

SPANDAN

System of Promoting Appropriate National Dynamism for Agriculture and Nutrition

May 2018

Export of agriculture produce and organic farming in India

An Interview with Dr. Arpita Mukherjee

Export of agriculture produce and organic farming in India

An Interview with Dr. Arpita Mukherjee

Dr. Arpita Mukherjee is a Professor at Indian Council for Research on International Economic Relations (ICRIER). She has several years of experience in policy-oriented research, working closely with the government in India and policymakers in the European Commission and its member states, United States, Association of Southeast Asian Nations and in East Asian countries. She has conducted studies for international organizations such as Asian Development Bank (ADB), ADBI, ASEAN Secretariat, Foreign and Commonwealth Office (FCO, UK), United Kingdom Trade and Investment (UKTI), Italian Trade Commission, Konrad-Adenauer Stiftung (KAS), Organisation for Economic Co-operation and Development (OECD), Taipei Economic and Cultural Centre, United Nations Conference on Trade and Development (UNCTAD), World Bank and the World Trade Organization (WTO). This interview primarily focuses on promotion of organic farming and export of food products in India. She has emphasized on food safety issues and suggested some measures for the same.

What are the initiatives that Indian government has come up with for promoting organic farming?

To help the domestic market for organic to grow, and to encourage small and marginal landholders to enter into organic farming, the ministry of agriculture and farmers' welfare came up with the participatory guarantee system for India (PGS-India) in 2011. The national Centre for organic farming (NCOF), under the ministry of agriculture and farmers' welfare, is the nodal agency for PGS-India. PGS-India is a voluntary self-certification system. The ministry of agriculture and farmers' welfare is of the view that by reducing the cost of third-party certification and through simpler certification process, it can support faster growth of organic farming. The PGS-India is based on international federation of organic agriculture movements' (IFOAM's) PGS guidelines. The NCOF also started promoting organic farming through schemes such as the Paramparagat Krishi Vikas Yojana (PKVY), which is in partnership with state governments. Under PKVY, subsidies are given to promote organic farming in the Indian states through a cluster-based approach. Until December 2017, state governments created 7,208 organic clusters under the PKVY scheme.

This initiative, although adopted with a good intention, is distortionary, as farmers who had higher cost of third-party certification do not receive subsidy, while those who do not incur any cost of certification receive it.

Until 2017, India did not have a regulation for import of organic food products. In November 2017, the FSSAI established the Food Safety and Standards (Organic Food) Regulation, 2017, which was implemented with immediate effect. Organic food meant for sale and consumption, either imported or produced domestically in India has to comply with the requirements laid down in this Regulation, especially those related to manufacturing, packaging, marketing, certification, and labelling. Regarding import of organic food in India, imports under bilateral or multilateral agreements on the basis of equivalence of standards of the exporting countries are not required to be re-certified when imported to India. The FSSAI also launched the “Jaivik Bharat” organic logo for easy identification, and the “Indian Organic Integrity Database Portal” to help consumers verify the authenticity of organic foods.

For more details refer this article <http://www.scholink.org/ojs/index.php/rem/article/view/1294>

In your research paper “India’s Exports of Food Products: Food Safety Related Issues and Way Forward” you have mentioned that Indian exporters of agricultural products continue to face rejections and bans in key markets. According to you, why is it so and what is needed to be done domestically for promoting export of agriculture produce?

Secondary data on import refusals from different countries indicates that food products get rejected due to several reasons. These include pest infestations in the product, presence of ingredients or chemicals, which are banned by the importing country’s national food law, presence of chemical residues in excess of the prescribed limits, and food contamination due to germination of bacteria, etc.

For promoting export of agriculture produce domestically:

- Implement Product Traceability
- Implement GAP (good agricultural practices) and Global Best Practices
- Implement Best Practices in Livestock
- Initiate Pro-active Measures
- Review the Export Control Process
- Need for a Single Nodal Agency for the Export and Domestic Markets
- Have an Agriculture Export Policy
- Implement Food Safety Regulations in the Domestic Market
- Have World Class Export Infrastructure
- Need for Scientific Research and Data Generation

For more details refer this article http://icrier.org/pdf/Working_Paper_345.pdf

Can you elaborate on current status of food safety issues in India?

In India there is widespread use of chemical inputs, some of which has been banned by other countries. This is leading to deterioration of soil quality and illness such as cancer. Our food products are facing rejections in key markets.

Sikkim is on the verge of becoming a fully organic state in India, but the issues have been raised that organic farming is leading to higher prices of agriculture produce, what are the facts based on that?

Organic food products are globally sold at a premium price compared to conventional food products. However, most developed countries have gone towards nutritious food by first banning harmful chemicals and then by reducing MRL (maximum residue level) of permissible chemicals. Still they have allowed both conventional food along with organic food, giving consumer the choice. Organic food is more expensive than conventional food.

Sikkim brings in a lot of food products from neighboring states (in this case say West Bengal), which are not organic. In Bhutan too chilies from West Bengal faced this issue last year. If the entry of conventional products are restricted price will increase.

There is a shortage of organic food products in India and the demand exceeds supply, hence there is a rise in price. Further, if you are in Sikkim you will not have a choice between low cost conventional products and high cost organic products.

To produce organic food at a cheap price organic farming has to grow at a fast pace, which will take some time. Organic food is a good initiative but government also has to ensure that it is affordable.

Do you think promotion of organic farming can increase export of agriculture products?

Exports will increase only if we promote third part certified organic farming.

What is needed to be done for doubling farmer's income?

For doubling farmers income holistic approach has to be taken which includes improving soil quality, ensuring irrigation and water supply, providing them the right quality of seeds and inputs, ensuring that farmers have proper storage for their produce and there is no wastage in the supply chain, connect farmers to market, use technology to give them the right knowledge and best price for their produce etc.