

# Banana Boom: Transforming Global Exports – Challenges and Opportunities

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## **ABSTRACT:**

*India, the world's largest banana producer, accounts for approximately 25% of global banana production, yet its share in the global export market remains minimal at only 1%. Despite producing 35.36 million metric tons annually, India's banana export value was only USD 176 million in 2023–2024. The major export destinations for Indian bananas include the Middle East, Southeast Asia, East Africa, and the UK, with an upward growth trend in exports, particularly to new markets such as Russia. However, challenges such as post-harvest handling, transportation, storage, and trade restrictions hinder the growth potential of Indian banana exports. Quality issues, such as black spots, bruising, and chemical residue, further complicate the process. In contrast, the global banana trade is valued at over USD 4.5 billion, and with emerging markets in China, Russia, and Eastern Europe, Indian exporters have substantial opportunities to increase their market share. With a focus on enhancing export procedures, improving packaging, and addressing quality control, India has the potential to significantly boost its banana exports in the coming years.*

**KEY WORDS:** *Banana Production, Export Share, APEDA, Global Market*

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## **INTRODUCTION**

India is the world's leading producer of bananas, contributing approximately 25% of the global supply, with an annual production of 35.36 million metric tons. Despite this impressive production, India holds only about 1% of the global banana export market. Andhra Pradesh, Maharashtra, Karnataka, Tamil Nadu, and Uttar Pradesh are the states with the highest banana production, which collectively contribute to 67% of the country's total banana output. While the majority of bananas produced in India are consumed domestically, there is increasing interest in expanding exports, particularly to emerging markets such as Russia, alongside traditional markets like the Middle East, Southeast Asia, and the United Kingdom.

However, India faces several challenges in expanding its banana export industry. Post-harvest handling, transportation, and climatic vulnerabilities are significant obstacles, as bananas are highly perishable and require precise handling to maintain their quality. They are typically harvested while still green and stored in cold environments to prevent premature ripening. The need for refrigerated containers and proper packaging further increases the cost of exporting bananas. Despite these hurdles, global demand for bananas continues to rise due to population growth, increasing disposable incomes, and a shift

toward healthier diets, particularly in emerging markets like China and Russia. This presents an opportunity for India to grow its share in the global banana export market.

India's banana exports have seen significant growth in recent years, with a 54.4% increase in exports in 2023, reaching approximately USD 222 million. Projections for 2024 indicate continued growth, with exports expected to hit USD 300 million. To sustain and further this growth, India needs to improve its post-harvest processes, including quality control measures, packaging, and transportation infrastructure. Strengthening logistics networks and addressing temperature sensitivity issues will help reduce costs and improve the marketability of Indian bananas. By expanding into new markets and capitalizing on trade agreements to reduce tariffs, India could further increase its presence in the global banana market, positioning itself as a more competitive player on the world stage.

## **STATEMENT OF THE PROBLEM**

In 2024, the value of the global banana trade was \$11.7 billion. However, India exported \$300 million worth of bananas in 2024, which is around 2.5 percent. Given the size of the global banana market, Indian exporters can take advantage of it and make a sizable profit if they correctly tap it and adopt the appropriate strategy. This study is carried out to examine the challenges and opportunities involved in producing and exporting bananas.

## **REVIEW OF LITERATURE**

Bisht, V., Sharma, R., & Kumar, A. (2015) focuses on reducing post-harvest losses in banana exports by improving infrastructure and handling to boost competitiveness. Rajendran, S., & Singh, R. (2017) highlights quality control issues, recommending better packaging, grading, and farmer training to meet international standards. Gupta, S., & Sharma, R. (2019) explores technologies like cold chain logistics and packaging to reduce waste and extend shelf life, enhancing banana exports. Ploetz (2015) investigates the impact of Panama disease on banana exports and stresses the development of disease resistant banana varieties. Lopez et al. (2020) examines advancements in cold chain management, emphasizing temperature control to prevent spoilage and optimize banana exports.

## **OBJECTIVES**

To find out the major export-centric and quality-related issues that banana exporters confront when trying to export high quality bananas

To find out the major risks faced by farmers in India during the process of producing and exporting bananas.

To evaluate the competitiveness and export market prospects of Indian bananas.

## **METHODOLOGY**

The study includes both primary and secondary data, with primary data being the predominant source. The study relies on primary data collected by survey. A systematic questionnaire was distributed personally to respondents. Secondary data is gathered from various books, periodicals, analysis of trade reports, government policies, and market trends.

## **SOURCES OF DATA**

This study employs both descriptive and exploratory research methods. Area sampling technique was employed with a sample size of 120 respondents.

**TOOLS**

**Analytical Tools:**

Chi-Square Test, Garrett Ranking and Simple Percentage Analysis were used for data analysis.

