

The Consulting Club '22

STRATOSPHERE



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India's Agricultural & Agri Export Highlights

2nd Highest agricultural producer, Yearly Production: **296.65** mn tonnes(FY20-21)

More than **52%** arable landmass, Agricultural landmass: **156** mn hectares

9th largest exporter; Total Agri exports: **3.1%** of world agricultural trade

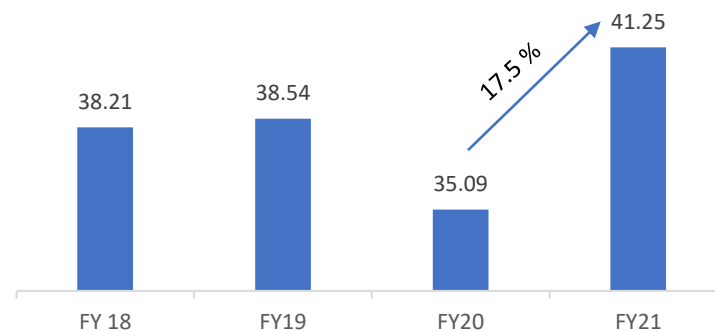
India Agri and processed food exported to more than 100 countries/regions

Largest markets : USA, China, Bangladesh, UAE, Vietnam, Saudi Arabia

Major Agri export basket: rice(both basmati and non-basmati), spices, cotton and wheat, marine product and buffalo meat.

According to UN Food and Agricultural Organisation, India's untapped export potential at **\$97 bn.**

Agricultural exports from India(in US\$ billion)



Agriculture Export Policy(AEP),2018



Harness export potential of Indian agriculture, through suitable policy instruments, to make India global power raise farmers income.

- ✓ Diversification of our export basket, destination markets
- ✓ Boost high value and value added agricultural exports including focus on perishables.
- ✓ Promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
- ✓ Provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phytosanitary issues.
- ✓ Enable farmers to get benefit of export opportunities in overseas market.
- ✓ Strive to double India's share in world Agri exports by integrating with global value chain at the earliest.



2x agricultural exports from present US\$ 30+ billion to US\$ 60+ billion by 2022 and reach US\$ 100 Billion in the next few years

Sustaining growth

State-led export plans, duly supported and incentivised to drive specific crop value chain initiatives

State-led plans will comprise several sub-projects, each funded independently. Funding needs to be designed in such a way as to make the state-led crop value chain cluster plan viable.

Funding will be done across the life cycle of the cluster implementation: plan development, institutional set-up, achievement of implementation milestones, implementation of regulatory policy and procedures and final outcome achievement. Non-achievement to result in negative consequences.

States to: identify clusters based on potential competitive advantage, attract private investors who can anchor these value chains, develop plans in conjunction with the anchor investors and Commodity Boards, operationalise plans, and ensure convergence of all state, central and Agricultural Export Policy schemes and resources, and seek additional funding required and liaise closely with the Central body.

W-shaped governance model to ensure the requisite balance between centre and state.

- central aspiration-setting and national agriculture export strategy
- state-level detailed project planning specific to Agri-clusters, done comprehensively
- central validation of project plans, including their goals and milestones,
- state-level project implementation and
- central monitoring and tracking.

Increasing value-added contribution

- Government intervention** to address issues pertaining to Seed IP, fertiliser & pesticide subsidies, and approvals of agro-chemicals and fertilisers
- Creation of an Agri Stack** for Digitalisation and development of Central IT Infrastructure to be rolled out across states
- Enablers such as Bhavantar Scheme and Open Market Sale Scheme (OMSS) fall under the purview of Central Government
- Investments in domestic supply chains** can ease up the logistics and induce efficiencies for the export industry making India competitive globally
- Investment in destination markets**, cold chains and warehousing are crucial for value chains such as Shrimp, Mango, Chilli and Buffalo Meat
- Explore the opportunities of FTAs** and negotiate for reduction in non-tariff barriers, through diplomatic consultations with destination markets

The success of **Mahagrapes**, a public-private partnership (PPP), owned and governed by cooperatives (Maharashtra State Grape Growers' Association), and a PPP model between a consumer goods company, the Horticulture Department and the Govt of Andhra Pradesh for Chilis in Andhra Pradesh demonstrate the superiority of Crop Value Chain Cluster approach. Creating such a value chain cluster, supported by a comprehensive ecosystem of producers, FPOs, agribusinesses, financiers, corporates, commodity boards, state and central governments and agencies, is essential in fulfilling the vision of AEP, 2018.

'Must-win' Value chains



Top priority: Shrimp
Target market:
France, Spain, USA,
Vietnam, Canada,
Japan, China

- Demand expected to grow for MAPE, organics and agricultural, products governed by sustainable farming
- Large food importers may seek to enter into long-term contracts, during uncertain times