

# INCLUSIVE GROWTH AND AGRICULTURE EXPORT POLICY

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## **ABSTRACT:**

The Union Cabinet has approved the Agriculture Export Policy, 2018 with an aim to double farmers' income by 2022. The cabinet has also approved the proposal for establishment of Monitoring Framework at Centre with Commerce as the nodal Department with representatives from various Ministries/Departments and Agencies and representatives of concerned State Governments to oversee the implementation of AEP. Recent growth rates show that agri-food production is rising faster than growth in domestic demand, and volume of surplus for export is witnessing accelerated growth. This offers scope and opportunity for capturing overseas markets to earn foreign exchange and enable producers to earn higher prices for farm produce. In this paper we will focus on newly declared Export Policy and how it is connected with inclusive and sustainable growth which is the major motive of any policy paradigm of the present Indian Economy.

## **INTRODUCTION**

India, with a large and diverse agriculture, is among the world's leading producer of cereals, milk, sugar, fruits and vegetables, spices, eggs and seafood products. Indian agriculture continues to be the backbone of our society and it provides livelihood to nearly 50 per cent of our population. Various studies on fresh fruits and vegetables, fisheries in India have indicated a loss percentage ranging from about 8% to 18% on account of poor post-harvest management, absence of cold chain and processing facilities. Therefore, agro processing and agricultural exports are a key area and it is a matter of satisfaction that India's role in global export of agricultural products is steadily increasing. India is currently ranked tenth amongst the major exporters globally as per WTO trade data for 2016. India's share in global exports of agriculture products has increased from 1% a few years ago, to 2.2 % in 2016.

A dynamic nation of 1.3 billion consumers with rising discretionary incomes, changing food patterns, vast farming area, diverse agriculture and a large population dependent on agriculture has propelled India to the world's center stage as a big consumer market and also as a key supplier of food products. It has often been suggested that an essential element of "Make in India" has to be "Bake in India", i.e. a renewed focus on value addition and on processed agricultural products.

## **NEED FOR SUCH A POLICY**

The Agriculture Export Policy is framed with a focus on agriculture export oriented production, export promotion, better farmer realization and synchronization within policies and programmes of Government of India. It is required to have a "Farmers' Centric Approach" for improved income through value addition at source itself which will help to minimize losses across the value chain. India needs to have farmer oriented strategy to achieve the twin objective of food security and a prominent agriculture exporter of the world. The policy will also give a big push to food processing/manufacturing to have much higher growth in food production which will increase India's share of value added processed products in its Agriculture export basket at the global level. The broad objectives and vision is highlighted below.

- 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 our export basket, destinations and boost high value and value added agricultural exports including 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.
- To strive to double India's share in world agri exports by integrating with global value chain at the earliest.
- Enable farmers to get benefit of export opportunities in overseas market.

India's export basket is a diversified mix led by rice (US\$ 6 Bn), marine products (US\$ 5.8 Bn), and meat (US\$ 4 Bn) which together constitute ~52% of its total agri exports<sup>3</sup>. While India occupies a leading position in

global trade of aforementioned agri products, its total agri export basket accounts for little over 2% of world agri trade, estimated at US\$ 1.37 Trillion<sup>4</sup>. An important reason for this apparently inward looking policies of India are largely aimed at food security and price stabilization.

Top exportable agricultural commodities and products would be identified on the basis of current global and Indian trade. Each commodity would be studied in detail based on five key criteria: global trade, five-year impact potential, India's current competitiveness, scope for value addition and future market potential. About ten commodities would be shortlisted as focus commodities for specific farm, infrastructure and market intervention.

#### **INFRASTRUCTURE AND AGRICULTURE EXPORT**

Presence of robust infrastructure is critical component of a strong agricultural value chain. This involves pre-harvest and post-harvest handling facilities, storage & distribution, processing facilities, roads and world class exit point infrastructure at ports facilitating swift trade. Mega Food Parks, state-of-the-art testing laboratories and Integrated Cold Chains are the fundamentals on which India can increase its agricultural exports. Given the perishable nature and stringent import standards for most of the food products, efficient and time-sensitive handling is extremely vital to agricultural commodities.

Some of the important infrastructural requirements are as under.

- Identify major ports where current/projected bulk and container agri traffic demands infrastructure and modernization initiatives.
- Sea Port - development of dedicated perishable berths, agricultural jetties;
- Railway -infrastructure at stations to handle agri products, Reefer Wagons;
- Airport -Identify the challenges of operationalizing existing defunct infrastructure at ports such as the Centre for Perishable Cargo (CPC) and requirement of new CPCs, loaders, designated and sufficient quarantine areas, better Hinterland Connectivity.

#### **VALUE ADDITION IN AGRI PRODUCTS**

It is proposed that the agriculture export policy must focus on promotion of value added, indigenous and tribal products. As highlighted in the previous sections, India's export basket is dominated by products with little or no processing or value addition. Stakeholders have recommended for financial support for commodities identified in the indigenous category which include non-forest produce, wild herbs, medicinal plants, extracts, lac, essential oils etc. This would require intense export focused research for developing exportable products along with strong branding efforts.

The stakeholders have suggested constituting separate funds dedicated to marketing of organic, value added, ethnic, GI, Region specific and branded products. It is also recommended that marketing campaigns be created for individual fruits or products such as "Wonderful Pom" and "Bananas of India". This fund would primarily be utilized for a sustained communication campaign in the form of a branding blitz across key targeted markets. This must utilize both digital and traditional media platforms.

#### **CONCLUSION:**

To conclude, to raise farm productivity with adequate focus on rainfed areas, diversification of Indian agriculture from just crop farming to livestock, fisheries and poultry and horticulture while simultaneously addressing environmental concerns should be the focus for the agriculture sector. If we want to sustain healthy and sound future, then we are ought to go all out to ensure sustainable farming with more quality agri exports and diversification will boost our overall performance in international market of primary goods.

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