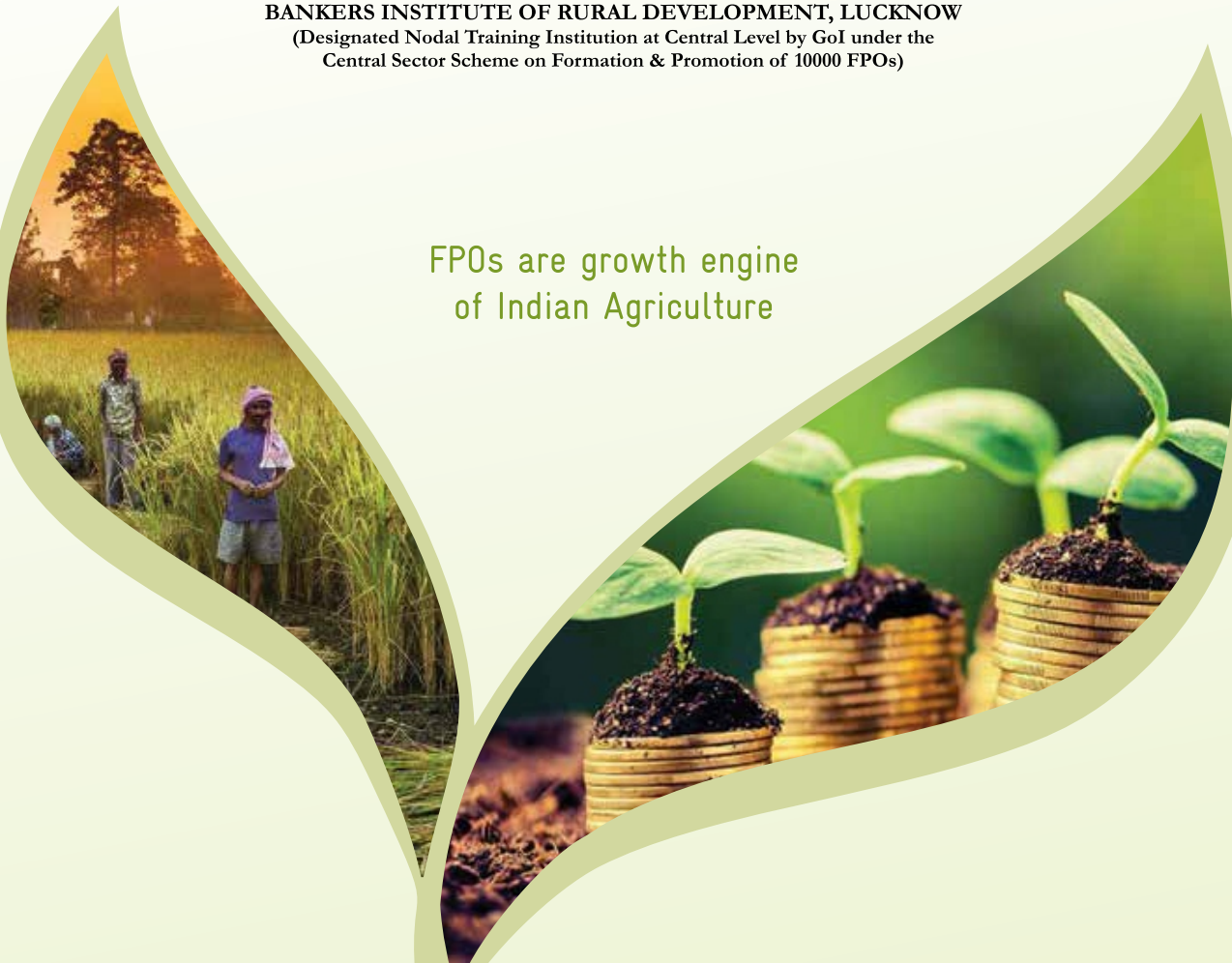




BANKERS INSTITUTE OF RURAL DEVELOPMENT, LUCKNOW
 (Designated Nodal Training Institution at Central Level by GoI under the
 Central Sector Scheme on Formation & Promotion of 10000 FPOs)

FPOs are growth engine
 of Indian Agriculture



Resource Material **Agri-Export**

under
**Central Sector Scheme on Formation &
 Promotion of 10000 FPOs**



Implemented by

giz Deutsche Gesellschaft
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INTRODUCTION

India is one of the largest producers of agriculture and food products in the world. It is also one of the largest agricultural products exporters in the world. During 2020-21, despite the Covid-19 pandemic, the country exported agricultural products worth USD 50 billion, a nearly 20% rise over the previous year.

Over half of India's families still depend on agriculture and allied activities for their livelihoods. The Government of India has rolled out several policies and schemes to double farmers' incomes. Of them, the Central Sector Scheme on Formation and Promotion of 10000 FPOs is chosen to help farmers achieve economies of scale, which is essential for agri-exports. Most FPOs in India organise a large number of small and marginal farmers, women farmers and even landless peasant farmers – these categories of farmers have difficulties even participating in the domestic market. However, it is possible that many FPOs are also aiming for exports. This Advanced Module on Agri-Exports has been put together to support facilitating agencies with comprehensive material to train FPOs.

The Reading Material presented in this document includes an overview of international trade institutions like the WTO, direction of agri-exports from India and the several policies and schemes of the Government of India to promote agri-exports. The policies and schemes covered in the material should be taken as indicative, as the content is bound to change over time. The users of this material are encouraged to refer to the latest online resources of the Government of India before conducting any training programme.

It is hoped that FPOs indeed will be able to make India an agri-export powerhouse in the near future – a win-win for both the country and its farmers.

Chapter 1 - Understanding International Trade and Agri-Export

Summary of the Chapter

International trade and its benefits

GATT and WTO including Agreement on Agriculture (AoA)

Free Trade Agreements and agri-export zones

Role of the Ministry of Commerce and Industry, GoI and DGFT

1. Background

Marketing of agricultural commodities across the nation's borders is termed as external trade. Exports provide the market support for a country's surpluses and generate foreign exchange earnings which increases the country's capacity to import other goods. But at the same time in the short run, they could reduce the domestic availability of the commodities exported and consequently raise the domestic price level. Imports, on the other hand, though reduce the foreign exchange reserves, augment the domestic availability of goods and if these pertain to capital goods or inputs, expand or improve the production capacity.

2. Benefits of International Trade

The internet and communication technologies have made it much easier for businesses of all sizes to profit from the many advantages of international trade. Going international could provide business access to a world of opportunities. Many people think it is safer to focus on trade on home turf. But venturing out of one's comfort zone to trade internationally may make business stronger, more successful and more profitable.

Here are some of these potential advantages of international trade:



3. International Trade Agreements

General Agreement on Trade and Tariff (GATT)

The General Agreement on Trade and Tariff (GATT) was a multinational treaty to liberalize world trade. It took effect on 1st January 1948 and ended when 117 member states signed the Uruguay Round of negotiations in Marrakesh, Morocco in 1994. GATT established a code of conduct for international trade based on the principle that the trade should be conducted without discrimination, tariffs should be reduced through multinational negotiations, and member countries should consult each other to overcome trade problems. After eight rounds of talks, the World Trade Organization (WTO), the successor to the GATT was established. It brought international trade rules to areas previously excluded or subjected to weak rules (such as agriculture, textiles and clothing), services, Trade Related Investment Measures (TRIMS), Trade Related Intellectual Property Rights (TRIPS) and strengthened the dispute settlement mechanism. Despite these achievements, the global trading system faces major challenges.

World Trade Organisation (WTO)

WTO is an international body to supervise and encourage international trade which took over the functioning of GATT on 1st January 1995.

Agreement on Agriculture (AoA) under WTO: The provisions under AoA consist of five broad groups:

- a. Market Access Commitment
 - b. Reduction commitment for aggregate measure of support
 - c. Reduction commitment for export subsidy
 - d. Sanitary and Phyto-sanitary measures (SPS)
 - e. Trade Related Intellectual Property Rights (TRIPS)
-
- a. **Market Access Commitment:** The provisions include
 1. Tariffication of all non-tariff barriers (like converting quantitative restrictions to import duty).
 2. Reduction of all tariffs in a time bound framework
 3. If dumping is proved, freedom to increase the import duty.
 - b. **Aggregate measure of Support (AMS):** Under the agreement, the supports are classified into three groups:
 1. Green Box Support/Subsidies: These are not subjected to reduction commitment as they are not considered trade distorting. Ex- research, training, extension, pest and disease control, govt. stock holding for food security, etc.
 2. Blue Box support/Subsidies: These groups include direct support to farmers for income support, income insurance or other payments that are not trade distorting.
 3. Amber Box support/subsidies: All other forms (not included in Green and Blue Box support) of support are considered as trade distorting and are subjected to

reduction commitments. Ex subsidies on agri-export and Government purchase on MSPs

- c. **Export Subsidies:** The reduction commitment for export subsidies requires that (a) the developed countries would reduce it by 36% in six years and (b) the developing countries would reduce it by 24% in ten years
- d. **Sanitary and Phyto-sanitary measures (SPS):** The SPS provisions of AoA require all exporters to employ international standards relating to sanitary and phyto-sanitary conditions.
- e. **Trade Related Intellectual Property Rights (TRIPS):** It includes copyrights, trademarks, geographic indications, industrial designs and patents. According to AoA, all the countries are required to provide for arrangements for protection of plant varieties.

In addition to these there are quite a few other inter-governmental agreements under WTO which include the following:

- Technical barriers to trade (TBT)
- Anti-dumping measures
- Subsidies and countervailing measures
- Safeguard mechanism

4. Free Trade Agreements and Regional Trade Agreements

FTAs are arrangements between two or more countries or trading blocks that primarily agree to reduce or eliminate custom tariffs and non-tariff barriers (NTBs) on their imports and exports. Since 2000, India's FTAs have expanded and 16 FTAs are active for India at present. The major among them are with Japan, Nepal, South Korea and ASEAN. However, after FTAs, India's imports have increased more than the exports. Indian trade deficit with Japan, ASEAN and South Korea have widened. India is currently exploring the possibilities of a multilateral trade agreement known as Regional Comprehensive Economic Partnership (RCEP) with a group of 15 countries including ASEAN and China, Australia, New Zealand, Japan and South Korea.

