

**EXPORT PERFORMANCE OF COFFEE PRODUCTS DURING PRE AND POST-COVID PERIOD**

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**1.1 INTRODUCTION**

The Coffee Board of India is an autonomous body, functioning under the Ministry of Commerce and Industry, Government of India. The Board serves as a friend, philosopher and guide of the coffee industry in India. Set up under an Act of the Parliament of India in 1942, the Board focuses on research, development, extension, quality up gradation, market information, and the domestic and external promotion of Indian coffee. In India, coffee is traditionally grown in the Western Ghats spread over Karnataka, Kerala and Tamil Nadu. Coffee cultivation is also being expanding rapidly in the nontraditional areas of AP and Odisha as well as in the North East states. Coffee is predominantly an export oriented commodity and 65% to 70% of coffee produced in the country is exported while the rest is consumed within the country. Indian coffee industry earns a foreign exchange to the tune of about Rs.4000 Crore. Indian coffee has created a niche for itself in the international market and the Indian Coffees are earning high premium, particularly Indian Robusta which is highly preferred for its good blending quality. Arabica Coffee from India is also well received in the international market. Coffee is an export product with low import intensity and high employment content. This is evident from the fact that more than six lakh persons are directly employed and an equal numbers of individuals get indirect employment from this sector. During 1940's, the coffee industry in India was in a desperate state due to the II World war resulting in very low prices and ravages of pests and diseases. At this time, the Government of India established the 'Coffee Board' through a constitutional act "Coffee Act VII of 1942" under the administrative control of Ministry of Commerce and Industry. The Board comprises 33 members including the Chairman, who is the Chief Executive and appointed by the Government of India. The remaining 32 members represent the various interests such as coffee growing industry, coffee trade interests, curing establishments, interests of labour and consumers, representatives of governments of the principal coffee growing states, and Members of Parliament. After pooling was discontinued in 1996, Coffee Board serves as the friend, philosopher and guide to the Coffee sector covering the entire value chain. The core activities are primarily directed towards research & development, transfer of technology, quality improvement, extending development support to growing sector, promotion of coffee in export and domestic markets. The activities of the Board are broadly aimed at (i) enhancement of production, productivity & quality; (ii) export promotion for achieving higher value returns for Indian Coffee and (iii) supporting development of Domestic market.

**1.2 STATEMENT OF THE PROBLEM**

In India, coffee is traditionally grown in the Western Ghats spread over Karnataka, Kerala and Tamil Nadu. Coffee cultivation is also being expanding rapidly in the nontraditional areas as well as in the North East states. Coffee is predominantly an export oriented commodity and 65% to 70% of coffee industry earns a foreign exchange nearly Rs. 4000 Cores per year. Indian coffee has created a niche for itself in the international market and the Indian Coffees are earning high premium, particularly Indian Robusta which is highly preferred for its good blending quality. Critical issues that plague Indian coffee Export at present are the knowledge deficit and infrastructure deficit, especially in the rural areas. Problems related to irrigation infrastructure, market infrastructure and transport infrastructure add significant cost to farmers operations. Another issue is lack of delivery mechanisms. The study on export performance of coffee, taking in to consideration the major coffee producing states, would bring out the importance of coffee exports. The study also identifies and analysis the processing of coffee in our country.

### 1.3 SCOPE OF THE STUDY

The purpose of this study is to evaluate the performance of the coffee board and exports, with an emphasis on India. The goals of the study are to gather information, evaluate it in the context of the following, develop suitable findings, offer solutions, and help the board reach its maximum potential.

### 1.4 OBJECTIVE OF THE STUDY

- To know about the India’s coffee export performance in select region wise.
- To provide findings related to export performance of coffee from India.
- To predict the future exports of coffee from India

### 1.5 METHOD OF DATA COLLECTION

The study used only secondary data, which are collected from various sources such as Ministry of Commerce, Coffee Board of India, DGCIS etc. the collected data from this source have been compiled and used. The sample was also restricted to Indian Coffee Board.

