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AGRI EXPORT ADVANTAGE

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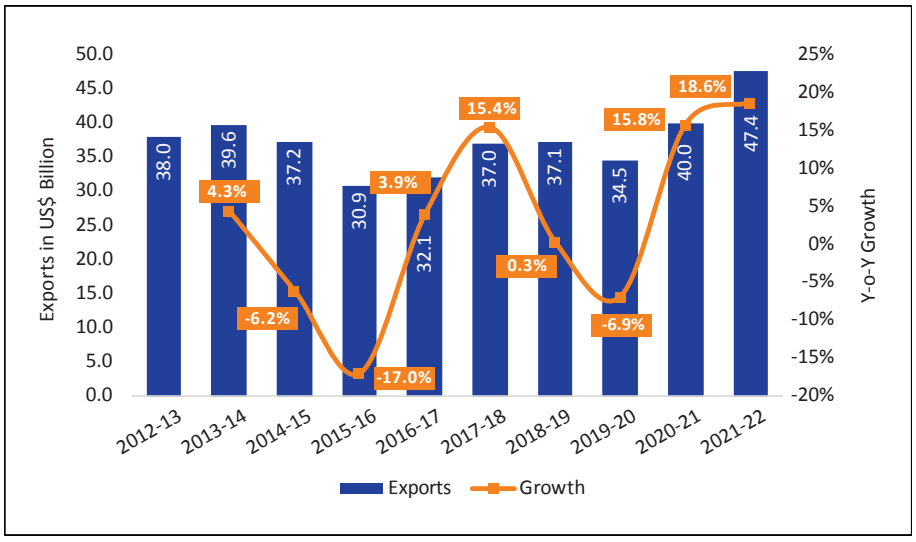
Exports of Agriculture and Allied Products from India in 2021-22: A Review

The year 2021-22 was a milestone in India's export growth story, with the merchandise exports surpassing US$ 400 billion for the first time. Merchandise exports from the country witnessed a y-o-y increase of 44.6% to reach US$ 421.8 billion during 2021-22. Exports of agriculture and allied products[1] from the country also witnessed a remarkable increase of 18.6% to reach US$ 47.4 billion during 2021-22, despite the logistical challenges posed by COVID-19

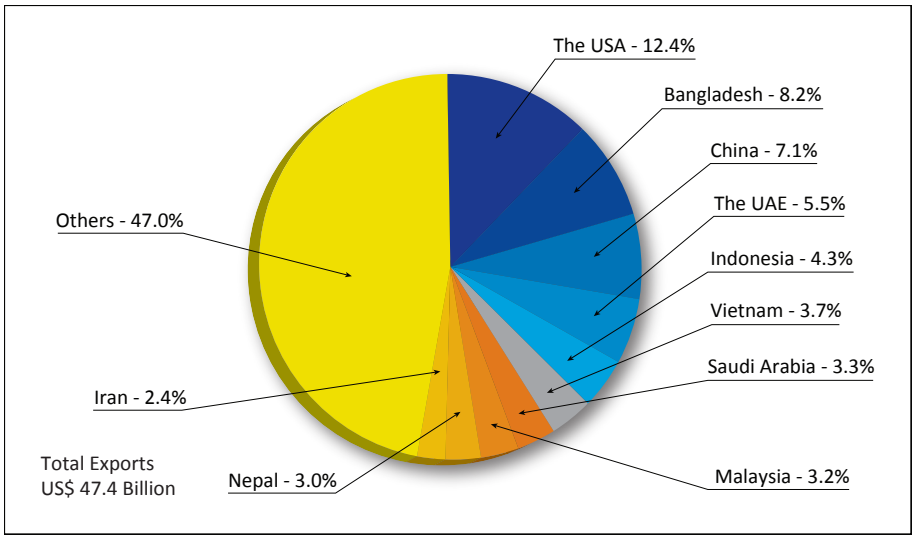
Agriculture and Allied Products Exports from India (in US$ Billion)



Source: DGCIS, India Exim Bank Research

[1]Includes the principal commodity categories of plantation, agri and allied products, and marine products

Major Destination for India's Exports of Agriculture and Allied Products (2021-22)



Source: DGCIS, India Exim Bank Research

pandemic such as high freight rates, container shortages, etc. This was the second consecutive year of double-digit growth in exports of agriculture and allied products from the country.

The USA was the largest destination for India's exports of agriculture and allied products during 2021-22 with estimated exports of US$ 5.9 billion, and a share of 12.4% in India's overall exports of agriculture and allied products during the year. Marine products constituted more than half of the agriculture and allied products exports from India to the USA during the year.

Bangladesh was the second largest destination for India's exports of agriculture and allied products, with estimated exports of US$ 3.9 billion and a share of 8.2% in India's exports of these products during 2021-22. Exports of agriculture and allied products to Bangladesh witnessed a robust y-o-y increase of 90.0% during the year, with majority of the increase attributable to the wheat exports from India to Bangladesh. Exports of wheat from India to Bangladesh increased from US$ 310.3 million in 2020-21 to US$ 1.2 billion in 2021-22, an increase of 284.4%. India's exports of non-basmati rice to Bangladesh also increased by 74.4% to reach US$ 612.0 million in 2021-22. Other major export destinations for India's agriculture exports in 2021-22 included China (share of 7.1%), the UAE (5.5%), Indonesia (4.3%), Vietnam (3.7%), and Saudi Arabia (3.3%).

Marine products was the largest category of agriculture and allied products exports from India, with estimated export of US$ 7.8 billion during 2021-22, and a share of 16.4% in the overall agriculture exports from the country. Exports of marine products had witnessed a decline during 2020-21, but made a strong recovery in 2021-22, registering a y-o-y growth of 30.4% during the year.

Other major categories of exports of agriculture and allied products from India during 2021-22 included non-Basmati rice (US$ 6.1 billion), sugar (US$ 4.6 billion), spices (US$ 3.9 billion), basmati rice (US$ 3.5 billion), and buffalo meat (US$ 3.3 billion).