5. Agri-Export Zones (AEZs)

In order to provide the farming community improved access to the overseas markets of agriculture and allied sector, the Government of India announced the setting up of AEZs in the Export-Import (EXIM) policy of 2001-02. The concept dwells on the cluster approach of identifying the potential products and the geographical regions in which such products are grown and adoption of end-to end approach of integration of the entire process. Under the scheme, the State Governments identify the products with export potential from the local area. Agricultural Processing and Export Development Authority (APEDA) is the nodal agency of the Central Government to promote setting up of AEZs. The Government of India has so far sanctioned and notified 60 AEZs in approximately 20 States.

6. Department of Commerce, Ministry of Commerce and Industry

The Department formulates implements and monitors the Foreign Trade Policy (FTP) for the country. The FTP provides the basic framework of policy and strategy to be followed for promoting exports and trade. The Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy. Besides, the Department is also entrusted with responsibilities relating to multilateral and bilateral commercial relations, Special Economic Zones, state trading, export promotion and trade facilitation, and development and regulation of certain export oriented industries and commodities

Subjects under administrative control of the Department of Commerce

I. International Trade

- International Trade and Commercial Policy including tariff and non-tariff barriers.
- International Agencies connected with Trade Policy (e.g. UNCTAD, GATT/WTO, ITC and CFC).
- All issues connected to the WTO including interpretation of WTO rules and its dispute settlement mechanism.
- International Commodity Agreements other than agreements connected to wheat, sugar, jute and cotton.
- Residual work of Tariff Commission.

II. Foreign Trade (Goods & Services)

- All matters connected to foreign trade.
- Foreign Trade Policy and Control, excluding matters connected to-
- Setting up of Agricultural Export Zone (AEZ) and 100% Export Oriented Units (EoUs) including policy and regulatory framework and all other related matters.
- Development, expansion of export production and regulation of foreign trade in relation to all commodities and products (excluding jute products and handicrafts).
- Matters connected to Export Promotion Board, Board of Trade and International Trade Advisory Committee.
- Matters connected to concerned Export Promotion Councils/ Export Promotion Organizations.
- Coordination for export infrastructure.
- Projects and programmes for assisting the export efforts.

III. State Trading

- Policies of State Trading and performance of organisations established for the purpose.
- Production, distribution and promotion (for domestic consumption and exports) and development of plantation crops, viz., tea, coffee, rubber, FCV tobacco*, spices, cashew. Etc. Regulation and export promotion of Flue Cured Virginia (FCV) tobacco and export promotion of all other types of tobacco & its allied products.

IV. Special Economic Zones

- All matters connected to development, operation and maintenance of special economic zones and units in special economic zones, including foreign trade policy, fiscal regime, investment policy, other economic policy and regulatory framework.
- {Note: All fiscal concessions and policy issues having financial implications are decided with the concurrence of the Department of Expenditure/Revenue (Ministry of Finance) or failing such concurrence, with the approval of the Cabinet.

7. Directorate General of Foreign Trade (DGFT):

Directorate General of Foreign Trade (DGFT) organisation is an attached office of the Ministry of Commerce and Industry and is headed by Director General of Foreign Trade. Since its inception in 1991, when liberalization in the economic policies of the Government took place, this organization has been involved in the regulation and promotion of foreign trade. DGFT has since been assigned the role of "facilitator" to increase exports. The shift was from prohibition and control of imports/exports to promotion and facilitation of exports/imports, keeping in view the interests of the country.

This Directorate, with headquarters at New Delhi, is responsible for formulating and implementing the Foreign Trade Policy with the main objective of promoting India's exports. The DGFT also issues scrips (coupons)/authorization to exporters and monitors their corresponding obligations through a network of 24 regional offices located all over India.

Goals and Objectives of DGFT:

- DGFT has an ambitious target of US \$ 400 billion of goods/merchandise exports for the current year 2021-22 has been fixed keeping in view the critical role of exports in catalysing economic activities which were impacted by the COVID-19 pandemic;
- The target has been set in the context of our immense export potential, past trends, recent initiatives taken by the Government and the need to push the economy.
- The DGFT regularly updates its FTP for a period of year. Currently the FTP is for 2022-25

Websites of various other ministries like Ministry of Agriculture & Farmers Welfare (MoA & FW), Ministry of Finance and Ministry of Food Processing Industries, GoI also have specific schemes related to agri-export.

References and Suggested readings:

1. Agricultural Marketing in India by S. S. Acharya and NL Agarwal
2. Websites of Ministry of Commerce and Industries and Directorate General of Foreign Trade (DGFT) and APEDA

Chapter 2 - Agri Exports from India - Commodities and Markets

Summary of the Chapter:

Present scenario of agri-exports from India,

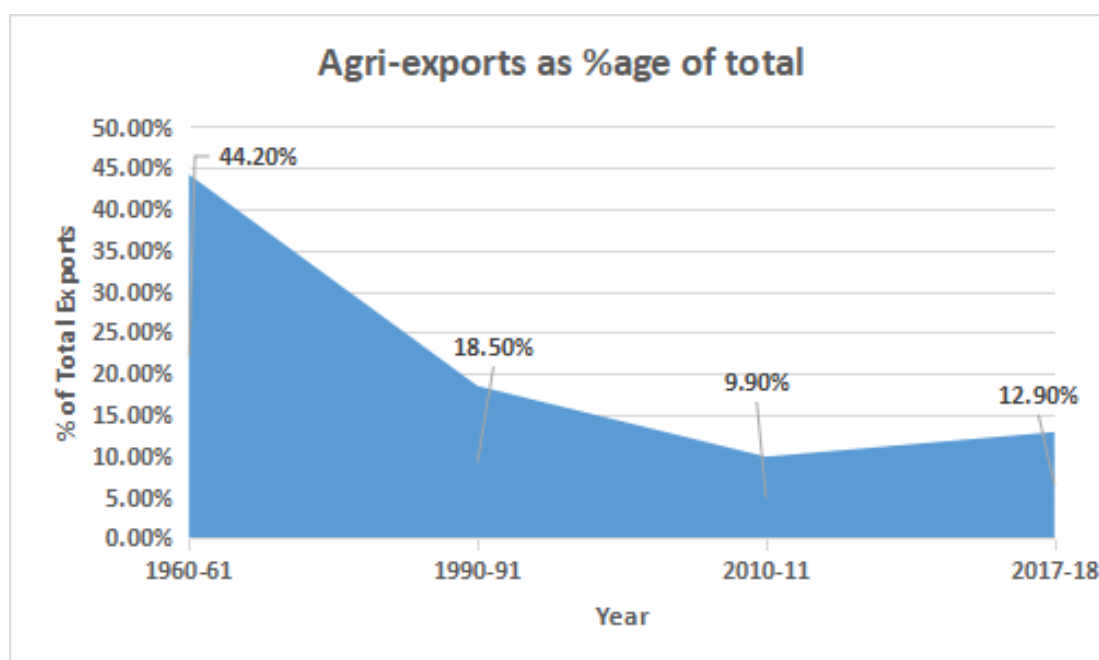
Major commodities of export and markets (destinations),

