

**A REVIEW OF AGRICULTURAL EXPORT POLICY AND PROCEDURES****S. Bachhav<sup>1</sup> and J Pawar<sup>2</sup>**<sup>1</sup>ASM's IBMR, Chinchwad, Pune<sup>2</sup>Sinhgad Institute of Business Administration and Research, Kondhwa, Pune  
sham.bachhav@asmedu.org, jyothipawar18@gmail.com**ABSTRACT**

India ranks second worldwide in farm outputs. Agriculture employs more than 40% of the Indian work force and contributed 17–18% to country's GDP. Agriculture is the primary source of livelihood for about 58 per cent of India's population. The Agro exports from India are likely to reach the target of US\$ 60 billion by the year 2022. Despite these recent accomplishments, agriculture has the potential for major productivity and total output gains, because crop yields in India are still just 30% to 60% of the best sustainable crop yields achievable in the farms of developed and other developing countries. Additionally, post-harvest losses due to poor infrastructure and unorganized retail, caused India to experience some of the highest food losses in the world. Also it has often been suggested that an essential element of "Make in India" has to be "Bake in India", i.e. a renewed focus on value addition and on processed agricultural products. Definitely agro export sector is going to offer very promising future for the coming generations therefore it becomes imperative to take review of the Indian export policy and procedures.

**Keywords:** GDP, MMT, eNAM, CAGR, DoC, APEDA, BOL, L/C, HSN

**Review of Literature**

1. Priyanka Sahni (2014) explains the India's exports performance improved significantly during the post-reform period and there has been a perceptible change in the value, composition and direction of India's exports. Though the volume and value of exports has increased manifold, India's share in the world exports is still not up-to the expectation.
2. Parashram Patil, Pravin Jadhav Moinak Maiti (July 2020) have critically evaluated the different programs undertaken by the Ministry of Commerce under Agricultural Export Policy, 2018 to doubling farmers income by 2022. Further, this article evaluates the impact of new agricultural export policy on enhancing the productivity and profitability on Indian Agriculture. Overall results of the article suggest that new agriculture export policy will set the foundation to make Indian agriculture globally competitive.
3. A.K. Salgotra, Singh Manhas, and Singh (2018) suggest credit creations, supply of quality seeds, better irrigation facilities, decrease the pressure of populations, cooperative farming, agriculture marketing, agriculture education, storage centers, forecasting early warning systems and so forth for improvement in agriculture growth and productivity
4. Paramsivan & Pasupathi, (2017). India has tremendous potential for agriculture exports, especially in Rice and Spices. A rural sector can provide quality raw material to the agro-based industry. Nonetheless we find no studies that explore the impact of New Agricultural Export Policy on Indian Agriculture Exports

**Objectives Of The Study**

- To learn about various documents, terminologies & concepts related to international business.
- To analyze and study the agriculture export policy for initiating / doing business internationally.
- To understand the rules, regulations & procedures to be followed in international trade with reference to Agri-business.
- To learn about various government ministries and departments facilitating Indian Agriculture export business to expand at the global scale.

**Breif Review Of The Ministries And Authorities**

1. The Agricultural and Processed Food Products Export Development Authority (APEDA):
  2. The Ministry of Food Processing Industries:
  3. The Ministry of Agriculture and Farmers' Welfare (formerly Ministry of Agriculture):
- Documents Used In International Business

1. Proforma Invoice
2. Packing List
3. Certificates of Origin
4. Bills of Lading
  - A) Inland Bill of Lading
  - B) Ocean Bill of Lading
  - C) Air Waybill
5. Letter of Credit (L/C):
6. Consular Invoice:
7. Insurance Document:

### Inco Terms

Incoterms are a set of rules which define the responsibilities of sellers and buyers for the delivery of goods under sales contracts.

Shippers worldwide use standard trade definitions (called Incoterms) to spell out who's responsible for the shipping, insurance, and tariffs on an item; they're commonly used in international contracts and are protected by International Chamber of Commerce copyright. Incoterms significantly reduce misunderstandings among traders and thereby minimize trade disputes and litigation.

Familiarize yourself with Incoterms so you can choose terms that will enable you to provide excellent customer service and clearly define who is responsible for which charges.

### Classification of the 11 Incoterms 2010 rules

The 11 Incoterms 2010 rules are presented in two distinct classes:

#### Rules For Any Mode Or Modes Of Transport

- EXW EX WORKS
- FCA FREE CARRIER
- CPT CARRIAGE PAID TO
- CIP CARRIAGE AND INSURANCE PAID TO
- DAT DELIVERED AT TERMINAL
- DAP DELIVERED AT PLACE
- DDP DELIVERED DUTY PAID

#### Rules For Sea And Inland Waterway Transport

- FAS FREE ALONGSIDE SHIP
- FOB FREE ON BOARD
- CFR COST AND FREIGHT
- CIF COST INSURANCE AND FREIGHT

### Agriculture Export Policy Objective And Vision

A dynamic nation of 1.3 billion consumers with rising discretionary incomes, changing food patterns, vast farming area, diverse agriculture and a large population dependent on agriculture has propelled India to the world's center stage as a big consumer market and also as a key supplier of food products.

It has often been suggested that **an essential element of "Make in India" has to be "Bake in India", i.e. a renewed focus on value addition and on processed agricultural products.**

The rapidly growing global population and shrinking farmlands, coupled with changing socio-economic, agro-climatic and dietary patterns, have challenged scientists and policymakers to reconsider how we grow and feed 7.5 billion global citizens.

