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Press Review

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Indian Agriculture and Food Industry

The Non-Alcoholic Beverages Market in India - Emerging Scenario

Food and Beverage News, December 1, 2019

The consuetude of people keeps changing with passage of time and it gets more refined and sophisticated as well. There is no denial that beverage preferences and drinking habits have also witnessed this phase in our country.

India is a land where myriads of beverages are preferred and prepared, including alcoholic and non-alcoholic. In an era where alcoholic beverages are gaining popularity; non-alcoholic beverages have maintained its liking and popularity, have even revived their status and have compelled almost everyone to have a significant penchant for it.

The non-alcoholic beverages in India have a vast congregation in the configuration of stimulating, refreshing, and nourishing beverages, apart from bottled water. Stimulating beverages comprise of tea and coffee, nourishing drinks comprise of fruit juices, shakes, malted drink and so on; and refreshing beverages consist of squashes, sherbets, syrups and so on.

It would be quite an encouraging fact as per the report of “Drink Technology India Fair” which has stated that India has been holding the share of 10% globally in consumption of non-alcoholic beverages. Even with less population than China, India has emerged as market leader with even high potential than it has and this has been an inspiring and motivating challenge for global market leaders to grip the market with products in India.

India boasts of tea among all the non-alcoholic beverages all across the globe for its love and desire towards tea drinking character. Tea drinking is not an activity but it has transformed into a passion. It has created a fixed time for its consumption among all tea consumers and that too on a regular basis; right from the start of the day, leading to various other tea consuming patterns. Serving tea to guests serves as a purpose of welcoming guests wholeheartedly and has become a means of socialising.

According to Goldstein Research Analysis, the forecast of India packaged non-alcoholic beverages market is expected to grow at the rate of 16.2% (CAGR) in the year period 2016-2024. In spite of this, the market is anticipated to reach US$20.4 billion by the end of 2024 as there is heavy inclination towards the trading of packaged drinks.

Tea
Second-largest producer of tea in the world, India is the world’s largest consumer of tea with around 30% of the total global output (As per Assocham report). The former Planning Commission (renamed as Niti Aayog) was in the view of announcing tea as the “National Drink” of our country in year 2013. With such huge production of tea in India, the most surprising fact is that 80% of the total production of tea is consumed in Indian market itself. This depicts the overwhelming love of tea among Indian citizens. Undoubtedly, tea is the king of non-alcoholic beverages in India.

Herbal tea trend is the latest concept sweeping entire consumer segment. People usually add cardamom, holy basil, black pepper, cinnamon, liquorice, mint, fennel, and ginger as per their taste preference. Herbal teas gain heavy consumption during winter season in all parts of the country. There have been many outlets that are primarily based on tea like Chaayos. Few outlets like Chaayos claim that they sell around more than 80,000 types of tea tastes, which seems impossible.

Coffee
The love for coffee among Indians is no less and is flourishing or can say penetrating the Indian market day by day. The production of coffee in southern parts of India is on the increase gradually and this trend shows that in coming years, India may be one of the largest producers of coffee in the world. Coffee drinkers are very specific and they are adamant preferring it over other drinks in India. As per the last decade, the coffee demand in Indian market has reached around 40% and this apparently indicates the coffee culture in India. If we go by the forecast, India’s per capita coffee consumption stands for 0.03 kg for year 2019.

Most of the coffee consumption is in southern states like Tamil Nadu (60%) and Karnataka (25%). It is gradually flourishing in northern areas of India as well. The corporate people in the north are the ones who prefer it most in northern India. The various varieties of coffee are cherished by coffee lovers and there are many outlets like Barista and Cafe Coffee Day, which have generated huge business and love for coffee all across the land. Nowadays, green coffee is the new fashion statement among obese people and is loved by health-conscious people.

Juices
The people, who wish to avoid from the habits of caffeine addicted, usually prefer juice in their diet or habit. Fresh fruit juices have also been the common drink preferred by health-conscious people. As per the report of Compound Annual Growth Rate (CAGR), the growth rate of juice market in India is more than 18% consistently

and even forecasted its growth to be more than 15% in coming few years; according to India Juice Market Outlook, 2021.