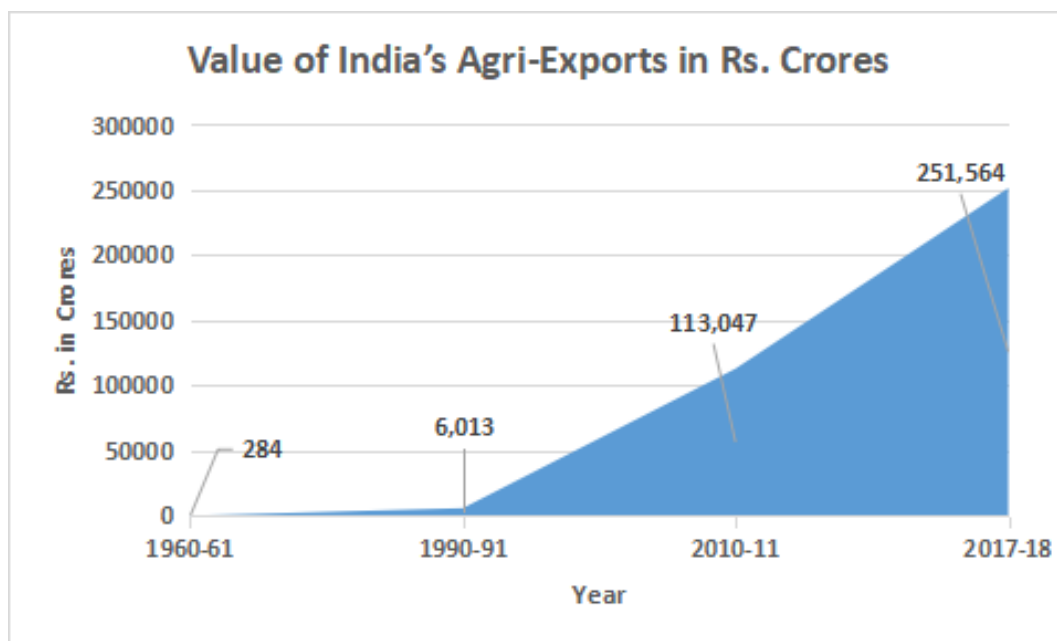
Medium-term strategy of Govt

1. Background

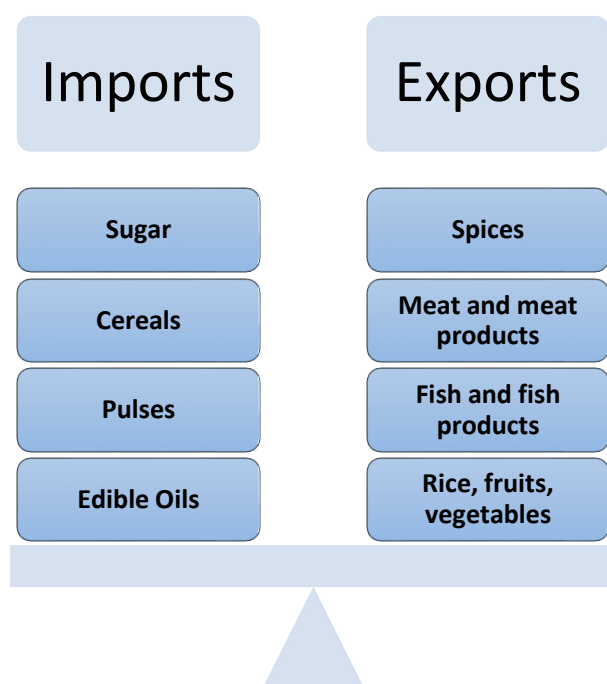
One of the important aspects of agricultural marketing is the marketing of agricultural commodities across the nation's borders usually termed as external trade or exports. Exports provide market support for the country's surpluses and generate foreign exchange earnings which increase the country's capacity to import other goods. But at the same time in the short run, they reduce the domestic availability of the commodities exported and consequently raise the domestic price level. Imports, on the other hand, though reduce the foreign exchange reserves, augment the domestic availability of goods and if these pertain to capital goods or inputs, expand or improve the production capacity. India broke into the top 10 list of agricultural produce exporters in 2019 with a sizeable share in the export of rice, cotton, soya beans and meat, according to a World Trade Organization (WTO) report on the trends in world agricultural trade in the past 25 years.

2. Share of Agricultural Products in total imports/exports of India:





Changes in India's Export and Import Basket: A number of agricultural commodities are exported from India. The four-five top agri-commodities exported from India and imported into India are as below:



- Vegetable oil and pulses: 2/3rd of the total agri- import value
- 3% - India's share in world agricultural trade these days
- India is doing well in rice and fish and meat products export
- The balance of trade (Export- Import) of Indian Agriculture has been positive except in 1960-61

Prospects of Agriculture trade:

Export Opportunities in Agriculture commodities from India				
Foodgrains (rice, wheat, maize)	Sugar	Cotton	Processed foods	Tea, cashew, coffee & spices

India's Agri-export Destinations: For fully understanding the prospects and promotion of agricultural exports from India, one has to keep in view the present and possibly new export destinations. The top five (left to right) export destinations are mentioned below:

India's Agri-export Destinations				
United States of America (USA)	China	United Arab Emirates (UAE)	Hongkong	Bangladesh

3. Medium Term Strategy of the Government of India

Trade Policy for Agriculture:

During the initial years of planned development in India, i.e., during 1950 to 1970s, foreign trade was seen as a constraint on growth and India followed a moderately outward looking economic policy. Only from the third and fourth five years plan was there a radical departure in the export policy and many fiscal incentives for exporters were announced. However, the liberalisation of the external sector gathered pace only since 1991.

Economic Liberalisation Since 1991

In July 1991, India introduced radical policy reforms in various economic sectors including trade. Trade restrictions on agricultural products were left mostly untouched in the 1991 reforms but during subsequent trade policy changes, restrictions on agricultural products were gradually lifted. India signed the Uruguay Round of Agreement on 15th April 1994 at Marrakesh. The treaty introduced agriculture trade in the multilateral agreement for the first time. The aim of treaty was to eliminate physical controls on agriculture trade by replacing them with bound tariff rates. The Agreement on Agriculture (AoA) came into effect from January 1, 1995 which marked the beginning of a new era of agricultural trade policy in India.

Five medium term policy priorities in external trade of agri-commodities of GoI are as below:

1. Broadening and simplification of export incentive measures and removal of restrictions on exports
2. Elimination of quantitative restrictions on imports
3. Substantial restriction in tariff rates

4. Decanalisation (canalisation = most import/export is through the government) of exports and imports except a few items
5. Moving to a Foreign exchange system which is free of allocative restrictions of trade

Foreign Trade Policy 2015-20

On 01st April 2015, Government of India notified the Foreign Trade Policy for the period 2015-20. This was done under Foreign Trade (Development and Regulation) Act, 1992. This policy is effective till March 2022 as per the decision of Gol. Some major trade facilitation reforms that are transforming trade scenario are as follows:

- Round the clock customs clearance facilities for consignment at major ports
- Documents are accepted in electronic format
- Centralized web based message exchange platform facilitates e-payments, e-invoices and e-delivery etc.
- RFID enabled e-seals introduced along with selective scrutiny of consignments

Agriculture Export Policy 2018 aims to -

- ✓ Increase agri exports - \$60 billion by 2022 and \$100 billion in next few years – Double farmers' Incomes
- ✓ Make India one of the 10 top agri export countries in the world
- ✓ Double India's share in world agri exports (now 3%)
- ✓ Set up a stable and predictable trade policy regime with limited state interference
- ✓ Diversify exports by products and destinations
- ✓ Promote perishable and high value commodities and value added products for exports.
- ✓ Focus on novel indigenous, organic, ethnic and traditional agri products
- ✓ Special funds have been assigned to set up specialised clusters in different states for specialised agri products/group of products
- ✓ Involve FPOs and link these FPOs/clusters to global value chains
- ✓ Avoid placing processed agri products and all organic products under the ambit of restricted category.

The Government of India in September 2019 appointed Agriculture counsellors in 10 countries which are among the top five export destinations in one or more agri products under 13 categories identified for export push. The ten countries are UAE, Vietnam, USA, China, Bangladesh, Nepal, Saudi Arabia, Iran, Malaysia and Japan.

References and Suggested readings:

1. Agricultural Marketing in India by S. S. Acharya and NL Agarwal
2. Websites of Ministry of Commerce and Industries and Directorate General of Foreign Trade (DGFT) and APEDA

Chapter 3 - Policies and Schemes for Boosting Agri Export

Summary of the Chapter:

Policy initiatives and major schemes by the Government of India for boosting export

1. Background

Indian agriculture provides livelihood to nearly 58% per cent of our population. Hence, continuous innovation and efforts towards productivity, pre and post-harvest management, processing and value-addition, use of technology and infrastructure creation is an imperative for Indian agriculture. India, with a large and diverse agriculture, is among the world's leading producer of cereals, milk, sugar, fruits and vegetables, spices, eggs and seafood products. Various studies on fresh fruits and vegetables, fisheries in India have indicated a loss percentage ranging from about 8% to 18% on account of poor post-harvest management, absence of cold chain and processing facilities. Therefore, agro processing and agricultural exports are a key area and it is a matter of satisfaction that India's role in global export of agricultural products is steadily increasing.

India broke into the top 10 list of agricultural produce exporters in 2019 with a sizeable share in the export of rice, cotton, soya beans and meat, according to a World Trade Organization (WTO) report on the trends in world agricultural trade in the past 25 years. India's share in global agri exports has increased from 1.7% a few years ago, to 3.1% in 2019. Further, the export of agriculture and allied products during 2020-21 grew 17.34 per cent to \$41.25 billion. Growth in agricultural exports, despite pandemic disruptions, has been driven by the government's policy interventions as well as the expansion of products into new markets.

2. Agriculture Export Policy of Government of India

The Agriculture Export Policy of India is framed with a focus on agriculture export oriented production, export promotion, better farmer realization and synchronization within policies and programmes of GoI. It is required to have a "Farmers' Centric Approach" for improved income through value addition at source itself which will help to minimize losses across the value chain. The essential element of the policy is "Make in India" through "Bake in India", i.e. a renewed focus on value addition and on processed agricultural products.

Agriculture Export Policy of Government of India

Vision

Harness the export potential of Indian agriculture, through suitable policy instruments, to make India a global power in agriculture and raise farmers' income.

Objectives of Agri-export policy of GOI

- To double agricultural exports from present US\$ 30+ Billion to US\$ 60+ Billion by 2022 and reach US\$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
- To diversify our export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports
- To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phytosanitary issues.
- To strive to double India's share in world agri exports by integrating with global value chain at the earliest.
- Enable farmers to get benefit of export opportunities in overseas market.

3. Elements of the Agriculture Export Policy Framework

The framework of Agri-export policy of Government of India can be divided broadly in categories namely strategic and operational.

Strategic

- Policy Measures
- Infrastructure and Logistics Support
- Holistic Approach to boost exports
- Greater involvement of State Governments in Agri Exports

Operational

- Focus on Clusters
- Promoting Value added exports
- Marketing and promotion of "Brand India"
- Attract private investments into production & processing
- Establishment of Strong Quality Regimen
- Research & Development

Aim of Agriculture export Policy of Government of India

- Assurance that the **processed agricultural products** and all kinds of organic products will not be brought under export restriction (viz. Minimum Export Price, Export duty, Export bans, Export quota, Export capping, Export permit etc.) even though the primary agricultural product or non-organic agricultural product is brought under some kind of export restrictions.
- Identification of a few commodities which are essential for food security in consultation with the relevant stakeholders and Ministries. Any export restriction on identified commodities (essential for food security) under extreme price situation will be based on decision of a high level committee and in a WTO compatible manner.
- Liberalised import of agricultural products for value addition and re-export. Major Schemes of Government of India for boosting Agri-export.

4. Major schemes of Government of India for boosting Agri-export

A. Major schemes of Agriculture and Processed Food Products Export Development Authority (APEDA)

www.apeda.gov.in

a. FOR CREATION OF EXPORT INFRASTRUCTURE

- **About the Scheme** - Assistance from APEDA is available for the establishment of the post-harvest infrastructure for fresh horticulture produce like integrated pack house, cable handling system for banana and other similar requirements for other crops, purchase of insulated, Reefer transport/mobile pre-cooling units etc.
- **Nature of assistance** - The scheme provides integrated Pack house to improve compliance of Phyto-Sanitary requirements, purchase of insulated transport or mobile pre-cooling units for cold chain strengthening. It also takes into account the processing facilities for horticulture crops to enhance productivity, efficiency, and quality for value added products for export.

b. FOR QUALITY DEVELOPMENT

- **About the Scheme** - Implementation and certification of quality and Food Safety Management Systems, Standardization, harmonization with international standards for adoption of global standards, hand held devices for capturing farm level peripheral coordinates for traceability systems.

