



Government of India
Ministry of Commerce & Industry
Department of Commerce



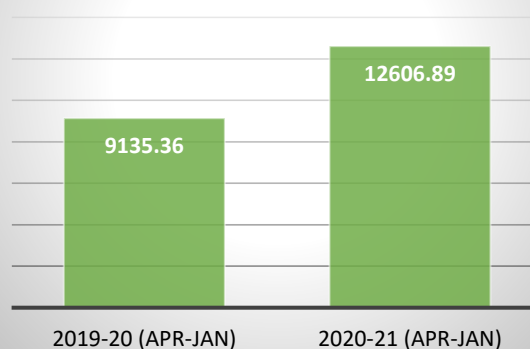
REFORMS TO PROMOTE AGRI EXPORTS

February 2021

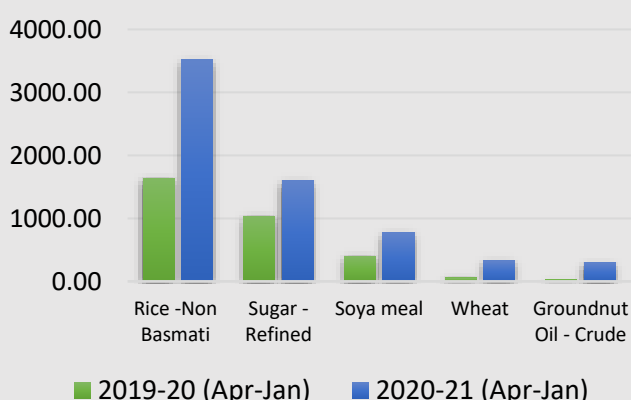
The Government of India's consistent and concerted endeavours to usher into reforms for boosting agricultural exports have been highly fruitful. Despite the unprecedented global pandemic, India has been able to step in to meet the increased global demand, emerging as a significant global supplier of food and other essential agricultural products. Indian exports of essential agricultural products have registered an increase of 38.00%, during the period Apr 2020 – Jan 2021.

Department of Commerce took various steps to facilitate agricultural exports during the COVID-19 period. The validity of various certifications/ accreditations was extended beyond their dates of expiry; control rooms were set up to resolve problems faced by the exporters; EIC/NPPO and other related boards & authorities extended their support by issuing online certificates for exports; state governments and district administrations were contacted to resolve specific bottlenecks faced by the exporters; steps were taken to facilitate opening of testing laboratories etc.

Export of Essential Agriculture Products (Values in USD Million)



Export of Essential Agriculture Products (Best Performers) Values in USD Millions



Agriculture Export Policy (AEP)

The Agriculture Export Policy was announced by Government of India in 2018 with a focus on agriculture export-oriented production, export promotion, better farmer realization and synchronization with the policies and programmes of Govt. of India. The AEP lays emphasis on farmer-centric approach. **During the course of implementation of AEP, considerable progress has been made in giving Farmer-Produce Organizations (FPOs) and farmers a stake in the export of their produce.** Direct linkage of FPOs/farmers with the export market

has not only improved farmers' incomes but has also resulted in better farming practices due to requirements of catering to the international markets.

Participation and involvement of State Government

The active participation of respective States is crucial in implementation of State specific agricultural export policy. Regular interaction was carried out with the States to propel them to include agricultural exports in their respective State Export Policy. The Agricultural &

Processed Food Products Export Development Authority (APEDA), facilitated the State Governments' to finalize State specific Action Plans.

Sixteen States viz. Maharashtra, U.P., Kerala, Nagaland, Tamil Nadu, Assam, Punjab, Karnataka, Gujarat, Rajasthan, Madhya Pradesh, Andhra Pradesh, Telangana, Manipur, Sikkim & Uttarakhand and 1 Union Territory viz. Ladakh have finalized the State/UT specific Action Plan. The State Level Monitoring committee (SLMC) has been formed in 20 States and 1 UT. 26 States & 4 UTs have nominated respective Nodal agencies for implementation of AEP.

Institutional mechanism for promoting agricultural exports has been set up in the States for the first time.

