# India's coffee exports may rise 2% in 2023-24 season: USDA

BUSINESS LINE dt. 23.5.23

**Vishwanath Kulkarni**
Bengaluru

India's coffee exports for the marketing year 2023-24 beginning October are likely to rise by 2 per cent to 6.3 million bags of 60 kg each (about 3.8 lakh tonnes) on strong export prospects, the United States Department of Agriculture (USDA)'s local office in the country said.

The USDA India Post, in its latest projections, expects the export demand for Indian coffee to remain strong throughout 2023-24. However, trade sources indicate that current prices are limiting the international buyers from placing large orders, it said. "The strong demand for Indian robustas, especially the robusta cherry, is seen driving the projected growth," said Ramesh Rajah, President, Coffee Exporters Association. "We are

The impact of weak economic conditions is seen triggering demand for the lower priced robustas

seeing a good demand for the lower-priced robustas, while we don't see a big increase in Arabica shipments." The impact of weak economic conditions is seen triggering demand for robustas.

**SHIPMENT STATS**

In the current year 2022-23, USDA sees India's coffee exports at 6.225 million bags of 60 kg each. For the October-May 15 period of the current season 2022-23, shipments stood at over 2.38 lakh tonnes, about 10 per cent lower compared with 2.65 lakh tonnesa year ago, as per the Coffee Board data.

The Post said farmgate prices of Indian coffee are trading at decade-high rates, driven by a global surge in international prices due to supply issues. Green bean prices for arabica parchment and robusta cherry have increased by 9 and 24 per cent, respectively, since the beginning of the Indian marketing year in October 2022.

The USDA Post forecasts marketing year 2023-24 coffee production at 5.8 million bags of 60 kg each comprising 73,800 tonnes of arabicas and 2.74 lakh tonnes of robustas. The forecast for 2023-24 is lower than the current year's estimate of 6.25 million bags.

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# Onion exports zoom 64% to 6-year high in 2022-23 on robust demand

**Vishwanath Kulkarni**
Bengaluru

Onion exports jumped 64 per cent in volumes to hit a six year high at 25.25 lakh tonnes (lt) during 2022-23 on strong overseas demand and higher supplies. In value terms, onion shipments were up 22 per cent at $561 million over the previous year.

Shipments rose on higher purchases by large buyers such as Bangladesh, Malaysia, United Arab Emirates and Sri Lanka. "Lack of competition over the past few months coupled with higher overseas demand helped India export more onions during 2022-23," said Ajit Shah, President, Horticulture Produce Exporters Association.

**PAKISTAN'S PRODUCE**

"However, we couldn't take the full advantage of the global situation as countries such as the Philippines did not open up its market for India, while preferring to buy the Chinese produce," he said.

Rising Trend

(Fresh Onion Exports)

| Year | Quantity (lakh tonnes) | ₹ crore | $ million |
|---|---|---|---|
| 2022-23 | 25.25 | 4,522 | 561 |
| 2021-22 | 15.37 | 3,432 | 460 |
| 2020-21 | 15.78 | 2,826 | 378 |

Source: Apeda

Shah said exports prospects for the current year look good. However, due to the unseasonal rains, there is a lot of damage to the cargo, he said. "Onion is available in plenty, but the good quality produce is less. Presently, the market is down because of the higher availability of poor grades and rain damaged produce in the market. How much of this can be exported, we have to wait and see," Shah said.

The new crop in Pakistan, mainly from the Baluchistan, is also seen entering the global market and the Indian exporters are likely to face some competition from the neighbouring country considering that their currency has weakened considerably against the dollar.

**QUALITY ISSUES**

"We have a good crop. We have to see how the quality will remain after one month, especially after the unseasonal rains in April-May and the heat waves. Further pricing will depend on the quality of the crop going forward," Shah said. In 2022-23, Bangladesh continued to be the largest buyer of Indian onions at over 6.7 lt, followed by United Arab Emirates at 4.03 lt, Malaysia at 3.93 lt and Sri Lanka at over 2.7 lt.

