



भारतीय कृषि एवं खाद्य परिषद्
INDIAN COUNCIL OF FOOD AND AGRICULTURE

INTERACTION WITH MINISTER OF STATE (IC) COMMERCE AND INDUSTRY, GOVERNMENT OF INDIA



22nd FEBRUARY 2017
INDIA INTERNATIONAL CENTRE, NEW DELHI



DELIBERATIONS



An interaction session of ICFA board members and few other eminent persons from the industry along with farmers' representative was organized with Hon'ble minister Mrs. Nirjala Sitharaman to put up the challenges faced by the farmers and industry in international trade and to seek guidance to improvise the same. The session was organized at India International Centre, New Delhi on 22nd February, 2017.

Dr. MJ Khan, Chairman, ICFA welcomed Hon'ble minister and briefed the house about genesis and functioning of ICFA. He updated the house about Working Groups, Councils, Joint Business Councils, MoUs, Agriculture summit and all other activities undertaken by ICFA.

Mr. Vijay Sardana, Member, Commodity Derivatives Advisory Committee, SEBI made presentation to

house addressing export related issues.

- o By 2030 the demand for agricultural commodities all together would be about 1060 million tons against current production of 760 million tons and to attain the same an increase of 20 million tons per annum is required.
- o India has lost the export market in 2016 by 20 percent against 4 per cent loss by China during same period.
- o More and more consignments of India are being detained by FAO during last year because of not adhering to quality standards.
- o In 2015-16, the export from India has gone down by 26 thousand crore rupees whereas the import has increased by 20 thousand crores hence amounting to a total loss of 46 thousand crores.
- o Codex standards for various commodities are not in favor of Indian crop diversity like mango, banana, lime etc.



- o Establishing chapter specific consultative groups, not just sector based groups considering, every chapter has its own legal, technical, production, quality, trade and many other issues.
- o With revision in MSP subsequent revision in customs duty is required to avoid trade distortion else domestic raw material becomes expensive and imports become cheaper.
- o Dedicated Joint Agribusiness Councils should be promoted.
- o All rejected export consignments by foreign governments must be investigated and accountability must be fixed.

Mr. Salil Singhal, CMD, Pesticides India Industries Limited felt that the key concern for Indian agriculture sector is to provide higher price to farmers and lower cost products to consumers. Our export should increase to INR 100 billion in next seven years in order to ensure farmers' welfare. He suggested logistics to be an important aspect to achieve the goal. He further voiced to have a Make in India Programme for Agriculture.

Mr. Siraj Choudhary, Chairman, Cargill India Ltd. stressed to improve risk reward situation for farmers.

Best rewards come from international market therefore we need to place Indian agriculture globally by smart trade.

Dr. PK Joshi, South Asia Director, IFPRI opined that codex standards need to be renegotiated to provide advantage to Indian products and conserving the biodiversity.

Mr. RPS Gandhi, Chairman, GVS Biotech Pvt. Ltd. opined that India imports products that could be exported. Policies concerning the ground level situation should facilitate proper utilization of resources.

Dr. Raja Ram Tripathi, Chairman at CHAMF INDIA brought to light that medicinal and aromatic plants have vast export opportunities but require organic certification unlike perishable food items which could be exported with GAP certificate. Although loss was suffered because of increase in cost of certification by APEDA. He also felt that certification process should be relaxed without loosening quality standards.

Dr. Maharaj Muthoo, President Roman Forum underlined the importance of non-government third



party certification in international market. He felt that all the stakeholders like farmers, traders, companies, certification agencies should make profit without engaging in malpractices.

Mr. Sanjeev Puri, COO, ITC Ltd. felt that to promote food processing and its domestic market, there is a need to spread awareness and especially clear the myth of chemicals being added to processed food. Increasing food processing would also increase employment opportunities in the sector. He suggested collaborating hands with state government and FPOs with financial contributions from each to provide safe food and spices in European market.

Mr. Anil Mittal, Chairman & M.D, KRBL Ltd. cited Non-tariff barriers like pesticide residue as a hurdle to international trade. Also attempt to patent basmati by Europe was a concern although resolved. Further, state taxes hamper the trade to a great extent.

Mr. Gurnam Arora, Jt. Managing Director, Kohinoor Foods Limited stressed to analyse the sectoral export instead of total agricultural exports and come out with the reasons of decline. Moreover, a platform at

international level is required to address to NTB based issues.

