

## Agri-imports

8.64 In 2001-02 agricultural commodity imports was valued at \$2.3 billion, two-third of which was accounted for by a single commodity namely, edible oil. In recent years, edible oil, accounting for nearly 60 to 65 percent of the value of total agri-imports, has become the single largest import item. Raw cashewnut, nuts (almonds from USA) and pulses are among the other dominant agri imports, each of which accounts for nearly 5 to 10 percent of total agri imports in recent years. There was a substantial increase in the import of pulses during 2001-02 with its share in total agri-imports rising to over 28 percent. Agri imports in 2001-02 constituted only a small proportion (4.5 percent) of country's total imports. In recent years, the share of agri imports in total imports of the country has hovered around 4 to 5 percent (Table 8.26).

### Protecting domestic agriculture

8.65 Lifting of quantitative restrictions on imports since April 2000 has resulted in import of a number of agri products which includes fruits, juices, ketchups, meat products etc. Monitoring of 300 sensitive products' imports has so far revealed that such imports are limited and, in the aggregate, constitute a small proportion of total agri imports. Contrary to

concerns in some circles that liberalisation of imports resulting from the lifting of quantitative restrictions on agri products would lead to surge of agri imports affecting adversely the Indian farmers, the value of agri imports in aggregate terms came down to about US \$ 1.8 billion in 2000-01 from US \$ 2.8 billion in 1999-2000 and was up marginally to US \$ 2.3 billion in 2001-02. India has considerable flexibility to counter flooding of the Indian market by cheap agri imports through imposition of tariffs (bound rate) under WTO. WTO permissible tariff rates are reasonably high: 112 percent for nuts, 150 percent for sugar and coffee, 100 percent for tea and cotton, 70 to 100 percent for foodgrains, 45 to 300 percent for edible oils and 40 to 50 percent for fruits. This should provide a fair level of protection. Countervailing duties can also be imposed to counter questionable subsidies given to agri products by the exporting countries apart from having the option of acting under safeguard provisions to counter surge of imports. In Budget 2001-02 import duties were raised for many agri products such as tea, coffee, pulses and edible oils. In the 2002-03 Budget, the import duties were raised for pulses (from 5 to 10 percent), tea and coffee (from 70 to 100 percent), natural rubber, pepper, cardamom and clove (from 35 to 70 percent).

**Table 8.26 : Agricultural imports**

	2000-01		2001-02		2001-02 (April-Oct.)		2002-03 (April-Oct.)	
	Million US Dollar	Percent share of Agri- import						
1 Cereals	19.4	1.0	18.2	0.8	12.6	0.9	14.4	1.0
2 Pulses	109.2	5.9	662.6	28.9	357.4	26.4	318.2	21.5
3 Milk & Cream	1.6	0.1	1.8	0.1	1.1	0.1	1.2	0.1
4 Cashew Nuts	210.6	11.3	90.4	3.9	49.1	3.6	138.7	9.4
5 Fruits & Nuts Excl. Cashew Nuts	175.2	9.4	158.7	6.9	77.9	5.8	68.2	4.6
6 Sugar	7.0	0.4	6.8	0.3	6.9	0.5	0.1	0.0
7 Oil Seeds	1.7	0.1	0.3	0.0	0.2	0.0	0.6	0.0
8 Edible Oils	1333.7	71.8	1355.6	59.1	848.2	62.7	940.6	63.5
<b>Agricultural import</b>	<b>1858.4</b>	<b>100.0</b>	<b>2294.4</b>	<b>100.0</b>	<b>1353.3</b>	<b>100.0</b>	<b>1482.0</b>	<b>100.0</b>
<b>Total import</b>	<b>50536.3</b>		<b>51413.3</b>		<b>30171.1</b>		<b>34097.4</b>	
<b>Agri-import as percent of total import</b>	<b>3.7</b>		<b>4.5</b>		<b>4.5</b>		<b>4.3</b>	