Top Agriculture and Allied Products Exported from India (Values in US$ Million)

Products	Value in 2020-21	Y-o-Y Change in 2020-21	Value in 2021-22	Y-o-Y Change in 2021-22
Marine Products	5962.4	-11.3%	7772.4	30.4%
Non-Basmati Rice	4810.8	136.8%	6123.5	27.3%
Sugar	2789.9	41.9%	4603.2	65.0%
Spices	3984.0	10.0%	3927.6	-1.4%
Rice-Basmati	4018.4	-8.1%	3540.9	-11.9%
Buffalo Meat	3171.1	-0.9%	3303.8	4.2%
Wheat	567.9	804.0%	2120.0	273.3%
Castor Oil	917.2	2.6%	1175.5	28.2%

Source: DGCIS, India Exim Bank Research

Fuelled by food security concerns across several geographies, exports of Non-Basmati rice from India had witnessed triple-digit growth rates in 2020-21 and continued the growth momentum in 2021-22 as well. Non-Basmati rice was the second largest category of agricultural exports from India, with estimated exports of US$ 6.1 billion in 2021-22, and a share of 12.9% in India's agriculture exports during the year. Increase in exports of non-Basmati rice was due to the rise in demand from Asian countries like China, Bangladesh, Vietnam, and Sri Lanka. During late 2020, China increased the import of non-Basmati rice from India, owing to the supply crunch of non-Basmati rice and the cheaper price offered by the Indian exporters as compared to the international prices. As a result, India's export of non-Basmati rice to China increased from US$ 103.7 million in 2020-21 to US$ 496.7 million in 2021-22, making China the third largest destination for India's non-Basmati rice exports in 2021-22.

While exports of non-Basmati rice witnessed significant growth during 2021-22, the export of Basmati rice from India witnessed a y-o-y decline of 11.9% during the year. In fact, during both 2020-21 and 2021-22, exports of Basmati rice from India were lower than exports of Non-Basmati rice from the country. Prior to the pandemic, value of Basmati rice exports from India were typically higher than the value of non-Basmati rice exports from the country.

Reference:

- DGCIS

Global Shrimps Outlook

Shrimps are one of the most consumed sea foods. The global farmed shrimp market has been growing faster than other aquaculture species. The market for shrimps and prawns is driven by various factors such as the growing consciousness of their health benefits, increase in adoption of new environment friendly production techniques and contract farming, and favourable government policies in several countries.

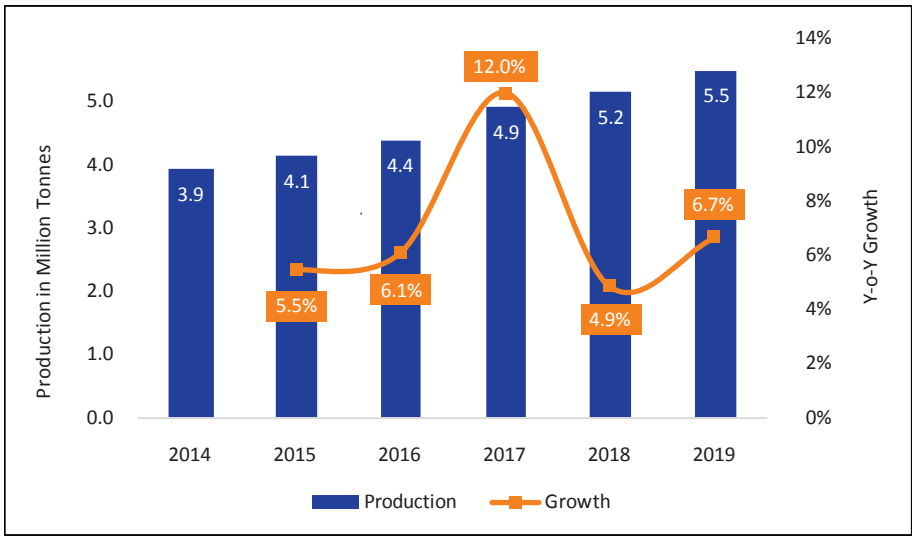
Production

Global production of shrimps and prawns was estimated at 5.5 million tonnes in 2019, registering a y-o-y growth of 6.7% as compared to the previous year. Global production of shrimps and prawns witnessed a consistent growth during 2014 to 2019, registering a strong CAGR of 7.0% during this period.

China is the largest shrimps and prawns producing country with estimated production of 2.1 million tonnes during 2019, constituting a share of 38.5% in the global shrimps and prawn production. Indonesia was the second largest producer of shrimps and prawns, with estimated production of 0.9 million tonnes, and a share of 16.9% in the global production of these products during 2019. Other major shrimps and prawns producing countries during 2019 included Vietnam (share of 16.0%), India (13.8%), Thailand (7.0%), and Mexico (3.1%). Global production of shrimps and prawns has remained concentrated amongst the top five producing countries, with the five countries accounting for an estimated 92% of the global production during 2019.

India's production of shrimps[2] was estimated at 851.7 thousand tonnes during 2020-21, witnessing a y-o-y increase of 12.6%. There has been a steady growth in production of shrimps in India over the past few

