

## AN ANALYSIS OF THE IMPACT OF TRADE LIBERALIZATION ON PRODUCER PRICES OF COFFEE AND TEA IN INIDA

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### ABSTRACT:

Coffee is the second largest traded commodity in the world next to crude oil. In India, coffee is predominantly an export oriented commodity and over 70 percent of the coffee produced in the country is exported and remain 30 percent is consumed within the country coffee is the only plantation crop, which had a well, organized hundred percent controlled marketing system under the coffee Board. Tea is the second most popular drink in the world after water is a very important commodity for some of the developing countries in term of jobs and export earner. Indian tea is the second largest producer and second largest area under cultivation in the world, contributed 19 percent share in area and 24 percent share in production. Impact of trade liberalization under WTO mandated trade policy regime has seriously affected the Indian plantation sector in general and tea and coffee in particular. One of the most explicit impacts of the trade liberalization policies had been the emergence of market uncertainties leading to a fall in the international and domestic prices of commodities caused by the removal or dilution in tariff and non a tariff protective barriers. Coffee and tea are export oriented commodities, prices in the domestic market are influenced by international prices. The aim of this paper is an attempt has been made to analysis, the impact of trade liberalization on producer prices of coffee and tea in India.

**KEY WORDS:** Trade Liberalization, producer price, wholesale price, Retail Price, International price, Consumer Rupee.

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