



India's Food Export Rejections in the United States

For Prelims: India's Major Food Exports to US, Salmonella, [World Trade Organization](#), Sanitary and Phytosanitary (SPS) Agreement, [Food Safety and Standards Authority of India](#), [Codex Alimentarius](#)

For Mains: Major Provisions of SPS Agreement, Measures to Improve Food Safety and Quality Standards in India, Agricultural Marketing.

[Source: IE](#)

Why in News?

The **United States Food and Drug Administration (FDA)** has recently disclosed data on food imports over the past four years. Among the nations engaged in [food exports](#) to the US, **India, Mexico, and China** have experienced the **highest incidence of refusals**.

- The data highlights the **hurdles faced by Indian food exporters in the American market**. High refusal rates continue to be a pressing issue.

What are the Key Aspects Related to India's Food Export Rejections in the United States?

- **Refusal Statistics: India, Mexico, and China:**
 - Between **October 2019 and September 2023**, India, Mexico, and China experienced significant refusals of **food export shipments to America**.
 - India's refusal rate, which measures the percentage of shipments refused out of all food export shipments, **was 0.15%**.
 - In comparison, **China's refusal rate was 0.022%**, and **Mexico's was 0.025%**.
 - India's rate is substantially higher, signaling a **higher incidence of refusal relative to the total exports**.
- **Majors Factors Behind Refusals:**
 - The products consisted in whole or in part of a **filthy, putrid, or decomposed substance** or be otherwise unfit for food.
 - The products **contained Salmonella**, a bacteria that causes severe stomach infections.
 - The products used an **unapproved new drug**, an unsafe food additive, or a prohibited substance.
 - The products were **misbranded in terms of nutritional labels**, ingredients information, or health claims.
- **Long-Term Trends in India's Refusals:**
 - In the last decade, India's food export refusals have seen a downward trend in absolute terms. From a peak of 1,591 refusals in 2015, it decreased to 1,033 refusals in 2023.
 - Despite these refusals, **India's food exports** to the US stood at **USD 1.45 billion in FY23**, representing a **16% increase from the previous fiscal year**. Key exports included basmati rice, natural honey, guar gum, and cereal preparations etc.

What is the International Measure Backing the Food Import Refusal By the United States?

▪ About:

- The [World Trade Organization \(WTO\)'s Sanitary and Phytosanitary \(SPS\) Agreement](#) ensures that **traded products between WTO members do not spread pests and diseases**, and that **food products do not contain harmful substances or pathogens**.
- **The "SPS Agreement"** entered into force with the establishment of the WTO **on 1 January 1995**.
 - WTO has 164 member nations (including India and the United States).

▪ Major Provisions:

- Members have the **right to implement sanitary and phytosanitary measures for the protection of human, animal, or plant life and health**, provided such measures align with this Agreement.
- Measures should be based on scientific principles and supported by scientific evidence, except as provided in **Article 5(7) of the Agreement**.
- Measures should also **not discriminate unfairly between Members** and should not serve as a disguised restriction on international trade.
- Members must **accept equivalent sanitary and phytosanitary measures from other Members, even if they differ**.
 - The exporting Member must prove that its measures meet the importing Member's required level of protection.
 - Access for inspection and testing should be provided upon request.

What are the Impacts of Frequent Food Export Rejections on India?

- **Increased Regulatory Compliance Costs:** Continuous refusals result in escalated compliance costs for Indian exporters. To meet the stringent standards of the US market, investments to fit with compliance measures become essential, adding financial strain.
- **Trade Loss and Market Reputation:** Rejected shipments impact revenue and diminish trust among foreign buyers, potentially reducing future trade opportunities.
 - Sectors contributing to major exports could be disproportionately affected, impacting the livelihoods of farmers and businesses reliant on these exports.
- **Diplomatic and Global Image Consequences:** Repeated refusals can strain India-US trade relations. Constant rejection may lead to discussions on trade barriers, potentially creating diplomatic tensions between the two nations.
 - Continuous refusals might negatively impact India's global image as a reliable food exporter, affecting not only the US market but also influencing perceptions in other international markets.

How India can Improve its Food Safety and Quality Standards?

- **Strict Inspection and Quality Control:** Strengthening the role and capacity of the [Food Safety and Standards Authority of India \(FSSAI\)](#), the apex food regulator in the country, to **monitor, inspect, and certify food products** for domestic and export markets.
- **Enhanced Testing Protocols:** Developing and enforcing **comprehensive testing protocols** for food products to identify contaminants, pathogens, and adulterants.
 - Investing in advanced laboratory equipment for **more accurate and rapid testing**.
- **Supply Chain Transparency:** Utilizing [blockchain technology](#) to create transparent and traceable supply chains, enabling **rapid identification of the source of contamination or quality issues**.
- **Global Standards Adherence:** Adopting international best practices and standards for food safety and quality management, such as **Hazard Analysis and Critical Control Points (HACCP)**, **Good Hygienic Practices (GHP)**, and [Codex Alimentarius](#).

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