

EPITOME OF INDIAN AGRI EXPORTS – A VENTURE OF ADVENTURE

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After the Ministry of Agriculture, Govt of India came up with a Mission of “**Doubling Farmers’ Income**” as back as 2016, the Ministry of Commerce & Industry took no time to announce “**Doubling of Agricultural Exports**” without articulated planning, definite road map, priority setting, monitorable targets, periodical reviews, mid-course corrections and so on. Consequently, both the high-sounding flagship schemes are in rough weather and the goalposts set to achieve the targets are getting shifted conveniently.

India’s agricultural exports experienced huge fluctuations during the last 10 years period 2011 to 2020. During the first 5 years period (2011 to 2015), agri-exports increased significantly from \$24 billion to \$43 billion, the highest as on record. Whereas, during the second 5 years period (2016 to 2020) agri-exports fluctuated between \$33 billion to \$37 billion. According to FAO, India has a potential to export agri products worth \$97 billion (approximately Rs 7 lakh crore).

India’s agri commodity exports are under threat in major global markets over non-compliance to quality specifications. After Australia issued a serious advisory to Indian exporters over deteriorating quality of milk and its derivatives, the European Union (EU) had warned India over the supply of poor-quality fresh fruits and vegetables that were contaminated with harmful organisms. On the same issue, Saudi Arabia had threatened to ban Indian fresh fruits and vegetables. Years ago, Vietnam suspended Indian groundnut imports due to presence of groundnut beetle in over 500 containers. Such types of warning were also received from Japan. Prior to that, Russia has banned import of Indian rice, groundnut, and sesame after raising concerns over quality issues. Indian sesame seeds were also banned in Russia following detection of aflatoxin B1 and metallogenetic admixture. Russia, an important destination for Indian groundnut export also blocked the consignment for want of phytosanitary certificate against Striga. So, it is easy to understand how India stands credibly in global export markets and the kind of complacency

that is killing India! It is time to note, Indian maize exports have fallen to a 10-year low and the same is true with export of wheat. Being a crop expert at the ground level, I have been writing from time to time and sharing with policy makers and senior officials in the concerned departments. Wish, the authorities take serious note to set right things.

India happens to be the world’s biggest exporter of rice and at the same time China stands as the biggest importer. India grows rice in 44 million hectares with annual production of 117 million tons for a population of 1.38 billion. Whereas China grows rice in 31 million hectares with a total production of 207 million tons for their 1.44 billion people besides importing 4 million tons of rice at cheaper price, may be for buffer stocking. Interesting to note; China has been producing more rice from less area as compared to India. The key to success lies with adoption of hybrid rice, where India failed miserably despite having commendable rice research and development of potential hybrids in public, private sectors.

Ignorance is bliss for export policy makers and the rice exporters who doesn’t know how much it costs to natural resources by mindless exports of rice, an urea hungry and water thirsty crop damaging soil health, creating greenhouse gases and exhausting ground water at alarming rate. The



same is true for sugarcane and policy of export of sugar, backed by subsidy! The complacency in highest order lies in exporting low-value high water demanding cereals and importing less water demanding high-value pulses and oilseeds. It appears a dubious distinction in exporting broken-rice after failing in Basmati segment.

China has started importing rice from India after decades due to limited supplies from Indonesia, Thailand, Vietnam, etc. and exciting offer from India to supply at a discounted price. Indian traders have contracted to export of 100,000 tonnes of broken rice for December-February shipments at US\$ 300 per tons, equivalent to Rs. 22,125 per ton, a throwaway price! The pertinent question: How India did generate such a huge quantity of broken rice? The answer could be lack of modernization of rice mills. Secondly, if China can make uses of broken rice to manufacture noodles and wines; why can't India utilize it for making idli, dosa and other value-added products? It's a point to ponder, how long India will continue to export water through rice route and sustain water reserve, essential for a sustainable agricultural development !

Indian Agri-Export more of a fallacy than proficiency. Export of sugar backed by subsidy appears a shortsighted approach either destroying export markets or requiring govt to subsidize at the cost of taxpayer's money. It's time to consider Agriculture Export as Industry, make it increasingly efficient, encourage free trade and create para-markets abroad for a long lasting, sustainable agri-business development. If Country must go global, it has to move beyond local.

Growing Groundnut organically and making it free from Aflatoxin risk meeting European standard, stands as real challenge. Reason being, most of the groundnut produce from India, world's largest grower, is exported to South-East Asian Countries, basically as bird feed. Equipped with 30 years of knowledge in groundnut research and mastering in Aflatoxin through special project funded by UNDP and network project of ICAR on Mycotoxins followed by working with UNIDO as International Consultant on Aflatoxin in Africa thought to capitalize the strength to reverse export destination of groundnut, the pride of Gujarat. Accordingly, launched a commercial venture at Rajkot (Gujarat) producing organic groundnut devoid of aflatoxin.