India's quest, then, is to grow sustainably, trade abundantly and progress harmoniously. Agriculture export, if properly supported by infrastructure, institutional back up, packaging, freight transport and connected to the internal production system backed by market access will be in a position to transform the agricultural economy.

Challenges, however, are aplenty; from low farm productivity to poor infrastructure to global price volatility to market access.

The vision of Prime Minister Shri Narendra Modi to double farmer's income by 2022 would require a series of interventions to improve production and productivity, better price realization for farm produce, along with economizing the cost of production. There has been a long felt need for a dedicated agricultural export policy in India.

The need for a dedicated policy under **Department of Commerce (DoC)** overarching umbrella arises due to the federal and administrative structure of the Union and State government. While the **Department of Agriculture, Cooperation and Farmer Welfare (DAC&FW)** and **Department of Animal Husbandry, Dairying and Fisheries (DAHDF)** focus on production, pre-harvest and boosting farmer income, the **Ministry of Food Processing Industries (MoFPI)** focuses on value addition, post-harvest losses and employment generation. The DoC, on the other

hand, is focused on foreign trade across sectors.

There is an increasing need for the Government of India to establish a stable and predictable Agriculture Export Policy which aims at reinvigorating the entire value chain from export oriented farm production and processing to transportation, infrastructure and market access.

The Agriculture Export Policy has to be dovetailed with existing framework for agriculture and surplus agricultural produce. **There is a symbiotic relationship between a framework for sustainable agriculture on the one hand and a viable Agriculture Export Policy on the other.** There is a need to craft a policy that will deliver incomes into the pockets of farmer through crucial export opportunities.

The Agriculture Export Policy is framed with a focus on agriculture export oriented production, export promotion, better farmer realization and synchronization within policies and programmes of Government of India.

It is required to have a **“Farmers’ Centric Approach”** for improved income through value addition at source itself which will help to minimize losses across the value chain.

**India needs to have farmer oriented strategy to achieve the twin objective of food security and a prominent agriculture exporter of the world.**

The policy will also give a big push to food processing/manufacturing to have much higher growth in food production which will increase India’s share of value added processed products in its Agriculture export basket at the global level.

### India’s Agriculture Export Policy- Objectives

- To double agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022 and reach US\$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
- To diversify our export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agro products exports.
- To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phytosanitary issues.
- To strive to double India’s share in world Agro exports by integrating with global value chain at the earliest.
- Enable farmers to get benefit of export opportunities in overseas market.

### India’s Agriculture Export Policy-Vision

Harness export potential of Indian agriculture, through suitable policy instruments, to make India global power in agriculture and raise farmer’s income.

### Elements Of The Agriculture Export Policy Framework

The policy recommendations in this report are organized in two broad categories: strategic and operational. The salient features of the agricultural export policy are highlighted below and discussed in greater detail in subsequent sub-sections.

ELEMENTS OF AGRICULTURE EXPORT POLICY FRAMEWORK	
<b>Strategic</b>	Policy measures
	Infrastructure and logistics support
	Holistic approach to boost exports
	Greater involvement of State Governments in agri exports
	Focus on clusters
	Promoting value-added exports
	Marketing and promotion of Brand India
<b>Operational</b>	Attract private investments into production and processing
	Establishment of strong quality regimen
	R&D
	Miscellaneous

Source: [http://commerce.gov.in/writereaddata/uploadedfile/MOC\\_636802088572767848\\_AGRI\\_EXPORT\\_POLICY.pdf](http://commerce.gov.in/writereaddata/uploadedfile/MOC_636802088572767848_AGRI_EXPORT_POLICY.pdf)

### Conclusions

Doing business internationally requires understanding various Documents for Exports, policies, Rules & Regulations, Incoterms, payment procedures to be followed as they vary from region to region. There are a couple of concerns in the global context like poor crop

yield and post harvesting losses at the same time looking at the great potential for agricultural exports and the supporting infrastructure provided by government and other organizations, India is definitely going to be a global leader in the coming years.

### References

1. Shameek, Mukherjee, Shahana Mukherjee. Overview of India's Export Performance: Trends and Drivers. Bangalore: Indian Institute of Management, Working, 2012, 363.
2. Anwarul Hoda and Ashok Gulati, (2013), India's agricultural trade policy and sustainable development, International Centre for Trade and Sustainable Development (ICTSD) Switzerland.
3. Maiti, M., Esson, I. A., & Vukovic, D. (2020). The impact of interest rate on the demand for credit in Ghana. *Journal of Public Affairs*, e2098.
4. Maiti, M., & Kayal, P. (2017). Digitization: Its impact on economic development & trade. *Asian Economic and Financial Review*, 7(6), 541–549.
5. Jagadambe, Subhash. Analysis of export competitiveness of Indian agricultural products with ASEAN countries. Institute for Social and Economic Change, Bangalore, Working, 2016, 363.
6. [https://en.wikipedia.org/wiki/Agriculture\\_in\\_India](https://en.wikipedia.org/wiki/Agriculture_in_India)
7. <https://www.export.gov/article?id=Incoterms-Overview>
8. <https://apeda.gov.in/apedawebsite/index.html>
9. Agriculture Export Policy – Department of Commerce
10. 4 Years of Transforming India's Food Economy – MOFPI
11. India Now Business and Economy (March – April 2019)