Malaysia has more than doubled its purchase of onions while the shipments rose about three times to UAE during the year. In 2021-22, Malaysia's imports of Indian onions stood at 1.70 lt, while UAE had imported 1.22 lt. "Demand continues to remain good for the Indian onions and we expect to sustain the shipment volumes," Shah said.

As per the Agriculture Ministry data as on May 8, rabi onion has been planted on 11.08 lakh hectares, higher than the targeted area of 10.76 lakh hectares, but less than the previous year's 11.67 lakh hectares.

As per the third advance estimates for 2021-22, onion production is projected at 31.27 million tonnes – up from previous year's 26.64 mt.

# Palm oil imports likely to fall to 27-month low

FINANCIAL EXPRESS dt. 24.5.23

RAJENDRA JADHAV
Mumbai, May 23

**INDIA'S PALM OIL IMPORTS** in May are set to fall to their lowest in 27 months as its rare premium over other edible oils prompted buyers to cancel cargoes and replace them with soyoil and sunflower oil, dealers and cargo surveyors said on Tuesday.

The surprising drop in palm oil imports by India, the world's biggest importer of vegetable oils, could bring down palm oil prices. Malaysia and Indonesia, the two largest global producers, may lower their palm oil offers to regain market share from other edible oils.

The benchmark palm oil contract for August delivery on the Bursa Malaysia Derivatives Exchange fell 1.85% to 3,365 ringgit a tonne after *Reuters* reported the drop in Indian imports.

Around 261,000 tonne of palm oil was discharged at various Indian ports in the first 20 days of May and another 150,000 tonne is expected to be discharged in the remaining 11 days, for a total of 411,000 tonne, according to average estimates from dealers and cargo surveyors.

India's average monthly palm oil imports in the first six months of the 2022-23 marketing year that started on November 1 were 818,203 tonne, according to the Solvent Extractors' Association of India (SEA).

"Palm oil has been replaced by sunflower oil in many parts of the country due to the price competitiveness of sunflower oil," said Rajesh Patel, managing partner at GGN Research.

In April, Indian buyers opted to cancel large amounts of palm oil purchases for the first time in many years and the industry was expecting May imports could fall to 700,000 tonne.

Price-sensitive Asian buyers traditionally rely on palm oil because of the low cost and quick shipping times. But palm oil has moved to a premium to other edible oils at the same time that soft oil prices have dropped, partly because of a record rapeseed crop.

Palm oil's discount to rival oils was as much as $500 per tonne in the December quarter, but it started trading at a premium earlier this year as output from Indonesia and Malaysia was curtailed by excessive rains.

Palm oil traditionally makes up about two-thirds of India's vegetable oil imports by offering competitive prices, but its share is down to about 40% in May, said a New-Delhi-based dealer with a global trading house.

Sunoil imports in May are set to jump 28% from a month ago to 319,00 tonnes, while soyoil imports could rise 16% to 305,000 tonne, according to the average estimate from dealers.

India buys palm oil mainly from Indonesia, Malaysia and Thailand, while it imports soyoil and sunflower oil from Argentina, Brazil, Russia and Ukraine.

"Palm oil prices will fall more than soft oils in coming months to attract buyers," the dealer said. —REUTERS

## SURPRISING DECLINE

- Around 261,000 tonne of palm oil was discharged at various Indian ports in the first 20 days of May
- India's average monthly palm oil imports in six months since November 1 were 818,203 tonne

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# Test Cough Syrups for Export as Top Priority, States Told

**AVOIDING DELAYS** DGFT wants states to instruct govt labs to provide the report at the earliest

Teena.Thacker
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**New Delhi:** India's drug regulator has asked the state drug controllers to give instructions to their government-run laboratories to analyse the samples of cough syrups that have to be exported "on top priority" and issue a test report at the earliest in order to avoid delays.

The Directorate General of Foreign Trade (DGFT) on Monday made it mandatory for the exporters to cough syrups to get them tested at the government laboratory before they are exported.