Nature of assistance - This scheme is responsible for implementation and certification of quality and Food Safety Management Systems for all APEDA scheduled products to adhere to food safety compliance, harmonization with International standards including payment of fee to International auditors.

c. FOR MARKET DEVELOPMENT

- **About Scheme** - For evolving structured marketing strategies for export of food products, market intelligence for taking informed decisions, international exposure, skill development, capacity building and high quality packaging are some of the important aspects. These are implemented through the Market Development component which involves participation in International Trade Fairs.
- **Nature of assistance** - This scheme comprises of New Market/Product development through conducting feasibility studies for identification of potential product / market. It also deals with assistance for trial shipment for fresh horticulture produce and Registration of Brand/IPR outside India.

B. Major schemes of Ministry of Commerce & Industry, GOI

www.commerce.gov.in

d. EXPORT ORIENTED UNIT (EOU) SCHEME

- **About Scheme** - EOU Scheme provides an internationally competitive duty-free environment coupled with better infrastructural facilities for export production.
- **Nature of assistance** - The units are allowed to import or procure locally without the payment of duty all types of goods including capital goods, raw materials, components, packing materials, consumables, spares and various other specified categories of equipment.

e. MARKET ACCESS INITIATIVE (MAI) SCHEME

- **About Scheme** - MAI Scheme is an Export Promotion Scheme, envisaged to act as a catalyst to promote India's exports on a sustained basis.
- **Nature of assistance** - The scheme is formulated on product focus country approach to evolve specific market and specific product. These activities are eligible for financial assistance - marketing projects abroad, capacity building, support for statutory compliances, studies, project development, etc.

C. Major schemes of Directorate General of Foreign Trade, Ministry of Commerce, GOI

f. EXPORT PROMOTIONAL CAPITAL GOODS (EPCG) SCHEME

- **About the Scheme** - The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness
- **Nature of assistance** - EPCG Scheme allows import of capital goods for preproduction, production and post-production at zero customs duty.

g. MEGA FOOD PARK

- **About Scheme** - The Scheme of Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmers' income and creating employment opportunities particularly in rural sector.

The Mega Food Park Scheme is based on "Cluster" approach and envisages creation of state of art support infrastructure in a well-defined agri / horticultural zone for setting up of modern food processing units in the industrial plots provided in the park with well established supply chain. Mega food park typically consist of supply chain infrastructure including collection centres, primary processing centres, central processing centres, cold chain and around 30-35 fully developed plots for entrepreneurs to set up food processing units. The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness

- **Where to Apply** –Ministry Of Food Processing Industries Website: www.mofpi.nic.in

h. EXPORT PROCESSING ZONE SCHEME

Special Economic Zone of India, Government of India Website: www.sezindia.nic.in

- **About the Scheme** - Export promotion has always been the chief concern of the Government of India. The main reasons behind setting up the EPZ in India have been listed as under:
 - Ensuring better infrastructural facilities in the industrial units that were set up in the export processing zones in India
 - Introducing the privilege of tax holidays
 - Establishing 100 percent export-oriented system in the EPZ in India
 - EPZ in India are entirely devoid of all kinds of duties, levies, and taxes
 - Implementing tax holidays in the importing of goods like capital goods, raw materials, and consumer goods as well.

- The units in EPZs follow the automatic route set by the government of India which offers 100 percent foreign direct investment in the zone
- The rules set by the government of India are executed and implemented by the development commissioner of the respective export processing zones in India

i. KRISHI UDAN YOJANA 2021

- **About Scheme** - Under this scheme central government provide air transport system to take the farmers crop and other agricultural products from one place to another by the help of Civil Aviation Ministry. This scheme will be implemented both nationally and internationally ways, almost half seats of these flights will be reserved and vacant for farmers at a low price. Krishi UDAN 2.0 will be implemented at 53 airports across the country, primarily focussing on the north-eastern States and tribal regions, and is expected to benefit farmers, freight forwarders and airlines.
- **Nature of assistance** -Financial incentives will be given by selected central and state governments. Under this scheme, at least half of the seats in Udan flights are offered at subsidized fares for farmers only.
- **Where to Apply** – Online through official website – <https://agriculture.gov.in>

j. PRODUCTION LINKED INCENTIVE SCHEME FOR FOOD PROCESSING INDUSTRIES (PLISFPI)

- **About Scheme** - As a part of Prime Minister's announcement of Aatmanirbhar Bharat Abhiyan, Government of India has approved a new Central Sector Scheme namely 'Production Linked Incentive Scheme for Food Processing Industry' for implementation during 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore to support creation of global food manufacturing champions commensurate with India's natural resource endowment and support Indian brands of food products in the international markets
- **Nature of assistance** - for availing sales based incentives and grants for undertaking Branding & Marketing activities abroad under the scheme from three categories of Applicants:

Category-I: Applicants are large entities who apply for Incentive based on Sales and Investment Criteria. Applicant under this category could undertake Branding & Marketing activities abroad also and apply for grant under the scheme with a common application.

Category-II: SMEs Applicants manufacturing innovative/organic products who apply for PLI Incentive based on Sales.

Category-III: Applicants applying solely for grant for undertaking Branding & Marketing activities abroad.

- Innovative/ Organic products of SMEs including Free Range - Eggs, Poultry Meat, Egg Products in these segments are also covered under above component
- The Merchandise Exports from India Scheme (MEIS) is now merged with this scheme
- **Where to Apply** – The detailed guidelines of the scheme are available at Ministry's website www.mofpi.nic.in

Chapter 4 - Role of Agri Export Facilitating Agencies in India

Summary of the Chapter:

Role of APEDA, MPEDA, ECGC, EXIM Bank

Role of Export Promotion Councils in facilitating agri-export

1. Background

In facilitating Agri-exports in India various Agencies like APEDA, MPEDA, ECGC, EXIM Bank, Export promotion Councils and various State Government Agencies are playing pivotal role in boosting the sector. We shall discuss in brief the role of these agencies in Agri-export.

1. APEDA

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985. The Act came into effect from 13th February, 1986. The Authority replaced the Processed Food Export Promotion Council (PFEPCC).

Functions of APEDA

- Development of industries relating to the scheduled products for export by way of providing financial assistance or otherwise for undertaking surveys and feasibility studies, participation in enquiry capital through joint ventures and other reliefs and subsidy schemes.
- Registration of persons as exporters of the scheduled products on payment of such fees as may be prescribed.
- Fixing of standards and specifications for the scheduled products for the purpose of exports.
- Carrying out inspection of meat and meat products in slaughter houses, processing plants, storage premises, conveyances or other places where such products are kept or handled for the purpose of ensuring the quality of such products.
- Improving of packaging of the Scheduled products.
- Improving of marketing of the Scheduled products outside India.
- Collection of statistics related to Agri-export and publication.
- Training in various aspects of the industries connected with the scheduled products.

Types of scheduled Agri-products mandated to APEDA for export promotion

- Fruits, Vegetables and their Products.
- Meat and Meat Products.
- Poultry and Poultry Products.
- Dairy Products.
- Confectionery, Biscuits and Bakery Products.
- Honey, Jaggery and Sugar Products.
- Cocoa and its products, chocolates of all kinds.
- Alcoholic and Non-Alcoholic Beverages.
- Cereal and Cereal Products including Basmati Rice.
- Groundnuts, Peanuts and Walnuts.
- Pickles, Papads and Chutneys.
- Guar Gum.
- Floriculture and Floriculture Products.
- Herbal and Medicinal Plants.
- Cashew Kernels, Cashewnut Shell Liquid, Cardanol

APEDA also functions as the Secretariat to the National Accreditation Board (NAB) for implementation of accreditation of the Certification Bodies under National Programme for Organic Production (NPOP) for organic exports. "Organic Products" for export are to be certified only if Produced, Processed and packed as per the standards laid down in the document – "**National Programme for Organic Production (NPOP).**"

Objective of NPOP

The key objective of the National Programme for Organic Production (NPOP) is given below:

- NPOP has formulated for providing the evaluation of certification program for organic agriculture and products including the wild harvest, aquaculture, livestock products
- To facilitate certification of organic products in conformity with the importing countries organic standards as per equivalence agreement between the two countries or as per importing country requirements
- The Program is implemented for the development of organic farming and organic processing.
- To accredit certification programme of Certification Bodies seeking accreditation.
- To facilitate certification of organic products in conformity to the National Standards for Organic Products

The standards of Organic Crop Production include crop production plan, nutrient management conversion requirement and disease management for agricultural crops. Any agricultural product certified as organic under NPOP has to be certified by an accredited certification body under NPOP for exports. Organic products are traded only through

issuance of Transaction Certificate (TC) wherein the product identity and traceability is maintained. The Transaction Certificate is also issued only by the accredited Certification Bodies. All the handlers of the product in the supply chain are required to be in the certification system under the National Programme for Organic Production (NPOP) and need to obtain a Transaction Certificate whenever the product is traded.

2. MPEDA

The Marine Products Export Development Authority (MPEDA) is a statutory body functioning under the Department of Commerce. MPEDA is given the mandate to promote the marine products industry with special reference to exports from the country which includes all varieties of fishery products known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants. It has its headquarters at Kochi and has a number of Regional and Sub- Regional Offices.

It is also empowered to carry out inspection of marine products, its raw material, fixing standards, specifications and training as well as take all necessary steps for marketing the seafood overseas. Based on the recommendations of MPEDA, Government of India notified new standards for fishing vessels, storage premises, processing plants and conveyances. MPEDA's focus is mainly on Market Promotion, Capture Fisheries, Culture Fisheries, Processing, Infrastructure and Value addition, Quality Control, Research and Development.

