

Export agro-produce to create rural prosperity

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The Parliamentary Standing Committee on Commerce recently came out with its report on promotion of our country's agriculture and marine exports. A closer reading of the report quantifies extent of fall of Indian agro and marine exports.

It highlights problems faced by Indian exporters. Most export items have plateaued, others have been experiencing a negative growth. Some are falling due to availability of cheaper and better alternatives in international markets, others are negatively affected due to less or lack of quality production in India.

The report, beyond outlining problems, also suggests how to address these issues through direct intervention or sometimes through innovative solutions, such as "export only" tobacco farms and promotion of international marketing.

India is exporting a very small percentage of total agricultural products produced in quantitative terms. In 2018-2019 we exported just 0.2 per cent of our wheat, 1.3 per cent of our fruits and vegetables and 1.25 per cent of our pulses.

Export of agricultural commodities, with an exception to rice, is less than two per cent of total production with no significant increase for last three years, despite India being one of the largest producers of these commodities.

It is not a case of productivity of our soil needs to increased manifold so even after feeding our population we have a large surplus to export. India is already producing enough surplus, therefore, factors like inefficiency in supply chain, infrastructure development and a higher value addition for promoting agricultural export is needed.

India needs to leverage newly created goodwill in Central Asian countries into trade benefits to augment agro exports of wheat and rice. We must also work towards market exploration of new emerging trade destinations of Egypt, Mexico, Malaysia, Indonesia and the Philippines for Indian rice.

On marine exports, report says there was a 5.8 per cent decline in value of marine exports during the April-December period and a 12 per cent quantity decline. Marine produce should be a profitable venture because of sheer number of people dependent on it, especially in coastal states like Andhra Pradesh, Tamil Nadu and Kerala.

The parliamentary committee opined that special focus should be accorded to production, marketing and export of shrimp, which comparatively fetches a high price in the international market, especially the United States.

There is huge potential in export of tuna, which if caught in a certain manner with proper 'know-how' can fetch 15 per cent higher revenue. A scheme has to be devised by Central Institute of Fisheries Technology for promoting tuna production and export.

Marine export is an infrastructure heavy sector, right from maintaining a cold-chain of the export items to ensuring proper storage and packaging.

We lost over a quarter of our total marine production was lost due to factors related to poor or non-existent infrastructure.

The potential of marine export is being hampered by inadequate post-harvest infrastructure and dilapidated fishing harbours.

Government must prioritise upgradation of infrastructure facilities and modernization of fishing harbours to augment marine production and export. Centre must ensure upgradation of two fishing harbours at Kochi and Nizamapattanam at the earliest.

Spices, for centuries, have been closely associated with Indian cultural traditions, preservation, medicine, cooking habits and embalming. Spices have been our historical basis of trade with the world, from Egypt to Persians or Europeans.

It is not surprising that India is the largest producer, exporter and consumer of spices in the world. India accounts for 47 per cent in quantity and 43 per cent in value of global spice trade.

Total production of spices, cultivated in all states, was 9.2 million tonnes in 2018-19. Of this, India exported over one million tonnes (12 per cent of total production), while the rest is domestically consumed.

We must ensure that spices with lesser exportable value are not given undue importance at the cost of other more significant spices like cardamom and chilli.

A controversial but important agricultural produce dealt was tobacco. India produces about 800 million kilos of various types of tobacco every year, mostly in Andhra Pradesh and Karnataka.

India is third largest producer and exporter of tobacco in the world, which earned India over Rs 6,000 crore in foreign exchange. The land under tobacco cultivation in India has come down considerable.

With thousands of tobacco farmers dependent on its farming for their livelihoods, steps should be taken for exportable surplus production to enable farmers to earn income without affecting health of our country.

A step could be to have “export only” tobacco farms for promoting cultivation of tobacco, specifically for export and look at China, world’s largest consumer of tobacco for trade.

The Agricultural Export Policy in 2018 envisaged ways to double agricultural exports by 2022 from present \$30 billion to \$60 billion. We can achieve it because India has an advantage of huge landmass and varied climatic conditions and is a global leader in producing cereals, fruits and vegetables, spices and milk, but our share in international trade is very low (2.2 per cent).

We must have several ministries like commerce, agriculture, shipping, food processing, finance and external affairs work closely on “mission mode” to achieve the target. Exports shall be key to doubling income of the farmers and in making India a \$5 trillion economy.

Source: <https://www.deccanchronicle.com/opinion/op-ed/160920/export-agro-produce-to-create-rural-prosperity.html>