

Russia is top yellow peas exporter to India

CANADA LAGS BEHIND. Aggressive sales and trading in Indian rupees have helped Moscow overtake Ottawa

Vishwanath Kulkarni
Subramani Ra Mancombu
 Bengaluru/Chennai

Russia has become the largest exporter of yellow peas to India pipping Canada, which was dominating the market so far, data from the Agricultural and Processed Food Products Exports Development Authority (APEDA) show. The development comes after Russia topped Canada in the Chinese market, where at one point in time Ottawa had over 97 per cent market share, data show.

Moscow shipped 4.41 lakh tonnes (lt) of peas to India during the April-July period of the 2024-25 fiscal. This is higher than the 4.01 lt it shipped during the entire 2023-24 fiscal.

Canada exported 3.93 lt of yellow peas to India during the April-July period of the current fiscal. It had shipped 1.38 million tonnes during

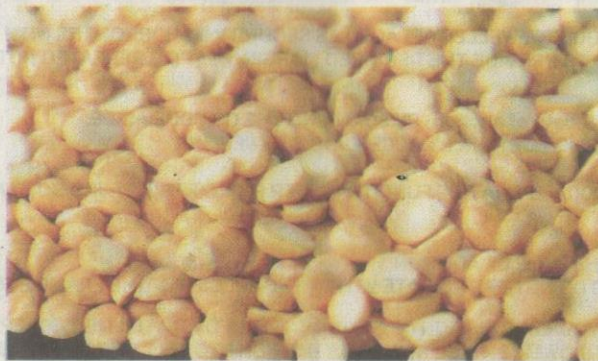
the 2023-24 fiscal. "Russia is aggressively exporting yellow peas in the global market. It offers peas at a competitive price and allows trade in Indian rupees. Logistically, too, it is cheaper," said a New Delhi-based trade expert.

India spent \$212.85 million for the 4.41 lt of peas it imported while for Canadian peas the expenditure was \$228.49 million. Currently, Russia is shipping yellow peas to India at \$425 a tonne cost and freight for October-November delivery while Canada is charging \$460 for the same period.

"Over the last two years, Russia's production and export of yellow peas has increased to record levels. Imports were less as China was not importing from Russia," said Rahul Chauhan of Igrain.

DYNAMICS DECIDE

Bimal Kothari, Chairman, India Pulses and Grains As-



GROWING FAST. Moscow shipped 4.41 lt of peas to India in April-July FY25, against 4.01 lt sent during the entire FY24

sociation (IPGA), the apex trade body, said market dynamics decide imports, whether it is from Russia or Canada. "It all depends on the price. Russia is also very competitive but cargo is coming from both the countries," he said.

In fact, for October, a lot of shipments have been committed. There are a number of vessels coming from Canada also. "Whoever is

giving a competitive price, people import from them," Kothari said.

Russian news agency *Interfax* said last week that Moscow had obtained the right to supply lentils to India regularly. It quoted the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoz nadzor) saying it had received a notification from India's Ministry of Agriculture and Farmers Wel-

fare. The news agency said Russian supplies of leguminous crops to India had increased 23-fold year-on-year to 5,45,000 tonnes between January and September 22, 2024.

DUTY-FREE IMPORT

B Krishnamurthy, Managing Director, Four P International, said imports gathered momentum after the Centre reduced the duty on peas to zero from 35 per cent for three months at the beginning of the year. "Subsequent extensions of the zero duty facility have resulted in prices dropping. Currently, zero duty imports are available till December 31," he said.

Asked if freight is less for importing from Russia due to the its proximity compared with Canada, Kothari said there is no such advantage. He said he expects the import of yellow peas to be in the range of 3.3-3.5 million tonnes by the end of 2024.

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US remains India's top trading partner, export destination in 2024

FUELLING GROWTH. Bilateral trade surpasses \$190 billion; exports led by textiles, pharma and mineral fuels

Amiti Sen
New Delhi

The US has retained its position as India's top trading partner in the January-July 2024 period with bilateral goods trade surpassing \$190 billion and Indian exports growing 9.3 per cent to \$48.2 billion.

Top export items from India to the US in this period included garments and textiles, pharmaceuticals, precious and semi-precious stones, smart phones and mineral fuels.

