

# Agriculture Export Policy

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## Manifest Pedagogy

Agriculture as a subject has been a major focus in recent times both in prelims and mains. It has linkages with economy, geography and society sections. The best way to prepare for agriculture is to study two levels:

1. Agriculture as a science
2. Agriculture related governance and policy related issues

The topic dealt above is related to the second level.

## **In news**

*Recent announcement of Draft policy on agriculture export from India.*

## **Placing it in syllabus**

Major crops cropping patterns in various parts of the country and Storage, transport and marketing of agricultural produce and issues and related constraints

## **Static dimensions**

1. Agriculture export processing Zones
2. Mega Food Park Scheme
3. Pradhan Mantri Kisan SAMPADA Yojana

## **Current dimensions**

1. Farmers distress
2. Doubling farmers income by 2022
3. US-China trade war and opportunities for India and debate on it

# Content

## Share of exports by India:

**Trends in India's export of agriculture and allied products (All in Billion dollars)**

2014-15	2015-16	2016-17	2017-18	2018-19 (Apr-Sep)
\$30.14bn	\$24.52bn	\$24.54bn	27.77bn	15.65bn

Source: Ministry of commerce

## Agriculture Export Processing Zones:

The concept of agri export zone attempts to take a comprehensive look at a particular produce/product located in a contiguous area for the purpose of developing and sourcing the raw materials, their processing/packaging, leading to final exports.

Thus, the entire effort is centered on the cluster approach of identifying the potential products, the geographical region in which these products are grown and adopting an end-to-end approach of integrating the entire process right from the stage of production till it reaches the market.

Government of India recognized 60 agriculture export processing zones under Foreign Trade Policy 2015-20. This posts describes notified agriculture sectors with agricultural commodity names recognized by government of India to boost export of agricultural commodities.

### For example:

1. Pineapple – West Bengal: Darjeeling, Jalpaiguri, Uttar Dinajpur, Cooch Behar, Howrah
2. Gherkins – Karnataka: Tumkur, Bangalore Urban, Bangalore Rural, Hassan, Kolar, Chitradurga, Dharwad and Bagalkot

## **Mega Food Park Scheme**

The Scheme of Mega Food Park aims at **providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers** so as to ensure maximizing value addition, minimizing wastage, increasing farmers' income and creating employment opportunities particularly in rural sector.

The Mega Food Park Scheme is **based on "Cluster" approach** and envisages creation of state of art support infrastructure in a well-defined agri/horticultural zone for setting up of modern food processing units in the industrial plots provided in the park with well-established supply chain. Mega food park typically consist of supply chain infrastructure including collection centers, primary processing centers, central processing centers, cold chain and around 30-35 fully developed plots for entrepreneurs to set up food processing units.

## **Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters)**

PM Kisan SAMPADA Yojana is a comprehensive package which will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. It will not only provide a big boost to the growth of food processing sector in the country but also help in providing better returns to farmers and is a big step towards doubling of farmers income, creating huge employment opportunities especially in the rural areas, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods.

## **Farmers' distress**

Due to flip-flop in agriculture policy and ad hoc nature, agriculture sector is not being treated at par with

manufacturing and service sector the agricultural policy changed according to the need such as the case in sugar cane, this left to farm loan waver as the only solution. So in light of it the government of India launched a comprehensive scheme to double farmers' income and also announced MSP, crop insurance schemes.

## **Doubling farmer by 2022**

In order to double the farmer income following initiative has been introduced;

- Shared Services
- Processing
- Education
- Entrepreneurship
- Demand and Diversification

To sustain these above initiatives it is important to encourage production and investment, one way to channelize this is to export (vent for surplus for example sugar exports). In light of this Government of India came up with agriculture export policy.

## **Draft Agriculture Export Policies**

The Ministry of Commerce & Industry has come up with a draft "Agriculture Export Policy" which is aimed at doubling the agricultural exports and integrate Indian farmers and agricultural products to the global value chain.

## **Objective and vision**

1. The National Agriculture Export Policy is formulated in line with the vision to double the farmer's income and increase the share of agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022.
2. To boost high value and value added agricultural exports, focusing on perishables.
3. To promote novel indigenous, Organic, ethnic traditional

and non-traditional categories.

4. To provide an institutional mechanism for tackling market access barriers and deal with sanitary and phyto sanitary issues.
5. To become one of the top 10 exporting countries of agricultural products and strive to double India's share in world agri exports.
6. Focus on export centric clusters for integrated Commodity Focus Value Chain and Infrastructure Development.

## **Criticism of the policy**

1. Draft Bill faces criticism for making farm workers, dealers responsible for spurious pesticides.
2. The draft also encourages pesticides' use to increase productivity instead of promoting organic farming.
3. Target of doubling of export is not easily achievable
4. Corporatization and contract farming
5. Global volatility will link Indian agriculture to global price
6. Institutional development would be key to success of the policy

## **Test yourself: Mould your thoughts**

Agriculture Export Policy may go a long way to double farmer's income but all efforts would be useless without a comprehensive approach towards it. Discuss.