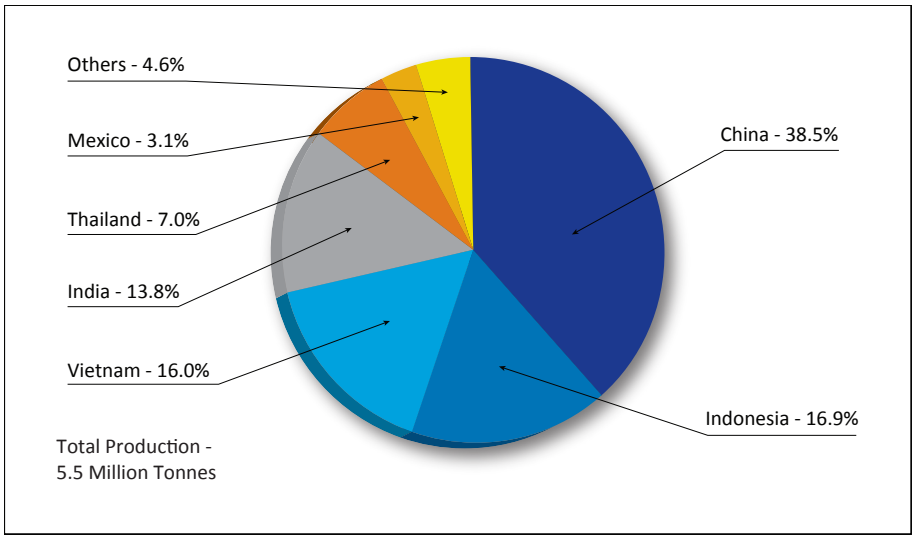
Global Shrimps and Prawns Production



Source: OECD Stat, India Exim Bank Research

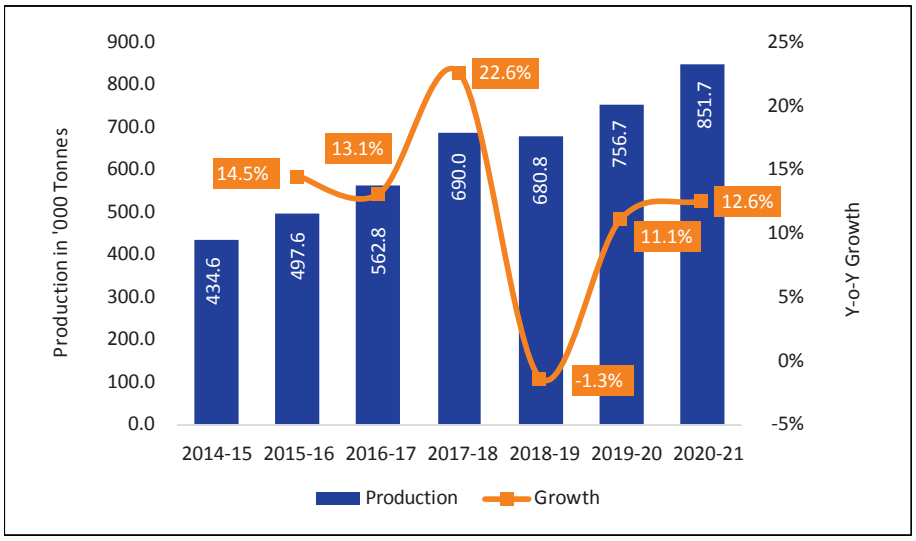
[2]Includes Tiger Shrimp, L Vannamei and Scampi

Major Shrimps and Prawns Producing Countries (2019)



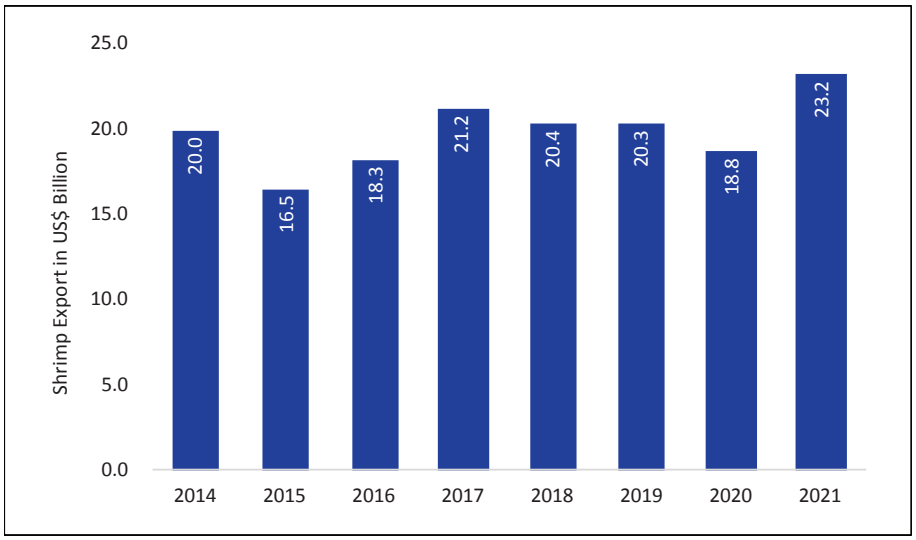
Source: OECD Stat, India Exim Bank Research

India's Shrimps Production



Source: MPEDA, India Exim Bank Research

Global Shrimps Exports



Source: ITC Trade Map, India Exim Bank Research

years, with production registering a CAGR of 11.9% during 2014-15 to 2020-21. Better yields per-hectare, increased hatchery output, and expansion of culture areas were factors contributing to this growth in production. However, it may be noted that during this period, while the production of L. Vannamei variety of shrimps in India registered a CAGR of 15.0%, that of Tiger Shrimp registered a negative CAGR of (-) 15.0%, indicating a shift in production towards L. Vannamei.

Trade

The COVID-19 outbreak reduced the overall global demand for shrimps in 2020. While international and domestic shrimps markets were characterized by strong retail trade, the food service sector incurred huge losses. During 2021, the global shrimps trade remained stable due to increased imports by the western markets. A strong recovery in the second half of 2021 was witnessed with a revival in the HoReCa (hotel, restaurants and café) sector.

Global exports of shrimps[3] were estimated at US$ 23.2 billion during 2021, witnessing an increase of 23.7% over the previous year. The increase in global exports of shrimps during 2021 arrested the continuous decline in exports of these products over the past three years - 2018 to 2020. Global exports of shrimps registered a moderate CAGR of 2.2% during 2014 to 2021.

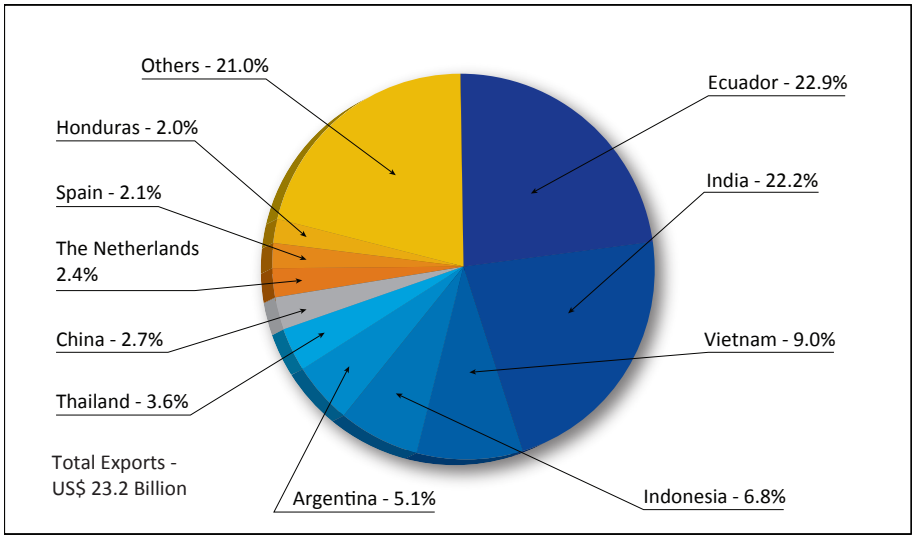
India and Ecuador together accounted for nearly 45% of the global shrimps exports during 2021. Ecuador was the largest

[3]HS 030613, HS 030616, HS 030617, HS 030623, HS 030626, HS 030627, HS 030635, HS 030636, and HS 030695

exporter of shrimps during 2021, with estimated exports of US$ 5.3 billion, constituting a share of 22.9% in the global shrimps exports. The exports of shrimps from Ecuador witnessed a y-o-y increase of 39.0% during 2021. Prior to 2020, Ecuador was the second largest exporter of shrimps, with India being the topmost exporter of shrimps. During 2020, however, India was relegated to the second position in exports of shrimps, and it remained at the second position in 2021 as well. India's exports of shrimps were estimated at US$ 5.2 billion during 2021, witnessing a y-o-y increase of 35.3%. During 2014-2021, while Ecuador's exports of shrimps registered a strong CAGR of 11.3%, India's exports of these products registered a relatively lower CAGR of 4.9%.