Focus on clusters

In order to provide direct export market linkage to farmers/FPOs and to encourage export-oriented production, AEP advocates a cluster-based approach for promoting agriculture exports. As part of the Agriculture Export Policy, 47 unique product-district clusters have been notified for export promotion. The States have further identified around 100 more product-district clusters, which would be evaluated and notified in due course.



“For the first time we are moving towards agriculture export policy so that our farmers can also face global competition with confidence.”

9 clusters (21 districts) have been activated by forming cluster-level committees, forming FPOs, connecting exporters to the FPOs, and sorting out the issues of transportation/logistics/ pack houses etc. **These clusters have been made operative with none or minimal additional investments by pooling the existing resources.**



The first air shipment of vegetables (1MT) directly from Varanasi to Sharjah by AirIndia Express in January, 2021. Flagged off at LBSI airport, Varanasi by Chairman APEDA and Divisional Commissioner, Varanasi.

For the first time, the Department of Commerce has reached out directly at cluster and farm levels to give farmers a stake in export of their produce. The FPOs/farmers have been sensitized about requirements of export-oriented production. **The following clusters have shown good results and value realizations for farmers have increased in these clusters:**

➤ **Varanasi cluster including Ghazipur, Jaunpur, Mirzapur, Chandauli and Sant Ravidas Nagar districts (fresh fruits & vegetables):** Fresh Vegetables and Fruits Exporters Association (VAFA), Mumbai signed an MOU with FPOs for sourcing of fresh vegetables and fruits for export to international market. The FPOs in the region

were encouraged for exports and the existing value chain was strengthened with the cooperation of stakeholders towards the initiative to develop “Varanasi as an Export Hub”. As an outcome, a series of export consignments of fresh fruits, vegetables have been shipped by air, sea and multimodal route to Middle East, UK etc. including three

air shipments during the COVID-19 pandemic. **Black rice from Chandauli district and Mango varieties like Banarasi Langra, Ramkheda, Chausa, Dasherri etc. were exported for the first time.**

- **Lucknow cluster (Mango):** The first sea consignment of 26.25 MT of mangoes (Dasherri and Langra varieties) from Lucknow cluster to Oman was dispatched in June, 2020 from Rehmankheda packhouse to JNPT Mumbai for further shipping. Subsequently multiple consignments of fresh mango were exported from Lucknow to Dubai via JNPT Mumbai.

“The agriculture sector has a very important role to play in making India a five trillion dollar economy. For this, our government is focusing on formulating a cash crop and export centric farming system,”

-PM Narendra Modi

- **Nagpur cluster (Orange):** BSM and field visit were organized for cluster development activity in the cluster. The first container of 15 MT of Nagpur Oranges was exported to Dubai from VHT packhouse, Vashi in February, 2020. Oranges were directly procured from Nagpur cluster farmers for export. Till date, more than 100MT of oranges have been exported to UAE.

