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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

Infrastructure and Logistics Boost

Whole Government Approach to boost exports

Greater involvement of State Governments in Agri Exports

Operational

Focus on Clusters

Promoting Value-added exports

Marketing and promotion of “Produce of India”

Infrastructure and Logistics to support agricultural exports

Establishment of Strong Quality Regimen

Self-sufficiency and export-centric production

Research & Development

- **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**.