In recent years, there has been a tremendous shift of consumer preferences from aerated drinks to packaged fruit juices. Packaged fruit juices market is enlarging by and large. Consumers nowadays have unbelievable inclination towards health proposition and they are thinking and selecting options which are good for their health. No doubt, packaged fruit juice is a better choice in any circumstances than aerated drinks. The higher income growth of consumers has motivated them to expose themselves to all variants of fruit juices and then decide their preferences for future consumption. Everyone is willing to experiment and explore the market and then satiate the taste buds.

Nourishing Drinks
Apart from this, the kids are fed with nourishing drinks like Boost, Horlicks, Complan, Bournvita, Powervita, Pediasure and Protinex. The market for such health drinks also has great and enormous share in non-alcoholic beverages. Mother gets a feeling of satisfaction when they feed their child with such health drinks added in milk. Generally, tea and coffee are drinks which are not served to kids even in their teenage, but later in their adulthood. In teenage period, milk is the most consumed beverage all across India.

So, without exaggeration, India is a land of varied non-alcoholic beverages which comprise of tea, coffee, fruit juices and nourishing drinks like milk added with malted products, apart from lemonade, coconut milk and so on. All drinks have created niche in the market and have generated tremendous demands and acceptability among Indian consumers and that too with utter sense of delight and inclination. The coming years would witness the flourishing of its business as well.

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Cookies and cream biscuits - Food-on-the-go and future roadmap

Food and Beverage News, December 2, 2019

"Food-on-the-go" is the most recent trend, with awareness of individuals craving for tasty, healthy and hygienic packaged food products.

Consumers, especially teenagers, often seek products with a unique appearance and exciting tastes. Confectioneries, particularly biscuit and cookie industries, could satiate people's preferences. Innovations come about every day and the biscuits market paves the way for them.

The media sector has also made a significant impact in stimulating the public to buy new products. In earlier times, there was great demand for crackers and plain biscuits such as whole wheat milk biscuits and glucose biscuits. But, by the end of 2013, the sudden need for the cookie and cream biscuits aroused, as illustrated in Fig 1. Instead of sweets and chocolates, people started to gift or share cookies and biscuits, which are considered as a rich and attractive snack during festivals and occasions.

Biscuits vs cookies
Biscuit is a baked, light and thin cake with a base of butter, flour, sugar and sometimes salt. Whereas cookie is a small, flat baked food, also known as shortbread with dense ingredient-based batter and is filled with nuts, chocolate chips, resins or all of them. However, when compared to biscuits, the baking time for cookie is more due to the presence of denser ingredients. Additionally, the moist and chewy texture of cookies also differentiates it from normal crusty biscuits. Due to their fresh flavour, rich taste, and gleamy look, young people are munching more cookies, even though biscuits are sold at a cheaper rate.

According to the global biscuits market scenario, cookies market share has been increased by 8%, accounting for two-third sales in the confectionery industry, costing more than Rs 100 per kilo, while the rest of the biscuits sales which are lesser than Rs 100 per kilo fell 9%.

Cream biscuits

Cream biscuit is a confectionery product provided with cream stenciled on a biscuit or sandwiched in between two biscuits. The cream used to fill maybe of different flavours as per the consumer preference. The cream biscuits, also known as sandwich biscuits, are driving people to buy them for their sweet taste and attractive look, which mainly enchants children.

Cream biscuits segment occupies around 7% of the total biscuit market in India, yet does not meet the media investments demanding a 30% shareError: Reference source not found.

These cookies and cream biscuits come under the category of premium product sector. Biscuit markets have witnessed a great demand for these products. So the biscuit companies started to launch separate segments for cream and cookies. Darker chocolates, double and triple chocolate, stuffed cookies, richer cream fillings and frostings are the blooming sectors, tempting the cookie markets.

Biscuit market in India
India is the third-largest producer of biscuits, after the United States and China. A few years ago, organised companies accounted for 70% share in the biscuit market by splitting up evenly between low priced and premium biscuits, and by spreading the distribution network both in rural and urban areas. By 2017, the ratio is 60:40, with 60% of the premium and 40% of low-price biscuit markets. Some of the popular biscuit brands focus on manufacturing premium cookies in recent times.

Adding to the existing premium products like Hide and Seek and Fab, Parle launched the Milano cookies in 2006. In 2013, ITC's Sunfeast launched a product named Dark Fantasy with a share of 25% in the biscuits market, whereas Cadbury's Oreo had a share of 5-6% in the global market. Later many companies like the GSK and Unibic started to produce these premium products which competed in the Indian markets. In 2017, Britannia relaunched the Treat and Bourbon as the competition got intensified.

