India’s fruits and vegetables have strong demand in global market

MUMBAI, 13th May 2020 (GNI): “There is huge untapped potential in India’s farm exports as demand is strong for our agrocommodities, especially fruits and vegetables in the global market. Europe and middle east countries are the major destinations for India’s fruits and vegetables. ASEAN market holds untapped export potential for Indian cereals, groundnut, meat, fresh fruits, value added cocoa and other processed food. Specifically, Thailand, Indonesia, Malaysia, Philippines and Vietnam hold great market potential for these Agro commodities,” said Mr. U. K. Vats, General Manager, APEDA at a webinar on “Enhancing Agro trade Post COVID 19”. The webinar was organised by MVIRDC World Trade Center Mumbai.

Speaking about the impact of COVID-19 lockdown on fruits exports from India, Mr. Vats said, “India may export 30,000 – 55,000 tonne of mangoes during the current mango season (April-June 2020) and this is 50% lower than the 60,000 tonne that was exported in the year-ago period. India exports 50% of mangoes through sea and another 50% through air to different countries. On account of the worldwide disruption in logistics amidst the COVID 19 crisis, India’s shipments of farm commodities have taken a hit. Monthly export volume of perishable goods (which includes fruits, vegetables, seeds of fruits & vegetables and floriculture) has been 1.5 lakh metric tonne during March and April 2020, which is hardly 50% of the monthly volume of 4.25 lakh metric tonne witnessed before the outbreak of COVID 19. I expect the monthly export volume of perishable goods to grow to 50% of pre-crisis level by next month if air freight operations are restored,”

Mr Vats informed that India’s exports of wheat and rice have grown beyond expectation during the lockdown period because of increase in orders from abroad. Major reason for the growth in these exports from India is that China, which is the largest supplier of rice, could not export in the last two months.

Speaking about the revival strategy for India’s farm exports, Mr Vats said after the lockdown period, APEDA will resume its engagement with all state governments in devising action plan to enhance India’s Agro exports to USD 60 billion in the near future. As envisaged under the Agriculture Export Policy (2018) of the central government, APEDA has assisted most state governments in drafting action plan to enhance exports from their states. The progress in this initiative was stalled in recent weeks by the COVID crisis.

The webinar focussed on challenges and opportunities in enhancing India’s farm exports in the post COVID 19 world. Senior officials from Export Inspection Council of India, food scientist associations, agriculture startups and large companies such as Jain Farm Fresh shared their views on promoting farm exports from India.
Speaking on this occasion, Ms. Mamta Rani, Deputy Director, Export Inspection Council said, “The Council is negotiating with importing countries to accept online submission of certificate of origin and health certificates. During the lockdown period, we issued 4000 health certificates for agro exports and 6134 certificates of origin.”

Ms. Chinmayee Deulgaonkar, Managing Director, Foodchain ID & Hon. Secretary, AFSTI Mumbai provided an overview of the importance of quality standards and certification of agro exports to overcome the non-tariff barriers (NTBs). She said, “NTBs are the cause of rejection of agro products being exported and since the beginning of the year, 137 Indian agro products were rejected. Some of them include peanuts, gluten-free products and guar gum. Social standards, environment requirements, compliance of supply chains to COVID-19 assessment are very crucial when screening agro-product consignments. This would go a long way in ensuring brand image of a country. Such standards are also mandatory to pet food, animal and food equipment exporters.”

Mr. Sunil Awari, General Manager, Namdhari Farm Fresh Pvt. Ltd. highlighted the opportunities that COVID-19 can bring to India’s agro exports. He said, “COVID will bring about a silver lining and big opportunities to agricultural products especially to vegetables and fruits. Indian agro exporters must take advantage of the anti-China sentiment that is growing all over the world. India has the potential to grow varieties of fruits due to its agroclimatic diversity. As a result of this, we should explore the potential to grow non-traditional fruits and vegetables in north-east states and exotic fruits in the foothills of Himalaya. We must explore shorter routes to Russia through Iran for exports.

Speaking about the export performance of his organisation, Mr Awari said, “We are exporters of fruits and vegetables to various countries mainly Eastern Europe. When flights resumed during the second period of lockdown, we were able to supply vegetables to UK, Australia, besides other countries. Export orders for vegetables have been increasing since COVID-19. Air freight charges increased exponentially from INR 90/120 per kg to 250/260 per kg since the outbreak of the pandemic. Our organisation has resumed 75 per cent of normal operations.”

Mr. Roshan Shah, Vice President – Sales & Marketing, Jain Farm Fresh Foods explained the importance of contract farming programme of his company. Mr. Shah said, “We have successfully completed 20 years in contract farming programme.

Initially, we started working with Indian onion farmers by supporting high quality varieties of onion seeds and best agro practices. After gaining success, we applied the techniques to mango production and now we are one of the largest processors of mangoes. This enabled us to help approximately one lakh mango farmers in India. We are foraying into citrus processing and are creating a facility to make India an export hub of citrus concentrates.”

Mr. Satoshi Nagata, Chief Strategy Officer, Sagri Bengaluru Pvt Ltd emphasised on the importance of food traceability in building the trust of the importers in the quality and safety of food products. Sagri Bengaluru is the subsidiary of the Japanese based startup SAgr, which is the first enterprise to enter India under the Japan-India Startup platform.

The webinar was moderated by Dr. Arpita Mukherjee, Professor, ICRIER.

Dr. Mukherjee said, “There are disruptions in food supply chains as a result of the pandemic especially with perishable products. Therefore, we need to think of strategies to keep these supply chains up and running. A lot of stress will now be made on food safety, quality standards and certification process to promote farm exports. The industry, MSMEs and farm labourers in particular are bearing the brunt of the COVID-19 crisis. The initial stimulus has not proved to be beneficial for agriculture labourers and MSMEs are totally disadvantaged. Although, export subsidy regime has been extended by a year, one doesn’t know the effectiveness it would bring to exporters, therefore, overhauling India’s export subsidy system is a must.”
Earlier in his welcome address, Mr. Vijay Kalantri, Vice Chairman, MVIRDC World Trade Center Mumbai said, "India is the second largest producer of food grains and fruits; yet, it holds only 9th rank in exports of agricultural goods. Every year, more than 40% of farm produce, worth nearly Rs. 1 lakh crore, gets wasted before reaching domestic and foreign market, because of lack of logistics infrastructure. India needs dedicated shipping and logistics infrastructure for exporting agro commodities. If DMIC and Dedicated Freight Corridor (DFC) projects are completed, they can boost farm exports of India. Government needs to fastrack the implementation of DMIC and DFC projects, which were scheduled for completion in 2012. The government must provide policies for startups to engage in agro product sector."

While lauding the government’s efforts in providing food and other essentials during the pandemic, Mr. Kalantri said, “The government has taken all efforts to ensure that there is a regular flow of food items in markets, however a lot still needs to be done to ensure that the farmer gets his fair price, as the middle men and intermediaries stand to benefit rather than the farmer. An overall system must be put into place ensuring that pilferages do not take place.”

Captain Somesh Batra, Vice Chairman, MVIRDC World Trade Center Mumbai proposed the vote of thanks. Ends