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India meets only 3.7% of agri-export commitments

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NEW DELHI

India has only been able to supply around 73,000 tonnes or 3.7% of agricultural commodities pledged to its key strategic partners under bilateral arrangements, partly as a result of measures taken to tame domestic prices.

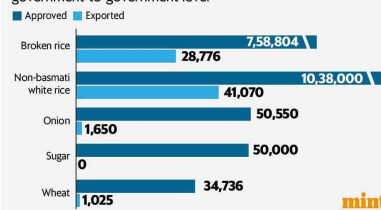
Some Indian farm exports have become uncompetitive as Indian exporters, under government-to-government (G2G) deal, quote prices that are higher than those of other top producing countries.

Another factor is the smaller quantities approved by the Indian government because of the need to protect domestic supplies, a senior government official said.

Prices of Indian exports are higher because of 20% export duties slapped on key commodities—a measure taken to tame inflation—and costs from

Goals not met

Export status of restricted food items approved vs exported (in tonnes) by India over the past two years at government-to-government level



Note: Data as of 26 April

Source: Commerce ministry officials

PRANAY BHARDWAJ/MINT

a supply chain that has lengthened since the involvement of the National Cooperative Exports Ltd or NCEL, established last year.

India took a slew of measures to curtail food inflation amid poor crops in the past two years, including export bans on wheat, broken rice, non-basmati white rice, sugar and

onion. However, amid an increasing focus on cementing its place in the global south, the government waived the export ban for some of these commodities, which are channelled through its export agency NCEL, established under the Multi State Cooperative Societies (MSCS) Act, 2002.

In the last two years, India

has approved exports of 1.93 million tonnes of non-basmati white rice, broken rice, sugar, wheat and onion to countries like Bhutan, Bangladesh, Cote D'Ivoire, Egypt, Kenya, Nepal, Philippines, Rep Guinea, Singapore and the UAE under G2G deals. However, by the end of April this year, NCEL supplied

only 3.9% of allocated non-basmati rice, 3.2% broken rice, 3% wheat and none of sugar, the official cited above said.

"As we have been informed, this is because some countries were asking for waiver of export duty of 20% imposed on various variety of rice while a few demanded exports in tranches and other nations had month-specific requirement apart from our less competitive prices." "The government is facing problems exporting

restricted food items at the G2G level to 13 countries which have identified huge quantities are lying with exporters," the official said.

Under the current process, if a tender is issued and Indian exporters enter the deal but the receiving country is not keen on going ahead because of high prices, the export comes to a halt.

**Under a
govt-to-govt deal,
Indian exporters
quote prices that
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top producing
countries**

"In the case of non-basmati white rice, we found out that price quoted by us is higher (than other suppliers) for nations like Cote D'Ivoire, Rep

Guinea and the UAE. As far as onion exports are concerned, Bangladesh is importing from five other nations because of their competitive prices compared to India and the onset of Bangladesh's harvest season has improved the market," the official added.