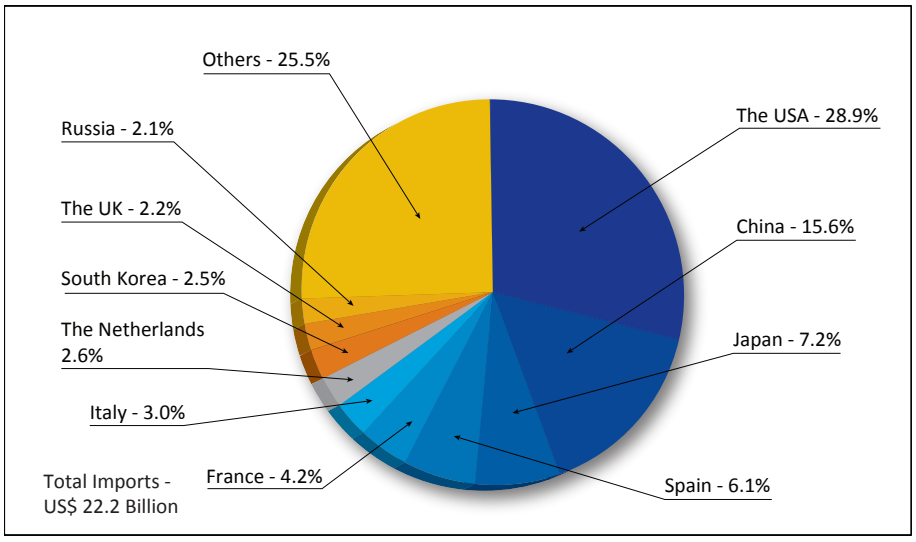
The other major shrimp exporters during 2021 included Vietnam (a share of 9.0% in global shrimps exports), Indonesia (6.8%), Argentina (5.1%), Thailand (3.6%) and China (2.7%). China, which is the largest producer of shrimps, has a lower share in global exports of these products, as a large share of its production goes into meeting the domestic demand.

Major Shrimps Exporting Countries (2021)



Source: ITC Trade Map, India Exim Bank Research

Major Shrimps Importing Countries (2021)



Source: ITC Trade Map, India Exim Bank Research

The USA was the largest importer of shrimps during 2021, with estimated imports of US$ 6.4 billion, constituting a share of 28.9% in the global shrimps imports. Imports of these products by the USA witnessed a y-o-y increase of 30.6% during 2021, reaching record levels during the year. India was the largest source for import of shrimps by the USA, accounting for 42.0% of the USA's total imports of shrimps during 2021.

China was the second largest importer of shrimps, with estimated imports of US$ 3.5 billion, and constituting a share of 15.6% in the global shrimps imports during 2021. China's shrimps imports witnessed a robust CAGR of 30.0% during 2014 to 2021. Other major shrimps importers during 2021 included Japan (a share of 7.2% in global shrimps import), Spain (6.1%), France (4.2%), Italy (3.0%), and the Netherlands (2.6%).

Outlook

The shrimps and prawns industry in India has long been characterized with high export-led growth. India rose to prominence as a shrimp exporter in the past decade owing to sharp focus on quality and disease control, and by shifting to the

more resilient, specific pathogen free (SPF), brood stock imports from the USA. Producers in Andhra Pradesh, Tamil Nadu, Odisha, and West Bengal also benefited from aquaculture zones built by state governments, and subsidies offered for electricity and capital. Due to the rising environmental concerns, the Government of India is introducing various initiatives to encourage organic shrimp farming practices, which is offering lucrative growth opportunities for shrimp farming in the country. Apart from this, the escalating demand for ready-to-eat food products on account of rapid urbanization and urban lifestyles of individuals are facilitating the consumption of frozen and processed shrimp products in India.

Reference:

- DGCIS
- ITC Trade Map
- OECD Stat

Traceability in Agriculture

Introduction

Food safety and agriculture traceability are currently at the forefront of both regulatory and industry discussions around the world. The accurate and timely traceability of products and activities throughout the supply chain has become a key factor in food and agritech business. Consumers in many parts of the world demand verifiable evidence of traceability as an important criterion of food quality and safety. Traceability has emerged as an essential tool for meeting the expectations of buyers and end-users, and for assuring them that a grower is indeed meeting their requirements. It can also be extremely beneficial in mitigating critical food safety concerns and thereby winning the confidence of consumers.

Traceability information or product tracking tools enable identification at any stage of the food supply chain (from production to distribution) where the food came from and where it went, thereby strengthening the food inspection and certification system. From distribution, transport to retail – all the way to the end-consumer, the ability to trace a product through all stages of production process plays an important role today for any business dealing with agri produce.

Blockchain-based traceability in agriculture is gaining momentum for taking prompt and accurate actions in case of food recalls. Traceability in agriculture can also be instrumental in optimising the supply chain operations as it offers the ability to trace the entire lifecycle with just the scan of a QR code.

Benefits of Traceability

Food traceability systems, essentially cover all aspects of production from farm to fork, and can benefit every stakeholder involved in the process.

Some benefits of traceability in agribusiness are as follows:

1) **Quick Response to Food Recall Incidents:** When a risk is identified in a food product, the need for tracing the source of the product arises, as also the need for preventing the product from being further sold in the market. An effective traceability system can trace back through the entire food supply chain and identify the source problem. During food recalls, traceability in agriculture can help in providing a clear view of the supply chain, making a food recall situation easier. In addition, it simplifies the complete process by quickly identifying the batch of the affected products. With the help of traceability, contaminated or damaged products can be easily located based on a serial or batch number. This helps in building consumer trust by ensuring that only good-quality and safe products are available in the stores.

2) **Food Safety and Compliance with Quality Standards:** One of the essential benefits of traceability in agriculture is that it ensures safety and quality compliance. Food safety depends on two factors- well-defined production activities for good quality yields, as well as a proper transportation system to ensure perishable agriproducts reach the desired warehouses in time. If this is not carried out carefully, it can lead to deterioration of the quality of agriproducts and can even lead to severe food borne illness. Traceability can act as good solution to this predicament. The visibility that traceability system provides to

stakeholders helps them locate and prevent any unhygienic practices. It also assists in uncovering inefficiencies in any of the processes across the supply chain, thereby enabling agribusinesses to take accurate preventive actions. In this manner, traceability in agriculture helps ensure that the agriproducts meet the standard quality requirements.