Mr. Raju Kapoor, Leader- Corporate Affairs, Dow AgroSciences India was concerned about MRL and its penetration in food chain. Political level discussions are required with the target countries to negotiate the same.

Dr. DK Singh, Chairman, APEDA expressed his concern to maintain quality which would be impossible without backend support. Agriculture is still focused on domestic requirement, as state governments are not export oriented.

Mr. Sanjay Dave, CODEX Expert stated that at policy level there is a need to establish a mechanism to improve coordination between Departments of Agriculture, Animal Husbandry, FSSAI and commodity boards to take trade to next level. Also it is required to work on promoting value addition, import policy and pesticide residue issue to facilitate trade across borders. He talked about taking actions to properly implement GAP, GMP and SPS standards to ensure food safety. Need of research for commercial application was stressed.

Mr. Vipul Mittal, National Category Head - F&V at Supermarket Grocery Supplies Pvt. Ltd. (BigBasket.com) advocated the product based focus considering different requirements for different commodities and hence conducting baseline studies with individual attention to each.

Mr. Puneet Thind, Director, Vegetable Grower Association of India underscored the significance to promote Farmer Producer Organisations (FPOs) and supporting them financially to promote cluster approach and to certain extent overcome the problem of aggregation.

Mr. Kulwant Singh, President, Kisan Vikas Chamber, Punjab cited that 80 per cent of fruits and 75 per cent of vegetables come from small farmers and the only way to increase their income is through promoting processing and export. Also, research base must be strengthened to adopt new technologies evolved in the world.

Dr. AK Rajput, Executive Director, Poultry Breeder Association raised the point that contribution of poultry sector in export is minimal. He also opined that if GM chicken could be imported in the country, then why there is restriction to import GM feed for chickens during lean season?

Hon'ble minister **Mrs. Nirmala Sitharaman** acknowledge that ICFA emanates from agriculture and is striving to unleash the potential of this sector and further spoke of

- o Paramount importance of research to improve export like high demand of FCV tobacco and alternative crop for tobacco, irradiation technique for onion to reduce water content.
- o Farmers and traders should jointly grow and reap benefit from trade.
- o Standards for crops for export would be taken up to provide international market and to conserve the biodiversity.
- o All the issues brought up were not related to her ministry and suggested inter-ministerial discussions for better coordination.
- o For discussions regarding pesticide residue discussions and negotiations at international level



trial data is required which only industry could provide.

- o Demand for oil cakes in international market is very high which India is unable to fulfill thus, huge opportunity is available for expansion in this subsector.
- o Cluster approach or FPOs are required to resolve the problem of aggregation of produce from export from small farmers like ginger from North east, orange from Nasik, which have high demand in international market.
- o She also assured discussions with APEDA would be initiated to cover the losses to aromatic and medicinal farmers because of increased cost of certification.
- o At last, she appreciated ICFA for doing a great job and advised to have more subject specific discussions on areas like Standards and codex, byproducts, research requirement, certification, aggregation, international negotiations and more.

Mr. Alok Sinha, DG, ICFA presented formal vote of thanks and expressed the gratitude to Mrs. Sitharaman for sparing her valuable time, patience listening to points of all present and prized suggestions to work upon. He further thanked all the participants for their worthy input to make the discussion fruitful.



ACTION POINTS

1. More and more consignments of India are being detained by FAO during last year because of not adhering to quality standards. Hence there is a dire need to look for the weak links, as every consignment is checked before shipping and quality is ensured. Moreover, all rejected export consignments by foreign governments must be investigated and accountability must be fixed to reduce such instances in future. A separate committee must be constituted to review the detained consignments.
2. India has huge diversity to offer to world, but the codex standards for various commodities does not favor Indian crop diversity. For e.g. Banana from Kerala have small length but as per codex the minimum length should not be less than 14.0 cm and the minimum grade not less than 2.7 cm. For all classes, 10% by number or weight of bananas not satisfying the requirements, similar are the case of mango and lime. Therefore, codex standards need to be renegotiated to provide advantage to Indian products and conserving the biodiversity. For the same a comparative document needs to be compiled with diverse characteristics of products available in India for international market against their codex standards.
3. To promote international trade of commodities, chapter specific consultative groups not just sector based groups need to be established, considering that every chapter or commodity has its own legal, technical, production, quality, trade and many other issues. Dedicated Joint Agribusiness Councils should also be promoted.
4. In order to retain balance between domestic produce and import of agricultural commodities inter-ministerial coordination is required for subsequent revision of custom duty with revision in MSP. In case revision of MSP is not followed by subsequent revision in customs duty, domestic raw material becomes expensive and imports become cheaper and results in distortion of trade. There is a need to establish a mechanism at policy level to improve coordination between Departments of Agriculture, Animal Husbandry, FSSAI and commodity boards to take trade to next level.
5. Medicinal and aromatic plants (MAPs) have vast export opportunities in international market but require organic certification unlike perishable food items which could be exported with GAP certificate. To increase the trade for increased income to farmer, awareness among farmers is must and for bulk quantity for exports clusters of farmers need to be developed. Government should support cultivation of MAPs, its certification as well as processing specifically for purpose of exports.
6. Focus on research is imperative to improve exports, especially market driven research to fulfill the demand and sustain in international market. Like focused research on FCV tobacco to meet high demand in international market, alternative crop for tobacco, irradiation technique for onion to reduce water content etc. could boost exports and increase income to farmer. Earmarked funds for identification and research on products of high international demand.
7. Farmer clusters and FPOs especially for export are required as they have the capability to resolve the problem of aggregation of produce from small farmers like ginger from North east, orange from Nasik, which have high demand in international market. Therefore government should support the clusters and FPOs financially for better across border trade.



