Indian food exports vs Non-Tariff barriers

Why in news?

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European Union (EU) recently mandated stricter testing for Indian seafood.

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How do Indian seafood exports fare internationally?

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- Seafood exports are likely to grow over 20 per cent in 2017-18 after the figures touched an all-time high of $5.78 billion (Rs 37,870.90 crore) in 2016-17.
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- USA had imported 1,88,617 tonnes of Indian seafood in the last financial year, accounting for 29.98 per cent in dollar terms. The exports have registered a growth of 22.72 per cent in terms of quantity.
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- In 2016-17, the European Union is the 3rd largest market accounted for 18 per cent of $5.78 billion seafood exports from India.
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What is the crux of the issue?

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- EU recently made it mandatory for 50 per cent of each consignment to be tested for quality, against the earlier 10 per cent because antibiotics in excess of permissible standards are being frequently found in them.
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- Normally, such measures are taken when frequency of rejections is on the rise. However, there are no such reports currently.
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- Some in the seafood industry believe the move is aimed at arm-twisting India into making some trade concessions to the EU.

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- Food and Drug Administration of the US too has 'red' listed about 60 Indian seafood exporting entities due to suspected salmonella contamination.
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What are the fallouts of the mandate?

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- Stricter protocols to check the quality of seafood will force the industry to invest more on equipments for quality checks.
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- Pressure has increased on the other Indian food exports to EU including fruits, vegetables and cereals to meet EU’s oft-changing quality requirements.
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What are India’s concerns with EU’s Food import policy?

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- India believes that the standards set by the EU for food products are often tougher than what could be justified scientifically.
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- Some examples of conflicts –
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- **Tricyclazole Issue -** It is a chemical used to treat rice in India.
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- The Commerce Ministry is currently trying to convince the EU not to bring down the tolerance level for tricyclazole as this could impact India’s export of Basmati to the bloc.
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- **Response time factor -** India had immediately taken steps to address concerns around fruit flies and other pests in a few earlier consignments of bitter gourd, egg plant, snake gourd and taro leaves.
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- Whereas, EU only recently lifted the ban on their import, three years after imposing it.
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What can the government do?

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- As all consignments are exported only after a clearance certificate is issued by the government after testing, there is a need for upgrade the robustness of the government’s testing mechanism to prevent rejections abroad.
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- Awareness programmes at the producer level has to be intensified to encourage them to follow better management practices to ensure quality.
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- Andhra Pradesh government’s initiative to curtail the use of banned substances at the producer level by constituting district and State level committees is a model to emulate for other states.
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Source: Businessline

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