3) **Streamlined Supply Chain Operations:** Traceability in agriculture can be instrumental in enabling agro producers to achieve optimization in operations. Digitally tracking and analysing agriculture supply chain activities can be advantageous in understanding specific patterns and refining the processes for better outcomes. It can help stakeholders address various challenges pertaining to food wastage and quality, and also help them identify opportunities to make the processes more cost-effective.

4) **Higher Customer Trust and Confidence:** Consumers today are highly conscious and concerned about the food products they consume. Firstly, they want to make sure that the agriproducts they wish to buy meet the desired quality and safety norms. Moreover, they are also interested in getting insights about the environmental impact caused during the cultivation and transportation of agri products. Traceability in agriculture can play a significant role in providing customers with these crucial details. With the help of a QR code, customers can trace the entire journey of an agriproducts. Details about the farm, farmer, quality of product and many more details can be easily accessed through a QR code. This helps in strengthening the trust of consumers in agriproducts.

5) **Better Market Prices for Agriproducts:** Producers generally find it challenging to convince the consumers that their agriproducts are of the highest quality standards. Traceability in agriculture helps producers validate the accuracy and quality in the production of their agriproducts. It enables them to prove to the customers that they have met all the necessary quality and safety standards provided by the certifying bodies. Block chain-based traceability system can help agribusinesses to deliver high-quality products to consumers and thus, improve the brand image through heightened consumer confidence. Traceability in agriculture can empower producers to negotiate and get higher market prices for their superior quality agriproducts.

Outlook

Traceability is not just about the origin of the product but also about what happens to the product as it moves through the chain. The success of food supply chains depends not only on how efficiently goods move but also on how efficiently data is captured and shared with multiple stakeholders, for better transparency - and eventually, a better standing in the export market. With the use of block chain technology, the traceability system provides a solution which could eventually lead to heightened consumer confidence in India's agriproducts. India could consolidate the share in global agriculture exports with the use of traceability as agri products face substantial scrutiny in export markets.

A case in point is Basmati rice, where traceability solutions can help India further enhance its market presence. The EU has banned imports of products with traces of insecticide like Tricyclazole, Buprofezin; which are commonly used in Basmati rice cultivation. The Government of India has banned use of these molecules and made the inspection of export consignments mandatory to check for residual levels. This is where traceability solutions become important as it can give information on critical criteria like pesticides used, residual levels, etc. India can be proactive in implementing traceability solutions across all key export linked supply chains.

Reference:

- Farm ERP
- Crop Tracker

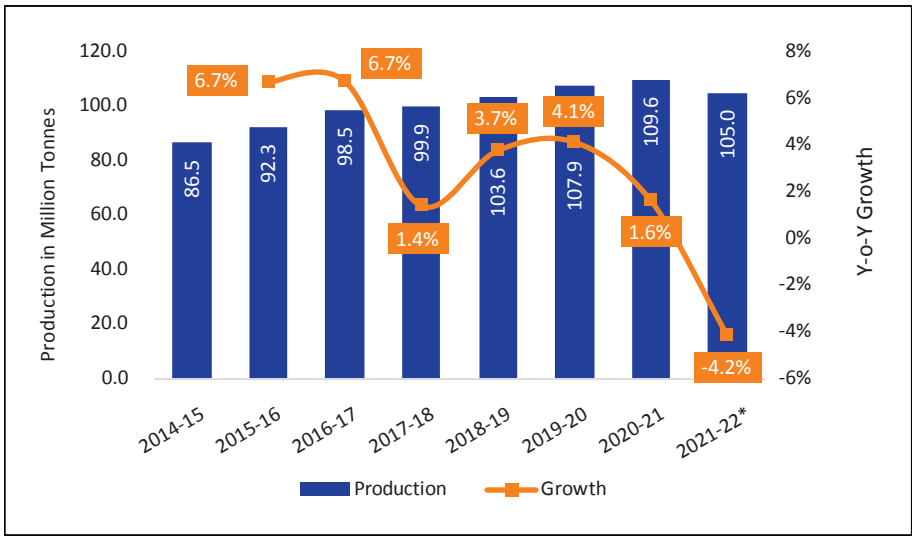
India's Wheat Exports

Wheat is one of the most important food grains in India, and also the staple food for most of the northern and north-west part of India. It is cultivated as a Rabi crop in India as it requires cooler weather and good level of moisture during early plantation period. Given the salience of wheat for India's agricultural production and domestic food security, production of wheat benefits from minimum support price provided by the Government of India and ample stock of wheat is also maintained by the Food Corporation of India (FCI) to mitigate risks to food security, arising out of any unfavorable circumstances.

Production

As per FAO estimates, India is the second largest producer of wheat after China. India's wheat production was estimated at 109.6 million tonnes during 2020-21, witnessing a y-o-y increase of 1.6%. There was a consistent increase in Wheat production during the period 2014-15 to 2020-21, with production registering a CAGR of 4.0% during this period. In 2021-22, however, the production estimate for wheat has been revised downwards from an earlier estimate of 111.3 million tonnes, as