Functions and thrust area of MPEDA

- Diversifying the culture practices into commercially important Shell fishes and Fin fishes to enhance aquaculture production and increase the varieties.
- Establishing traceability of Aqua Culture and Capture Fishery products through primary producers' enrolment.
- Promoting Ornamental Fish Breeding for export by providing infrastructure.
- Upgrading of fishing harbours to international standards for sustaining / expanding our international markets.
- Extending financial assistance for conversion / construction of Tuna Long Liners and imparting training to crew to develop Tuna industry to boost the export of Tuna.
- Implementing Catch Certification scheme for preventing or discouraging Illegal, Unreported and Unregulated (IUU) fishing.
- Assisting the setting up of state-of-art processing facilities for Value Added Marine Products meant for export.
- Operating a scheme of Sea-freight assistance for the promotion of export of value added marine products by the registered seafood manufacturer exporters.
- Operating scheme with United India Insurance Co. Ltd., to provide group Insurance to the workers employed in seafood processing and pre-processing industry.
- Ensuring production of quality seafood by setting up sophisticated laboratories in the maritime States.

- Operating a nationwide network of ELISA labs to ensure antibiotic residue free aquaculture exports.
- Extending linkages to the grass root level by ensuring better extension packages to fishermen / farmers and the workers engaged in various stages of processing of marine products.
- Establishing presence of Indian seafood in major international markets by co-branding Indian products with major buyers and by giving publicity in different media abroad.
- Participating in International Seafood Shows to showcase our resources and the potential of Indian seafood thereby generating new trade relationships.
- Registration Certificates and RCMC Certificates are issued on-line through MPEDA Regional Offices.

3. ECGC - Credit Guarantee Corporation Limited

- In India, export credit insurance is provided by the Export Credit Guarantee Corporation Limited (ECGC). It works as an insurance firm who guarantees export payment, if the buyer defaults in making payment. The ECGC was formed in 1957 by the Government of India to promote trade in the country by providing credit risk insurance and related services to exporters. It is under the auspices of the Ministry of Commerce and has a board comprising members from the RBI, the government and people from banking, export and insurance sectors.
- Export credit insurance is designed to protect the receivables of an exporter. This insurance tool provides an assurance to the exporter about receiving the amount due from the foreign customer. The insurance pays a portion of the assured value in case the customer or the foreign bank is not able to pay it due to political, commercial, or any other reasons.

Functions and thrust area of ECGC

- Its primary role is to provide a variety of risk insurance products that cover losses and bad debts on exports.
- The ECGC also offers export credit insurance cover to banks and financial institutions so that they can provide trade-risk coverage to exporters.
- The Corporation also offers overseas investment insurance to Indian companies that are entering into international joint ventures, in the form of equity or loans.
- The ECGC also provides guidance on export-related activities to exporters like How to select what to export, including credit rating-based information on different countries.
- The ECGC can also help exporters arrange for export finance from banks and financial institutions.

- Finally, it assists exporters with debt recovery and checking the creditworthiness of overseas customers.

Key ECGC products and services available to Indian exporters

- Shipments Comprehensive Risks Policy (SCR) is a 12-month policy available to exporters with a turnover of over Rs. 500 crores.
- Small Exporters Policy (SEP) is available for exporters with a turnover of Rs. 5 crore or below and has a maximum risk coverage of below Rs. 2 crores.
- Specific Shipment Policy (SSP) is valid for shipments made within the policy period and for up to 80% of the shipment value.
- Services Policy (SRC) is for single, long-term services contracts. It is suited for Indian companies who agree with foreign principals to provide technical or professional services.
- Export Turnover Policy (ETP) is for large exporters who contribute not less than Rs. 20 lakhs in annual premium.
- Exports (Specific Buyers) Policy (BWP) provides the same coverage as SCRP, ETP, etc. against shipment sent to a specific buyer.
- Consignment Exports Policy (Stockholding Agent) (CSA) covers shipments sent by the exporter to their overseas agents on a consignment basis.

4. EXIM Bank

Export Import Bank of India is the premier export finance institution of the country that seeks to build value by integrating foreign trade and investment with the economic rise of India. It is a specialized financial institution wholly owned by the Government of India with presence in Indian and foreign cities around the world. It was set up to finance, facilitate and promote India's international trade.

Aim and Functions of EXIM Bank

- To help exporters to evaluate international risks and tap opportunities with the right insight.
- It extends Lines of Credit (LOCs) to overseas governments, financial institutions, regional banks and other overseas entities, to finance India's exports to those countries.
- EXIM Bank's LOC is a risk-free, non-recourse export financing option available to Indian exporters for promoting their exports.
- Under this arrangement, overseas importers are required to pay advance payment to Indian exporters, which is usually 10% of the contract value.
- EXIM Bank pays the balance amount, which is normally 90% of the contract value, to Indian exporters through negotiating banks in India, upon shipment of goods.
- EXIM Bank also operates LOCs, announced by the Government of India, to the country's trading partners
- EXIM Bank provides funded and non-funded facilities to deemed exports from India.

Forms of Financial Assistance Provided by EXIM Bank to Indian Exporters

Delayed Payment Exports - Term loans are provided to those exporters who deal with exporting of goods and services and this enables them to offer delayed credit to the foreign buyers. This system of deferred credit covers Indian consultancies, technology and other services. Commercial banks take part in this program either directly or under risk syndication arrangements.

Pre-shipment credit - Indian companies which are highly involved in the execution of export activities beyond the cycle time of six months are funded by EXIM Bank. The construction or turnkey project exporters enjoy the provision of rupee mobilization.

Term loans for export production - EXIM Bank offers term loans to the 100 % export oriented units, units involved in free trade zones, and exporters of various software in India. EXIM bank also works in association with International Finance Corporation, Washington, to provide financial assistance to the small scale and medium industrial units in terms of ameliorating the export production capacity of these units in India.

Foreign Investment Finance - EXIM bank provides financial assistance for equity contribution to the Indian companies who form Joint Venture with the foreign companies.

Financing export marketing - It helps the exporters carry out their export market development plan in Indian market.

Export Credit Insurance-Export Finance - Any bank authorized to deal in foreign exchange can obtain the Export Finance Cover in respect of its exporter-client who has been classified as a standard asset and whose CR is acceptable to ECGC. The period of coverage is 12 months. Banks can take the cover selectively. Banks having ECIB-WTPS are eligible for concessionary premium rate and higher percentage of cover as applicable.

5. Export promotion councils and Authorities in India

In India various export promotion Councils and Authorities are supporting agri-export. The basic objective of Export Promotion Councils and Authorities are to develop and promote the exports of the nation. Each Council is in charge of the promotion of a specific group of projects, products, and services. The council helps in sponsoring the development of export-related industries. They assist in diversifying the productive sector of the nation and to foster market-oriented, private sector-economy via market oriented export goods development. A list of a few Export Promotion councils and Authorities supporting agriculture export in India a given below -

- Cashew Export Promotion Council of India
- Cotton Textiles Export Promotion Council
- Indian Silk Export Promotion Council
- Jute Manufactures Development Council
- Central Silk Board
- Coconut Development Board
- Coir Board
- Federation of Indian Export Organisations (FIEO)

- Tea Portal- Tea Board India
- State Trading Corporation of India (STC)
- Spices Board of India
- Rubber Board
- National Medicinal Plants Board
- National Oilseeds and Vegetable Oils Development Board
- National Horticulture Board
- National Dairy Development Board
- National Cooperative Consumers Federation of India
- Handloom Export Promotion Council

Chapter 5 - How can FPOs undertake Agri-Exports?

Summary of the Chapter:

Processes and procedures to be followed by farmers, FPOs and companies for undertaking export

1. Background

India's Foreign Trade i.e. Exports and Imports are regulated by Foreign Trade Policy notified by Central government in exercise of powers conferred by Section 5 of foreign trade (Development and Regulation) Act 1992 (FTD & R Act). Presently Foreign Trade Policy 2021-26 is effective from 1st April, 2022. As per FTD & R Act, export is defined as an act of taking out of India any goods by land, sea or air and with proper transaction of money. The processes may seem complicated at first, but becomes clearer once an FPO gains experience in exporting goods.

PROCESS OF STARTING EXPORTS

Export in itself is a very wide concept and lot of preparations is required by an exporter before starting an export business. To start export business, the following steps may be followed:

1. Establishing an Organisation

To start the export business, first a sole Proprietary concern/ Partnership firm/Company has to be set up as per procedure with an attractive name and logo. For the FPO this step has already been completed with its incorporation.

2. Opening a Bank Account

A current account with a Bank authorized to deal in Foreign Exchange should be opened. Once an FPO is registered, this criterion is also fulfilled.

3. Obtaining Permanent Account Number (PAN)

It is necessary for every exporter and importer to obtain a PAN from the Income Tax Department.

4. Obtaining Importer-Exporter Code (IEC) Number

As per the Foreign Trade Policy (FTP), it is mandatory to obtain IEC for export/import from India. Para 2.05 of the FTP, 2015-20 lays down the procedure to be followed for obtaining an IEC, which is PAN based.

An application for IEC is filed online at **www.dgft.gov.in** as per ANF 2A, online payment of application fee of Rs. 500 through net Banking or credit/debit card is made along with requisite documents as mentioned in the application form.

5. Registration cum Membership Certificate (RCMC)

For availing authorization to import/export or any other benefit or concession, services and guidance, exporters are required to obtain RCMC granted by the concerned Export Promotion Councils/FIEO/Commodity Boards/ Authorities.

6. Selection of product

All items are freely exportable except few items appearing in the prohibited/restricted list.

After studying the trends of export of different products from India proper selection of the product(s) to be exported may be made.

7. Selection of Markets

An overseas market should be selected after research covering market size, competition, quality requirements, payment terms etc. Exporters can also evaluate the markets based on the export benefits available for few countries under the FTP. Export promotion agencies, Indian Missions abroad, colleagues, friends, and relatives might be helpful in gathering information.