On the other side, people started to prepare cookies at home or buy fresh cookies from specialty and in-store bakeries (bakeries in supermarkets), which posted the possibility of constraining the sale growth of packaged cookies. To meet this crisis, bar cookies are sold, which are referred to as freshly baked cookies. However, there were concerns about spending money on premium products as these were considered as luxury foods in rural areas.

To increase the sales and product value in rural areas, companies have initiated to launch these premium biscuits in small packets with a minimal cost of Rs 5. With new lifestyles, consumers are more conscious about healthy diets, and hence there is a great demand for nutri-rich products. Cookies market also works on innovative research and manufacturing, such as gluten-free, fibre-rich, and transfat-free cookies. This may fascinate the buyers, especially the parents of children, for buying an energy snack.

Thus, the overall cookies and cream biscuits market which satiates the consumers by giving a colourful, nutri-rich and appetising snack is likely to dominate the food industry with an expectation that the packaged cream and cookies market will exceed with a CAGR of more than 11% by 2023.

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Finest collection of wines showcased at 3rd Tastin' France India 2019

Food and Beverage News, December 9, 2019

The Consulate of France in Mumbai and Business France organised the 3rd edition of Tastin' France India 2019, at Golconda, Trident Bandra Kurla Complex here recently.

Sonia Barbry, the Consul General of France, participated in the wine tasting event which had the finest collection of wines to be launched in India soon.

Barbry emphasised on the importance of these wines in the history and culture of French people and invited

Indians to discover the flavourful aspect of the "French way of life."

The French wine delegation comprised of four producers hailing from different parts of France including Vignobles Boissonneau, Les Roques de Cana Winery, Champagne Léopoldine and Château Franc Cardinal.

The event also showcased the representatives of the winemakers from various regions in France who showcased the selected wines. The event was mainly aimed at bringing closer France's best wine producers and India's wine professionals and aficionados.

The guests could taste white, rose and red wine as well as champagnes to savour with cheese and bread buffet.

'India's cold storage capacity stands at 226.7 lakh tonnes'

Required capacity for cold storage is at an estimated 350 lakh tonnes

Business Line, December 10, 2019

India currently has a total cold storage capacity of 226.7 lakh tonnes (lt) as against the required capacity of 350 lt. Of this, a capacity of 53.55 lt was created under different schemes since the NDA government took over in 2014-15, according to official sources.

There are largely two different schemes to provide financial assistance to set up cold storage facilities in the country — one under the Mission for Integrated Development of Horticulture (MIDH) of the Agriculture Ministry and another called Pradhan Mantri Kisan Sampada Yojana (PMKSY) managed by the Ministry of Food Processing Industries.

Since 2014-15, a total of 1,104 cold storage facilities with a total capacity of 48.24 lt were created under MIDH. As many as 208 cold chain and value addition infrastructure facilities with 5.3 lt capacity were built under PMKSY till October 31 this year, Agriculture Minister Narendra Singh Tomar told the Lok Sabha on Tuesday.

According to a 2015 study carried out by the National Centre for Cold Chain Development (NCCD), an autonomous body under the Agriculture Ministry, India needs cold storage infrastructure of 350 lt to take care of the needs of farmers in the country.

Among the States, Uttar Pradesh, with a total of 1,817 cold storage facilities of 98.82 lt tops the list, followed by Gujarat with 827 facilities with 30.32 lt capacity and Punjab with 430 structures with 14.13 lt.

Among other major states, Andhra Pradesh has a cold storage capacity of 11.4 lt (224 cold storage facilities), Maharashtra 8.07 lt (392), Bihar 7.83 (181) and Madhya Pradesh 7.32 lt (186).

Kufos trains EU food importers in Kerala shrimp farming techs

Business Line, December 6, 2019

A four-day training programme on farming methods and management of Indian shrimps was conducted at the Kerala University of Fisheries and Ocean Studies (Kufos) here for food industry entrepreneurs, technologists and scientists of the European Union.

Participants were mainly the associates of Aker Biomarine, a multinational food giant based in Norway, which has operations in the entire European Union and the US. The objective of the programme was to create awareness among the food industry leaders of the EU about the superior quality and hygienic standards of Kerala's shrimp farms and persuade them to buy more shrimps from the State.

K Dinesh, the course director, said the training programme was the first of its kind as the university was approached by a team of European scientists and technocrats to learn about shrimp farming. The participants were keen on learning about antibiotic usage and disease management in shrimp farms. The trainee group was also taught about shrimp biology, health management, taxonomy and the process of shrimp exports.

