

Agriculture Exports for Better Agricultural Incomes

National Agricultural Export Policy aims at bolstering India's global agri trades

While India cruises ahead in agriculture front breaking many records, the country is still unaware of how to turn its surpluses into productive assets.

Over production and glut have constantly turned the price dynamics upside down. With farmers bearing the brunt of fall in prices and surviving heavy losses, agriculture continues to remain unpredictable and capricious.

The glut, a regular feature of years of good production, remains as persistent as its inevitability. With farmers resigned to this phenomenon, loan waivers have taken the place of its solution. The problem of surplus has now become a regular occurrence, with India constantly displaying good production years. Unfortunately, this blessing has turned into a curse for Indian farmers with a lack of adequate storage infrastructure, processing facilities and absence of a stable export policy. Exports could be a good conduit for trading the agricultural excesses in exchange for forex. India is currently ranked ninth amongst the major exporters globally as per WTO trade data for 2015. India's share in global exports of agriculture products has increased from 1% a few years ago, to 2.2% in 2016. With the emphasis on doubling farm income by 2022, it becomes imperative for the government to adopt strategies that can change the status quo and make the agriculture of India more global and export oriented. This would be a real game changer in the case of marketing perishables which in the absence of proper infrastructure rot and disintegrate.

The draft agriculture export policy, conceived by the Ministry of Commerce and Industries recommends a stable trade policy regime apart from reforms in the APMC Act, streamlining of Mandi fee and liberalisation of land leasing norms. There is an increasing need for the Government of India to establish a stable and predictable Agri Export Policy which aims at reinvigorating the entire value chain from export oriented farm production and processing to transportation, infrastructure and market access. The proposed Agri Export Policy is framed with a focus

on agri export oriented production, export promotion, better farmer realization and synchronization within Gol.

The National Agriculture Export Policy is formulated to increase the share of agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022. The policy also aims to boost high value and value added agricultural exports, focusing on perishables; promote novel indigenous, organic, ethnic traditional and non-traditional categories; provide an institutional mechanism for tackling market access barriers and deal with sanitary and phytosanitary issues; become one of the top 10 exporting countries of agricultural products and strive to double India's share in world agri exports and focus on export centric clusters for integrated Commodity Focus Value Chain and Infrastructure Development.

The agri ministry has suggested to work towards ease of logistics, storage hubs, establishing traceability systems, and market intelligence for imports, promotion of crops where imports are large and superfoods, and brand promotion in global markets. India has immense potential in agri exports especially since our country has a more diverse food and non-food agriculture base. India's export basket is a diversified mix led by marine products (US\$ 5.8 Bn), meat (US\$ 4 Bn) and rice (US\$ 6 Bn) which together constitute ~52% of its total agri exports. India's domestic policies largely aimed at food security and price stabilization at times are also perceived as impeding trade, innovation and perversely food security itself. However, lack of consistent policies in the areas of farm production, support prices and R&D to inland transportation, exit point infrastructure and export restrictions have the potential to result in uncertainty among the stakeholders and loss of opportunity. India has remained at the lower end of the global agri export value chain given that majority of its exports are low value, semi-processed and marketed in bulk.

A National Agri Export Policy thus would invariably bring competitiveness in Indian agriculture and a rapid adoption of good agricultural practices that would inevitably improve the income structures of the farmers.

Pulses through PDS?

Excess pulses stocks has prompted the government to distribute them through PDS

Pulses – the reservoir of proteins – is dear to Indian diet, considering the majority of population's inclination towards vegetarian lifestyle. So it comes as a relief to many families, if the government decides positively on its proposal to distribute the pulses through public distribution system at subsidized rates for several welfare schemes.