8. Finding Buyers

Participation in trade fairs, buyer seller meets, exhibitions, B2B portals, web browsing are an effective tool to find buyers. EPCs, Indian Missions abroad, overseas chambers of commerce can also be helpful. Creating a multilingual Website with product catalogue, price, payment terms and other related information would also help.

9. Sampling

Providing customized samples as per the demands of foreign buyers help in getting export orders. As per FTP 2015-2020, exports of bona fide trade and technical samples of freely exportable items shall be allowed without any limit.

10. Pricing/Costing

Product pricing is crucial in getting buyers' attention and promoting sales in view of international competition. The price should be worked out taking into consideration all expenses from sampling to realization of export proceeds on the basis of terms of sale i.e. Free on Board (FOB), Cost, Insurance & Freight (CIF), Cost & Freight (C&F), etc. Goal of establishing export costing should be to sell maximum quantity at competitive price with maximum profit margin. Preparing an export costing sheet for every export product is advisable.

11. Negotiation with Buyers

After determining the buyer's interest in the product, future prospects and continuity in business, demand for giving reasonable allowance/discount in price may be considered.

12. Covering Risks through ECGC

International trade involves payment risks due to buyer or country insolvency. These risks can be covered by an appropriate Policy from *Export Credit Guarantee Corporation Ltd (ECGC)*. Where the buyer is placing order without making advance payment or opening letter of Credit, it is advisable to procure credit limit on the foreign buyer from ECGC to protect against risk of non-payment.

PROCESSING AN EXPORT ORDER

i. Confirmation of order

On receiving an export order, it should be examined carefully in respect of items, specification, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

ii. Procurement of Goods

After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. It should be remembered that the order has been obtained with much efforts and competition so the procurement should also be strictly as per buyer's requirement.

iii. Quality Control

In today's competitive era, it is important to be strictly quality conscious about the export goods. Some products like food and agriculture, fishery, certain chemicals, etc. are subject to compulsory pre-shipment inspection. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.

iv. Finance

Exporters are eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates to complete the export transaction. Packing Credit advance in pre-shipment stage is granted to new exporters against lodgement of Letter of Credit (L/C) or confirmed order for 180 days to meet working capital requirements for purchase of raw material/finished goods, labour expenses, packing, transporting, etc. Normally Banks give 75% to 90% advances of the value of the order keeping the balance as margin. Banks adjust the packing credit advance from the proceeds of export bills negotiated, purchased or discounted.

Post Shipment finance is given to exporters normally up to 90% of the Invoice value for normal transit period and in cases of usance (L/Cs with limited payment period) export bills up to notional due date. The maximum period for post-shipment advances is 180 days from the date of shipment. Advances granted by Banks are adjusted by realization of the sale proceeds of the export bills. In case export bill becomes overdue Banks will charge commercial lending rate of interest.

v. Labelling, Packaging, Packing and Marking

The export goods should be labelled, packaged and packed strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in attractive way. Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo. Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.

vi. Insurance

Marine insurance policies cover risks of loss or damage to the goods during the while the goods are in transit. Generally in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.

vii. Delivery

It is important feature of export and the exporter must adhere to the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.

viii. Customs Procedures

It is necessary to obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system. The Electronic Data Interchange (EDI) is the system for online registration for customs and special Service Centres support the documentation.

In case of Non-EDI, the shipping bills or bills of export are required to be filled in the format as prescribed in the Shipping Bill and Bill of Export (Form) regulations, 1991. An exporter need to apply different forms of shipping bill/bill of export for export of duty free goods, export of dutiable goods and export under drawback etc.

Under EDI System, declarations in prescribed format are to be filed online through the Service Centres of Customs. A checklist is generated for verification of data by the exporter/CHA. After verification, the data is submitted to the System by the Service Centre operator and the System generates a Shipping Bill Number, which is endorsed on the printed checklist and returned to the exporter/CHA. In most of the cases, a Shipping Bill is processed by the system on the basis of declarations made by the exporters without any human intervention. Where the Dock Appraiser (export) orders for samples to be drawn and

tested, the Customs Officer may proceed to draw two samples from the consignment and enter the particulars thereof along with details of the testing agency in the ICES/E system.

Any correction/amendments in the check list generated after filing of declaration can be made at the service centre, if the documents have not yet been submitted in the system and the shipping bill number has not been generated. In situations, where corrections are required to be made after the generation of the shipping bill number or after the goods have been brought into the Export Dock, amendments is carried out in the following manners.

1. The goods have not yet been allowed "Let Export" amendments may be permitted by the Assistant Commissioner (Exports).
2. Where the "Let Export" order has already been given, amendments may be permitted only by the Additional/Joint Commissioner, Custom House, in charge of export section.

In both the cases, after the permission for amendments has been granted, the Assistant Commissioner/Deputy Commissioner (Export) may approve the amendments on the system on behalf of the Additional /Joint Commissioner. Where the print out of the Shipping Bill has already been generated, the exporter may first surrender all copies of the shipping bill to the Dock Appraiser for cancellation before amendment is approved on the system.

ix. Customs House Agents

Exporters may avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.

x. Documentation

FTP 2015-2020 describes the following mandatory documents for import and export.

- Bill of Lading/ Airway bill
- Commercial invoice cum packing list
- Shipping bill/ bill of export/ bill of entry (for imports)

Other documents like certificate of origin, inspection certificate etc may be required as per the case.)

xi. Submission of documents to Bank

After shipment, it is obligatory to present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C as the case may be, along with the following documents:

- Bill of Exchange
- Letter of Credit (if shipment is under L/C)

- Invoice
- Packing List
- Airway Bill/Bill of Lading
- Declaration under Foreign Exchange
- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or statutorily.

xii. Realization of Export Proceeds

As per FTP 2015-2020, all export contracts and invoices shall be denominated either in freely convertible currency of Indian rupees, but export proceeds should be realized in freely convertible currency except for export to Iran.

Export proceeds should be realized in 9 months.

EXPORT TRADE PROCEDURE AND RELATED ISSUES

1. Select a “**quality**” product based on ***export potential and demand***
2. Select a particular ***overseas market***.
3. If you are a beginner, start with **a few products** and minimum three countries.
4. Ensure that you can manufacture or procure from other sources the selected product(s) at the **competitive prices** and **in sufficient quantity** and will be able to meet the **quality specifications, delivery schedule** and **other terms and conditions** of the overseas buyer.
5. Get the full information of similar products of other manufacturers if already available in selected markets, their prices, marketing techniques, terms of business etc. Offer your product(s) to foreign buyers with a **bargaining edge** in order to capture the market.
6. **Assess the degree of competition** of product (s) which you propose to export in a particular market

PROCEDURE IN BRIEF FOR BECOMING AN EXPORTER

1. Apply for an **Import Export Code (IEC)** with the concerned office of the joint director general of foreign trade with all the particulars and necessary fees in this regard.
2. Find out the particular market and select a quality product and quote the prices in U.S. dollars which is a universally accepted currency for all import – export trade. The prices may be quoted as under :

- a. **F.O.B:** it means “*free on board*” the delivery of the cargo is given till the same is loaded on to the vessel. All future expenses like freight, insurance will be to the account of the buyer.
 - b. **C & F:** It means “*cost & freight*”. The price includes even the freight charges till the destination. The buyer has to bear only the insurance and other delivery charges etc at the port of destination.
 - c. **C I F :** it means “*cost, insurance and freight*”. The price includes all expenses till the port of destination.
3. Once the price is acceptable to the buyer, the buyer will immediately open the letter of credit (LC) or will send an advance remittance through the banking channels to the seller's account.
4. The letter of credit should be always in the form of irrevocable and sight letter of credit.
5. Once the LC is opened the seller has to prepare the cargo as per the quality, packing specifications mentioned in the LC and send the same to the port of loading so that the C&F (clearing and forwarding) agent will do the rest of forwarding the consignment to the buyer.
6. Once the shipment is over, the C&F agent will prepare all the shipping documents called for in the LC.
7. Once these original shipping documents are received, seller has to prepare their commercial invoice, packing list, bills of exchange and submit all the documents along with the original LC received from the buyer to the bank for negotiation.
8. The banker will thoroughly scrutinize the documents strictly as per the terms and conditions of the LC and give credit to the sellers account and send the documents to buyers' bankers for getting the payment. Normally the payment is received within 10-15 days time.
9. In addition to LC and advance remittance, the payments can be in the form of D.P. (documents against payment) at sight which means exporter will ship the material and send all the original shipping documents through their bank to the buyer's bank. Buyer's bank will collect the money from the buyer and release the documents to him and send proceeds to Indian exporter through the banking channels.
10. In case of perishable commodities, no buyer will open LC, send advance remittance or even agree for D.P terms on a pre agreed price. It is all done on consignment sale basis. Exporter will ship the material and send the original documents to the buyer and the buyer in some cases may send some part payment as advance and the final account will be settled only against the sale of exported cargo.
11. The role of ECGC (Export Credit Guarantee Corporation of India Ltd). In order to offset the exporter against unforeseen circumstances in exports, ECGC plays an

important role. ECGC covers various types of risks such as default by importer or the country, non receipt of payment due to wars, riots etc and charge a nominal premium for this based on the country classification (e.g., 0.3% to 0.8% of the value). ECGC also helps an exporter in assessing the credit worthiness of the importer and will fix the credit limit accordingly. This will help an exporter to expose his risks only to that extent.

12. Further, the exporter must check if an export license is required, and accordingly apply for the license to the DGFT
13. An exporter is also required to register with the Indian Chamber of Commerce (ICC), which issues the Non-Preferential Certificates of Origin certifying that the exported goods are originated in India.

IMPORT AND EXPORT DOCUMENTS

Businesses are required to submit a set of documents for carrying out export and import activities in India. These include commercial documents – the ones exchanged between the buyer and seller, and regulatory documents that deal with various regulatory authorities such as the customs, excise, licensing authorities, as well as the export promotion bodies that help avail export import benefits.