A number of field visits and interactions with shrimp farmers were included in the training programme, besides classroom lectures. Shrimp farmers were also conducted classes on various aspects of shrimp culture.

Ramachandran, Vice-Chancellor of the Kufos, said the COOP, the Switzerland-based largest organic food seller chain in Europe, has already reached an agreement with the university to procure organically grown shrimps from the farmers, who are trained and technically supported by the university.

“We are expecting more food industrialists from Europe to procure shrimps produced by Kerala farmers when the positive feedback about this training programme spreads in the European food market,” he added.

Govt extends relaxed fumigation norms on imported onion to Jan

Business Line, December 13, 2019

The Agriculture Ministry on Friday further extended relaxed fumigation norms for imported onion till January 31 in a bid to improve domestic supply and check prices that are ruling above ₹100 per kg in many cities.

The second extension has been given as most of the onion shipments are expected to arrive by next month.

Massive imports

Currently, State-run MMTC is importing onion on the behalf of the government, which has decided to buy 1.2 lakh tonnes from the overseas market to increase domestic supplies. The government is also facilitating private imports as well.

MMTC has contracted to import about 30,000 tonnes of onions so far. Of this, 12,660 tonnes will reach India from December 27 onwards. The agency has been asked to issue fresh tenders for additional 15,000 tonnes of onions.

“The competent authority has extended the relaxation of additional inspection fee on fumigation treatment conditions and endorsement of additional declaration in phytosanitary certificate for import of onions till January 31, 2020,” the ministry said in its latest order.

On November 6, the ministry had liberalised fumigation provisions and additional inspection fee under the Plant Quarantine (PQ) Order, 2003 till November 30 and it was later extended till December 31.

Steep price rise

Onion prices have risen by 81 per cent in the last one month and are ruling above the ₹100 per kg mark for the second week in a row, as government efforts to cool the rates seem to be taking more time than expected.

Onion prices have skyrocketed as domestic production in Kharif and late-kharif seasons (summer-sown) is estimated to have declined by 22 per cent.

The government has been maintaining that it has taken all possible steps to rein in prices such as allowing imports, imposing a ban on exports and putting restrictions on quantities of onions to be stocked by retailers and wholesalers.

Under the relaxed fumigation norms, traders who have imported onions without fumigation or having the endorsement of such treatment on phytosanitary certificate (PSC) will be allowed to fumigate in India through an accredited treatment provider.

The consignment will be inspected thoroughly by quarantine officials and released only if found free from pests and diseases of concern to India.

Relaxed norms

Also, such consignments of onions will not be subjected to the four times additional inspection fees on account of non-compliance of conditions under the 2003 PQ Order.

Currently, imported onions are allowed in the country after the commodity is fumigated with methyl bromide and certified by the exporting nation. Importers are required to pay huge charges if found non-compliant with this provision.

Government Policies and Initiatives

With end of NDP-1, dairy sector awaits its newer, bigger avatar

NDP-2 will consider private dairies for assistance in processing, market development

Business Line, December 4, 2019

With the first phase of the National Dairy Plan (NDP-1) having ended on November 30, all eyes are now on the Centre, which has to clear the second phase of the ambitious plan, which, for the first time, will look to cover private dairies seeking assistance.

While NDP-1, which was launched in 2012 with an outlay of ₹2,242 crore, focussed on milk production and breed development, the second phase is aimed at improving the processing infrastructure and creating market access in remote and unexplored areas in the country.

“There is also a discussion about including private dairies in the coverage of NDP-2,” Dilip Rath, Chairman, National Dairy Development Board (NDDB), told Businessline.

“For the first time private dairies are being considered for assistance to set up processing facilities under the same terms and conditions as cooperatives. They will, however, have to meet the set criteria and qualify for support. But if this happens, it will be a big support for small private dairies.”

NDDB has initiated talks with the World Bank for assistance, and with the concerned government departments, too. The projected financial outlay for NDP-2, which is likely to be cleared soon, is about ₹8,000 crore.

‘Dark spots’

It is an “unfinished dream” of Dr Verghese Kurien, considered the Milkman of India, to spread dairy activity in every part of the country, said Rath. “Although we are talking about white revolution, India’s map isn’t white as yet. There are still some dark spots, where small producers are left out and require market access,” he added.

