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Improving Agricultural Exports

Why in news?

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- Products registered with 'Agricultural and Processed Food Products Export Development Authority – APEDA' have seen a sharp decline in export.
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- APEDA has hence urged the central government to allow 10-20% of annual agricultural produce to be exported.
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What are the reasons?

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- A major reason for decline in export is frequent change in government policy for products like Rice, pulses, wheat and sugar.
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- Sometimes, export has been banned and at other times, duties have been raised or lowered.
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- Although policy decisions were based agri-output & local demand, it effectively resulted in importers switching to alternative sources, for long-term supply assurance.
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- Notably, the country's agricultural and processed food export fell to $33.4 billion in 2016-17, from a record $42.9 bn in 2013-14.
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What needs to be done?

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- At 2.2% of the total, India is at ninth position in global agri trade and is considered to have a huge export potential.

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- Export of agri items contributes 13.1% of agricultural GDP, thereby having a considerable impact on the economy.
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- Developing a sustained export market requires a reliable supplier.
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- Hence, stable export policy to ensure at least an assured export of 10-20% of production of an item in a season.
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- Experts say keeping this much for export would suffice, as shipments have rarely exceeded such a proportion.
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- Improvements in crop production estimation, buffer stock, future projection and domestic demand are needed.
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- While India produces surplus in a number of agri commodities, their transportation, marketing continues to be a challenge.
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Source: Business Standard

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