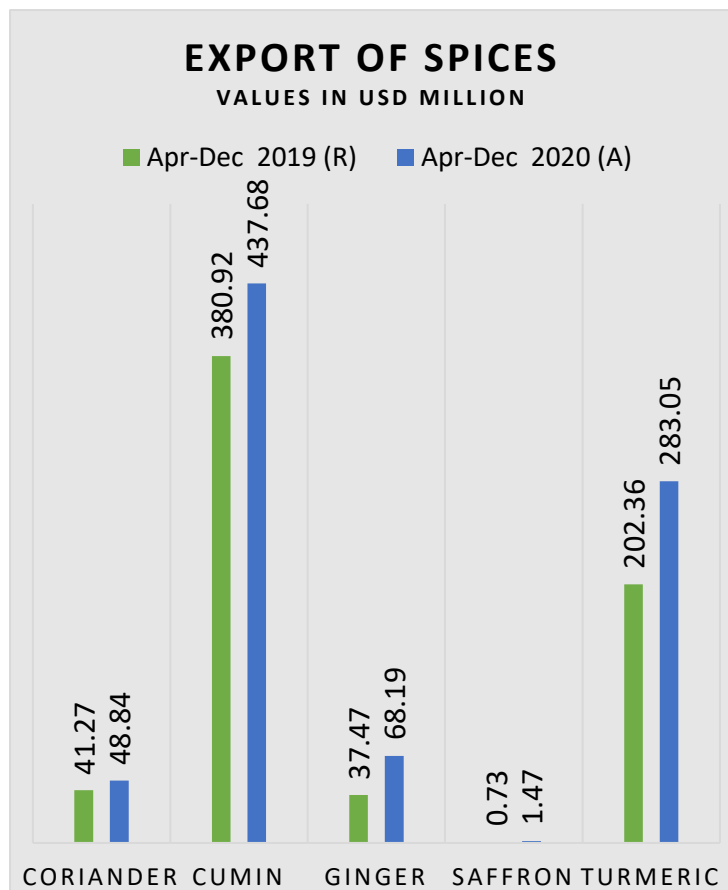


Fresh banana from Anantapur cluster district dispatched through reefer rail for export via JNPT (January, 2021)

- **Ananthpur Cluster (Banana):** The first train shipment of banana was dispatched from Tadipatri, Ananthpur (Banana Cluster) to JNPT Mumbai in January, 2020. During last year, 9790 MT of banana from the cluster have been exported through 11 reefer rail movements for export to Middle East, thereby covering 600 Ha of cultivation land and benefiting around 15,000 farmers and many FPOs in the cluster region. **The average price of Banana received by FPOs/farmers has more than doubled from Rs 5/kg to Rs 11/kg.**

- **Theni cluster (Banana):** During the last one year, more than 80 containers of G9 and Nendran banana have been exported to Dubai, Saudi Arabia, Maldives from Theni and Pollachi districts after sourcing the fresh produce from the local farmer producer group.
- **Kolhapur, Solapur & Jalgaon cluster (Banana):** Till date, 3278, 275 & 77 containers of Banana has been exported from Solapur, Jalgaon and Kohlapur respectively.
- **Surat, Narmada & Bharuch cluster (Banana):** Till date, 8735 MT of fresh banana exported to Middle East countries viz. Bahrain, Dubai, Georgia, Iran, Oman, Saudi Arabia, Turkey, UAE, Iraq etc. from the cluster.
- **Sangli, Nasik & Pune cluster (Grapes):** Supply chain of grapes export was further strengthened which enabled increase in exports. Grapes in large quantities are being exported from the cluster.
- **Bangalore Rural & Chikkaballapura cluster (Rose Onion):** 7167.618 MT of Rose onions were exported from the cluster area to Malaysia, Singapore, Indonesia, Bangladesh and Sri Lanka during October 2020 to December 2020.

In addition to the clusters identified under AEP, 54 districts are covered under One District One Product (ODOP) scheme for export promotion of spices. Spices Board has initiated steps to implement Entrepreneurship Development Program for increasing export in ODOP districts. Export of 5 products under 26 districts have been promoted. The details are as under:



➤ **Saffron** - Kharewa, Pulwama, Budgam, Kishtwar and Srinagar districts of Jammu & Kashmir:

❖ For the first time, Kashmiri saffron is being exported to UAE. Kashmiri Saffron export has increased by 101.37% during Apr-Dec 2020 as compared to the previous period.

➤ **Ginger** – Bidar (Karnataka), South District (Sikkim), Dima Hasao, West Karbi Anglong & Karbi Anglong (Assam), Sirmaur (Himachal Pradesh), Koraput (Orissa) and Pherzawl (Manipur)

❖ Ginger export has increased by 81.98% during Apr-Dec 2020 as compared to the previous period.

➤ **Turmeric** – Chamraajnagar (Karnataka), Erode (Tamil Nadu), Bilaspur (Himachal Pradesh), Guntur

& Prakasam (Andhra Pradesh), Bongaigoan (Assam), Kandhmal (Orissa), Lalitpur (Uttar Pradesh), Kangpokpi (Manipur)

❖ Turmeric export has increased manifold i.e. Dry Turmeric by 33.95%, Other Turmeric by 58.14% & Turmeric Oleoresins by 78.7% during Apr-Dec 2020 as compared to the previous period.

