

AGRICULTURE

Agriculture is the back-bone of the Indian economy. It contributes 33 percent of the gross domestic product (GDP) and two-thirds of the country's work force derive their livelihood from agriculture based activities. Economic reforms since 1991 have improved the profitability of agriculture.

Market Opportunities

Horticulture :

Due to its diversity, the country produces a large variety of fruits, vegetables, flowers, plantation crops and many types of spices, medicinal and aromatic plants. Although the overall production of these items is about 106 million tonnes (mmt), the post harvest losses are very high (roughly C\$1300 million) due to poor infrastructure and lack of organized marketing. Government has allocated C\$90 million for the development of this sector. Good prospects exist for co-operation in crop production and post harvest processing and preservation technologies.

Pulses :

Pulses are an important source of protein in the Indian diet. Even though India is a large producer of pulses, its production has not kept pace with its population growth. The Indian government continues to permit private sector importation of pulses without any licensing restrictions. In 1991-92, foreign exchange restrictions limited imports of pulses to approximately 792,000 tonnes, then in 1992-93, a record bumper crop kept imports at the previous year's level. Nevertheless, there is great potential for increased Canada-India trade in this area.

The varieties of pulses imported include: peas, kidney beans; chick peas; lentils; green beans; Tyson chick peas; black matpe; and pigeon peas.

Supplier Capability

The Canadian agriculture sector is an integral part of Canada's economy accounting for 2.1 percent of the gross domestic product and employing just under half a million people, or 3.7 percent of Canada's workforce. Recently, Canada has been successful in supplying special crops to India and India is continuing to develop "contract supply farming" agreements with outside suppliers. To the extent that Canadian farmers can participate in this program, longer term guaranteed purchases of their crops may be possible.