Determinants of Indian Agricultural Exports in the Post Reform Period with specific reference to Tea, Natural Rubber and Coffee (Green)\textsuperscript{1}

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\textbf{Abstract}

This paper derives the factors determining the Indian agricultural exports and empirically ascertain the magnitude of effects of the determinants using annual time series data for the period of 1991 to 2019 (Post economic reforms of 1991). The present study employs Johansen Co-integration, VECM, and VEC Granger Causality/Wald test functions on the agricultural exports of Tea, Natural rubber & Coffee (green) to measure the co-integration and short-run & long-run causality between the Indian agricultural exports and its determinants; agriculture input (land use), producer price, real effective exchange rate, consumer price, and real interest rates. Empirical findings exhibit the presence of a long-term association between the exports of Tea, Natural rubber, coffee, and their determinants. VECM results prove the existence of long-run causality in Tea exports; however, there is bi-directional causality has been seen in exports of the natural rubber in the short run. The results are of immense use of government institutions and policymakers in designing interventions so as to promote agricultural exports from India.

\textbf{I. Introduction}

EXPORTS ARE CONSIDERED as an engine of economic growth for a nation. Being an agrarian economy, agricultural exports have historically played a pivotal role in the growth journey of the Indian economy. With the onset of economic reforms during the late 20th century, agriculture exports received a policy level encouragement and in the last few decades, India has emerged as a major agricultural exporter in world trade and embellished as the seventh-largest agricultural exporter of the world in 2013, surpassing Australia (USDA, 2014). Being an essential part of the economy, the Indian agriculture sector contributes about 17.32\% (2018) in the GDP of the nation and provides employment to about 60 \% of the population (Kumar, 2018).

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products such as cotton, rice, sugar, pulses, fruits, and vegetables, etc. Moreover, a similar study can be conducted in various developed and developing economies such as the US, China, Pakistan, Indonesia, and Nigeria. Also, pre and post-reform period analysis can be done to ascertain India’s export performance in terms of agricultural commodities.

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