➤ **Coriander** - Kota (Rajasthan)

❖ Coriander export has increased by 18.34% during Apr-Dec 2020 as compared to the previous period.

➤ **Cumin** – Patan & Surendranagar (Gujarat) and Jodhpur (Rajasthan)

❖ Cumin export has increased by 14.90% during Apr-Dec 2020 as compared to the previous period.

Direct involvement of farmers in exports



➤ **Farmer Connect Portal** - A Farmer Connect Portal has been set up on APEDA's website for providing a platform for FPOs/FPCs, cooperatives to interact with exporters. Around 2360 FPO/FPCs and 2324 exporters have been registered in the portal so far.

➤ **Traceability Systems** – In order to ensure quality of exports and

establishing India as a reliable supplier of quality produce, traceability to the farm level is vital. A number of digital platforms for traceability have been developed for enabling smooth flow of business and ensuring transparency in the system.

- ❖ **HortiNet-Mango:** 38000+ Farmer and 66000+ Farms have been registered.
- ❖ **HortiNet-Vegetables:** The system covers 43 vegetables. Till date, over 10,000 farmers as well as 10k farms have been registered.
- ❖ **HortiNet-Citrus Fruit:** This system was implemented in July 2018. So far, significant numbers of farmers and farms have been registered.
- ❖ **Basmati.Net:** This traceability system is running effectively since June, 2019. More than 1.10 lacs farmers and 75,000+ farms are registered. Basmati.NET has integrated all stakeholders involved in the supply chain of Basmati rice, i.e trader, mandi, rice millers, exporters, State Governments and APEDA.
- ❖ **TraceNet:** To monitor the export of organic products from India, a certification process was initiated that complies with the standards of NPOP or NOP. The systems enables maintaining forward and backward traces, quality assurance for operators or producer groups as well as certification bodies within the organic supply chain in India. More than 13 Lac farmers are registered and 31 certification bodies have been recognized for certification process for all organic products.
- ❖ **Farm Registration Mobile App:** A mobile app has been introduced for farmers that registers farms and farmers with the State Government and enables Lab Sampling by authorized Laboratories.
- ❖ **Peanut.Net:** It is a service offered to the stakeholders for facilitating testing and certification of Peanut for export from India. The system collects, stores and reports forward and backward traces and quality assurance data entered by the stakeholders, i.e., exporters, laboratories and authorities within the Peanut supply chain in India.
- ❖ **Meat.Net:** The system enables registration of meat processing establishments and online applications for issuance of Health Certificate. As of now, 100+ Meat units have been registered.

- ❖ **Blockchain - Grapenet Integration:** To bring in enhanced trust and transparency, blockchain technology had been initiated that covers all the stakeholders involved in the process of export of Grapes.
- Formation of **new Farmer-Producer Organisations (FPOs)** through NABARD, SFAC and NCDC has been initiated. NABARD has provided a list of around 80 FPOs in the clusters identified under AEP. Capacity building of FPOs in each cluster is being initiated.
- **Capacity building and training of Farmers/FPOs** on GAP/IPM have been organized in the clusters of Varanasi (fresh vegetables/fruits), Anantpur (banana), Nagpur (orange) and Jodhpur (isabgol).
- Fourteen **BSM cum Workshops** (between Exporter & FPOs) have been organised in the notified/identified clusters of eleven States, in association with the respective state nodal agencies.
- Four FPOs in the Varanasi region have been activated for export and Exporter registration certificates (RCMC), through APEDA, have been issued to them.

