Rejections in Indian exports

What is the issue?

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Indian agriculture produce faces more rejections in key export markets compared to products from other developing countries.

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What is the status of India’s export market?

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- India is among the top 10 WTO members in exports of agriculture commodities.
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- The country has a surplus in food product exports, its key export markets include the US, the EU, ASEAN, SAARC countries and West Asia.
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- There is a strong commitment from the Government to promote exports of fresh and processed food products, and a strong willingness on part of the exporters and farmers to export.
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What are the constrains in India’s food export?

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- A majority of seizures for India were raised in the years 2012 and 2013, and these pertained to eggplant, mangoes, snake gourd, bitter gourd and taro (arabi).
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- Recently products such as mangoes, table grapes, okra, peanuts, curry leaves, chillies, and tamarind are getting rejected.
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- Marine products such as shrimps, prawns, have also faced rejections.
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- Due to issues such as presence of higher than approved levels of chemical residues, and pest and bacterial infestation these agricultural products are getting rejected.
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- In spite of being a large producer of milk, India is not able to export milk products and ready-to-eat ethnic milk sweets.
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- This is due to unhygienic animal rearingconditions and increased chemical feeds.
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- The Government don’t have a traceability system for milk and processing conditions par international norms.
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What are the impacts of such rejections?

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- In the short run, such rejections and bans can led to financial losses.
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- In the long run, exporters and farmers can lose market share to exporters from other countries.
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- In a globalised world, export control reduces the country’s ranking in ease of doing business.
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- There are also severe consequences of these notifications such as destruction of consignment.
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What measures needs to be taken?

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- Indian export control and export promotion bodies must implement traceability, laboratory testing and other measures to avoid such rejections.
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- India needs to implement Good Agriculture Practices and minimise the use of harmful chemicals to meet food safety and health standards.
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- India also needs to focus on nutritious diet for its own consumers it will ensure food safety and health standards in the domestic trade.
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- India should move away from export control to a more scientific system focusing on food safety and health.
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- Such as system can be implemented by FSSAI working closely with the Ministry of Agriculture and Farmer’s Welfare.
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Source: Business Line

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