On the other hand, India's imports from the US fell from \$25.9 billion to \$24.6 billion, a 5 per cent decline in the first seven months of 2024, per government figures.

EXPORTS SURGE

"India's merchandise exports to the US grew substantially from \$54.3 billion in 2018 to \$83.8 billion in 2023, marking a 54.4 per cent increase. This indicates a strong demand for Indian goods in the US market. In

the services sector too, India's exports to the US experienced a notable increase of 25.6 per cent in the period, rising from \$28.9 billion in 2018 to \$36.3 billion in 2023," per an analysis by the Delhi-based research body Global Trade and Research Initiative (GTRI).

Combining both merchandise and services, India's total exports to the US

surged from \$83.2 billion in 2018 to \$120.1 billion in 2023, registering an overall increase of 44.3 per cent.

The US decision to withdraw the Generalised System of Preferences (GSP) scheme for Indian exporters from 2019 has had a minimal economic impact on India, and there may not be a need for the government to prioritise its restoration, Ajay

Srivastava, Founder, GTRI said.

Exporters of certain labour intensive items to the US were given duty free/lower duty market access under the scheme.

"India was the largest user of the programme, accounting for \$5.7 billion in exports under GSP, but this figure remains negligible in the context of India's overall export

portfolio and the broader US trade relationship," Srivastava said.

India's imports from the US in January-July 2024 was spread across a number of sectors with mineral fuels at the top, followed by precious and semi-precious stones, mechanical and electrical machinery, aircraft and parts, ships and boats, chemicals and pharmaceuticals, and edible fruits and nuts.

The US presents a significant market for Indian goods, particularly in sectors like technology, pharmaceuticals, textiles, and engineering products. Likewise, India's increasing demand for advanced technology, energy, and capital goods from the US opens avenues for expanding bilateral trade.

"With both countries working to strengthen their strategic partnership, particularly in areas like defence, clean energy and digital trade, there is substantial potential to further enhance trade volumes, making the bilateral relationship a key driver of economic growth for both nations," it noted.



SHIFTING WINDS. India's imports from the US fell from \$25.9 billion to \$24.6 billion, a 5 per cent decline in the first seven months of 2024 REUTERS

Business Line. Dt: 03/10/24

To counter Chinese dumping, double import duty: Steel Ministry to FinMin

PRESSING ISSUE. Steel Secretary points to surge in China shipments, especially via Asean nations exploiting FTA

Abhishek Law
New Delhi

The Steel Ministry is seeking a 100 per cent increase in basic Customs duty on the import of the metal, raising it to 15 per cent from the existing 7.5 per cent.

Acknowledging a surge in shipments from China to a third (33 per cent approximately) of total steel imports, the Ministry has cited its own internal assessment, and recommended to the Finance Ministry that safeguards, similar to those implemented by some nations in the European Union, the US and others, should be considered.

DISTORTING MARKET

This is the first time that the Steel Ministry is acknowledging the surge in the import of finished steel from China, which the industry calls dumping and claims is distorting domestic market dynamics.

The Ministry's assessment notes that "all-new capacities being added to the region are mainland Chinese investments targeting ex-

port markets like India."

In a September 24 letter to Revenue Secretary Sanjay Malhotra, Steel Secretary Sandeep Poundrik sought "intervention" to address the "pressing issue" of the surge in imports and to explore the possibility of doubling the basic Customs duty "to 15 per cent on steel products to safeguard the interests of the domestic steel industry".

The 12-page letter (and internal assessment of the Ministry), a copy of which has been reviewed by *businessline*, also detailed the Steel Ministry's take on the issue of Chinese imports and shipments increasingly "being diverted" from Asean nations, particularly Vietnam, as the nation continues to "exploit" the zero Customs duty benefit under the India-Asean FTA.

MISUSE OF FTA

The Ministry has also taken note of another issue: Use of the India-Asean FTA to route lower-priced metal from China or from mills in South Asian nations that have direct Chinese investments.

