increase in literacy rate and women empowerment, a lot of that has been possible only because of a host of other government schemes and policies such as National Rural Employment Guarantee Scheme (NREGS), Sarva Shiksha Aviyon (SSA), Swarna Jayanti Gramin Swanirvar Yojna (SGSY), promotion of women Self-Help Groups (SHG) etc. However, the Malda mango still continues to be plagued by rather low volumes of export. Barring Bangladesh the average amount of export to other destinations since the last couple of years has not been more than 2 Metric tones. This is not a very encouraging figure especially considering the fact that good agricultural practices in the district has led to an increase in productivity of mango. If no further export markets are explored then most of the mango growers are likely to face the unfortunate and undesirable state of over-production and corresponding financial loss, which in turn may have an effect quite reverse to the objectives and aspirations of NFTP

Thus ensuring increase in exports is the need of the hour. A concerted and collective effort is needed in this direction from the State & Central Governments and also all the stakeholders including growers, exporters, and processing units. Such an effort will go a long way in helping to tide over the export bottlenecks and the looming marketing crises that the mango economy of Malda faces now.