

# Govt looks at new farm exports policy

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**NEWDELHI:** The Modi government will unveil a new agricultural exports policy, as it looks for ways to improve sagging commodity prices, a big reason for farmer angst in many states.

There has also been an alarming slide in India's farm trade surplus: the value of exports, in dollar terms, has been falling vis-à-vis imports. Lower realisation from exports, among other reasons, has hurt farm incomes and also induced domestic gluts, even as the government has set an ambitious target of doubling agricultural incomes in the next five years.

The new trade policy aims to be more "open and stable" so that there is predictability, an official

**INDIA'S ROBUST TRADE SURPLUS IN FARM COMMODITIES, IN DOLLAR TERMS, HAS PLUNGED 55% SINCE 2014-15**

said. It will contain measures to streamline compliance of international food-safety or phytosanitary requirements, promote "promising products" such as organic foods and create farm-to-port as well as farm-to-airport cold chains, according to the official cited above. The policy will focus on nearly 25 farm export clusters, along the lines of small and medium export clusters that exist for manufacturing. Clusters tend to lower the per unit cost of

solutions due to concentration of a large number of producers with similar problems. "India is one of the largest producers of fruits, vegetables, milk and rice globally. Under the new exports policy, our focus will be to ensure our farmers get uninterrupted access to international markets and good prices," agriculture minister Radha Mohan Singh said.

India's robust trade surplus in farm commodities, in dollar terms, has plunged 55% since 2014-15, mainly on account of low international commodity prices, apart from export disruptions due to non-compliance of phytosanitary norms. India's trade surplus in agricultural items fell from US\$ 27174.2 in 2013-14 to about US\$ 7833.8 in 2016-17.

"The idea is to link our farmers to a value or a supply chain and

compliance (with phytosanitary measures)," agriculture secretary Shobhana K. Pattanayak said. Most EU countries have now further lowered the permissible residue limits for tricyclazole, a fungicide used in basmati, a major export item, Pattanayak said. Phytosanitary standards denote measures that ensure consumers are supplied with food that is free from contaminants.

Two years ago, the EU had banned Indian mangoes, causing a price crash. Iran had banned Indian rice imports too. On December 6, releasing the government's mid-term review of the Foreign Trade Policy 2015-2020, commerce minister Suresh Prabhu's ministry announced incentives of ₹1,354 crore for farm products and ₹759 crore for

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