### 1.6 RESEARCH DESIGN

The study is made for the purpose of an in depth analysis of various indicators and its effect on export performance of Indian coffee products industry during the Pre-Covid period. The major thirty two products are selected by using convenient sampling method.

### 1.7 TOOLS AND TECHNIQUES OF THE STUDY

- Growth rate
- Trend analysis

### 1.8 LIMITATIONS OF THE STUDY

- ✓ The analysis made only by considering coffee products and 5 major regions. Time constraint is one of the limitations.
- ✓ The Period of study limited to sixteen years
- ✓ The study is limited to export of coffee in India

### 1.9 REVIEW OF LITERATURE

1. **Danse and Wolters (2013)** studied the small and medium-sized organisations in the Costa Rican coffee sector; Courville, Sasha (2013) examined the challenges and considerations in using sustainability indicators for comparison purposes, using coffee supply chains in Mexico and Costa Rica as case studies.
2. **Linton, (2015)** reasoned that the movement to promote coffee produced in a sustainable way was one of many efforts aimed at linking social responsibility and market capitalism. In 2012, he conducted a critical review of many sustainability projects and their outcomes, including two examples of smallholder farmer-NGO collaborations that had yielded positive results

### 1.10 REGIONAL WISE EXPORT

Regional wise Export of coffee Product. Calculations are to be used like that following methods.

#### 1. AFRICA (0901)

Year	Values	Growth Rate
2001	1,685.06	
2002	2,430.45	44.24
2003	2,395.67	-1.43
2004	1,493.73	-37.65
2005	1,901.50	27.30
2006	5,972.16	214.08
2007	4,512.99	-24.43
2008	7,840.23	73.73
2009	6,013.11	-23.30
2010	8,257.00	37.32
2011	23,020.81	178.80
2012	12,102.03	-47.43
2013	13,097.29	8.22
2014	14,106.89	7.71
2015	15,137.28	7.30
2016	17,606.58	16.31

(Value Rs in lakhs)

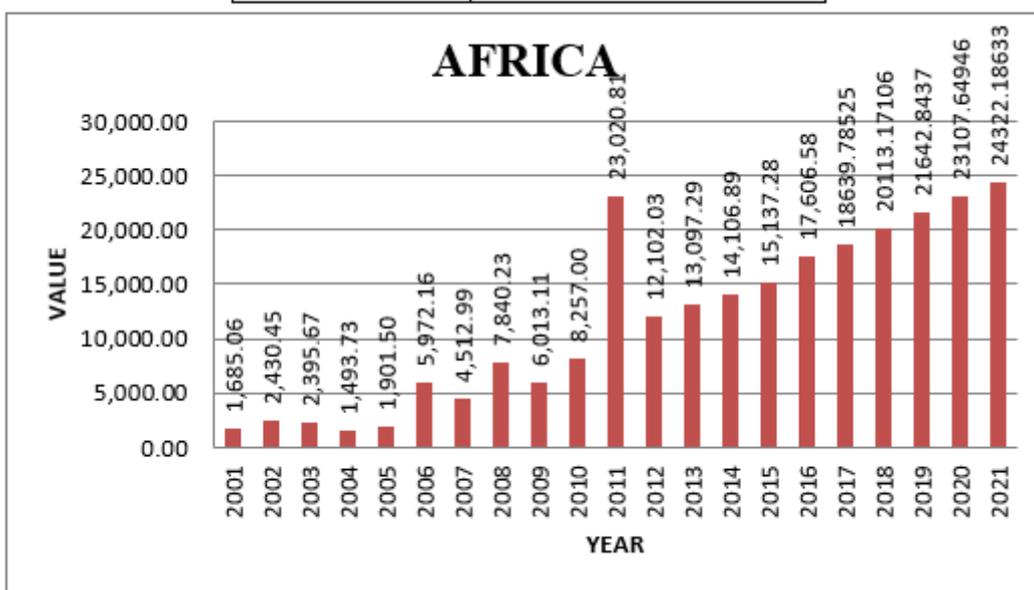
(Source: Exim data bank)

**INTERPRETATION**

The above table shows coffee (0901) product export from India to Africa during the year 2001 to 2016. In the year 2001 coffee exported to Africa Rs1685.06 lakhs and in the year of 2016 the coffee was exported to AfricaRs17, 606.58.Growth rate has been reached maximum in the year of 2006 (214.08%) and it reached minimum in the year of 2002 (-1.43%) from growth rate analysis it shows eleven years export record was positive but, remaining five years should be negative growth.