"The current import price

Price impact

| Country wise HRC prices | | Monthly average prices | |
|------------------------------|-------------------------------------|------------------------|-----------|
| | | Sept 23 | Sept 24 |
| China (HRC, FOB Rizhao) | 3-12 mm, SS400 | \$556/t | \$462/t |
| South Korea (HRC, FOB Seoul) | 1.6-2.5 mm, SAE 1006 | \$600/t | \$500/t |
| India (HRC, Exy-Mumbai) | 2.5-8 mm / CTL, IS2062, Gr E250 Br. | ₹57,900/t | ₹48,200/t |

| Category wise imports | | Alloy & Non-alloy (Prime & Defective) | | % change (P) |
|-----------------------|----------------------------|---------------------------------------|-----------------|--------------|
| | | Apr-Aug 2024-25 (P) | Apr-Aug 2023-24 | |
| Steel | SEMIS (including RR scrap) | 464.5 | 476.5 | -2.5 |
| | Non-flat products | 180.3 | 164.0 | 9.9 |
| Finised steel | Flat products | 3,537.8 | 2,612.0 | 35.4 |
| Total finised steel | | 3,718.2 | 2,776.1 | 33.9 |
| Total steel | | 4,182.7 | 3,252.7 | 28.6 |

Source: BigMint, JPC P - Projected

of steel products from China is significantly lower than the domestic price at the 7.5 per cent BCD. Our assessment indicates that even if the BCD is increased to 12.5 per cent, the import price would still be lower than the domestic price," the Steel Secretary noted in his letter.

According to market consultancy firm BigMint, the average price of benchmark hot rolled coils (HRC) in India in September was

₹48,200, or \$574, per tonne. In contrast, the price of the Chinese product was \$462 per tonne, while that from South Korea was \$500.

"Despite a consistent increase in steel inventory over the last two years, imports have continued to rise, indicating a concerning trend where imported steel is increasingly displacing domestically produced product in the market," Poundrik wrote in his letter.

India continued to remain a net importer in April-August, with the trade deficit widening to ₹14,911 crore. Steel imports reached 3.72 million tonnes (mt), up 34 per cent and HRC and CRC were the major categories.

The Steel Secretary's letter referred to the need to mitigate potential losses and "ensure continued growth" in the steel sector to "revitalise" the investment ecosystem. "Steel, with a significant multiplier effect on both GDP (1.4x) and employment (6.8x), makes it a critical component of the economy," he stated.

INDIAN INDUSTRY HIT

Another industry concern was the cheaper import of finished steel affecting the profit margins of Indian companies. Nearly ₹75,000 crore of capex is "under threat" due to disruption in the investment cycle.

"Nearly 40 per cent of China's exports are destined for Asean countries, Korea and Japan, which have FTAs with India. As a result, these nations can act as conduits for Chinese products to India," it was noted.

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MEP unlikely to hit white rice exports

CAP ON PROCUREMENT. States paying bonus besides MSP will force farmers to sell surplus in the open market

Prabhudatta Mishra
New Delhi

The \$490 per tonne minimum export price (about ₹41/kg) for non-basmati white rice will not affect shipments from the country as feared by a section of the trade.

Some States such as Telangana and Odisha have announced a bonus for farmers over and above the minimum support price (MSP) of ₹2,320 a quintal. But a cap put by the States on procurement from farmers will ensure that there will be no problem in shipping the foodgrain, exporters said.

"The market rate of paddy was as low as ₹18/kg before the MEP was announced and it has increased to ₹22.10/kg," said Mukesh Jain, president of The Rice Exporters Association (CG). He said since Chhattisgarh has fixed



CURBING DIVERSION. Experts say the MEP will likely put an end to the reported diversion of rice from the PDS

a cap of 21 quintals per acre at which it will buy the paddy from farmers at ₹3,100/quintal, farmers, whose productivity of paddy is higher, have to sell the surplus in the market.

A trade analyst said most farmers in Chhattisgarh are small and medium and the surplus that could be available in the open market could be limited. "The (bonus) policies are targeted at

small and medium farmers," said the analyst.

Jain said Chhattisgarh has enough rice production and it used to export 30 lakh tonnes (lt) a year before the ban was imposed in July 2023.

TELANGANA STRATEGY

He said Odisha has already announced that it would follow the Chhattisgarh model (by fixing a cap per acre).

Telangana, which has announced to buy paddy at about ₹2,800/quintal, has already clarified that the common variety paddy will be procured at the MSP and only the superfine varieties would fetch the ₹500/quintal premium.

A leading rice exporter from Kakinada said port-based rice millers in Andhra Pradesh, where the government is yet to announce any bonus, will enjoy an advantage.