Until recently, pulses hardly formed an important choice of crops for the farmers or our agricultural policy. Minimum Support Prices or subsidies always supported the cereals. Farmers were more inclined to raise crops that secured them government support and earned them good returns. Pulses were sidelined despite their nutritional value. Years of negligence resulted in dependence on imports to meet local demands. The pulses not only cost the exchequer dearly but also the prices were influenced by the global market forces. However, things have changed and now India is slowly but steadily increasing its area under pulses. The country has been able to produce record productions of pulses in consecutive years. In 2017-18, pulse output grew to a record 24.5 million tonnes, and as farm gate prices fell sharply the Centre stepped in to procure pulses at minimum support prices from farmers. In 2017-18, central agencies had procured over 4.5 million tonnes of pulses, the highest ever.

Despite being a major producer of food grains, India is still weighed down by the inadequate distribution of nutritional food across the population. The nutritional indices are far from encouraging. Nearly every third child in India is undernourished: Underweight (35.7%), or stunted (38.4%), and 21% of children under-five years are wasted as per National Family Health Survey (NFHS-4) 2015-16. Also, protein energy malnutrition (PEM)

is a major public health problem in India. This brings forth an important inadequacy in our public food distribution system. With a robust and functional PDS in space, distribution of nutritious pulses is a viable option. Pulses play an important part in human nutrition as they provide high protein and fibre. A significant source of vitamins and minerals, such as iron, zinc, folate, and magnesium, pulses should ideally be part of a healthy and balanced diet. With more than half of the population under 25 years of age, it becomes imperative to provide healthy and nutritious food.

So the Centre's approval of the proposal to sell pulses at discounted rates to state governments, under the public distribution system (PDS) and the mid-day meal scheme for school children is a welcome move. The government is expecting to clear the 3.5 million tonnes of stock procured during the past one year and improve nutritional indicators for poor households with this first-of-its-kind move. Central agencies, consequent to this approval would sell tur, chana, moong, masoor and urad at a discounted price of Rs 15 per kg over prevailing wholesale prices. The sale will continue for the next one year and will be a one-time measure to clear the stock of about Rs 5,237 crore.

Hailed as a significant decision benefitting the weaker sections of the society for whom the pulses remain unreachable due to high prices, the decision can impact the health status of the malnourished and undernourished. However, for the action to be effective, our PDS must be strengthened and procurement effective. PDS still has many loopholes which need to be addressed and infrastructure for the storage of the procured stock must be bolstered. India needs a productive population and proper policies can direct the towards this.

Army Worms Attack India

Fall army worm, the invasive pest infests Indian farms

Pests are potential threats to agriculture. The magnitude of threat increases if it is an invasive pest and an introduced one. Karnataka and parts of Tamil Nadu and Telangana are bracing for a major catastrophe with a new pest gorging ravenously on the standing crop.

The 'fall armyworm', cited by global agencies as an international food-security threat, has been spotted in Karnataka's maize pockets for the first time, prompting a nationwide alert. The pest has spread to Tamil Nadu and has entered Telangana. Feared as a threat to food security of millions, FAO, has warned in June that 300 million Africans could face hunger because of it. The pest was first detected two years ago in Africa and has since spread to more than 30 countries, devastating corn potentially worth \$5 billion. What makes the pest dangerous is the rate at which the pest multiplies and its capacity to fly over long distances (100 km per night) and ravage crops all year round given the region's favourable tropical and sub-tropical climate, which means there are always crops and weeds around that Fall Armyworm can feed on. Fall Armyworm can eat maize and some 80 other crops, including rice, vegetables, groundnuts and cotton.

The pest attack reported from India is the first incidence in Asia and hence reason to fear. India alone produces over 20 million tonnes of maize. The small scale farmers would be the most affected in Asia, as they cultivate about 80 percent of the region's farmlands, rice and maize being the most produced and consumed cereals. Over 200 million hectares of maize and rice are cultivated annually in Asia. China is the second-largest maize-producing country in the world, and over 90 percent of the world's rice is produced and consumed in the Asia-Pacific region. Native to the Americas, Fall Armyworm has already spread across Africa where it was first detected in early 2016. By early 2018, all but 10 (mostly in the north of the continent) African states and

territories have reported infestations and the pest has affected millions of hectares of maize and sorghum.

