

# Govt draws up ₹1,500 crore plan to boost farm exports

Proposal part of government's initiative to curb a mounting current account deficit

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**T**he commerce ministry is planning to invest ₹1,500 crore to develop 40 export-oriented clusters under the proposed agriculture export policy. The move is part of the government's short- and long-term initiatives to boost exports and curb India's mounting current account deficit.

The proposal is currently under inter-ministerial consultation. It will be sent to the cabinet for approval, a commerce ministry official said, requesting anonymity.

The ministry had released the draft agriculture export policy in March with the aim to double agriculture exports to \$60 billion by 2022.

Under the new scheme, assistance will be provided for post-harvest infrastructure in clusters, capacity building, laboratories, new technology or machinery introduction, implementation of good agricultural practices and grant towards public-private partnerships for integrated agriculture development.

"The effort will be to focus on developing export-oriented infrastructure in the identified cluster areas, wherein integrated post-harvest processing facilities and laboratories will be set up. The scheme will be implemented in partnership



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## Focus on post-harvest infrastructure

Govt plans to provide assistance for post-harvest infrastructure in the proposed agri export clusters

Commerce minister Suresh Prabhu believes agri export policy is needed to fulfil PM Modi's vision to double farm income by 2022

India's share in global exports of agriculture products has risen from 1% a few years ago to 2.2% in 2016

with private exporters, who will have natural incentive to promote such clusters," the official added.

The draft policy said there were opportunities for developing agriculture export special economic zones (SEZs), primarily aimed at producing agriculture commodities for certain

countries, which are largely dependent on imports. "The interest of some countries (having sub-

stantial gap in domestic availability of grains, vegetables and fruits)

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can be explored for bringing in foreign direct investment (FDI) into agriculture export SEZ in order to ensure food security of that country. There can be complete buyback arrangements by the countries, which are bringing in FDI, thus

providing a stable market for Indian exports," said the draft policy.

The ministry has also shortlisted 10 commodities to focus on for farm, infrastructure and market intervention. The list includes shrimps, meat, basmati rice, bananas, and pomegranate, besides vegetables including potato, cashew, plant parts/medicinal herbs in value-added forms, including herbal medicines, nutraceuticals, aromatics, spices (cumin, turmeric, pepper) and organic food.

It has also sought to provide policy assurance to producers that processed agricultural and organic products will not be put under export restrictions such as minimum export price, or export duty even when the primary agricultural product or non-organic agricultural product is brought under some kind of export restrictions to stabilize domestic prices.

Commerce minister Suresh Prabhu, who had announced the need for such a policy on his first day in office, said that a stable agri-export policy is needed to fulfil Prime Minister Narendra Modi's vision to double farm income by 2022.

India's agricultural exports basket is a diversified mix led by marine products (\$5.8 billion), meat (\$4 billion) and rice (\$6 billion), which together constitute around 52% of total agricultural exports. India's share in global exports of agriculture products had increased from 1% a few years ago to 2.2% in 2016.