**TREND PROJECTION – Post Covid Period - AFRICA**

Year	Trend Value
2017	18639.79
2018	20113.17
2019	21642.84
2020	23107.65
2021	24322.19



While computing trend analysis for export of coffee for future years, it shows a increasing value of total export of coffee to the African country due to more demand from the host country. In the year of 2017 export of coffee will be around Rs18639.79 lakhs and in 2021 it may also increasing to rs 24322.19 lakhs.

**2. CENTRAL AFRICA**

Year	Values	Growth Rate
2001	0.3	

(Value Rs in lakhs)

(Source: Exim data bank)

**INTERPRETATION**

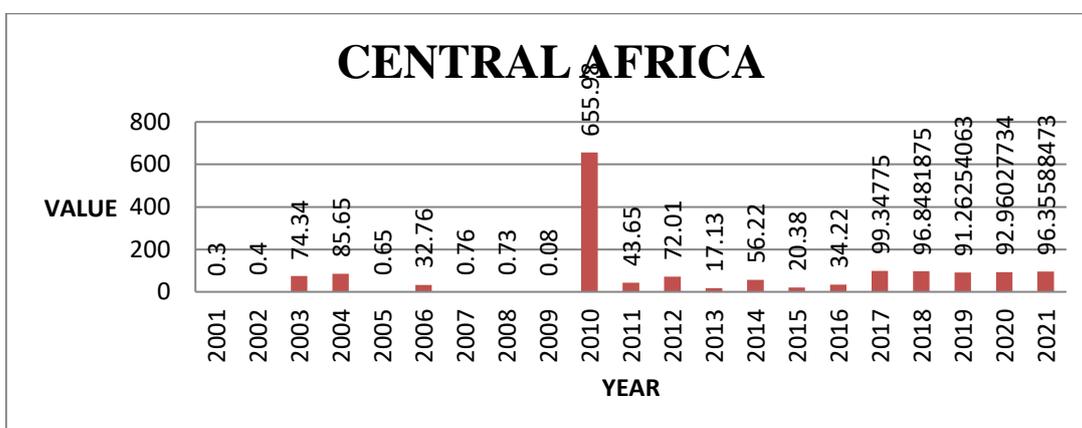
The above table shows coffee (0901) product export from India to Central Africa during the year 2001 to 2016. In the year 2001 coffee exported to Central AfricaRs0.3lakhs and in the year of 2016 the coffee was exported to AfricaRs34.22.Growth rate has been reached maximum in the year of 2006 (819875.00%) and it reached minimum in the year of 2002 (-3.95%) from growth rate analysis it shows nine years export record was positive but, remaining seven years should be negative growth.

**TREND PROJECTION – Post Covid Period – CENTRAL AFRICA**

Year	Trend Value
2017	99.34775
2018	96.84819
2019	91.26254
2020	92.96028

2021	96.35588
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Year	Values	Growth Rate
2001	0.3	
2002	0.4	33.33
2003	74.34	18485.00
2004	85.65	15.21
2005	0.65	-99.24
2006	32.76	4940.00
2007	0.76	-97.68
2008	0.73	-3.95
2009	0.08	-89.04
2010	655.98	819875.00
2011	43.65	-93.35
2012	72.01	64.97
2013	17.13	-76.21
2014	56.22	228.20
2015	20.38	-63.75
2016	34.22	67.91



While computing trend analysis for export of coffee for featurer years, it shows a increasing the value of total export of coffee to the central africa due to more demand from the host country. In the year of 2017 export of coffee will be around Rs99.34775 lakhs and in 2019 it shows from decreasing value due to lack of demand in home country and 2021 may also increasing the value Rs96.35588lakhs.

