



GEOGRAPHICAL INDICATIONS AND RURAL DEVELOPMENT; OPPORTUNITIES AND ECONOMIC IMPACT OF PROTECTION OF FRUIT CROPS IN INDIA

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ABSTRACT

Geographical Indications are considered to be able to contribute to rural development. In India 68.84 per cent population living in villages and around 70 per cent of rural household depending on agriculture for livelihood. Fruits are agricultural product and can be protected by registration in GI registry of India. As qualities and traditional stories makes some fruits special for protection, therefore registration of different varieties of fruit crops may support for rural development by generating more income source. This paper is an attempt to find out economic impacts and opportunities of protection of high-valued fruit crops through GI registration to avail economic prosperity.

Key words: Geographical Indications and Rural Development, GI benefits, Economic Impact of Protection of Fruit Crop and role of GI in Fruit Crops.

Introduction

Geographical Indication is collective intellectual property right, which identify a good or product as originating from a specific region, and qualities or a reputation of product or good stemming from that place of origin. GI is working as a marketing tool by conveying information about product. GI protection is more inclined to agricultural products; it includes not only qualities of agricultural product but also all factors that involved from production to process to make them available in market for customers. GI opens door for inclusion of many

more other products related to the geography, climatic conditions etc. India has a range of local products that correspond to the GI but only few are protected. To ripe the full benefits from the production it is necessary for producer to get their product GI registered and for fullest benefit quality standardization should maintain absolutely by producers of that good or product. As GI is collective in nature therefore uniqueness and quality of the GI product ought to be standardized and strictly adhere.

Geographical Indications and Rural Development

Many rural development strategies are based on the production of differentiated agricultural goods, demanded by a fraction of consumers because of these products quality, environment innocuousness, and/or typicality. When these goods are associated with the area where they are produced, they represent an immobile comparative advantage, which can be used as a force for spurring economic activity in remote and/or underprivileged regions¹. Because of GI, these protected products may bring value for area or region; it can create employment opportunities that can intimately help to uplift socio-economic condition of inhabitants which further prevent rural exodus to urban area. With help of GI local producer can enhance reputation of their product and can sell directly, thus it can be more competing against large corporations and the publicity of a GI can enhance identity of area or region or locality. Therefore GIs are regarded as a factor for rural socio-economic development and for strengthening economy.

Potential Benefit of GI in Agricultural Sector

Geographical Indication functions as an asset for agriculture sector and it is also protecting consumer's right by providing them true information about the product. GI is working as information asymmetry in competitive market. By maintaining a certain minimum level of quality, and asserting this to the consumer, producers of reputable products can charge a price premium (differential between marginal cost and price) and consumers can retaliate by curtailing future purchases if quality does not meet expectation.² When agriculture goods are associated with the area of production which having some uniqueness than it can be more profitable compare to generic agricultural production because consumer have a higher tendency to buy protected agricultural GI goods. Number of studies attests to the potential economic benefits of GI registration. Consumer survey undertaken in the European Union in

¹ Carina Folkesson, geographical Indications and rural development in the EU, pp15

² Rangneker, Dwijen;2004, pp 9-11; 2003, pp3; OCED, 2000, pp 8

1999 found that 40 per cent of the consumers would pay a premium of 10 per cent for origin-guaranteed products³. United Nations Conference on Trade and Development (UNCTAD) study has revealed that GI registered agricultural products can fetch a price premium of 10–15 per cent whereas for non-agricultural products it would be to the tune of 5-10 per cent⁴.

Economic Impact of Protection of Fruit Crops

India is known as food basket of the world and considered as the second largest producer of fruit and vegetable crop. In production of bananas, papaya, mangoes and guavas, India is the world's largest producer. As per report published by Yes Bank; due to skilled manpower deficiency, poor cold storage facilities, minimal technological interventions and inefficient post harvest management, around 4.6-15.9 % fruit are getting waste in India every year⁵.

Besides other common challenges, one specific challenge is with to ensure survival of traditional fruit crop that belongs to the particular community. Agro-climatic and geographical conditions prevailing in particular region or locality and adjoining areas give some fruits its unique characteristics therefore that special traditional fruit varieties are deserves to get registered in GI registry for better protection in competitive global market.

India contributes around 0.14 per cent to the global fruit exports and it constitutes around 8 per cent of the overall global export of the \$ 1.76 trillion agri products.⁶ As per study conducted by Yes Bank with the approval of the Agricultural and Processed Food Products Export Development Authority (Apeda) on difficulties faced by exporters in the supply chain of agricultural products has clearly stated that after registering a phenomenal 40 per cent growth in the financial year 2016-17, India's fruit exports are finding it difficult to sustain the momentum in the coming years and on difficulties faced by exporters in the

³ WTO. 2004. Exploring the Linkage between the Domestic Policy Environment and International Trade, http://www.wto.org/english/res_e/anrep_e/world_trade_report04_e.pdf

⁴ Das, A. 2008. Geographical indications: UNCTAD's initiative in India, Presentation at UNDP RCC, UNDP Cambodia and Economic Institute of Cambodia, Phnom Penh, September 4. http://hdru.aprc.undp.org/ext/regional_workshop_2008/pdf/Das_s3.pdf

⁵ <http://italiaindia.com/wp-content/uploads/2017/08/YES-Bank-MAKE-IN-INDIA-food-processing-febbraio-2016.pdf>, P. 26

⁶ http://www.business-standard.com/article/economy-policy/stringent-global-quality-norms-denting-india-s-fruit-exports-study-117100300858_1.html

supply chain of agricultural products this study stated that India's fresh fruit exports were suffering due to stringent quality norms in importing countries⁷.