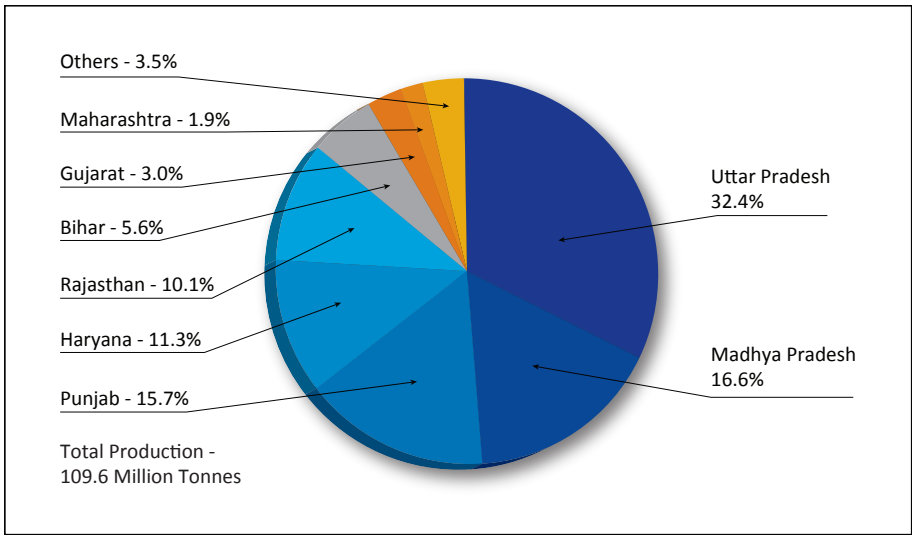
Wheat Production in India



**3rd Advance Estimates for 2021-22*

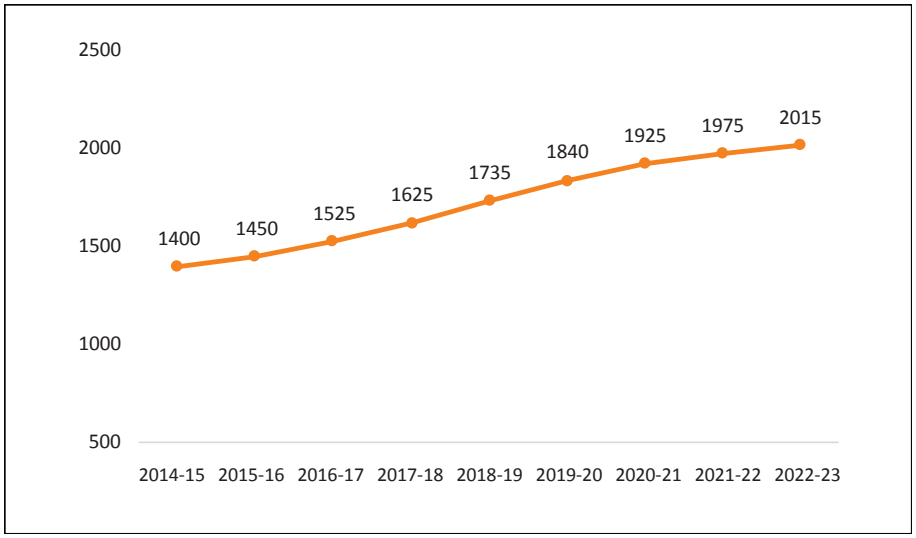
Source: Ministry of Agriculture and Farmers' Welfare, Government of India, India Exim Bank Research

Major Wheat Producing States in India (2020-21)



Source: Ministry of Agriculture and Farmers' Welfare, Government of India, India Exim Bank Research

Minimum Support Price for Wheat (₹/quintal)

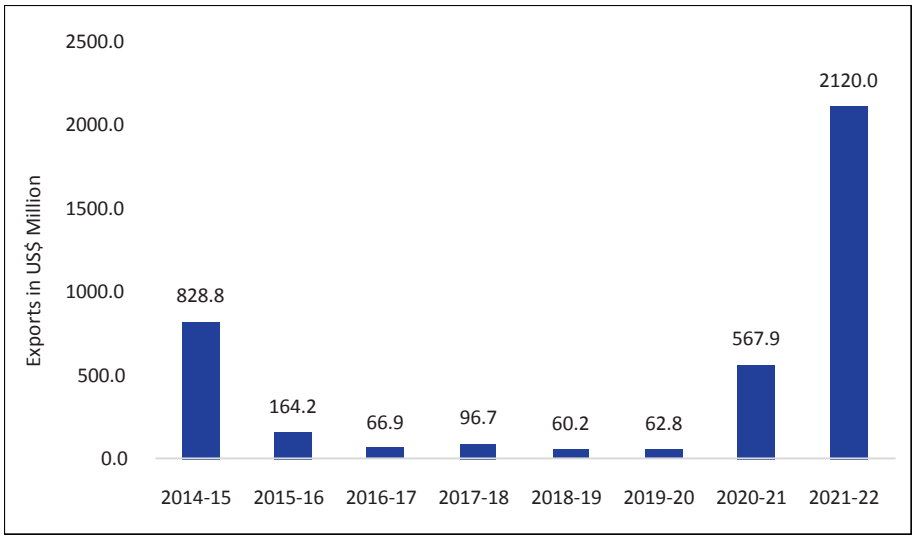


Source: Food Corporation of India

crop productivity was affected due to early onset of summer. As per the third advance estimates by the Ministry of Agriculture and Farmers' Welfare, Government of India, the production of wheat in India is estimated at 105.0 million tonnes during 2021-22, witnessing a y-o-y decline of 4.2%.

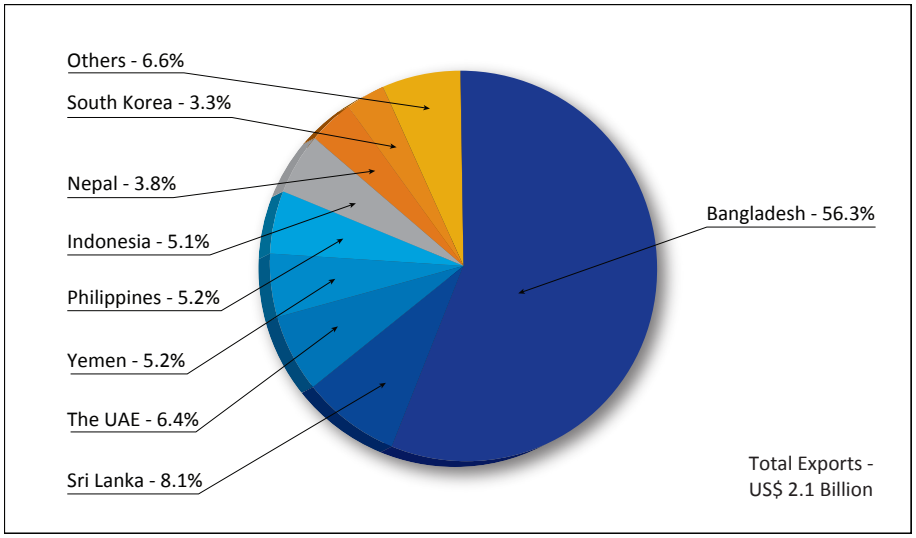
Uttar Pradesh is the largest wheat producing state in India, with estimated production of 35.5 million tonnes during 2020-21, a share of 32.4% in India's total wheat production. Uttar Pradesh was followed by Madhya Pradesh with estimated wheat production of 18.2 million tonnes during 2020-21, and a share of 16.6% in India's wheat production. Other major wheat producing states included Punjab (a share of 15.7% in India's wheat production), Haryana (11.3%), Rajasthan (10.1%), and Bihar (5.6%).

Exports of Wheat from India



Source: DGCIS, India Exim Bank Research

Major Destinations for India's Wheat Exports (2021-22)



Source: DGCIS, India Exim Bank Research

There has been a consistent increase in the MSP for wheat. The MSP for wheat for the year 2022-23 has been kept at ₹ 2,015 per quintal by the Government of India, an increase of ₹ 40 per quintal from the MSP during the previous year.