According to calculations, the export price will exceed ₹41/kg if exporters buy paddy at MSP. A simple conversion to rice makes the cost ₹34-35/kg (100kg paddy=67kg rice).

There is a ₹4/kg additional cost as port handling charge (₹2/kg) and inland freight (₹2/kg). Exporters, while purchasing paddy from Andhra Pradesh, will save ₹1/kg on inland freight) Further, if

profit is added the exportable FoB price will be around ₹41/kg.

DROP IN EXPORTS

"Farmers in Chhattisgarh do not complain about selling at lower than MSP since they are getting a very high price for the majority of their produce. They know that exporters and traders cannot pay at what the government has been paying," said an exporter requesting anonymity.

However, the trade analyst said the MEP will likely put an end to the reported diversion of rice from the public distribution system (PDS). Trade sources said earlier when Indian exporters bidded aggressively for tenders, particularly in Bangladesh, rice from the PDS was diverted, polished and shipped.

With inputs from Subramani Rao
Mancombu in Chennai

Coffee exports jump 15% in H1 as European buyers stock up ahead of deforestation curbs

Vishwanath Kulkarni

Bengaluru

India's coffee exports in the first half of the fiscal year registered a 55 per cent growth in value at \$929.95 million compared with \$601.58 million a year ago on higher global prices. In volume terms, exports were up 15 per cent at over 2.20 lakh tonnes from 1.91 lakh tonnes a year ago.

In rupee terms, coffee exports were up 57 per cent at ₹7,771.88 crore from ₹4,956 crore a year ago, as per the Coffee Board's latest data.

Exporters said the surge in purchases by importers ahead of the compliance deadline for the proposed European Union Deforestation Regulations (EUDR) coupled with the prevailing high global prices contributed to the growth in exports. Europe is the largest



GROWING AROMA. Europe is the largest destination for Indian coffee, with Italy and Germany being top buyers

destination for Indian coffee exports with top buyers being countries such as Italy and Germany among others.

The EUDR is aimed at minimising the import of products linked to deforestation and requires strict due diligence and traceability measures for commodities such as coffee and cocoa among others. The EUDR norms requires businesses in Europe to comply with its re-

quirements by December 30 this year.

MORE ENQUIRIES

With the latest reports of the EU going ahead with the implementation of EUDR norms, Indian exporters are receiving more enquiries. "The buyers in Europe want to get it as much as possible before December 20 so that they have some coffee as a cushion. Front loading as ex-

pected took place resulting in higher shipments in recent months," Ramesh Rajah, President, Coffee Exporters Association.

The normal transit time for Europe is around 45 days with delays around it could stretch upto 60 days, Rajah said. "Buyers have pushed back the deadline by a month and still buying for October shipments. Last month, we saw good demand for September and now extended to October shipments," Rajah said.

"There is an increase in enquiries ahead of the EUDR implementation" said M P Devaiah, Business Head - Coffee, Allana Group.

Rajah said while there is an increase in enquiry, most of the coffee in the country has already been sold. "There's not much coffee left. It's difficult for exporters to find coffee in the December quarter," Rajah said.

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Hike in edible oils import duty cheers oil palm farmers

K V Kurmanath
Hyderabad

The recent increase in duties on the import of crude and refined edible oils has resulted in an increase of about ₹2,500 on every tonne of an FFB (Fresh Fruit Bunch) of oil palm, bringing cheers to thousands of farmers in the country. The price, which used to be about ₹14,390 before the increase in import duty, rose to over ₹17,000, a rise of ₹2,610.

Though the increase in prices brought cheers to farmers, they are also cautious about the development. "It certainly helps us. But if they reduce the duties again, prices will crash. Though we are happy at the



However, Ind-Ra felt that the hike is unlikely to have a material impact on imports, owing to the country's high import dependency

moment, we are concerned about the sustainability," Pullaiah, an oil palm farmer from Badradri Kothagudem district, told *businessline*.

The Union government increased the basic customs duty on crude soybean oil, crude palm oil and crude sunflower oil to 20 per cent from nil (zero per cent), making the effective duty on crude oils 27.5 per cent.

The basic customs duty on refined palm oil, refined sunflower oil and refined soybean oil was increased to 32.5 per cent from 12.5 per cent, putting the effective duty on refined oils at 35.75 per cent.