The *Foreign Trade Policy, 2015-2020* mandates the following commercial documents for carrying out importing and exporting activities:

- Bill of lading or airway bill;
- Commercial invoice cum packing list;
- Shipping bill or bill of export, or bill of entry (for imports).

Additional documents like certificate of origin and inspection certificate may be required as per the case.

The important regulatory documents include:

- GST return forms (GSTR 1 and GSTR 2);
- GSTR refund form;
- Exchange Control Declaration;
- Bank Realization Certificate; and
- Registration cum Membership Certificate (RCMC).

The RCMC helps exporters and importers avail benefit or concession under the *Foreign Trade Policy 2015-20*, which has been extended up to September 30, 2021 to provide a stable regime during the COVID-19 pandemic.

Indian Customs Compliance Information Portal

The Central Board for Indirect Taxes and Customs (CBIC) launched the Indian Customs Compliance Information Portal (CIP) in 2021 at <https://cip.icegate.gov.in/CIP/#/home> to provide free access to information on all Customs procedures and regulatory compliance for nearly 12,000 Customs Tariff Items.

The CIP is a facilitation tool that allows interested persons to stay up-to-date with information on the legal and procedural requirements of India's customs authorities and regulatory government agencies (FSSAI, AQIS, PQIS, Drug Controller etc.) for carrying out imports and exports. The portal will provide complete knowledge of all import and export related requirements for all items covered under the Customs Tariff thereby improving the ease of doing cross border trade

When using the CIP portal, one can simply enter either the Customs Tariff Heading (CTH) or the description of the goods in question to get information on step-by-step procedures, regulatory compliances requirements like license, certificates, etc., for imports as well as exports. This includes import and export through posts and courier, import of samples, re-import and re-export of goods, self-sealing facility for exporters and project imports.

Another important feature of the CIP is a pan India map showing all the Customs seaports, airports, and land customs stations etc. It also contains addresses of the regulatory agencies and their websites

HOW TO APPLY IMPORTER EXPORTER CODE (IEC)

Step 1: Go to the Government website of DGFT (Directorate General of Foreign Trade), i.e. www.dgft.gov.in.

When the DGFT main page opens, click on the "Importer Exporter Code (IEC)" option available in the "Quick links" section on the left hand side of the page.

Step 2: Once you click on the option "Importer Exporter Code (IEC)" select the option, "Online IEC Application"

Step 3: A new page will open which will be entitled as "Login for IEC online".

Now in the "PAN" option, please enter the PAN Card Number of the Proprietor or of Entity in case of an Entity firm. Once you have entered the PAN Card number, select the "NEXT" option.

Now enter your "Mobile Number" (without a zero or a country code) and "Email ID".

Enter the given "Captcha" code as it is in the empty box given right below the captcha and click on the "Generate Token" option.

Step 4: Now you will receive a token number on the mobile number and email ID which you have entered above.

After receipt of token numbers, enter the same in each of the respective boxes provided separately, one for the “Mobile Token” and another for the “Email Token” and click on the “Submit” option.

Step 5: Update Master Data

Now a new page will open, entitled as “Importer Exporter Code (e-IEC)” which shows an E-com Number on the left hand side of the page. This number will be used for all the future references regarding your IEC application. Once you receive this page click on “Update Master Data”.

Now a new green coloured pane will open on the right side of the same page in which you need to fill all the basic information of the entity i.e. Name, Address, City, State, District, and PIN Code.

The mobile number, email ID and PAN card number will be pre filled. Enter the “Name as given on the PAN Card” and “Date of Incorporation” of the same. Now enter the “Name of concern” (Proprietorship/Company). Enter the “Preferred Activity” (you can select one of the given options for the preferred activity).

Now enter the “Bank A/c Number”, “A/c Holder’s Name”, “Bank Name” and the “Bank Branch”. Also enter the “IFSC Code” of the Bank. Also fill in the “Name of the Applicant”, “Designation”, “Official Address”, “Applicant’s Mobile Number”, “Email ID”, “PAN Number” (Personal), “Declaration Date” and “Declaration Place”. Once all the details are filled correctly, please click on “Update”.

Step 6: Add Branch Details After that click on the second option, “Branch” on the left hand side of the same page.

Branch details of the proprietorship/ company shall be filled. Once you fill all the relevant details click on “ADD”. If there is no Branch Office Keep the space empty. Now again go to the left hand side of the same page and click on the third option, “Director”. Now fill all the required details of any of the Director/Proprietor/ Partner/ Karta/ Managing Trustee. All the required information for example, the PAN number, and mobile number should belong to the person of whose details you are filling. Once all the relevant options are being filled please click on “ADD”.

Step 7: Attach Scan Copies of Required Documents

Now click on the sixth option, “Attachments” on the left hand side of the same page.

In the newly opened pane at the right hand side, you need to upload the documents i.e., PAN Card (of proprietor in case of proprietorship firm and of company in case of Private Limited), a Cancelled Cheque and a Photograph.

Now to upload the documents select the documents’ category and documents’ type.

(PAN Card and Cancelled Cheque should be in PDF format and the Photograph should be in GIF format).

Note: Leave the option, "Signed Copy of the Application". Then click on "Choose File" and choose the selected files on your computer and click on "Upload".

Step 8: Pay Application Fees

After all these details are filled in, please click on the fourth option, "Application Fee" on the left hand side of the same page. Then the blue screen entitled as "Payment Initiation screen" will open.

Fill up all the relevant details in the empty boxes on this blue screen and enter amount Rs. 500/- as the Government IEC application fee. Also you need to fill all your required bank details for a successful online bank payment. Then click on Submit.

Note: all the * marked options shall be mandatorily filled in by the applicant.

Once the online payment is successful, again the previous page will re-open. After all the above steps are done, you need to select the ninth option, "Checklist" on the left hand side of the same page. In checklist, please make sure that all the conditions mentioned here have been complied with. For example, please make sure whether the details of the applicant filled in the application form are as same as that in the uploaded copy of the documents provided by him.

Once you click on the option "yes" on all the check list points please click on "Print Checklist".

After this is completed please click on the tenth option, "Preview" on the left hand side of the same page. In preview it will show you all the details filled in the application. If all the mentioned details are correct then please click on, "Print Application."

Once you print the application, sign the same. After that scan the signed application and once that is done go back to the "Attachments" option and upload the signed application in a PDF format.

Step 9: Submit the Application

Now when the scanned copy of the signed application is uploaded, click the twelfth option, "Submit" on the left hand side of same page and submit the application with Digital Signature of class-2 or class-3.

Note: the application cannot be submitted without Digital Signature.

Step 10: Check Application Status

ONLINE REGISTRATION PROCEDURE FOR REGISTRATION-CUM-MEMBERSHIP CERTIFICATE (RCMC)

Step 1: Sign-up through the APEDA Website. (Click on "Register as Member" link on the Home Page)".

Step 2: The exporter require to first enter the basic detail, IE CODE, Email ID & Mobile number and submit.

Step 3: An OTP (One Time Password) for confirming the details will be sent on E-mail and Mobile number. Exporter should enter the OTP of mobile and E-mail on the verification screen to verify both and click on Submit to proceed for application.

Step 4: After verification confirmation, exporter will require to fill online application and upload the required documents. The documents should be in the JPEG, PDF or PNG formats only. The exporter should enter all required information carefully and ensure correct information is submitted in the online application form.

Step 5: On-line application can be completed in one or more sessions by revisiting the website using the assigned OTP (One Time Password) of E-mail and Mobile. After filling the fields, the exporter can save the information in between by using the Save button. The exporter can edit the filled data until online payment is not made.

Step 6: The exporter may submit registration fees of Rs. 5000 excluding taxes = Rs.5900 (with GST) may be made through any of the following modes:-

- ✓ Online • Credit Card(MasterCard and Visa) Debit Card (MasterCard and Visa)
- ✓ Offline • Demand draft in favour of "APEDA" payable at respective cities of APEDA offices (Note: APEDA GST No. – 07AAAJA1150H1ZU)

Step 7: After completion of Payment process an application number will be generated.

Please note the application number for future reference.

Step 8: On issuance of RCMC, Login detail is sent to the registered email of the exporter. The Exporter may login in to their account through "Exporter Login" link given at APEDA website.

Step 9: The exporter can view the status of the RCMC application by clicking the "Track Application" link to view the status of application by submitting the IE Code and Application number until it is issued.

Step 10: In case of any shortcoming is observed in the application the exporter will require to resubmit the document online. Therefore, exporter is required to monitor the status of the RCMC application as informed above at Step10.

Step 11: Following documents are required with application form:

1. Self-certified copy of Import-Export code issued by D.G.F.T.
2. Bank Certificate duly signed by the authorities.
3. In case the exporter desired to register as Manufacturer Exporter, they should furnish a self-attested copy of the registration of the company with the relevant certification agencies for the products given below:-

Products	Certification Agencies
Floriculture and seeds	Dept. of Horticulture / DIC / SIA / FSSAI
Fruits & Vegetables	Dept. of Agriculture / Horticulture / DIC / SIA / FSSAI
Groundnut, Pulses, Guar gum	DIC / SIA / FSSAI / Udyog Aadhaar Memorandum issued by ministry of MSME
Processed Fruits & Vegetables, Processed Food Products, Meat Products, Cereal Preparation, Misc. preparation	FSSAI
Dairy, Poultry, Honey	FSSAI / EIC / EIA
Alcoholic Beverages	Dept. of Excise Commissioner
Cereals	DIC / SIA / FSSAI / Udhog Aadhaar Memorandum issued by Ministry of MSME

Step 12: After the approval of RCMC from APEDA officials, exporter may take printout of their Certificate through their APEDA Login under the heading of “View RCMC Certificate” under RCMC Menu.