According to the notification the exporters will have to also produce the certificate of analysis (CoA) from the government laboratory to be able to export cough syrups effective June 1.


In a letter dated May 24, the Drug Controller General of of India (DCGI) has asked the state drug controllers "to give instructions to their state-owned NABL accreditated laboratories to analyse the samples received from the manufacturers of cough syrups for export purpose on top priority and issue the test report at the earliest," it said.

"It is further requested to all central laboratories to give top priority in analysing the samples received from the manufacturers and issue the report immediately in order to avoid delays," it further said.

According to the DGFT notification the CoA can be obtained from various government laboratories including the India Pharmacopoeia Commission, Ghaziabad, Central Drug Laboratories (CDL) at Kolkata, Chennai, Mumbai and Hyderabad, Other than this, the certificates can also be taken from regional laboratories including RDTL Chandigarh, Guwahati, and any NABL accredited state drugs testing laboratory.

"The export of cough syrup under ITC (HS) Codes falling under the heading 3004 shall be permitted subject to the export sample being tested and production of CoA issued by any of the laboratories with effect from June 1, 2023," the notification said.

The intervention by the DGFT follows past incidents where India-made cough syrups imported into Gambia were allegedly found to be contaminated with diethylene glycol (DEG) and ethylene glycol (EG) resulting in acute kidney injury (AKI) cluster among children.

An investigation led by the United States Center for Disease Control and Prevention and Gambian scientists in March "strongly suggested" that medications contaminated with DEG or EG imported into the Gambia led to this AKI cluster among children.

# Exports may skid 25% in 2023: Yamaha India boss

Buisiness Standard · Dt: 26·05·23

## Chairman says domestic sales likely to grow

**DEEPAK PATEL**
New Delhi, 25 May

Yamaha Motor India's domestic sales are expected to rise by about 17 per cent to 650,000 units in 2023 due to high demand for its premium vehicles, said Chairman Eishin Chihana.

However, the company's exports are likely to fall by 20-25 per cent in 2023. This is because of high inflation and interest rates and weak local currencies in key markets in the Subcontinent, Africa, and South America, he added.

"Last year, Yamaha exported 300,000 units, which was the highest ever. This year, we were again targeting to export 300,000 units. However, like many Indian companies, we are seeing difficulties in other countries (export markets)," Chihana , who took charge at the India unit in 2021, told *Business Standard*.

Exports constituted around 35 per cent of the two-wheeler maker's total sales in calendar year 2022.

It ships models such as Saluto, YD125, MT15, and and counts Brazil, Bangladesh, and Nepal among its top export destinations.

"We expect export volumes to be heavily down this year," he noted, adding that the export situation remains the same for other two-wheeler companies.

The domestic sales target for 2023 would have been higher than the 650,000 it has pencilled in if the semiconductor chip supply was better, he added.

Chihana said the company is more affected than others due to the chip shortage as it mostly produces premium products that require more chips than others.

He said the chip supply is expected to normalise for all models by 2025. "By the end of this year, the situation regarding semiconductor chip supply is expected to be more or less okay. However, for certain models, there will be some constraints, and some more time will be needed for the supply to be normalised," he said. The Japanese company's domestic sales rose 6.7 per cent to 557,000 units in 2022 and exports increased by 11 per cent to 300,000 units in 2022 (*see chart*). It has an annual production capacity of 1.5 million units in India and it is currently utilising 60 per cent of the same, which is adequate, the executive said.


The company would be able to utilise 100 per cent capacity in India by 2028, and would start planning capacity expansion in 2026, he added.

The company has no plans to establish a new plant in 2028.

"We have a lot of vacant space adjoining our plant in Chennai. So, we can increase capacity whenever required," he said.

The company currently has 723 dealerships, out of which 191 are Blue Square showrooms for premium products. Chihana said Yamaha plans to convert all dealerships into Blue Square showrooms by 2025.

He said the company will launch its first electric scooter in 2-3 years. "The current electric scooter customer is not going to be our customer," he said.