PRICE STABILISATION

Farmers said the stabilisation of prices is very important. "What we want is an assured price of ₹20,000. The cost of production has gone up significantly. On the other hand, the yields have

come down by 40-50 per cent in several areas," he said. Farmers say the yields fell to 5-6 tonnes from about 10 tonnes an acre till recently. "At this level, we will be out of losses if we get ₹20,000 a tonne of FFB," he said. Telangana produces about 2.80 lakh tonnes of FFB from about 18,000 hectares. The State presently covers an area of 90,000 hectares under the edible oil crop. The fresh crop, however, will take about 5 years to give yields.

The Agricultural Department of Telangana estimated that the farmers in the State would get an additional earning of ₹12 crore this month, owing to the increase in the purchase price of FFBs. "About 10,000 oil

palm farmers are going to get this additional income. We hope that this will encourage more farmers to take up oil palm cultivation," Tummala Nageswara Rao, Minister for Agriculture, said.

Commenting on the increase in the import duties on key edible oils, India Ratings and Research (Ind-Ra) felt that the hike is unlikely to have a material impact on the country's oil imports, owing to the country's high import dependency (57 per cent-60 per cent) to meet its domestic demand. The hike in the customs duty would increase the cost of importing edible oil by around 20 per cent, which is likely to be passed-on by sector companies.

CAD likely around 1% in FY25 on low oil prices, exports

PRIYANSH VERMA &
KISHOR KADAM

New Delhi/Mumbai, October 2

WITH THE FIRST quarter of FY25 recording a current account deficit (CAD) of 1.1% as a percentage of GDP, economists say the full year's print should be around this. According to a median of 10 estimates, CAD for FY25 is projected to be at 1% of GDP.

Most economists feel sustained low oil prices and a pick-up in services exports in the coming months will curb the widening of CAD. "Given that the U-turn in the global interest rate cycle is leaning towards front-loaded interest rate cuts, services exports are likely to see a gradual pick-up from current levels," said Radhika Piplani, chief economist, DAM Capital. "This is the key to keeping CAD levels within manageable limits, despite the increased likelihood of a wider trade deficit gap," she added. Data from Petroleum Planning & Analysis Cell shows that so far in September, the price of India's crude oil basket has averaged \$73.69/bbl; and in the current fiscal, \$81.95/bbl. The 1% CAD projection is based on the assumption that the oil basket's price would average around \$80/bbl in FY25.

Services trade surplus, meanwhile, in the current fiscal is projected to rise to \$175 billion from \$163 billion in FY24, according to ICICI Bank. Services exports have maintained a steady momentum rising to \$14 billion per month (average run-rate) during April to August. "With a steady pick-up in net services exports and remittances, CAD is seen at \$32 billion (0.8% of GDP)," said the bank.

The merchandise trade deficit has risen in the first two months of Q2FY25 as against the previous quarter. In July-August, the monthly trade deficit averaged 25% higher than in Q1FY25. A surge in gold imports pushed up the import bill and widened the merchandise trade gap. In August, gold imports soared 221% on year to \$10 billion, higher than \$3.2 billion monthly average in April-July. Analysts say this surge in imports was a one-off, spurred by a steep customs duty cut announced by the govern-



CAD PROJECTIONS FOR FY25 (as % of GDP)

| | |
|--------------------|-----|
| ICICI Bank | 0.8 |
| Motilal Oswal | 0.8 |
| HDFC Bank | 0.9 |
| I-SEC PD | 1 |
| DAM Capital | 1 |
| Crisil | 1 |
| QuantEco Research | 1.2 |
| IDFC | 1.3 |
| FIRST Bank | 1.3 |
| Equirus Securities | 1.3 |

ment during the Budget in July. However, the import demand of gold remains strong in the near term ahead of the festive season, said ICICI Securities Primary Dealership (I-SEC PD) in a report. I-SEC PD has projected the trade deficit to widen to \$265 billion in FY25 from \$242 billion the previous fiscal.

On the capital accounts front, economists expect FPI and FDI inflows to improve going forward. In Q1FY25, net FPI inflows moderated to \$0.9 billion from \$15.7 billion in Q1FY24; while net FDI inflows rose to \$6.3 billion from \$4.7 billion.

