Addressing Concerns in Agri-Exports

Why in news?

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Commerce and Industry Ministry has expressed its determination to expand the Agri exports.

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What is the status of Indian Agri exports?

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- In general, both agri exports and imports have increased substantially since 2004-05.
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- As a share of the agri-GDP, the contribution of this trade increased from 11.1 % in 2004-05 to 16.7 % in 2016-17.
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- This reflected the increasing integration of Indian agriculture with global markets.
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- However, Agri-trade surplus fell dramatically by 2016-17.
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- This fall in agri-trade surplus is the result of falling exports and rising imports.
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What are the reasons?

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- Agri-exports suffered primarily due to the significant fall in exports of cereals (especially wheat and maize), cotton, and oilseeds.
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- This, in turn, was largely due to a steep fall in global prices and restrictive export policies.
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- Export policies for pulses, oilseeds/edible oils and several vegetables were getting restrictive.
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- However, exports of fish-seafood, and fruits-nuts-vegetables have been growing steadily.
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What are the necessary policy corrections?

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- India needs to build global value-chains for some important agri-commodities in which the country has a comparative advantage.
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- The country can also become competitive in groundnut and mustard oil production, provided there is an open, stable and reliable export policy.
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- Few exports would require infrastructure and institutional support connecting export houses directly to farmer producer organisations (FPOs).
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- A special package to support value-chains through infrastructural investments which will also create jobs in rural areas is essential.
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- On the imports front, policy must be designed such that the landed price of good never goes much below the domestic prices of their nearest rivals.
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- Long land-lease arrangements can facilitate private investments in building export-oriented global value-chains, generating rural non-farm employment and enhancing farmers' incomes.
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Source: Indian Express

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