The mode of arrival to India has not yet been ascertained with speculations such as "human-aided transport" and "Natural migration" being cited as reasons. The country is under vigil considering the voraciousness of the pest and its host range. At this point, it becomes increasingly important to derive a management strategy. The nature of spread of the pathogen warrants management than eradication. Due to the speed at which the pest is multiplying and spreading, India will have to act quick and with most precision. Outright eradication is impossible and a permanent measure to eradicate them is non-existent.

An accurate survey of crop loss and yield is critical to any crop pest management system. FAO recommends implementation of the Fall Armyworm Monitoring and Early Warning System (FAMEWS) to monitor, analyse and produce early warnings, including risk to food security. The farmers across the country need to be sensitized and made aware of the potential threat to the crops with suitable technical advisories regarding management options. Considering the magnitude of the problem it becomes extremely necessary to carry out a continent wide programme including nations that have yet not been affected but holds the potential for the same. Bringing together experts at a global level to share knowledge and experience on the pest management, developing tools to build early warning, monitoring and response mechanisms; and supporting countries to mitigate pest damage, develop action plans and policies, and train extension workers and farmers are some important measures.

If proper monitoring and warning systems aren't enabled, this can turn into a global catastrophe and risk world food security. We need a global preparedness team to siphon off the required expertise and garner and disseminate technical help in the case of a catastrophe.

GM Food Floods

Indian market sells GM foods

While GM foods continue to be anathema for Indian market, a recent finding has found the presence of GM content in products sold in India. One third of the sampled food contained GM content pointing to the need for regulations on the manufacture, import, and sale of such foods.

Centre for Science and Environment (CSE) tested 65 products from markets in Delhi, Gujarat, and Punjab. Of these 30 were made in India and 35 imported. All but two of the 21 that tested positive for GM content were imported and most of them were imported into India by third-party importers and not by the brand owners. The food products that tested GM positive include infant food for children with allergies, edible oils, corn and pancake syrup, popcorn, cereals and snacks.

Interestingly, genetically modified processed food cannot be sold or traded in India without government approval. Section 22 of the Food Safety and Standards Act, 2006, prohibits the manufacture, distribution, sale or import of GM food unless regulated. As high as 80% of the packaged foods that were found to be GM positive were imported from abroad. While many of the imported foods are American, they are rarely imported from the US by the third-party importers who usually prefer to import the same products from West Asia or South-East Asia. So far cotton is the only genetically modified crop cultivated in India. The country has been reluctant to introduce genetic modification in any crop afterwards. GM Brinjal and GM mustard projects were shelved.

Unfortunately, the stringent regulation in cultivation has not been followed in import of food materials. The importers have very well taken advantage of the lacuna in regulation of GM foods flooding our markets. Despite the

mandatory requirement of labelling the packaged foods sold in the market with the description of ingredients, most of the companies have not divulged the details of the GM content. Of the 21 products that tested positive for GM, the labels of 13 did not mention they had GM content; three products made false claims that no GM ingredient had been used.

This has compelled the Food Safety and Standards Authority of India (FSSAI) to take an action and is in the process of formulating regulations for the production, import and sale of GM foods. FSSAI said that these regulations will focus on procedures for safety assessment and approval of foods, including imported foods derived from genetic-modification processes based on internationally well-established and accepted scientific principles, procedures and best practices before they are allowed for food purposes. A draft Food Safety and Standards (Labelling and Display) Regulations is also on the anvil that states that a company needs to make a declaration on the label in case it's food product has 5 per cent or more of ingredients which are genetically engineered or genetically modified.

India's retail space has seen an unprecedented demand for packaged and processed food. Of the overall retail industry, food and grocery accounts for the largest share in revenue in India. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The demand for imported food products being on the rise, the Indian market has seen recently several new products. The lack of regulatory mechanism has warranted a situation where products imported are not checked for GM content. India should quickly and sternly develop and implement regulatory framework in this area. A growing Indian market cannot nurse a lax attitude in this regard. Otherwise, the market will be inundated with unregulated products.