

III Agri-Trade

Agri-Exports

8.61 In 2001-02, agri products valued at US\$5.9 billion were exported from the country, over 20 percent of which was contributed by marine products alone. Rice, wheat, sugar, oil meals, tea, coffee, cashew and spices are the other prominent products, each of which normally accounts for about 5 to 10 percent of the country's total agri exports. This year rice and wheat exports taken together are likely to rise to 10 million tonnes. Sugar exports too may cross over 1 million tonne. Meat & meat preparations, fruits & vegetables and processed fruits and vegetables have recently shown strong growth (Table 8.25).

8.62 Current agri commodity export close to 6 billion dollars accounts for nearly 13-14 percent of country's total merchandise exports. Despite the advantage of diverse

agro-climatic conditions, enabling production of a great variety of products in various seasons, India's export potential has not yet been adequately addressed. Main reason is poor export infrastructure, low level of agri processing, grading, quality control and poor or lack of quality branding and packaging. Infrastructure specific to agri exports, such as storage, and fast track inland and mechanical port handling facilities, is also a limiting factor.

Policy initiatives to accelerate agri exports

8.63 Almost all agricultural products are now allowed to be freely exported as per current EXIM policy. Export restrictions were removed on groundnut oil, agricultural seeds, wheat and wheat products, butter, rice and pulses from April, 2002. Formation of exclusive agri-export zones is an important step taken to focus on agri diversification, value addition and exports (Box 8.6).

Table 8.25 : Agricultural exports

	2000-01		2001-02		2001-02 (April-Oct.)		2002-03 (April-Oct.)	
	Million US Dollar	Percent share of agri- export						
Tea	432.6	7.2	360.5	6.1	241.5	7.1	209.8	6.0
Coffee	259.4	4.3	229.6	3.9	148.4	4.4	121.1	3.5
Rice	644.3	10.7	665.5	11.3	351.7	10.4	474.8	13.6
Wheat	90.9	1.5	278.9	4.8	150.7	4.4	203.7	5.8
Sugar & Molasses	111.9	1.9	373.6	6.4	271.7	8.0	163.3	4.7
Tobacco	190.6	3.2	169.3	2.9	91.8	2.7	124.4	3.6
Spices	354.4	5.9	313.9	5.3	197.6	5.8	202.5	5.8
Cashew	411.4	6.9	345.4	5.9	223.7	6.6	259.6	7.4
Sesame and Niger Seeds	130.9	2.2	127.9	2.2	73.0	2.2	43.3	1.2
Guargum Meal	132.0	2.2	84.5	1.4	50.5	1.5	49.0	1.4
Oil meals	447.6	7.5	474.5	8.1	148.5	4.4	104.9	3.0
Fruits & Vegetables	248.4	4.1	262.8	4.5	144.0	4.3	161.0	4.6
Processed Fruits & Vegetables Juices	122.1	2.0	107.5	1.8	67.4	2.0	65.9	1.9
Meat & Meat Preparations	321.7	5.4	250.2	4.3	132.8	3.9	169.4	4.9
Marine Products	1393.8	23.2	1236.4	21.1	758.1	22.4	815.1	23.4
Others	712.1	11.9	590.6	10.1	335.6	9.9	321.2	9.2
Agricultural export	6004.0	100.0	5871.1	100.0	3387.0	100.0	3489.0	100.0
Total export	44560.2		43826.7		24891.0		29396.0	
Agri-export as percent of total export	13.5		13.4		13.6		11.9	

Box 8.6 : Agri-export zones

In the EXIM Policy 2001-02, the Government announced the proposal to set up Agri-Export Zones for the purpose of developing and sourcing raw materials and their processing/packaging leading to final exports. The concept essentially embodies a cluster approach of identifying the potential products and the geographical region in which such products are grown and adoption of an end to end approach of integration of the entire process, right from the stage of production to consumption.

Under the Scheme, the State Governments would identify products with export potential which have comparative advantage in local production. Agricultural and Processed Food Products Development Authority (APEDA) is the nodal agency of the Central Government to promote setting up of Agri-Export Zones.

Till December 2002, the Central Government has sanctioned and notified 41 Agri Export zones (AEZs) which are being set up in 17 States - West Bengal, Uttaranchal, Karnataka, Punjab, Uttar Pradesh, Tamilnadu, Maharashtra, Andhra Pradesh, Tripura, J & K, Madhya Pradesh, Bihar, Gujarat, Sikkim, HP, Orissa and Jharkhand — covering products like Lychee, Pineapple, Potatoes, Onion, Garlic, Mangoes (Kesar, Chausa, Dusshari, Alphonso etc.), Grapes, Flowers, Apples, Vegetables, Walnuts, Gherkins, Wheat, Ginger & Turmeric, Basmati Rice and seed Spices.

These 41 AEZs will entail an estimated investment of around Rs. 1142.53 crore, out of which around Rs. 333.68 crore will flow from various Central Government agencies like APEDA, National Horticulture Board, Ministry of Food Processing Industry and Ministry of Agriculture with contribution of Rs. 168.61 crore from State Governments and Rs. 640.24 crore from private bodies.

A projected export of more than Rs.3000 crore during the next 5 years and a substantial amount of direct and indirect employment is likely to be generated as a consequence of setting up these zones.

A web-based monitoring system has been evolved to monitor more than 120 activities in each Agri Export Zones. Under this monitoring system, each activity is defined, the agency responsible for undertaking the activity is indicated and the time for performing that activity is specified.