India's Wheat Exports

As per the data from ITC Trade Map, India was the 10th largest exporter of wheat during 2021. India's exports of wheat were estimated at US$ 2.1 billion in 2021-22, witnessing a y-o-y increase of 273%. During 2021-22, India's exports of wheat was highest during the 3rd quarter (October-December 2021), both in terms of value and quantity of exports. Traditionally, India is not a major wheat exporter as the domestic price given by the Government of India has remained higher than the global price. However, in the recent period, especially after the onset of COVID-19 pandemic, the global wheat prices have witnessed a remarkable jump, incentivizing wheat exports from India. The International Grains Council's wheat price index increased from 191 in January 2020 to 290 in December 2021.

Apart from favorable global prices, the robust exports of wheat by India in 2021-22 can also be attributed to the increased demand due to food security concerns of other countries, as well as the Russia-Ukraine war that has heightened

uncertainties over supply of wheat. Russia and Ukraine are among the largest exporters of wheat, as they together contributed around 23% of the global wheat exports during 2021. Disruptions in wheat exports from these two countries have caused the already elevated global wheat prices to rise even further. Consequently, despite a decline in the quantity of wheat exports by India in the fourth quarter of 2021-22, India's wheat exports, in terms of value, remained robust due to the increase in global prices.

Bangladesh was the largest destination for India's exports of wheat during 2021-22. Exports of wheat from India to Bangladesh amounted to US$ 1.2 billion during 2021-22, accounting for 56.3% of the overall exports of wheat from India during the year. Sri Lanka was the second largest destination for exports of wheat from India during 2021-22, with estimated exports of US$ 172.5 million and a share of 8.1% in India's overall exports of wheat. Other major destinations for India's exports of wheat included the UAE (share of 6.4%), Yemen (5.2%), Philippines (5.2%), and Indonesia (5.1%).

Outlook

India's domestic demand for wheat is largely fulfilled by domestic production, and wheat is seldom imported. As per food grain stocking norms, the FCI needs to maintain around 44.6 lakh MT of wheat as operational stock to meet monthly distributional requirements under welfare schemes, and 30 lakh MT as strategic reserves for meeting shortfall in procurement, as on 1st April. As against the stocking norms, the FCI has opening balance of 303.5 lakh MT of wheat as of May 2022. While the stock of wheat during May 2022 is almost in the range of stock levels during the pre-pandemic periods of May 2019 and May 2018; the demand for wheat is higher now due to the Pradhan Mantri Gareeb Kalyan Yojna (PMGKAY). The stock has in fact declined by 222.2 lakh tones within a year, primarily because demand for wheat under the PMGKAY went up by 74% to 187 lakh tonnes during 2021-22. Alongside, higher international prices have led the farmers to sell wheat directly to the traders, as the price is above the MSP provided by the Government of India. Concerned about these developments, the Government of India has banned exports of wheat.

Reference:

- DGCIS
- Food Corporation of India
- Ministry of Agriculture and Farmers' Welfare, Government of India

News Focus

FAO Food Price Index eases in April 2022

World food commodity prices decreased in April 2022, after a steep jump during the previous month. The dip in April 2022 was led by modest declines in the prices of vegetable oils and cereals. The FAO Food Price Index, the barometer of food commodity prices in international markets, averaged 158.5 points in April 2022, down 0.8% from the all-time high reached in March 2022. The index remained 29.8% higher than in April 2021.

The FAO Vegetable Oil Price Index decreased by 5.7% in April 2022, shedding almost a third of the increase registered in March 2022, as demand rationing pushed down prices for palm, sunflower and soy oils. However, uncertainties about export availabilities out of Indonesia, the world's leading palm oil exporter, contained further declines in international prices. The FAO Cereal Price Index declined by 0.7 points in April 2022, nudged down by a 3.0% decline in world maize prices. International wheat prices were strongly affected by continued blockage of ports in Ukraine and concerns over crop conditions in the USA. International rice prices increased by 2.3% from their March levels, buoyed by strong demand from China and the Near East.

Meanwhile, the FAO Sugar Price Index increased by 3.3%, buoyed by higher ethanol prices and concerns over the slow start of the 2022 harvest in Brazil, the world's largest sugar exporter. The FAO Meat Price Index increased by 2.2% in April 2022, as compared to the previous month, setting a new record high, as prices rose for poultry, pig and bovine meat. Poultry meat prices were affected by disruptions to exports from Ukraine and rising avian influenza outbreaks in the Northern hemisphere. By contrast, ovine meat prices averaged marginally lower. The FAO Dairy Price Index also was up, by 0.9% during April 2022, on the back of persistent global supply tightness as milk output in Western Europe and Oceania continued to track below their seasonal levels.

Source: FAO

Global Report on Food Crises: acute food insecurity hits new highs

The number of people facing acute food insecurity and requiring urgent life-saving food assistance and livelihood support continues to grow at an alarming rate, as per a report by the Global Network Against Food Crises (GNAFC). The report reveals that around 193 million people in 53 countries or territories experienced acute food insecurity at crisis or worse levels (IPC/CH Phase 3-5)[4] in 2021. This represents an increase of nearly 40 million people compared to the record numbers of 2020. Of these, over half a million people in Ethiopia, southern Madagascar, South Sudan and Yemen were classified in the most severe phase of acute food insecurity catastrophe (IPC/CH Phase 5) and required urgent action to avert widespread collapse of livelihoods, starvation and death.

Source: FAO

Indonesia lifts suspension of agricultural imports from India

In a major relief to Indian exporters, Indonesia has lifted the suspension on agricultural products from India. Indonesia had suspended agricultural imports such as rice, wheat, sugar and maize from India after the latter failed to register its food safety testing laboratories, which issue certificate of analysis (COA), before the deadline of March 24. Indonesia called for fresh registrations as it had sought additional information on COAs.

Source: Hindu Business Line

Indonesia lifts ban on the export of palm oil

Indonesia lifts the ban on exports of crude palm oil (CPO) and refined, bleached deodorised (RBD) palm oil, providing much relief to countries such as India from soaring cooking oil prices. Indonesia has lifted the ban despite not achieving its objective of bringing down cooking oil prices to 14,000 rupiah (₹74) a litre. Indonesia had begun to face internal issues such as farmers' protests, logistical issues and a lack of storage space.

Recently, Indonesia, which is world's largest producer and exporter of palm oil announced the ban on the exports of palm oil and its raw materials from April 28, 2022, to reduce domestic shortages of cooking oil and bring down the rising domestic prices. According to the Indonesian Palm Oil Association, local production of crude palm oil fell in 2021 compared to 2020, even as global demand surged, putting upward pressure on the prices. In April 2020, a ton of Indonesian crude palm oil was fetching around $545 on the European market. Two years later, that jumped to US$ 1,700.