It is important to give the farmers in remote areas more market access for their inclusion in the dairy systems, “either through cooperatives or through producer companies”, said Rath. “This is one area where we feel there is a gap and we need to do more,” he added.

The point is to create support infrastructure for dairying and make it a professional activity with better market access. NDDB also looks at creating milk quality testing equipment at critical points of procurement areas, besides expanding the coverage into uncovered areas. Today, there are about 3.20 lakh villages with potential. Of these, dairy activity has reached about 2 lakh villages, leaving about 1.2 lakh yet to be covered.

Focus regions

The focus regions will be the North-East, other eastern States and those where there are areas facing an access challenge. Besides, NDP-2 will target animal disease control, which is critical for Indian milk products to reach global markets.

NDP-1 has achieved most of its desired goals — of increasing milk production in the country by implementing breed development and improvement programmes. Milk production has grown at more than 6 per cent in the past five years.

NDP-1 was aimed at improving breed with the production of high-genetic bulls and enhancing the reach of the cooperative structure. Under the scheme, an additional 55,000 villages were covered for milk collection.

NDP is largely financed by a loan from the International Development Association of the World Bank with implementing agencies appointed across States by the NDDB.

[FSSAI directs FBOs importing pkgd drinking water to comply with BIS & FSSR]

Food and Beverage News, December 4, 2019

The Food Safety & Standards Authority of India (FSSAI) has issued an advisory directing food businesses importing packaged drinking water and mineral water to comply with the Bureau of Indian Standards (BIS) certification as well as Food Safety and Standards Regulations (FSSR), 2011.

The advisory says that many food importers engaged in business of importing packaged drinking water were not complying with the BIS certification which was mandatory in case of packaged drinking water business in India.

In this regard, Dr Amit Sharma, director, food imports, FSSAI,stated that as per Section 31 of the FSS Act, 2006, FBOs have to obtain FSSAI licence before commencement of any food business and as per Regulation 2.3.14 (17) and (18) of the FSS (Prohibition and Restriction on Sales) Regulations, 2011, "No person shall manufacture, sell or exhibit for sale, packaged drinking water and mineral water except under the Bureau of Indian Standards certification mark."

Sharma said, "In view of the reported import of the packaged drinking water without BIS certification, it is directed that the FSSAI licensed importers shall import packaged drinking water from foreign manufacturers who have obtained BIS certification, and a list of such manufacturers is provided by the BIS."

According to him, the authorized officers of FSSAI have been directed by the Authority to ensure that packaged drinking water and mineral water imported without BIS certification shall not be cleared through their respective points of entries.

Not only that, the FBOs, the advisory says, also were found violating labelling norms prescribed under the FSS Act by importing packaged drinking water and mineral water under different brand names, tradenames, fancy names or as proprietary product.

The advisory says that the labelling of packaged drinking water or natural mineral water shall be as prescribed under the FSS (Packaging and Labelling) Regulations, 2011, and fancy names or abbreviations of such products shall not be used while the names of the product should be in compliance with the FSS (Advertising and Claims) Regulations, 2018.

[FSSAI to bring in standards for animal feed to control contaminants into foods of animal]

Agro and Food Processing, December 16, 2019

Animal feed and fodder are turning out to be a major source of contaminants of foods of animal origin and hence a regulatory control to ensure quality and safety of animal feed and silage is urgently needed.

So the Food Safety and Standards Authority of India (FSSAI) is trying to bring in standards for animal feed so as to control contaminants, pesticides and heavy metals finding their way into foods of animal origin through feed and fodder. And till these regulations are decided, the FSSAI has directed that cattle feed materials must conform to norms set by the Bureau of Indian Standards (BIS).

FSSAI has made it mandatory that commercial feeds/feed materials intended for food producing animals shall comply with the relevant BIS standards and shall not be manufactured, imported, distributed and sold except under the Bureau of Indian Standards certification.

Six months have been given to stakeholders to comply with the directive, which will come into force in June. The regulator has also said that it will be putting in systemic efforts to improve animal husbandry practices to address safety and quality concerns over milk.

According to the findings of the National Milk and Quality Survey, 2018, traces of contaminants such as Aflatoxin M1 have been found not just in raw milk supplied by unorganised players but also in processed milk supplied by organised players; feed and fodder are the culprit. The food safety authority had said that the presence of Aflatoxin M1 residues beyond permissible limits in processed milk is a serious concern.