### 3. EAST AFRICA

Year	Values	Growth Rate
2001	34.85	
2002	6.98	-79.97
2003	10.59	51.72
2004	2.01	-81.02
2005	40.27	1903.48
2006	8.76	-78.25
2007	15.81	80.48
2008	29.21	84.76
2009	67.73	131.87
2010	32.5	-52.02
2011	18.24	-43.88
2012	0.55	-96.98
2013	0.41	-25.45
2014	11.77	2770.73
2015	9.65	-18.01
2016	0.66	-93.16

(Value Rs in lakhs)

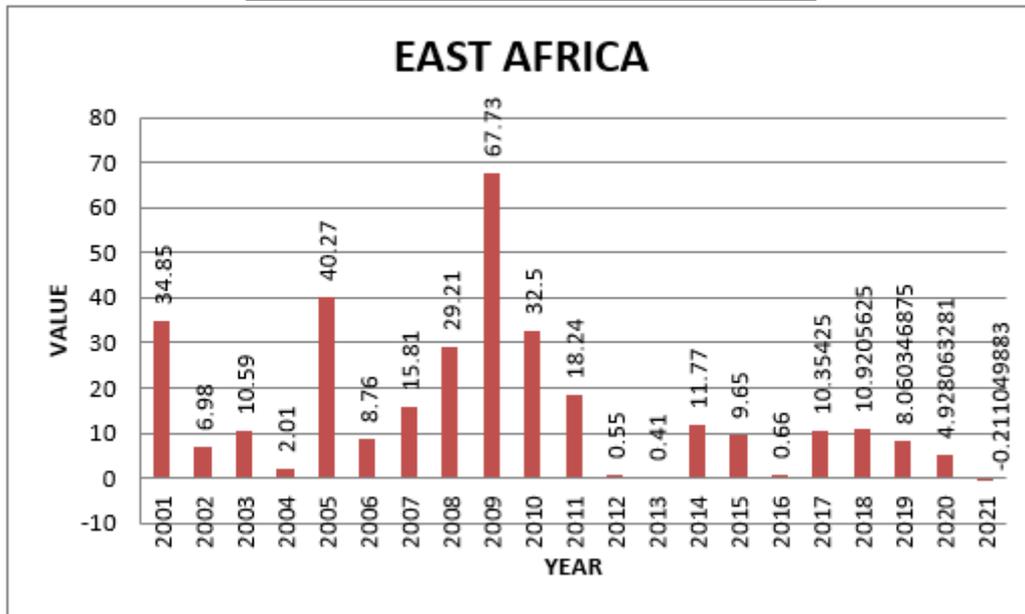
(Source: Exim data bank)

**INTERPRETATION**

The above table shows coffee (0901) product export from India to East Africa during the year 2001 to 2016. In the year 2001 coffee exported to Africa Rs34.85lakhs and in the year of 2016 the coffee was exported to East AfricaRs0.66.Growth rate has been reached maximum in the year of 2014 (2770.73%) and it reached minimum in the year of 2015 (-18.01%) from growth rate analysis it shows seven years export record was positive but, remaining nine years should be negative growth.

**TREND PROJECTION – Post Covid Period – EAST AFRICA**

Year	Trend Value
2017	10.35425
2018	10.92056
2019	8.060347
2020	4.928063
2021	-0.21105



While computing trend analysis for export of coffee for featur years, it shows a incresing the value of total export of coffee to the east africa due to more demand from the host country. In the year of 2017 export of coffee will be around Rs 10.35425 lakhs and in 2021 it shows from decreasing value due to lack of demand or production in home country.

