

# India's agricultural exports

India's agricultural exports increased by about 20% despite challenges

ASSOCHAM Trade Update



The agriculture sector, the backbone of the Indian economy, offers a source of livelihood to 58 per cent of the country's population. Recent data from the Central Government revealed that India's agricultural export grew by nearly 20 per cent to reach US\$50.21 billion in FY 2021-22.

Realizing the significant role of this sector and to double farmers' income by 2024, the Indian Government has taken various measures to advance this sector. These include Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), Paramparagat Krishi Vikas Yojana (PKVY), Krishi UDAN 2.0, Production-linked Incentive scheme for the food processing sector, B2B exhibitions, and e-NAM (an online trading platform).

The sustained efforts of the central and state governments along with agencies such as the Agricultural and Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA), and community boards have enabled the nation in achieving this remarkable feat, despite the bottlenecks created by the COVID-19 pandemic. The APEDA has reported exports of agricultural and processed food products worth US\$25.6 billion, which is 51 per cent of India's total agriculture exports. APEDA has developed a product matrix for 50 agricultural products that can aid in expanding the country's export portfolio.

ASSOCHAM lauds the Government's achievement and recognizes the country's significant potential in agri exports. With the UN declaring 2023 as the 'International Year of Millets', Indian stakeholders will focus on strengthening the country's strategy and further enhancing India's exports in international markets. The Chamber is working closely with all stakeholders to enhance awareness around millets and facilitate opening of new markets for various Indian agricultural products.

## Key features

- Multiple technologies are being leveraged such as Blockchain in hortinet traceability, Geographical Indications (GI) Promotion Portal, iTrack System, Agriexchange App, Cloud Migration etc.
- The government is focussing on boosting exports from Purvanchal, Himalayan, NER states, J&K and Ladakh
- Major exporting destinations for agri products, as per 2021-22 data, include Bangladesh, UAE, Vietnam, USA, Nepal, Malaysia, Saudi Arabia, Indonesia, Iran and Egypt
- The Indian government organized more than 300 outreach programmes in collaboration with state governments to strengthen exports of agricultural produce
- 220 product labs have been set up by the government for seamless quality certification of commodities that are to be exported
- Financial assistance schemes are supporting infrastructure development, quality improvement and market development to boost export of agricultural products

The government's focus on strengthening bilateral ties with other countries will widen the reach of various commodities, including agricultural products. The recently signed India-UAE Comprehensive Economic Partnership Agreement (CEPA) to raise bilateral merchandise trade to USD 100 billion by 2030 will benefit the Indian agricultural sector, expanding the country's exports of products such as fruits and vegetables, groundnut, dairy products, and assorted processed food items. Similarly, the India-Australia Economic Co-operation and Trade Agreement (IndAus ECTA) will create a sub-committee on trade in goods to boost trade in agricultural and non-agricultural goods and eliminate non-tariff barriers.