The electric scooter customer in India is buying the electric vehicle as the driving cost is cheaper with electricity than petrol.

Yamaha wants to attract customers that are looking for sporty or stylish vehicles and have an "emotional connection" to its brand, he added.

# Europe, West Asia key buyers as steel exports up 13% in April

BUSINESS LINE, dt 29.5. 23

**NEW MARKET.** Spain emerged 2nd highest export market with a 155% jump in shipments

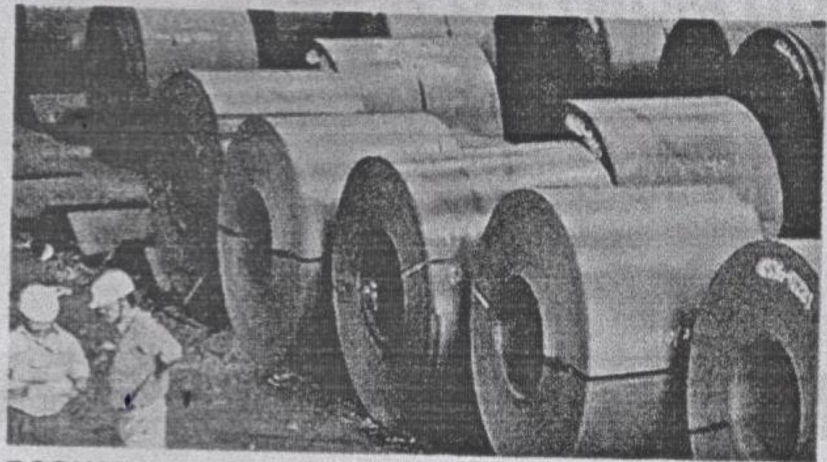
**Abhishek Law**
New Delhi

Indian steel mills tapped into new overseas markets like Spain in Europe, while shipments to West Asia more than doubled in April as finished steel exports increased by nearly 13 per cent on a year-on-year basis to 0.9 million tonnes last month. Exports in the year ago period was 0.76 mt.

Finished steel includes non-alloyed offerings, alloyed ones, and stainless steel.

In value terms, steel exports were to the tune of $901.3 million, up 1.3 per cent y-o-y. Exports last year in April were at $890 million (approximately).

For Indian steel mills, Spain emerged as the second-highest export market with a 155 per cent jump in shipments to 0.11 mt, as against 0.043 mt in April 2022. In value terms, exports increased by over 100 per cent to $110 million. This is the first time the European nation has made it among the top five in over 12 months, a report of the Union Steel Ministry, accessed by *businessline, shows.*



**ROBUST DEMAND.** Italy remained one of the top buyers of Indian steel at 0.21 mt, up 59 per cent y-o-y

### TOP BUYERS

Italy remained one of the top buyers of Indian steel at 0.21 mt, up 59 per cent y-o-y or $183.2 million worth of exports. Shipments there were 0.13 mt in the year-ago period and were valued at $163.5 million. Meanwhile, the UAE saw shipments jump 298 per cent in volume and 144 per cent in value during April, to 0.06 mt and $51.3 million, respectively. "UAE has been buying steel to process and sell to Turkey, and some of the increase is also due to a low base effect," a trade source explained.

Vietnam, one of the key buyers of Indian steel, saw a 9 per cent yoy drop in orders to 0.061 mt, while Belgium saw 0.044 mt of orders being placed as it dropped from the list of the top 5 export markets for Indian steel mills.

### CATEGORY WISE

"Volume-wise, HR Coil/Strip (0.331 mt) was the item most exported (accounting for 39 per cent share in total finished steel)," the Ministry report noted.

Flat product exports, like steel plates, hot-rolled coils and sheets, cold-rolled coils and sheets, electrical sheets, and tin plates, accounted for a 92 per cent share (up by 23 per cent). The other 8 per cent came from non-flats, like bars, rods, and railway structures. Exports in the segment were down 43.8 per cent.

Semi-finished steel shipments (which are not part of finished steel offerings) dropped 66 per cent, YoY, the report mentioned.