**4. EU COUNTRIES**

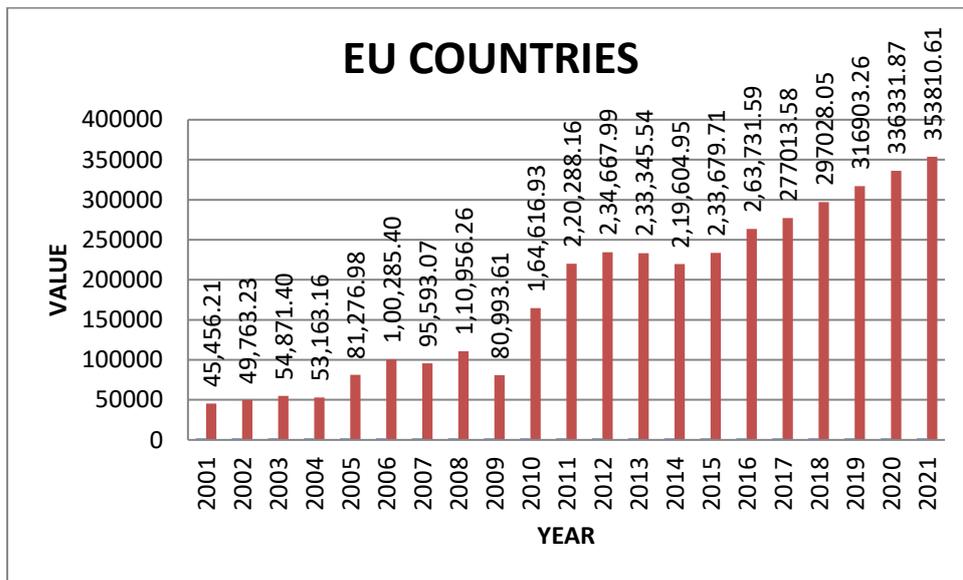
Year	Values	Growth Rate
2001	45,456.21	
2002	49,763.23	9.48
2003	54,871.40	10.26
2004	53,163.16	-3.11
2005	81,276.98	52.88
2006	100,285.40	23.39
2007	95,593.07	-4.68
2008	110,956.26	16.07
2009	80,993.61	-27.00
2010	164,616.93	103.25
2011	220,288.16	33.82
2012	234,667.99	6.53
2013	233,345.54	-0.56
2014	219,604.95	-5.89
2015	233,679.71	6.41
2016	263,731.59	12.86

**INTERPRETATION**

The above table shows coffee (0901) product export from India to Eu countries during the year 2001 to 2016. In the year 2001 coffee exported to Eu countries Rs45,456.21 lakhs and in the year of 2016 the coffee was exported to Eu countries Rs263,731.59. Growth rate has been reached maximum in the year of 2010 (103.25%) and it reached minimum in the year of 2013 (-0.56%) from growth rate analysis it shows eleven years export record was positive but, remaining five years should be negative growth.

**TREND PROJECTION – Post Covid Period – EU COUNTRIES**

Year	Trend Value
2017	277013.58
2018	297028.05
2019	316903.26
2020	336331.87
2021	353810.61



While computing trend analysis for export of coffee for featurer years, it shows a incresing the value of total export of coffee to the eu countries due to more demand from the host country. In the year of 2017 export of coffee will be around Rs 277013.58 lakhs and 2021 it also may shows from increasing value due to lack of demand in host country.

**5. EUROPE**

Year	Values	Growth Rate
2001	48,397.86	
2002	52,506.25	8.49
2003	57,344.92	9.22
2004	56,116.67	-2.14
2005	85,527.96	52.41
2006	107,366.99	25.53
2007	103,949.97	-3.18
2008	120,903.34	16.31
2009	89,289.08	-26.15
2010	172,304.57	92.97
2011	229,360.00	33.11
2012	244,334.15	6.53
2013	241,169.77	-1.30
2014	227,853.72	-5.52
2015	242,569.74	6.46
2016	272,955.85	12.53

(ValueRs in lakhs)

