



Agriculture Export Policy 2018

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The Union Cabinet has approved the Agriculture Export Policy, 2018.

- The policy would help the government in achieving the target of doubling farmers income.
- The vision of Agriculture Export Policy is to **harness the export potential of Indian agriculture, through suitable policy instruments, to make India global power in agriculture and raise farmers income.**
- **Objectives of the Policy**
 - To double agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022 and reach US\$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
 - To diversify the export basket, destinations and boost high value and value-added agricultural exports including a focus on perishables.
 - To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
 - To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phytosanitary issues.
 - Enable farmers to get the benefit of export opportunities in the overseas market.

Need For Export Policy

- The policy can **address challenges to exporting agricultural products** from India like low farm productivity, poor infrastructure, global price volatility to market access.
- **India's share in global exports of agriculture products was merely 2.2 % in 2016.**
- India has remained at the lower end of the global agriculture export value chain given that the **majority of its exports are low value, semi-processed and marketed in bulk.** The share of **India's high value and value-added agriculture produce in its agri-export basket is less than 15% compared to 25% in the US and 49% in China.**

- India is **unable to export its vast horticultural produce due to lack of uniformity in quality, standardization and its inability to curtail losses across the value chain**. Given the globalization of value chains, it is imperative that the country make concerted efforts to boost exports of high margin, value-added and branded processed products.
- The **vision of doubling farmers income by 2022** will require a series of interventions to improve production and productivity along with economizing the cost of production. **This would also require India to augment its exports to the global market. Hence, it is necessary to have an agriculture export policy in place.**

Key Recommendations of Agricultural Export Policy 2018

| Strategic | Policy Measures |
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| Infrastructure and Logistics Boost | |
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| Whole Government Approach to boost exports | |
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| Greater involvement of State Governments in Agri Exports | |
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| Operational | Focus on Clusters |
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| Promoting Value-added exports | |
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| Marketing and promotion of "Produce of India" | |
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| Infrastructure and Logistics to support agricultural exports | |
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| Establishment of Strong Quality Regimen | |
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| Self-sufficiency and export-centric production | |
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| Research & Development | |
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| Miscellaneous | |
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- **Stable Trade Policy Measures** to ensure recommends providing an assurance that the processed agricultural products and all kinds of organic products **will not be brought under the ambit of any kind of export restriction.**
 - The Model Agricultural produce market committee (APMC) act must be adopted by all states and E-NAM must be established.
- **Liberalizing Land Leasing Norms** and adoption of the Model Contract Farming Act by state governments in order to promote agricultural exports.
 - Contract farming is expected to bring in large-scale private investments in agriculture thus leading to large-scale mechanization. This will further produce surplus volumes of the standardized, exportable quality of agricultural products.
- **Infrastructure and Logistics Boost** by identifying ports for the export of agricultural products. Development in port infrastructure like dedicated perishable berths.
- **Whole Government approach** which will ensure all government department and ministries like Ministry of Agriculture, Ministry of Food Processing Industries, Ministry of Shipping & Transport, Ministry of Railways and Ministry of Consumer Affairs involved in agricultural production, processing, transportation and export should work together to address bottlenecks at every level.
- **State government involvement:** As Agriculture is a state subject it is necessary to bring on board the state governments for positive agricultural reforms. Each state has its own agricultural nuances, like one state may be experiencing a drought while another may be dealing with floods. Thus it is necessary to align state agricultural policies with the nation's overarching goals.
 - State governments must identify the government department for the promotion of the agricultural export.
 - The states must include agriculture export in state export policy and build infrastructure and logistics to facilitate agricultural export.
- **Focus on Export centric Clusters** for pre- and post-harvest management of the production as well as in upgrading the supply chain to attain much higher levels of export from those clusters.
- **Promoting Value Added Exports of** indigenous and tribal products.
 - Through the National Programme on Organic Production (NPOP), organic food parks and by the uniform quality and packaging standards India can tap the potential for increasing organic exports.
 - Promotion of Research & Development (R&D) activities, promoting "produce in India" through the constitution of separate funds dedicated to organic, value-added, ethnic, GI and branded products.
- **Post-Harvest Infrastructure** that can support the smooth logistical movement of agri-produce exports. This will have a direct co-relationship in increasing export volumes, assuring quality & ensuring better price realization per unit.

- Digitization of land records, geo-mapping of lands, registration of farmers and farm producer organizations (FPOs) is critical to smooth agricultural exports.
- **Establishment of Strong Quality Regimen** with the focus on strong R&D, new varieties, state of the art lab and a lab networking process for effective accreditation and monitoring.
 - An institutional mechanism should be provided that would pursue market access, tackle barriers and deal with sanitary and phytosanitary issues against India's agricultural exports that come up from time to time.
- **Research and Development** led by private industry along with higher infrastructure spend by the government will be the key to boosting agricultural exports.
 - Along with this, innovations in packaging, improving the shelf life of products and greater R & D in developing products to suit the palates of importing countries should be a priority.
- The policy has recommended setting up of **an agri-startup fund**.