Overall there are so many challenges that are involved with fruit production and processing industry and its threat for India's special varieties of fruit crop which have potential to get registered in GI registry of India. As now farmers are more willing to pay higher price having reaped the benefit through new seed varieties for more production. Therefore seed companies and technology developers saw this as an opportunity to convert plant varieties and important plant genes as profit-making products^{8,9}. Therefore, many of the traditional fruit crop are fighting to compete new varieties and without protection they can't survive in market.

It's true that GI Tag hasn't helped the growth of fruit crop but GI it is essential for survival of traditional fruit crops and it will also help in maintaining qualities of protected fruit crop. India fruits exporters are facing qualities; issues in the global fruit trade. Use of pesticides while any of stage during production or processing of fruit crop has continued to pose a challenge to the Indian fruit export business. If the India's special fruit crops get registered and marketed properly than it will definitely add value in fruit crop production by promoting traditional ways of production and it will also promote rural socio-economic development. Therefore in present scenario, it imperative to identity traditional varieties of fruit crops because by this only indigenous fruit varieties which can't be grown outside that particular area can be protected. Otherwise, the younger generation won't even know what that traditional fruit crop tastes like.

Role of GI in Fruit Crop

India is rich in horticultural especially in traditional fruit varieties. Many fruits are famous in their respective regions and some of them are registered under Geographical Indications of goods (Registration and Protection) Act 1999 which are listed below, in Table-1 with their GI application No. and respective State name.

⁷ Id.

⁸ Sullivan, 2004, S. N., Plant Physiol., Pg.135, 10–15.

⁹ Gepts, P., 2004, Plant Physiol., Pg. 134, 1295–1307

Table 1- Registered GI Fruits in GI Registry of India (as of 12th Oct., 2017)

Serial No.	Name of GI	GI Application No.	State
1	Coorg Orange	13	Karnataka
2	Laxman Bhog Mango	111	West Bengal
3	Khirsapati (Himsagar)Mango	112	West Bengal
4	Fazli Mango	113	West Bengal
5	Virupakshi Hill Banana	124	Tamil Nadu
6	Sirumdlai Hill Banana	126	Tamil Nadu
7	Mango Malihabadi Dusseheri	125	Uttar Pradesh
8	Vazhakulam Pineapple	130 & 141	Kerala
9	Devanahalli Pomello	131	Karnataka
10	Appemidi Mango	132	Karnataka
11	Kamalapur Red Banana	133	Karnataka
12	Mahabaleshwar Strawberry	154	Maharashtra
13	Nashik Grapes	165	Maharashtra
14	Gir Kesar Mango	185	Gujarat
15	Bangalore Blue Grapes	211	Karnataka
16	Nagpur Orange	385	Maharashtra
17	Arunachal orange	375	Arunachal Pradesh
18	Tripura Queen Pineapple	436	Tripura
19	Chengalikodan Nendran Banana	479	Kerala
20	Tezpur Litchi	438	Assam
21	Khasi Mandarin	465	Meghalaya
22	Memong Narang	437	Meghalaya
23	Waghya Ghevada	476	Maharashtra
24	Beed Custard Apple	494	Maharashtra
25	Jalna Sweet Orange	495	Maharashtra
26	Purandar Fig	500	Maharashtra
27	Solapur Pomegranate	502	Maharashtra
28	Dahanu Gholvad Chikoo	493	Maharashtra
29	Jalgaon Banana	498	Maharashtra
30	Marathwada Kesar Mango	499	Maharashtra
31	Banaganapalle Mangoes	241	Andhra Pradesh

Source: <http://www.ipindia.gov.in/registered-gls.htm>

Till 12th October, 2017 out of 295 registered GI, 31 are protected fruit crop. In India due to agro climatic conditions large numbers of fruit crop are available that have potential to get registered because of their special qualities, but not registered as GI fruit so far. In fact due to lack of awareness it will take many years to get them registered. As per various reports; wastage of fresh fruits is very high and there are so many challenges involved in agro sector. Because of market pressure farmers are more focusing of quantity; this step can damage our

traditional varieties of fruit crop. Hence, focus need to get shifted from production of quantity, towards quality. Instead of producing quantities of fruit crop, it is imperative to invest a lot more in value-added fruit production to avail economic prosperity.

Conclusion and Suggestion

Protected GI products are believed to contribute more for development of designated area or region or locality because consumers have an interest in this type of niche product. Many studies also showed that consumer have an interest in GI product because they believe in quality and speciality of protected GI. Compare to reference marketing producers can get more profit with help of GI recognition for their contribution and standard quality of product, it justified because of the existence of asymmetric information. Without registration, small producers would not have any other effective mean to signal special quality of their product to the customers. Therefore for socio-economic development of rural India it is imperative for rural agriculture sector to have their GI be protected. With help of GI recognition of Indian traditional fruit varieties their demand and qualities will also improve.

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