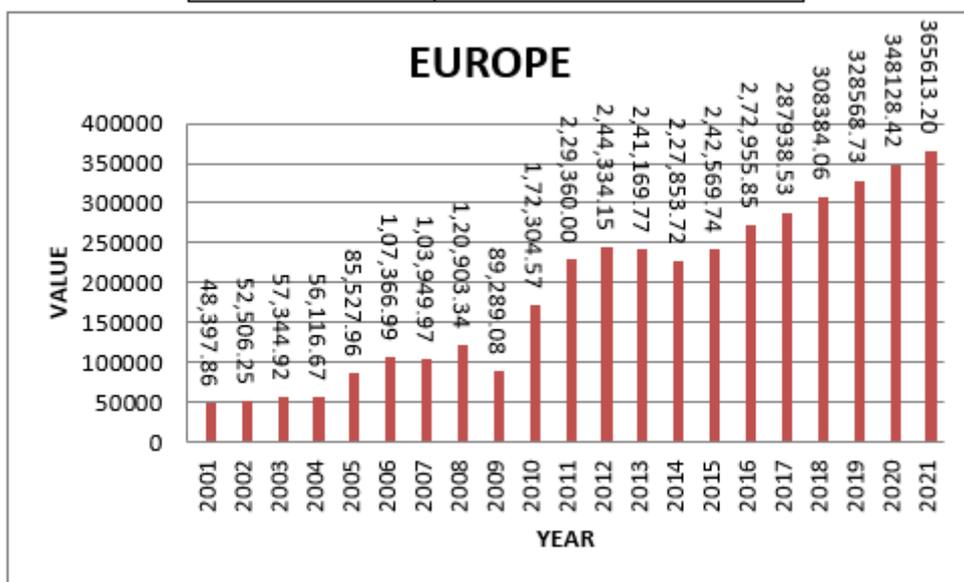
(Source: Exim data bank)

**INTERPRETATION**

The above table shows coffee (0901) product export from India to Europe during the year 2001 to 2016. In the year 2001 coffee exported to Europe Rs 48,397.86 lakhs and in the year of 2016 the coffee was exported to Europe Rs 328,568.73 lakhs. Growth rate has been reached maximum in the year of 2010 (92.97%) and it reached minimum in the year of 2013 (-1.30%) from growth rate analysis it shows eleven years export record was positive but, remaining five years should be negative growth.

**TREND PROJECTION – Post Covid Period - EUROPE**

Year	Trend Value
2017	287938.53
2018	308384.06
2019	328568.73
2020	348128.42
2021	365613.20



While computing trend analysis for export of coffee for future years, it shows an increasing value of total export of coffee to Europe due to more demand from the host country. In the year of 2017 export of coffee will be around Rs 287938.53 lakhs and 2021 it also may show from increasing value Rs 365613.20 due to lack of demand in host country.

**1.11 FINDINGS OF THE STUDY**

- The coffee has been exported from India to African country in the year of 2016 the coffee was Rs 17,606.58. It shows an increasing value of total export of coffee to the African country due to more demand from the host country.
- The coffee export from India to Central Africa during the year 2001 to 2016. In the year of 2001 coffee exported to Central Africa Rs 0.3 lakhs. Growth rate has been reached maximum in the year of 2006 (819875.00%)
- The coffee export from India to East Africa during the year 2001 to 2016. In the year of 2001 coffee exported to Africa Rs 34.85 lakhs and in the year of 2016 the coffee was exported to East Africa Rs 0.66. Growth rate has been reached maximum in the year of 2014 (2770.73%) and it reached minimum in the year of 2015 (-18.01%)
- The export from India to EU countries in the year of 2016 Rs 263,731.59. Growth rate has been reached maximum in the year of 2010 (103.25%) and it reached minimum in the year of 2013 (-0.56%) from growth rate analysis it shows eleven years export record was positive but, remaining five years should be negative growth.
- The export from India to Europe In the year 2017 export of coffee will be around Rs 287938.53 lakhs and 2021 it also may show from increasing value Rs 365613.20 due to lack of demand in host country.

### 1.12 CONCLUSION

From the study it can be concluded that there is scope for the development of coffee in India. Due to growing consumer recognition for differentiated coffees, has put the coffee sector at a crossroads. After analyzing the region wise data and relative comparative advantage data it was observed that as per their annual growth rate and trend their share in world exports these regions namely Africa, Central Africa, East Africa, EU Countries, and Europe has the potential markets for exports of Indian coffee through use of best practices followed in the global supply chain and put effective monitoring mechanism as this provides a critical tool towards efforts to cost-internalization. Product diversification through value added products like specialty coffees, estate branded coffees (single origin coffees), etc.

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