Source: Economic Times

Centre lifts jute price cap effective from May 20

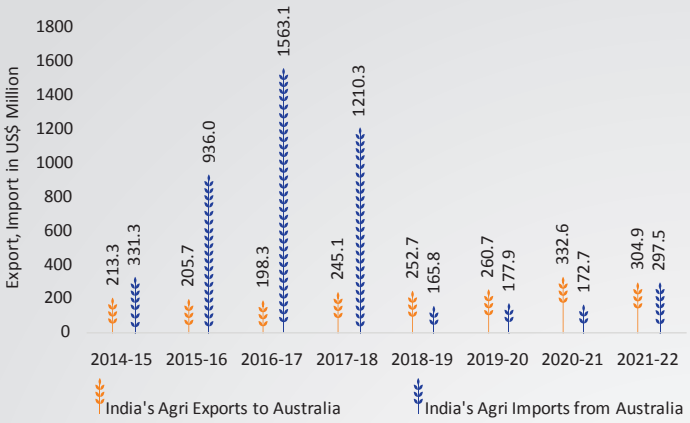
The Centre has lifted the price cap of ₹ 6,500 per quintal that was fixed for raw jute, following information collected by the Jute Commissioner's Office which revealed that the present market prices are ruling near the capped price. It is expected that the cap removal will help farmers, mills and jute MSME sector. The move would benefit over 7 lakh people that are dependent on jute trade, and about 40 lakh jute farmers. The decreasing trend in prices will also benefit exports of jute goods which constitute about 30% of the industry's turnover in value terms.

Source: Business Standard

[4] Integrated Food Security Phase Classification, Phase 3 (Acute Food and Livelihood Crisis), Phase 4 (Humanitarian Emergency), and Phase 5 (Famine/Humanitarian Catastrophe)

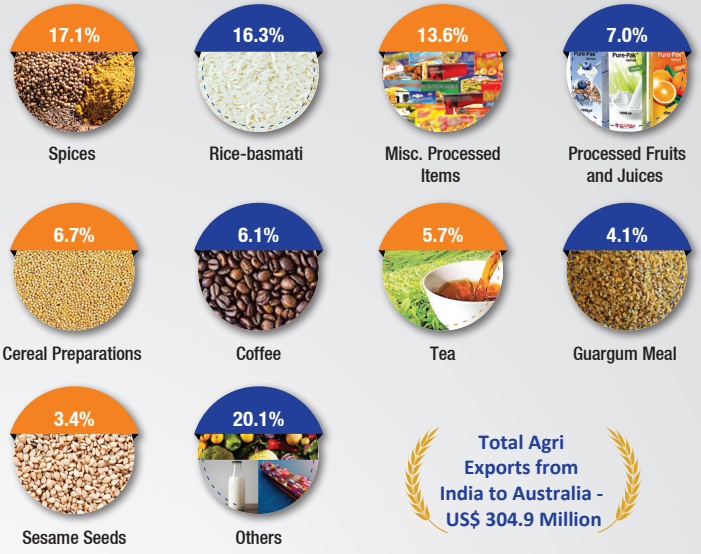
India-Australia Agricultural Trade

Trends in India-Australia Agricultural Trade



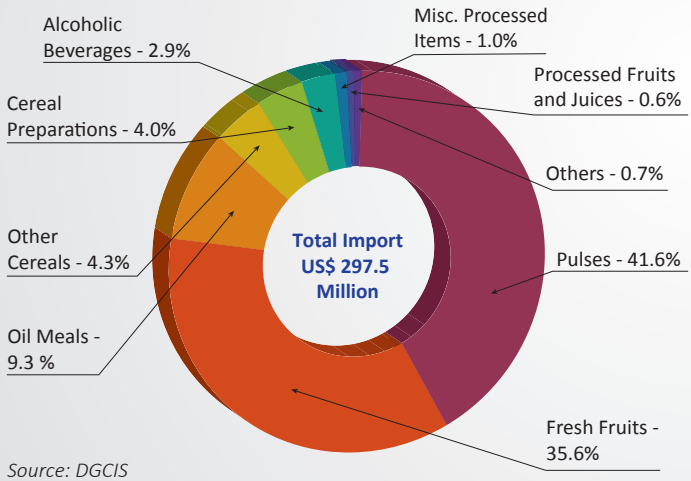
Source: DGCIS

Major Agricultural Products Exported from India to Australia (2021-22)



Source: DGCIS

Major Agricultural Products Imported by India from Australia (2021-22)



Source: DGCIS

Agri Commodities with the Largest Growth in Exports from India to Australia during 2021-22

Principal Commodity	Exports in 2020-21 (in US$ Mn)	Exports in 2021-22 (in US$ Mn)	Growth in Exports (Y-o-Y)
Fruits/Vegetable Seeds	0.1	1.0	568.0%
Vegetable Oils	3.2	4.5	41.9%
Guargum Meal	9.6	12.4	29.2%
Floriculture Products	1.4	1.8	28.6%
Oil Meals	0.9	1.2	25.6%
Castor Oil	2.7	3.2	21.4%
Coffee	15.5	18.5	19.3%
Misc. Processed Items	34.8	41.4	19.0%
Processed Fruits and Juices	20.3	21.4	5.4%

Source: DGCIS

Agri Products where Australia has High Shares in Exports from India (2021-22)

Principal Commodity	India's Agri Exports to World (in US$ Mn)	India's Agri Exports to Australia (in US$ Mn)	Australia's Share in India's Agri Exports
Misc. Processed Items	1164.4	41.4	3.6%
Cereal Preparations	652.0	20.4	3.1%
Guargum Meal	446.8	12.4	2.8%
Processed Fruits and Juices	777.0	21.4	2.8%
Milled Products	310.5	8.4	2.7%
Sesame Seeds	407.1	10.3	2.5%
Tea	750.7	17.4	2.3%
Vegetable Oils	220.9	4.5	2.0%
Processed Vegetables	425.6	8.1	1.9%
Coffee	1020.7	18.5	1.8%

Source: DGCIS

As per DGCIS data, Australia accounted for 2.0% of India's merchandise exports and 0.7% of India's Agricultural exports during 2021-22.

2.7% As per DGCIS data, Australia accounted for 2.7% of India's merchandise imports and 0.9% of India's Agricultural imports during 2021-22.

India and Australia signed the Economic Cooperation and Trade Agreement (ECTA) which is expected to give enhanced market access to India in the Australian market.

India has an untapped export potential of US$ 2.4 billion in Australia, which includes export potential of US$ 53 million in shrimps, US$ 19 million in Cashew nuts (shelled), and US$ 10 million in semi-milled or wholly milled rice.

Reference: *DGCIS.*