

Agri export policy to get a makeover

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NEW DELHI: India's six-year-old Agricultural Export Policy (AEP) is set for an overhaul as export destinations shift and the country's farm exports basket becomes more diverse, three people directly involved in the process said.

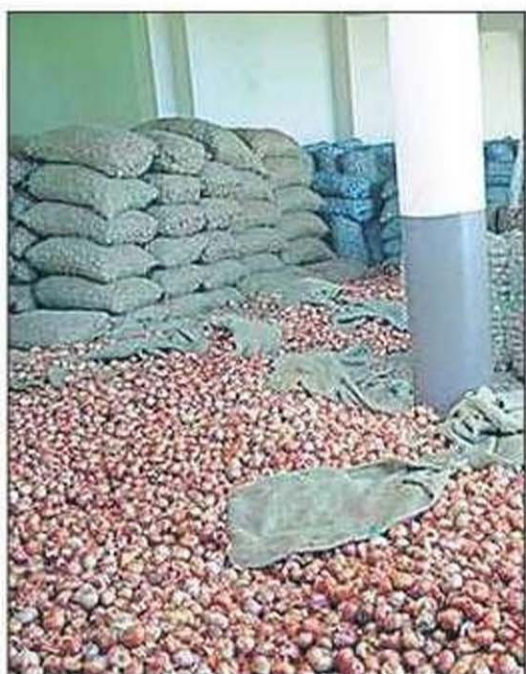
The proposed review will attempt to enhance the competitiveness of Indian agricultural products, ensure compliance with global standards, and promote value-added products. It will also try to find ways to strengthen trade ties with emerging markets while sustaining strong relationships with traditional partners, the people cited above said on the condition of anonymity.

"Our agricultural exports have been witnessing an increasing trend over the last five years. The policy needs to be reviewed to realign our export targets with changing market demands. The review process will begin in consultation with the agriculture ministry, and a timeline will be established," one of the three people cited above said.

India ranked the world's eighth-largest agricultural exporter in 2023 despite a decline in exports from \$51.12 billion in FY23 to \$48.77 billion in FY24. Over recent years, changing global demand patterns, evolving trade partnerships and advancements in agricultural technology have contributed to a transformation in how and where agricultural products are traded.

"We will assess the performance so far and identify the areas that need to be focused on," the second person said.

The government introduced a comprehensive AEP in 2018 with the objective of doubling annual agricultural exports to \$60 billion by 2022 and reaching \$100 billion in subsequent years.



Agricultural exports fell 8.19% in FY24 to \$48.77 billion. GHT

However, agricultural exports in FY24 were \$48.77 billion, down 8.19% from \$53.12 billion in FY23.

The decline is largely attributed to export restrictions on rice and wheat introduced to ensure domestic food security and stabilize local prices. Wheat export was banned in May 2022, while the export of non-basmati white rice was prohibited in July 2023.

"The focus will be on processed food to target new market destinations. Organic products are also showing an increase in demand. Our export infrastructure also needs to be augmented to align with export targets," the third person said.

India exports a wide range of agricultural products including rice, wheat, vegetable oils, fresh fruits and vegetables, pulses, spices, cashew nuts, marine products, sugar, coffee, processed fruits and juices, Ayush and herbal products, tea, dairy products, tobacco, poultry products and meat.

India's top ten export destinations are the UAE, Singapore, Tanzania, Angola, Ghana, the Netherlands, Congo, Kenya, US and Haiti.

Experts said the policy should focus on maintaining consistency in existing exports, and protecting farmers' interests.