LIST OF PARTICIPANTS

1. Dr. Maharaj Muthoo, President Roman Forum, Rome
2. Mr. Salil Singhal, CMD, Pesticides India Industries, Limited
3. Mr. Siraj Chaudhary, Chairman, Cargill India Ltd.
4. Dr. AK Singh, Managing Director, NHB
5. Dr. Vibha Dhawan, Senior Director, TERI
6. Mr. Sanjeev Chadha, Managing Director, NAFED
7. Mr. Puneet Thind, Director, Vegetable Grower Association of India
8. Dr. AK Rajput, Executive Director, Poultry Breeder Association
9. Mr. PK Wadhvani, Dy. General Manager - International Business, Mother Dairy Fruit & Vegetables (P) Ltd
10. Mr. Mihir Mohanta, General Manager at Mother Dairy Fruit & Vegetable Pvt. Ltd
11. Dr. Dilip Kumar, Fishries and Aquaculture Expert
12. Mr. Girish Sannappanavar, Executive Director, Farm NXT
13. Mr. Abhinandan Doke, CEO, Organic India Pvt. Ltd.
14. Mr. Anil Mittal, Chairman & M.D, KRBL Ltd.
15. Mr. Kulwant Singh, President, Kisan Vikas Chamber, Punjab
16. Mr. Jai Pal Reddy, Coordinator-Southern Region, ICFA-AIFA
17. Mr. Sanjiv Puri, COO, ITC Ltd.
18. Mr. GN Sharma, Coordinator- Eastern Region, ICFA-AIFA
19. Mr. Raju Kapoor, Leader- Corporate Affairs, Dow AgroSciences India
20. Mr. Gurnam Arora, Jt. Managing Director, Kohinoor Foods Limited.
21. Mr. PK Das,
22. Ms. Shahsi Rekha, Director, NACB- QCI
23. Ms Mattu JP Singh, Director PIB, Ministry of Commerce
24. Dr. DK Singh, Chairman, APEDA
25. Dr. VV Sadamate, Chairman-ICFA WG on Agriculture Extension
26. Mr. Abhijit Bhonsle, Sr. Manager -Agri Production, Nature Bio - Food Ltd
27. Mr. JS Oberoi, LT Foods Ltd.
28. Mr. SK Makhija, Advisor, Jain Irrigation
29. Mr. Vijay Sardana, Member, Commodity Derivatives Advisory Committee at Securities & Exchange Board of India
30. Mr. Sanjay Dave, CODEX Expert
31. Mr. RPS Gandhi, Chairman, GVS Biotech Pvt. Ltd.
32. Mr. Vipul Mittal, National Category Head - F&V at Supermarket Grocery Supplies Pvt. Ltd. (BigBasket.com)
33. Dr. PK Joshi, South Asia Director, IFPRI
34. Dr. Raja Ram Tripathi, Chairman at CHAMF INDIA “Central Herbal Agro Marketing Federation of India”
35. Dr. MJ Khan, Chairman, ICFA
36. Mr. Alok Sinha, DG, ICFA
37. Mr. NS Randhawa, ED, ICFA
38. Ms Mamta Jain, Director, ICFA
39. Dr. Sucheta Arora, Director, ICFA
40. Dr. Shivam Sharma, Deputy General Manager, Office of Chairman, ICFA



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