"Election related uncertainty, and expectation of a rate cut by major central banks weighed on FII inflows in the first quarter. However, equity inflows have improved since then," said Sakshi Gupta, principal economist, HDFC Bank. Data sourced from NSDL showed that net FPI inflows stood at \$15.92 billion in April-September FY25, lower than \$20.45 billion in H1FY24. For the full fiscal, economists have projected net FPI flows to rise to \$30-40 billion.

Business Line, dt. 4/10/24

Steel Ministry pushes for stricter norms on non-standard imports

Abhishek Law

New Delhi

Alarmed over increasing requests for the import of steel, especially in some auto-grade and capital goods categories not covered under Indian standards, the Steel Ministry is looking at specific “intervention” on such non-standardised products and check shipments of the metal.

A meeting has been called on October 4 where discussions on products being imported and currently outside the purview of quality control orders (QCO) will be taken up.

The Ministry is already in favour of doubling customs duty on imported steel, in-

cluding from China, while it is in discussion with the Commerce Ministry to review FTAs with ASEAN, Ministry sources told *businessline*.

PUSH FOR REVIEW

In a recent letter to the Department of Revenue, the Steel Ministry, citing an internal assessment, mentioned that they would look at “reducing NOC granted for imports from non-BIS licenced manufacturers”.

It also pointed out the need for “review of Bureau of Indian Standards (BIS) licences granted to foreign manufacturers and discretion to be exercised at the time of renewal of existing licences.”

The Ministry is also in favour of no new BIS licences

being issued for next one year.

“It has been observed that a significant number of NOC requests are being received for the import of steel grades currently not covered by the Indian Standards notified under the QCO. To minimise non-BIS imports, there is an urgent need for interventions,” stated an official from the technical division of the Steel Ministry in an email sent to various stakeholders, including automobile manufacturers, steel mills, importers, and exporters.

Communications have also been sent to the Director General of Indian Standards and the Chairman of the CBIC, Department of Revenue (*businessline* has reviewed a copy of the email).

A Steel Ministry official

stated that some of the import requests pertain to CRGO steel (cold rolled grain oriented). Additionally, several auto-grade steels used in car manufacturing and certain alloy steels required for capital goods are also under review.

As of October 2023, the regulations state that all steel imports not cleared by the Bureau of Indian Standards (BIS) must obtain approval from the Steel Ministry.

IMPORTS SURGE

Incidentally, India has already seen an increase in Chinese imports of the metal – up to a five-year high (for the five month period) of 1.14 million tonnes (mt) for April – August period. Imports were up 32 per cent year-on-year.

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Coffee exporters say deferment of EUDR norms will give more time for preparations

Vishwanath Kulkarni
Bengaluru

The European Commission's proposal to defer the implementation of the proposed EU Deforestation Regulation (EUDR) norms has given a breather to Indian coffee exporters.

The EUDR is aimed at curbing the imports of certain products from deforested areas. It mandates that companies exporting commodities such as coffee, cocoa, rubber, oil palm, soy, timber and cattle, along with their derived products to the European Union markets, must conduct thorough deforestation analysis, detailed risk assessment and risk mitigation to ensure these goods are not sourced from deforested areas since December 31, 2020.

The proposed EUDR emphasises the importance of complying with laws related to environmental and social aspects with sustainability principles embedded in them. It is mandatory for all specific commodities, in any form, to comply with these regulations when imported to Europe starting from January 1, 2025.

Amidst protests from a host of countries, including India, the US, Brazil and Indonesia, the European Commission on Wednesday proposed to defer the implementation of the EUDR norms by a year. "It has given us some breathing space to get prepared. We needed that time," said Ramesh Rajah, President of the Coffee Exporters Association.

Europe is the main destination for Indian coffee ex-



Europe is the main destination for Indian coffee exports

ports, and the fast approaching deadline had left the industry worried as it found it difficult to comply with the proposed regulations. "Now that more clarity is coming in, we will be better prepared in the one year time that we get," Rajah said.

BUYING SPREE

The earlier deadline of December 30 this year had

witnessed a surge in buying from European importers, who were found stocking coffee in the run up to the implementation of the proposed EUDR norms.