FSSAI in its action plan for safe and quality milk and milk products, believes that "regulatory values or recommendations through legislation can limit animal exposure through feed ingestion against the presence of residues of mycotoxins in animal-derived products."

The FSSAI, in collaboration with the Ministry of Animal Husbandry, Dairying and Fisheries along with the National Dairy Development Board, will work towards enhancing awareness on improved animal husbandry and farm practices among small dairy farmers.

International Trade and Cooperation

Fisheries talks: India says no curbs on aid for disaster relief, security

Developing countries insist on special & differential treatment

Business Line, December 1, 2019

To ensure that relief and safety programmes for the fishing community, especially during times of disaster, do not get challenged at the World Trade Organization, India has insisted that government measures such as disaster relief, hygiene protection and safety related provisions should be excluded from the purview of the disciplines on fisheries subsidies being currently negotiated.

At a recent meeting of the negotiating group on fisheries subsidies, New Delhi, together with representatives from Venezuela, Benin (for the African Group), Senegal, South Africa, Morocco, Pakistan, and Nigeria stressed that effective special and differential treatment (S&DT) provisions were an integral part of any future agreement, a Geneva-based official told *BusinessLine*. Countries such as the US and Australia, however, disagreed.

WTO members are trying to finalise an agreement on curbing fisheries subsidies that lead to over-fishing and destruction of marine life so that it is ready to be signed by the next Ministerial meeting in June 2020. But there are several areas of disagreement between developed and developing countries especially on extension of the S&DT provisions (flexibilities which entitle developing countries to less onerous reduction commitments compared to rich countries) and the exclusions.

Support from others

"India's insistence on exclusion of government measures from subsidy cut requirements was also supported by South Africa and Nigeria. Benin, for the African Group, and Morocco said good subsidies should not be prohibited and that their elimination would have an impact on their effective fisheries management. Sri Lanka, too, agreed with this," the official said.

The Indian coastline is extremely vulnerable to cyclones and often the fishing community, especially the artisanal fishers, face massive losses due to destruction caused by it. The government has to step in with various programmes and measures from time to time not only to help the fishermen deal with the losses due to natural disasters but also to ensure better safety in the future.

The US, however, said members should avoid creating huge exclusions while the Philippines said it wanted WTO members to send a clear-cut message on eliminating harmful fisheries subsidies and not that they were crafting exemptions for certain types of subsidies.

Sharp differences

On the issue of S&DT provisions, too, sharp divergences exist between members. Countries such as the US, Brazil and Australia want flexibilities to be linked to production volumes and not development status of members. Many other developing countries, including India, however, insist that not providing S&DT to all developing countries and LDCs was unacceptable. The new chair of the negotiating group declared that the next cluster of fisheries subsidies meetings will be held in the week starting December 4. For 2020, the chair proposed that members restart work in mid-January and have regular meetings up until mid-May, at which point the discussions would be brought into the preparations for the Ministerial meeting in Kazakhstan scheduled in June.

Fisheries subsidies are estimated to range from $14 billion to $20.5 billion annually. While India accounts for about 6 per cent of the world's fish, it wants to continue all its existing subsidy programmes for the fishing community as it argues that its subsidy per fisher is very low and essential to protect livelihoods.

Listing of high-potential farm goods, global alerts to boost exports

Commerce Ministry to work with States to implement Agriculture Export Policy

Business Line, December 5, 2019

To push up stagnating exports of farm products, the Commerce Ministry has initiated an exercise to generate a list of agricultural, horticultural, animal husbandry and marine items with export potential. It will then share the information with relevant Ministries and Departments.

A system of agriculture sector alerts to all stakeholders, including exporters, farmers and government entities, based on global developments, is also being worked at, an official told BusinessLine, adding that steps are also being taken to coordinate with States to implement the Agriculture Export Policy (AEP).

"The share of farm exports in total exports had gone down last fiscal compared to the previous year while the value has remained stagnant. It is not acceptable as the agriculture sector holds a lot of potential and can grow steeply if given the proper thrust. This is exactly what the government is now seeking to do," the official said.

In 2018-19 agriculture exports were at $ 38.73 billion, was almost the same as the amount exported the previous year. The share of agriculture in total exports declined to 11.76 per cent compared to 12.66 per cent in 2017-18 and 12.07 per cent in 2016-17.