**ANALYSIS AND INTERPRETATION**

**TABLE – 1 AVERAGE ANNUAL TURNOVER**

What is the average annual turnover (revenue) of your banana production business?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	₹1 lakh- ₹10 lakh	4	4.0	4.0	4.0
	₹10 lakh- ₹50 lakh	51	51.0	51.0	55.0
	₹50 lakh - ₹1 crore	27	27.0	27.0	82.0
	More than ₹1 crore	18	18.0	18.0	100.0
	Total	100	100.0	100.0	

Source: Primary Data

**Interpretation:** It is clear that, 51% of respondents’ annual turnover ranges between ₹10 lakh- ₹50 lakh.

**TABLE 2**

**GARRETT RANKING OF MAJOR RISKS ASSOCIATED WITH BANANA EXPORTS**

Risk Factor	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total Score	Average Score	Rank
Price Fluctuations	56	39	3	2	1	6,580	65.80	1
Unfavorable Weather	25	54	12	7	3	5,870	58.70	2
Payment Defaults	12	3	34	24	26	4,430	44.30	3
Pest and Disease Outbreaks	4	9	24	31	33	4,130	41.30	4
Trade Barriers/Tariffs	4	4	18	37	38	3,990	39.90	5

Garrett Values: Rank 1 = 80, Rank 2 = 60, Rank 3 = 40, Rank 4 = 20, Rank 5 = 10.

**Interpretation:** Price fluctuations (Average Score: 65.80) are the top concern, followed by unfavorable weather (58.70), reflecting market and climate vulnerabilities, payment defaults (44.30), pest and disease outbreaks (Average Score: 41.30), Trade barriers (39.90) are the least prioritized.

**TABLE – 3**

**FACTORS CONSIDERED BEFORE SELECTING AN EXPORT MARKET**

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.053 <sup>a</sup>	2	.591
Likelihood Ratio	1.439	2	.487
N of Valid Cases	20		

**Source : Primary Data**

H0 : There is no significant difference between years of experience and factors considered before selecting an export market

H1 : There is significant difference between years of experience and factors considered before selecting an export market

**Interpretation**

$X^2$  Cal= 1.053  $X^2$  Tab (DF:2) = 2 p-value= 0.591 sig at 5%level

It is clear that calculated  $X^2 = 1.053$  with 2 degrees of freedom (df) and the significance value (p-value) is 0.591. Since the p-value is 1 greater than the significance level of 0.05. Hence, the Null hypothesis is accepted and it is established that there is significant association between years of experience and factors considered before selecting an export market.

**FINDINGS**

The largest group of farmers have 2-5 years of experience. Most of the banana production farmers report an annual turnover between ₹10 lakh and ₹50 lakh. 30%-50% of banana production is used for export. 97% of farmers says that organic and chemical free farming is the main benefit of Indian bananas. All banana exporters ensure quality by sorting and grading based on size and ripeness, maintaining

consistency, reducing defects, and meeting market standards for successful exports. Most bananas are stored and transported using cold storage and refrigerated transport. 67% of farmers says that price fluctuations are the major risk associated with banana exports. A significant number of respondents feel that enhanced subsidy programs for farmers and exports are necessary, while a smaller group believes that government incentives assist in reducing costs. Majority of respondents (51%) use eco-friendly biodegradable packaging for banana exports, while 49% use cardboard boxes with ventilation. Around 53% of respondents feels that better infrastructure (such as roads, cold storage, and ports) is needed to enhance banana exports. From the responses it is came to know that the top emerging markets for Indian banana exports are the USA & Canada. The main obstacle for banana exports is high competition, with a smaller concern being the lack of international market access. The primary challenge in expanding banana exports to new markets, as identified by 80% of

respondents, is the lack of international branding and promotion. All respondents agree that high tariffs make banana exports less profitable. The main consideration for selecting an export market is the demand for bananas, noted by 95% of respondents. The main strategy to expand banana exports is entering new international markets. Majority of the respondents thinks that improved storage and cooling technologies would boost banana exports. To deal with competition, 45% of respondents focus on improving banana quality and branding.

## RECOMMENDATIONS

Implement consistent grading and packaging, and promote the organic nature of Indian bananas through targeted marketing. Enhance infrastructure and build international partnerships to reduce costs and increase market access. Implement price stabilization programs and financial support to protect farmers from price fluctuations. Provide training on farming practices and create a market information system for informed decision-making. Strengthen logistics networks and upgrade storage facilities to reduce export delays and maintain banana quality. Target new markets and promote "Brand India" to improve competitiveness.

## CONCLUSION

In conclusion, the Indian banana export industry has substantial potential, driven by the advantages of organic farming and the growing demand for Indian bananas in international markets. However, challenges such as price fluctuations, inadequate infrastructure, high competition, and the need for improved quality control must be addressed. Implementing consistent grading and packaging, enhancing cold storage and transportation, and promoting the organic nature of Indian bananas through targeted marketing will help maintain quality and improve market appeal. Additionally, offering price

stabilization programs, providing financial support, and investing in infrastructure are essential for farmers to mitigate risks. Expanding to emerging markets and focusing on building a strong "Brand India" will further boost competitiveness. By addressing these issues, India can strengthen its position in the global banana export market, ensuring sustainable growth, profitability, and global competitiveness.

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