As a result, Indian coffee shipment volumes in the past six months had increased by about 15 per cent, with main buying coming in from Europe. "Most of the panic buying has already been done. We can see that inventory has started building up both in EU and also in the US," Rajah said.

India's coffee exports in the first half of the financial year registered a 55 per cent growth in value at \$929.95 million, against \$601.58 million a year ago, on higher global prices.

In volume terms, the exports were up 15 per cent at over 2.2 lakh tonnes from 1.91 lakh tonnes.

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Nabard releases agri-export guidebook

Our Bureau
Bengaluru

The National Bank for Agriculture and Rural Development (Nabard)-supported Agri Export Facilitation Centre (AEFC) in Jodhpur has come out with a comprehensive guidebook on agri-exports that outlines essential procedures to make Indian agricultural products available on the global market.

The book was released by Manju Rajpal, Secretary, Co-operative Department & RCS, Government of Rajasthan during the 55th High Level Committee/State Level Task Force (SLTF) meeting on Cooperative Credit Structure organised by Nabard regional office, Jaipur on September 26, 2024. Nabard has established an initiative titled "Setting up of Agri-Export Facilitation Centre" at Jodhpur, Ra-

jasthan, funded through its Farm Sector Promotion Fund (FSPF) and implemented by South Asia Biotechnology Centre (SABC), Jodhpur.

The AEFC with support from Nabard, aims to boost Rajasthan's agricultural exports and serve as resource centre for various stakeholders such as agripreneurs, agri-business entities, and Farmer Producer Organisations.

The centre is also aimed to equip exporters with the tools and insights they need to succeed in international trade of agricultural commodities and value-added products.

As a significant outcome of this project, the project implementing agency has developed an insightful agri-export guidebook titled 'From Local to Global: The Agri Exporter's Roadmap', authored by Bhagirath Choudhary and Sapna Bohra

● EYE ON EXPORTS

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of South Asia Biotechnology Centre.

PRACTICAL INFO

The agri-export guidebook 'From Local to Global: The Agri-Exporter's Roadmap' is an attempt to assist key stakeholders to explore and navigate through the complexity of trade in food, said Rajiv Siwach, Chief General Manager (CGM), Nabard, RO Jaipur Rajasthan.

"I am confident that this guidebook will stand as a steadfast ally for navigating through the realm of agricul-

tural exports," said Siwach.

The book provides practical information designed to inspire young agripreneurs to start their ventures and explore opportunities in the global marketplace.

Additionally, a Hindi version of the guidebook is under preparation for improved accessibility and better outreach to the rural community.

Keeping in view the bountiful production of high value crops in Rajasthan, the potential for processing, value addition and agri exports has never been more promising, said Bhagirath Choudhary, author of the guidebook and coordinator of NABARD Agri Export Facilitation Centre. The agri-export guidebook is curated with practical information to facilitate the journey from local small farms and farmer producer organisations to the global marketplace, said Choudhary.

US port strike hits exports hard amid West Asia crisis

MUKESH JAGOTA
New Delhi, October 3

AN ESCALATION of the conflict in West Asia, coupled with the strike by port workers on the US east coast, has added to the logistics challenges faced by Indian exporters and may end up hurting shipments to the country's biggest markets, trade sources and analysts say.

The movement of ships is as of now normal and has so far not been disrupted by the exacerbation of the Israel-Iran conflict and the strikes on Lebanon. The bigger challenge, however, has emerged from the US where port workers are on a strike, chairman of Engineering Export Promotion Council (EEPC) Arun Kumar Garodia said. He said the immediate impact of the conflict escalation would be on the movement of cargoes by air, as airspace of countries involved is constricted, leading to longer time to execute the shipments and higher costs.

The strike started on October 1 at the ports through which most of India's exports enter the US. At least 45 container vessels that have been unable to unload had anchored up outside the strike-stricken East Coast and Gulf Coast ports, *Reuters* reported.

Indian exporters are already facing higher freight costs and delays due to disruptions in the Red Sea route and problems in the availability of certain types of containers.

"Amid the global economic slowdown, this is adding to the worries of the Indian exporters to the US, India's largest trading partner and biggest export destination," chairman of CII National Committee on EXIM and MD of Patton International Sanjay Budhia said.

"If operations at ports do not resume then there is a possibility that ships may discharge the containers at other ports which will create another problem of retrieving the cargo from those ports and reaching the sellers, adding to further delays and losses," the EEPC chairman said.