PROBLEM STATEMENT:

The presence of Aflatoxin in food and feed has been recognized to be one of the biggest threats to the access to safe food, nutritional security, health and ultimately trade across the world. Aflatoxin, a secondary metabolite of *Aspergillus flavus* and *A. parasiticus*, are highly carcinogenic in nature. Groundnut, basically an oilseed crop in India, is also an important food legume worldwide and at the same time it is also one of the crops most susceptible to aflatoxin contamination besides Maize, Millets, Chilli, etc.

Groundnut exports to EU Countries from India have almost come to a halt due to aflatoxin contamination of groundnut and groundnut products. In recent years, though the volume of groundnut export has increased, but these are confined to South-east Asian Countries (76%) mostly as birdfeed. Paradoxically, India has the world's largest area under groundnut cultivation and is the second largest producer, next to China. This is in stark contrast with countries like Argentina, which exports mostly 73% of their produce to EU Countries. The present situation is neither benefitting the country nor the farmers associated with its cultivation.

The only existing export of Indian groundnut

to the West is to the USA, not as raw material, but value-added products under confectionary categories. However, the major players are just a handful from such a big country like India! Of late, trouble started brewing and there has been several Import Alerts on Indian groundnut products arriving at US ports. This has adverse consequences, which may lead to total ban on Indian products leading to serious monetary losses and the loss of face for the exporting companies and ultimately, India. The lists were available, shared with APEDA but not cited here due to sensitivity.

Imported food products are subject to FDA inspection at US ports of entry. FDA may detain shipments of products offered for import if the shipments are found not fulfilling US requirements. The FDA maintains a List of Import Alerts (IA) to inform the FDA Field Staff and the US Public that the agency has enough evidence to allow for Detention Without Physical Examination (DWPE) of products that appear to be in violation of US laws and regulations. These violations could be related to the product, manufacturer, shipper and /or other information. Each IA describes the conditions that may result in the firm being subject to DWPE. When a product and/or firm is violative and do not meets the criteria indicated in an IA, it will be added to the Red List or removed from the Green List of the alert. The following are some of the reasons a product or firm may be subjected to DWPE.

a) FDA has sampled the product and it is tested violative for a pathogen; b) Product contains pesticides that are not allowed or do not meet tolerance levels; c) Firm has not provided sufficient evidence to support adding them to the green list; d) The foreign firm had a violative inspection by FDA and e) The foreign firm has refused inspection by FDA.

For India to double its export to the US, more firms need to be on the Green List. Listed below is a table of recent Import Alerts from India in 2018-19 affecting exports to the USA. There is a need for an urgent initiative to be put in place to educate and train Indian Industry to meet

export requirements of US and other markets in the EU Countries, Japan, Australia, etc., which are all working closely to harmonize common food safety regulations.

To overcome such a serious problem, **SBSF (Science, Business & Sustainable Futures)** Consultancy through its highly experienced professional network of scientific experts and regulatory affairs specialists can offer reliable solutions to revive export and restore the glory of esteemed Indian Companies. SBSF Consultancy Pvt. Ltd. was founded by the Former Director, National Research Centre for Groundnut (ICAR), and International Consultant to UNIDO on Aflatoxin in Africa. The offering of services includes:

A. Technical Support :

1. Good Agronomic Practices (GAP); 2. Soil-Water Quality (for chemical, biological and physical contamination); 3. Product Testing; 4. Monitoring; 5. Issue Mitigation.

B. Regulatory Support for Indian Exporters:

1. Monitoring regulatory landscape: > USFDA (US Food and Drug Administration); > Codex (Codex Alimentarius) ; 2. Meeting regulatory requirements: > Commodity testing; > Documentation; > Obtaining regulatory approval.

C. Legal Support on Export (through our extended network):

1. Legal review and documentation; 2. Obtaining pre-approval letter; 3. Addressing litigation.

THE STRENGTH:

SBSF Consultancy is uniquely placed to assist Indian Agri Commodity Exporters in developing a supply chain that follows stringent aflatoxin standards and bring it well below the regulatory limits set by the U.S. and E.U. markets. We will also engage with the USFDA to develop a strategy for confectionary groundnut exporters to get out of the Red List and thereby providing competitive advantage to Indian Export Houses over their competitors.

CONCLUSION:

India, the second largest producer of groundnut in the world continue to remain happy with its export to South-East Asian Countries, primarily as birdfeed. It's time to take a lesson, more so while on Road to New India to add glory to Indian exports in totality eliminating rejection, import alerts and associated impediments. Country has the strength and technologies to make Indian exports in general and groundnut, as world-class. It is a food for thought for APEDA and IOPEPC, Private Industries and finally the Ministry of Commerce to take the Nation to a ride to pride. In the last 8 years, Nicaragua has been in the top 5 places as a peanut exporter to Europe.

