

Draft Agriculture Export Policy

Why in news?

\n\n

A new Draft Agriculture Export Policy was released recently by the Ministry of Commerce and Industry.

\n\n

What are the objectives?

\n\n

\n

- The 'National Agriculture Export Policy' is formulated in line with the vision to double the farmers' income by 2022.

\n

- It is also towards the goal of increasing the share of agricultural exports from present about USD 30 billion to over USD 60 billion.

\n

- Getting to one of the top 10 exporting countries of agricultural products is also one of the goals.

\n

\n\n

What are the concerns addressed?

\n\n

\n

- **Trade** - India is today a leading global producer of foodgrain, dairy and several horticultural crops.

\n

- But it holds a minuscule 2.2% share in global agri-exports.

\n

- It is stuck at the lowest rung of the value chain, and India's farm exports are highly reliant on a handful of commodities.

\n

- These include marine products, meat, rice and plantation crops.

\n

- **Shortfalls** - Exports even in these items are frequently interrupted by self-

imposed and arbitrary trade curbs.

\n

- State-level curbs on movement of produce add to already high costs from fragmented farms and poor logistics.
- \n
- High rejection rates on consignments due to poor quality, antibiotic and pesticide residues and other phyto-sanitary grounds are major concerns.
- \n
- **Farmers** - Bumper crops continued to trigger a meltdown in food prices.
- \n
- Policy interventions such as e-Nam and the repeal of the APMC Acts by States have made scant progress.
- \n
- **Policy** - Domestic price and production volatility of certain agricultural commodities lead to using the existing policy for short-term goals.
- \n
- These include taming inflation, providing price support to farmers and protecting the domestic industry.
- \n
- These decisions may serve the immediate purpose of maintaining domestic price equilibrium.
- \n
- However, they end up distorting India's image in international trade as a long term and reliable supplier.
- \n
- It is thus imperative to frame a stable and predictable policy.
- \n

\n\n

What are the key recommendations?

\n\n

\n

- **Infrastructure** - The policy stresses on improving the infrastructure, and storage and exit point logistics.
- \n
- It suggested a comprehensive need-gap analysis of existing export oriented infrastructure across the value chain for this.
- \n
- **R&D** - The policy emphasised promoting R&D activities for new product development for the upcoming markets.
- \n
- Increased focus on R&D, new varieties and state of the art lab for effective accreditation and monitoring is called for.

\n

- This will be part of the efforts towards establishing a strong quality regime.
- \n
- Besides, the policy stressed the need to ensure greater interaction between the various research organizations and industry bodies.
- \n
- **Exports** - The policy aims to boost high value and value added agricultural exports, focusing on perishables.
- \n
- Improving the institutional mechanism for tackling market access barriers is suggested as a measure.
- \n
- Dealing with sanitary and phytosanitary issues are also the priorities.
- \n
- Processed agricultural products and all kinds of organic products will not be brought under any kind of export restriction.
- \n
- **APMC** - Monopoly of the Agricultural Produce Market Committee (APMC) is a long existing concern.
- \n
- It prevents private players from setting up markets and investing in market infrastructure.
- \n
- APMC across states have not been able to achieve farmers' welfare envisaged in these acts.
- \n
- The policy hinted at continuing the efforts with state governments to remove perishables from their APMC Acts.
- \n
- It also suggested better coordination between central ministries that are now working at cross-purposes.
- \n
- **Mandi** - State governments would also be urged to standardize/ rationalize mandi taxes for largely exported agricultural products.
- \n
- Simplification or uniformity of mandi/agricultural fee across states will create a transparent supply chain.
- \n
- This will empower the farmers, providing wider access to markets and enabling free trade across the country.
- \n
- **Products** - It is proposed that the agricultural export policy must focus on promotion of value added, indigenous and tribal products.
- \n

- Development of organic export zones/organic Food park with an integrated approach is suggested to help promote shipments.
\n
- **Agency** - Global bodies like US FDA and European Food Safety Authority are empowered to frame, regulate and implement policies related to both agricultural production and trade.
\n
- The draft policy considered working towards bringing in similar agencies in India.
\n
- **Besides** the policy made a case for promoting contract farming as it would help in attracting investments.
\n

\n\n

- Some of the other notable recommendations include:
\n

\n\n

- i. promotion of region-specific clusters for lucrative crops
\n
- ii. coordinated branding efforts
\n
- iii. a shared database for exporters on market intelligence and export rejects
\n
- iv. quality assurance at the farm
\n
- v. wider adoption of land leases
\n

\n\n

\n\n

Source: Economic Times, BusinessLine

\n