The official pointed out that while India exported a large variety of farm products, there existed a lot of untapped potential which needed to be explored. "Be it floriculture, fruits and vegetables seeds and fresh, processed and dried fruits and vegetables, the scope for growth is immense. Drawing up a list of potential items and potential markets is an attempt to ensure that enough attention is given in the desired direction," the official said.

Information updates

Dissemination of information on global developments such as commodity price movements, changes in various quality and technical requirements in important markets and the production situation in competing markets could help domestic exporters in gearing up and responding accordingly. "The Commerce Ministry is working on a weekly alert system on global agricultural developments for all stakeholders and it will be put in place soon," the official said.

The ongoing efforts in the States to prepare a comprehensive State Agriculture Export Action Plan, inclusive of all elements suggested in the AEP, will also be given a push with the Commerce Ministry writing to all the States to expedite it, the official added. The elements include creation of infrastructure for agriculture exports such as sorting, packaging, testing and certification and cold storage.

37 lakh tonnes of sugar exported in 2018-19 marketing year

Business Line, December 13, 2019

India exported about 37 lakh tonnes of sugar in the 2018-19 marketing year ended September to clear the surplus stock, the government told the Rajya Sabha on Friday. Union Minister Danve Raosaheb Dadarao said sugar mills were advised to export sugar as per their MIEQ (Minimum Indicative Export Quota) allocation.

“With a view to evacuate surplus sugar from the country, mill-wise MIEQ of 50 lakh tonnes of sugar for export in the 2018-19 sugar season (October 2018 to September 2019) was fixed,” the Minister of State for Food and Consumer Affairs said in a written reply.

Against the allocated quantity for 2018-19, about 37 lakh tonnes has been exported, he added.

The Minister said there was no compulsion on the mills to export sugar and they were free to export the commodity as per their commercial decision.

In view of the huge carryover stock of sugar and estimates of surplus output in the current sugar season, the government has allocated mill-wise Maximum Admissible Export Quantity (MAEQ) of 60 lakh tonnes of the sweetener to the mills for export in 2019-20, Dadarao said.

Industry body ISMA recently said sugar production fell 54 per cent during October-November to 18.85 lakh tonnes due to sharp decline in output in Maharashtra where cane crushing started late.

Last month, ISMA said the sugar output is estimated to fall 21.5 per cent to 26 million tonnes in the current 2019-20 marketing year. It reported an opening stock of 14.58 million tonnes of sugar as on October 1.

2020 to see sluggish market for India’s marine exports

Agro and Food Processing, December 20, 2019

According to a study by Drip Capital, a US-based trade finance company has reported that India’s marine exports are under grave pressure due to tightening of trade protocols in US and the European markets.

Drip reports that in FY 2019, India exported nearly USD 6.3 billion (around Rs. 45,000 crore) worth of marine products. The marine sector reported a CAGR of 13% between FY2010 to FY2019. However, it reflected a declined by 9% from FY2018 to FY2019 even though shipments grew 18% in volume by this period.

The US has always been the largest market for Indian shrimp while China and Vietnam are the largest importers of Indian frozen fish and mollusks. These three countries make up about 50-60% of India’s marine export market.

However, with the tightening of regulations by the US Food and Drug Administration (FDA) and the National Oceanic & Atmospheric Administration (NOAA), Indian shrimp exporters are now sailing amid choppy waters, said Pushkar Mukewar, co-founder and co-CEO, Drip Capital.

“Indian shrimp exports to the US face stringent quality checks and scanning along with a hike in anti-dumping duty to 2 .34% from 0.84% in 2018, which has had a negative effect on the shipment volumes. Other factors impacting Indian marine exports include a change in consumer preferences and an increase in quality consciousness in traditional markets for marine exports like the EU. This has led to the implementation of tougher norms in these regions, which has further increased the pressure on Indian exporters,” he added.

“Quality concerns from buyer markets, particularly in the West, are going to remain a big challenge for Indian farmers who face increasing competition from other markets offering high-quality, value-added products. Further, while Indian marine exports have long relied only on Vannamei shrimp, over-reliance on exporting one specific product is unlikely to be a sustainable long-term strategy,” Mukewar said.

The study says that the price drop witnessed for Indian shrimp in particular has been an insight of a wider global crash in shrimp prices driven by oversupply of Vannamei shrimp together with a decline in US consumption. A global slowdown in the economy has hampered market sentiments, creating the perfect rippling storm for prices to nose-dive.

On the other hand, the study reports that China is now viewed as a potential market for Indian seafood exporters.