

Sluggish global demand, curbs hit agri exports

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SLUGGISH GLOBAL DEMAND, coupled with the government restricting cereal exports to improve domestic supplies, has adversely impacted India's farm exports.

Shipments of agricultural items and processed food, which had been resilient in the last few fiscals, dropped by 12.47% on year to \$8.39 billion during the April-July period of the current fiscal.

Cereal exports in the first four months of FY24 dropped by 22% to \$4.12 billion on year because of the ban on white rice exports, shipment duties on parboiled rice and the ban on wheat exports in place since May last year.

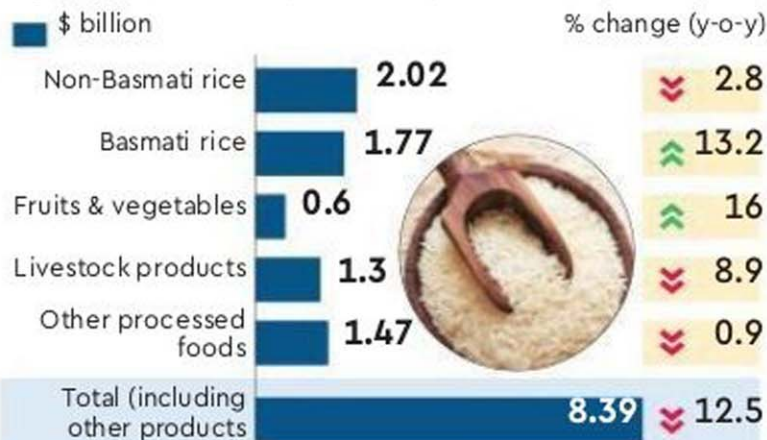
In April-July FY23, wheat exports were valued at \$1.23 billion. Since the ban on wheat shipments imposed on May 17, 2022, exports are approved only on a government-to-government basis. In the current fiscal, only 0.3 million tonne (MT) of wheat shipment has been approved for Nepal in July.

According to the Directorate General of Commercial Intelligence and Statistics, while Basmati rice exports grew 13.19% to \$1.7 billion in the first four months of FY24, non-basmati rice shipments declined marginally by 2.7% to \$2.02 billion on year.

Shipment of Basmati rice is expected to fall during the August-September period,

SHARP DECLINE

Agri & processed food products exports in FY24*



with the government last month imposing a \$1,200 per tonne minimum export price till October 15.

Officials said non-Basmati rice exports are likely to decline in the next few months as the government had banned shipment of white rice and imposed 20% export tax on parboiled in recent months.

In the current fiscal, the government has approved exports of only 0.92 MT of non-basmati rice so far to countries such as Senegal, Indonesia, Mali, Gambia, Bhutan, Singapore and Mauritius.

Livestock products — meat, dairy and poultry — a key segment in the agricultural and processed food products exports development authority's (APEDA's) basket, declined by 8.8% on year during April-July of this fiscal to \$1.3 billion

compared to the previous fiscal. Shipments of other processed foods, including groundnut and guar gum, fell marginally to \$1.47 billion in FY24, compared to the same period in the previous fiscal.

However, the exports of fresh fruits and vegetables have risen by 16% in the first four months of FY24 to \$0.51 billion on year.

Exports of products under the APEDA basket grew by 9% to \$26.3 billion in 2022-23 as compared to FY22, due to a spike in shipment of rice, fruits and vegetables, livestock and dairy products.

Rice exports in the last fiscal rose by over 15% year-on-year to a record \$11.1 billion from \$9.6 billion in FY22. In terms of volume, rice shipments grew 5% to a record 22.34 MT y-o-y last fiscal.