(For full report, log on to www.financialexpress.com)

FOOD & SECURITY

India's basmati rice exports (in million tonne)



Basmati exporters to Iran fear a slowdown

SANDIP DAS
New Delhi, October 3

JUST A FEW days after the government removed the minimum export price (MEP) of \$950/tonne on basmati rice, exporters have started fearing a slowdown in shipment to Iran, a major destination of aromatic rice, if the Israel-Iran conflict escalates. Industry sources say an escalation in the conflict will increase risk to rice shipment and may delay payment settlement for exports. The industry is closely observing the development in West Asia, they said.

Sources said the Government Trading Corporation of Iran recently floated a tender to buy 0.1 million tonne (MT) of basmati rice from India, which is expected to be supplied by October 30. Exporters said around 50,000 tonne of rice has already been shipped and the rest will have to leave ports in India by at least October 15. "Any disruptions in the rice trade between India and Iran could cause significant losses to both farmers and exporters," Ranjit Singh Jossan, managing director, Jossan Grain, a leading basmati rice exporter, told *FE*, adding exporters are concerned about the evolving situation in the region.

According to the commerce

ministry, India's basmati rice exports during 2024-25 (April-July) was 1.91 MT, out of which shipment to Iran had a share of around 19%. In FY24, out of the total exports of 5.24 MT of aromatic rice, shipment to Iran was 0.67 MT or 13% of total exports. However, in FY23, India exported one MT of aromatic rice to Iran out of the country's total shipment of 4.55 MT.

Meanwhile according to a *Bloomberg* report, rice prices in Asia have fallen the most in over 16 years, as supply concerns diminish following India's relaxation of some export restrictions. Thai white rice, an Asian benchmark, saw a dramatic drop of approximately 11%, settling at \$509/tonne on Wednesday, according to the Thai Rice Exporters Association. This marks the largest decline recorded since May 2008 and extends a prolonged decrease in prices, reaching the lowest level in more than 15 months, the agency has stated.

The government last week had reduced the export duty on parboiled rice to 10% from 20% and removed a ban on non-basmati white rice shipment. India has been biggest rice exporters in the past decade with a market share of 35-40%.

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Export dip may slow growth; no major fiscal worries yet

PRASANTA SAHU

New Delhi, October 3

AMID WORSENING WEST Asia conflict, experts said any further slowing of exports could potentially have an adverse impact economic growth, but added that it was too early to evaluate the extent of it.

Any spike in crude oil prices resulting from a potential broader conflict could push up prices of assorted commodities, including natural gas and fertilisers, with consequences for the Union Budget. However, this could be tempered to a great extent, because petroleum product prices are de-regulated, and explicit oil subsidy is limited to LPG.

While widening of trade deficit due to higher oil import bill could have implications for the current account, at this juncture, the fears over this are muted. Policymakers are assessing the situation closely. The benchmark BSE Sensex was down 2.1% at 82,497 on Thursday, Indian rupee dropped 0.18% versus the US dollar to 83.96 and government bond yields rose, tracking the rise in US peers and oil prices.

"The uncertainty/conflict will have its impact on commodity

DK PANT, CHIEF ECONOMIST,
INDIA RATINGS

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prices as witnessed in crude. The other major risk is Indian exports in general, if it leads to global growth/demand slowdown impacting our exports," said India Ratings chief economist DK Pant.

Lower exports and higher imports (due to price increase) may have adverse impact on Indian growth.

"The prices of other major com-

modities imported by India, which has large fiscal implication through subsidies is fertiliser. India imports fertiliser both from Israel and Iran, however imports from them is not significant in overall fertiliser import," said Pant. The impact on budget due to subsidy is unlikely to be significant. If crude oil price average \$80/bbl in rest of this fiscal, it is unlikely to have any impact on pump prices of petroleum products and thus hit on inflation, Pant added.

The Reserve Bank of India is expected to cut interest rates by a modest 50 bps over the next six months, according to a *Reuters* poll, which predicted it would likely wait until December to start easing.

India's GDP growth of 6.7% in Q1FY25 and the movements in high-frequency indicators till August fit well with the real GDP growth projection of 6.5-7% for FY25 provided by the Economic Survey, finance ministry economists have said.