Addressing Transport and Logistics

Issues

- The Indian Railways have introduced '**KISAN RAIL**' service, under which trains with multi commodities (all perishables and agro-products and seeds), multi consignors, and multi consignees are run, primarily to enable farmers and producers to move their agricultural produce from rural areas to major towns and cities. So far, the Indian Railways have operated 157 Kisan Rail services on 18 routes for transportation of fruits, vegetables and other perishables.
- Under '**Operation Greens – TOP to Total**' scheme of the Ministry of Food Processing Industries, a subsidy of 50% is being granted on the transportation of fruits and vegetables via Kisan Rail.
- The Ministry of Road, Transport & Highways is implementing **Bharatmala Pariyojana**, which envisages the development of 34,800 km of National Highways under Phase I of the program to improve the efficiency of logistics and freight movement in the Nation by improving connectivity to major urban centres.
- The Department of Agriculture, Cooperation and Farmers' Welfare, Govt. of India has launched the **Kisan Rath Mobile Application**. The App facilitates the Farmers, FPOs and Traders to post their load requests for transportation of agriculture and horticulture produce, which are sent to transport aggregators and individual transporters, who can revert to them with service details. So far 99,756 tractor trolleys and 9,85,232 trucks have been on-boarded for providing services.
- The scheme '**Transport and Marketing Assistance (TMA) for Specified Agriculture**

“We are self-reliant in agriculture and export commodities to whoever needs it. This is an example of Atmanirbhar. We have brought laws to free the agriculture sector.”

- **PM Narendra Modi**

Products' is for providing assistance for the international component of freight to mitigate the freight disadvantage for the export of agriculture products and assistance for the marketing of agricultural produce. **The assistance available under the scheme has enabled exporters to export from hitherto unexplored land-locked areas.**

- The Ministry of Civil Aviation will launch the **Krishi Udan scheme** to assist farmers in transporting agricultural products so that it improves their "value realisation", especially in the north-east and tribal districts.

Market Development Efforts

- **10 top products and 20 potential products** from agriculture sector have been identified for exports. APEDA has carried out a **detailed analysis of SPS/TBT issues** affecting these products. The report has been shared with territorial divisions of the Department of Commerce for taking up the matter bilaterally with various importing countries.
- APEDA has also engaged with 60 Indian missions for preparing **country-wise agri-export strategy**. APEDA interacted with the Indian Missions and other stakeholders to identify the products, their potential and way forward for each country. The opportunities thus analysed have been shared with trade bodies and exporters so that they can avail the opportunity.
- Seventeen **Virtual Buyer-Seller Meets (V-BSMs)** involving Indian Missions in various countries, importers, Indian exporters and Product associations from India have been organised during the last seven months. V-BSMs have been organized with Kuwait, Indonesia, Switzerland, Belgium, Iran. Similar programs have been organized for Canada (Organic products), UAE & USA (GI products), Germany, South Africa, Australia, Thailand, Oman, Bhutan, Azerbaijan and Qatar. The V-BSM platform has enabled the exporters and importers to interact further for conducting business.
- A **Market Intelligence Cell** has been set up for dissemination of E-market intelligence reports comprising detailed market analysis has commenced. 27 product-specific reports have been prepared by the Cell. The reports have been shared with the stakeholders for availing opportunities for exports.

Way Forward

Agricultural exports will play a pivotal role in realising Hon'ble Prime Minister's vision of doubling farmers' income. In order to realise this vision, the efforts to implement the AEP will continue. The scheme on Implementation of AEP has received budget allocation of Rs. 100 crore under BE 2021-22, which should provide a fillip to implementation of the Policy. The Department of Commerce, in collaboration with the line Ministries/ Departments, State Governments, Central and State Govt. agencies etc. will continue its efforts to take export promotion activities to State, district/ cluster and farm levels.

Agriculture Exports – Success Stories



THE NEW INDIAN EXPRESS

In a first, fresh vegetables exported from Varanasi to London amid lockdown



THE ECONOMIC TIMES News

India's agricultural exports jump in Covid times



Hindustan Times

INDIA NEWS

Black rice from Uttar Pradesh's Chandauli to be exported to Australia and New Zealand



THE TIMES OF INDIA CITY

Banana exports from AP record over 143% growth



The Indian EXPRESS

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Farm exports defy overall trend in 2020, see 9.8 per cent growth



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कृषि निर्यात खोलेगा समृद्धि के द्वार

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इस साल किसानों के आए अच्छे दिन, सितंबर में 82 फीसदी बढ़ा कृषि उत्पादों का निर्यात



FINANCIAL EXPRESS

India's rice exports grow as additional Kakinada deepwater port opened



FINANCIAL EXPRESS

Cumin exports likely to cross 2 lakh tonne this season