



भारतीय कृषि एवं खाद्य परिषद्
INDIAN COUNCIL OF FOOD AND AGRICULTURE

REPORT

on

AGRI EXPORT POLICY – MINISTRY OF COMMERCE





Currently ranked ninth amongst the major exporters globally, India has displayed a consistent increment in its share in global exports of agriculture products. India's export basket is a diversified mix led by marine products (US\$ 5.8 Bn), meat (US\$ 4 Bn) and rice (US\$ 6 Bn) which together constitute ~52% of its total agri exports. While India occupies a leading position in global trade of aforementioned agri products, its total agri export basket accounts for little over 2% of world agri trade, estimated at US\$ 1.37 Trillion³

However, lack of a stable trade policy has impeded India's agro export interests. Lack of consistent policies in the areas of farm production, support prices and R&D to inland transportation, exit point infrastructure and export restrictions have the potential to result in uncertainty among the stakeholders and loss of opportunity. Given the domestic price and production volatility of certain agricultural commodities, there has been a tendency to utilize trade policy as an instrument to attain short-term goals of taming inflation, providing price support to farmers and protecting the domestic industry. They end up distorting India's image in international trade as a long term and reliable supplier. Therefore, It is imperative to frame a stable and predictable policy with limited State interference to send a positive signal to the international market

The draft Agri Export Policy thus aims at Providing a policy assurance that the processed agricultural products and all kinds of organic products will not be brought under the ambit of any kind of export restriction (viz. MEP, export duty, export ban, etc) even though the primary agricultural product or non-organic agricultural product is brought under some kind of export restrictions. The Agri Export Policy also intends to initiate consultation among the relevant stakeholders and Ministries to identify the commodities which are essential from food security perspective and barring such identified commodities, the effort would be to ensure that other agricultural products would not be brought under any kind of export restrictions.

The Agri export Policy aims at using the DGFT field offices, Export Promotion Councils, Commodity Boards and Industry Associations to act as advocacy forum for reform of APMC by all the states. Contract farming is India's solution to bring in large scale private investments in agriculture, thus producing surplus volumes of standardized, exportable quality of agricultural products. The Agri Export Policy would aim at an advocacy role for bringing reforms in contract farming laws through its stakeholders and bodies promoting agricultural exports. Besides this, infrastructure and logistics support is treated as a crucial component in agro export policy. The policy focuses on Identifying major ports, Port development, identifying the challenges of operationalizing existing defunct infrastructure at ports such as the Centre for Perishable Cargo (CPC) and requirement of new CPCs and other infrastructure at the port of exit. The agro export policy also covers R & D for improved varieties, value addition and packaging; Establishment of a good standards regimen; A holistic response to SPS and TBT barriers faced by Indian products and Identification of winning sectors and strategies for augmenting exports in those sectors.

The policy also advocates greater involvement of State Governments in Agri Exports for which the policy recommends identification of a nodal State Department / Agency. Inclusion of agricultural exports in the State Export Policy and an assessment of the State's potential in key agricultural sectors and drawing up an action plan to support the infrastructure creation will be crucial to promoting exports. There should be institutional mechanism at state level and cluster level to support exports. The policy also recommends the Government of India to encourage and incentivize the State Governments by strengthening State infrastructure to Identify suitable production clusters, Conduct farmer registrations, Digitization of land records and Promote Farmer Producer Organizations (FPO). Subject to successful implementation of clusters, a transition agri export zones (AEZs) has been suggested by the policy to facilitate value addition, common facility creation and higher exports from such zones.

Another area highlighted in the policy is the promotion of value added exports especially for indigenous commodities and Organic exports. Development of organic export Zones/organic Food park with an integrated approach, Marketing and branding of organic products and Developing uniform quality and packaging standards for organic and ethnic products area are accorded an important status.

The policy has stressed on the promotion of R&D activities for new product Development for the upcoming markets through Fortification and super foods. In order to provide a platform for SHGs/FPOs/Cooperatives/Artisan groups, Agri export policy proposes to establish a mechanism for linking



all credible SHGs, FPO's, Cooperatives, Quality certified Private Processors and Traders etc through a public private partnership mechanism including exploring the possibility of Development of a portal to provide e-commerce platform for providing direct linkage to Farmers' cooperatives, producer societies an export linkage. markets through Fortification and super foods. In order to provide a platform for SHGs/FPOs/Cooperatives/Artisan groups, Agri export policy proposes to establish a mechanism for linking all credible SHGs, FPO's, Cooperatives, Quality certified Private Processors and Traders etc through a public private partnership mechanism including exploring the possibility of Development of a portal to provide e-commerce platform for providing direct linkage to Farmers' cooperatives, producer societies an export linkage.

Ease of Doing Business (EODB) & Digitization are also being proposed in facilitating and expanding India's agri exports. Market Intelligence cell at MoC and Portal for Information Dissemination- a consistent demand from exporters has also been addressed in the policy. Agro export policy also recommends developing sea protocols for perishables. Establishment of Strong Quality Regimen The role of FSSAI, EIC, plant and animal quarantine and different Commodity Boards in setting standards, enforcing such standards and a robust accreditation and certification arrangement to identify export worthy establishments will be facilitating further exports.

Conformity Assessment is another crucial area which is important for agro exports. The lack of recognition of Indian testing procedures and conformity standards proves costly to exporters and therefore farmers. The government must make concerted efforts during bilateral discussions for mutual recognition of ethnic and organic products and standards. Agri export policy would strive to work with line ministries in identifying areas in which there is a potential to reduce import dependence and achieve self-sufficiency. A start-up in the Agri export sector has been encouraged. The draft Agro Export Policy thus aims at addressing a whole range of issues which could potentially propel India into the top bracket of agricultural exports. It has often been recognized that integration in the global value chain is one of the most certain methods of adopting the best agricultural practices along with attaining productivity gains and cost competitiveness.





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