Various measures taken by India for promotion of exports

- Foreign Trade Policy 2021-26 in effect from April 1 2022.
- Schemes, such as the Advance Authorization Scheme and the Export Promotion Capital Goods (EPCG) Scheme (see PDF link [here](#)), to enable duty free import of raw materials and capital goods for export oriented production. To apply for Advance Authorization Scheme, see the relevant DGFT page [here](#).
- The [Interest Equalization Scheme](#), which provides pre and post shipment Rupee export credit, and has been extended up to September 30, 2021.
- [Remission of Duties and Taxes on Exported Products](#) (RoDTEP) scheme, operationalised for exports with effect from January 1, 2021.
- Extension of the [Rebate of State and Central Levies and Taxes](#) (RoSCTL) Scheme for apparel and made-up exports till March 2024.
- Transport and Marketing Assistance (TMA) scheme for specified agriculture products, which provides assistance for the international component of freight and marketing of agricultural produce and to promote brand recognition for Indian agricultural products in specified overseas markets. To apply for TMA Scheme, see the relevant DGFT page [here](#).

- A Common Digital Platform for Issuance of Certificates of Origin (CoO) has been launched to increase Free Trade Agreement (FTA) utilization by exporters → <https://coo.dgft.gov.in>
- Districts across India are being promoted as Exports Hubs by identifying products and services with export potential in each district (One District One Product / ODOP initiative), addressing bottlenecks for exporting these products/services and supporting such local exporters/manufacturers through institutional and strategic interventions. District specific export action plans for 478 districts have been prepared. To see the One District One Product Digital GIS Map on the Ministry of Food Processing Industries website, click [here](#). The Department of Commerce is focusing on agriculture crops via a cluster approach for support for exports under the Agriculture Export Policy. This complements the cluster approach for the development of specific agri products in districts having a comparative advantage by the Ministry of Agriculture.
- [Market Access Initiative](#) (MAI) Scheme is an Export Promotion Scheme that provides financial assistance to eligible agencies like Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/Research Institutions/Universities/Laboratories, Exporters etc. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey.
- A working group on infrastructure upgradation has been constituted under National Committee on Trade Facilitation (NCTF) and a National Trade Facilitation Action Plan (NTFAP) has been formulated. This includes measures for improving road and rail connectivity to ports and smart gates at sea ports. The government wants to cut down export-import related red tape by 2022 and make cross-border trade easier for businesses. As per [reporting](#) on *Livemint*, “one key target is to reduce cargo release time to 12 hours for outbound air cargo and 24 hours for outbound sea cargo. The target is 48 hours for inbound sea cargo and 24 hours for inbound air cargo.”

Chapter 6 - Food Safety Standards for Agri-Exports

Summary of the Chapter:

Qualitative and quantitative aspects of Food Safety

Sanitary and Phyto-sanitary (SPS) Measures

1. Importance of food safety and quality control

Safe food is one which has minimum pesticide residues, metals and other contaminants and is practically safe in the hands of consumer without any harmful effects.

There have been many instances when commodities exported by India have been rejected by importing countries. Thus, strict monitoring from production to transport, processing, handling, packing, etc. is absolutely necessary encompassing the entire food chain.

Efficient quality control and food safety is most important in improving the export potential for Food Product from Indian origin. These efforts will help in achieving the quality standards of foreign countries comprising of European and other developed countries.

2. International framework for food regulations

In the past, institutional mechanism used to be lightly enforced in trading. However in last two decades, multilateral rules have become much stronger on the development and use of standards. Importing countries have become very rigid on this issue and do not accept the consignments even with minor variation. Therefore, adherence to the food regulations of various countries is essential.

3. WTO Sanitary and Phytosanitary Measures Agreement

Phytosanitary = relating to the health of plants, especially with respect to the requirements of international trade. Related to the control of plant diseases on agricultural crops

The World Trade Organisation provides an International framework by adopting Sanitary and Phytosanitary Measures (SPS). Sanitary and Phytosanitary standards, as covered under the SPS agreement include health, hygiene standards or regulations to avoid the spread of animal and plant diseases and epidemics. These standards have been adopted by the **Codex Alimentarius Commission** (CAC) of Food and Agriculture Organization (FAO) and World Health Organization (WHO)

WTO member countries are encouraged to use International standards by framing their own laws, regulations, etc. India being member of WTO adopts these regulations.

Scientific phyto-sanitary requirements: Importing countries set the standards that potential trade partners must meet in order to protect human health or prevent the spread of pests and diseases. For instance, Japanese imports of US apples are limited to Red and Golden Delicious apples from Washington and Oregon. The Japanese, who are mainly concerned with the spread of fire blight, impose rigorous and costly import requirements on the US apple shippers. The apples must be subjected to a cold treatment and fumigation with methyl bromide before shipment to Japan, and three inspections of US apple orchards during the production stage. Infestation by fruit flies (Tephritidae: Diptera), common in the tropics, is a major constraint to the production and export of tropical fruits

4. Development of food safety and quality standards

The consumption of fresh fruits and vegetables has increased substantially over the last two decades, so also the global trade in fresh fruits and vegetables. However, recent reports of food borne illness associated with fresh fruits and vegetables have raised concerns from public health agencies and consumers about the safety of these products. This has led to development of various guidelines for cultivating fruits and vegetables and also commodity standards by Codex Alimentarius Commission. Similarly such guidelines for cultivation of commodities have emanated from European Union under the EUREPGAP renamed as GLOBALGAP. Some of the features of these standards are described below:

- (i) **GLOBALGAP (EUREPGAP)** - An internationally used management system for Good Agricultural Practices (GAP) for fruits and vegetable trade. This system has become quite popular and acceptable. *EUREPGAP (now GLOBALGAP)* was initiated in 1997 with the aim to provide safe food products to consumers. GLOBALGAP is being followed by many leading European food retailers like Tesco, Sainsbury's, Marks and Spencer's, Metro, Kesko, etc. for doing business in the food sector. The requirements of GLOBALGAP for fruits and vegetables can be categorized into two groups.

General requirements for all farm based produce

- Record keeping and internal self-assessment/ inspection.
 - Site history and site management.
 - Workers health, safety and welfare.
 - Waste and pollution management.
 - Environment and conservation
- Traceability

Product specific for fruits and vegetables

- Propagation material
- Soil and sustainable management.
- Irrigation and fertigation
- Harvesting
- Produce handling

GLOBALGAP certification is very important as it not only imparts increased acceptability of the product in foreign markets, but also leads to reduced cost of production due to lesser use of pesticides, chemicals, etc.

GLOBALGAP has developed a checklist for self-assessment purposes. Producers receive their GLOBALGAP approval by verification by an independent approved body like A.B. Cert, EUROcert, and SGS Agro control. Once GLOBALGAP criteria are met, a certificate is issued by GLOBALGAP approved certification body.

- (ii) **Codex hygienic practices for fresh fruits and vegetables** - Codex Alimentarius Commission has also come forward with guidelines about GAPs and GMPs that help to control microbial, chemical and physical hazards associated with all the stages of the production of fresh fruits and vegetables from primary production to packing. *It is difficult to implement these guidelines where primary production is taken up in small holdings.* Thus these guidelines are flexible to allow for different systems of control and prevention of contamination of different groups of commodities. All aspects like quality of water for irrigation, washing, contamination from non-sterilized manures, biosolids, pesticide residues, safety of agricultural workers, personnel hygiene and sanitary facilities, cleanliness and sanitation of post-handling equipment, machinery, etc. have been taken into consideration while finalizing the standards.
- (iii) **Codex standards for different fruits and vegetables** - Codex Alimentarius Commission has prescribed codex standards for various fruits, vegetables and other commodities which have been universally accepted. Codex standards define minimum requirements in the form of quality classification details like provisions concerning sizing and tolerance for sizes and quality, details about marking, labelling and guidance about contaminants, pesticide residues and hygiene.
- (iv) **HACCP (Hazard Analysis and Critical Control Point) Guidelines** - HACCP guidelines are a systematic approach to identifying, evaluating and containing food safety hazards, which can be biological, chemical or physical agents. Such agents are likely to cause injury in the absence of their control.

HACCP system is a preventive system of hazard control rather than a reactive one and is designed to prevent the occurrence of potential food safety problems. Essentially HACCP is a system that identifies and monitors specific food borne hazards that can adversely affect the safety of the food product.

Critical Control Points identify those points in the process that must be controlled to ensure the safety of food. Monitoring and verification are important steps in HACCP

to ensure control of potential hazards. Principles have been developed which provide guidance for an effective HACCP plan.

- (v) **Food Safety Management System Certification** - International Organization for Standardization (ISO) has published Food Safety Management System and is classified as ISO 22000. This system promotes 'Farm to Fork Approach' and is the latest and comprehensive food safety and quality management system. It demonstrates the ability to control food safety hazards and communicates food safety information throughout the food chain (through traceability) by emphasizing on pre-requisite programmes i.e. GAPs, GMPs and GHPs (Good Hygienic Practices) etc.
- (vi) **GS 1 - Global Traceability Standard** - *Traceability is the ability to track the movement of food through all the stages of production, processing and distribution.* With this system one can verify inputs used, Lab tests performed, SPS measures adopted, grading and packing details etc. Many developed countries have built traceability in their food standards.

This standard mainly emphasizes on critical issues of seamless traceability and may also reach into the packaging area as is done in HACCP or FSMS (ISO – 22000).

GS 1 is being rapidly adopted by retail chains in Europe. The GS 1 Traceability Standard is a high level description of the traceability process enabling and promoting supply chain collaboration. At the same time, it allows each company to design its own traceability system in terms of scope, precision and automation in accordance to its own commercial objectives.

5. Status of Food Quality standards in India

India being a member of WTO, has adopted SPS Measures Agreement. India has realized that to stay in the competitive export market, our exports will have to learn to grapple with existing food standards or else our farmers run the risk of missing the market access in other countries that guarantees them competitive prices. Thus, food safety and quality is inevitable for export market. Moreover, Indian consumers too deserve safe quality food. WTO's National Treatment Principle stops us from enforcing standards on imported goods in the absence of similar domestic standards and because of this consumers and farmers run the risk of being dumped with cheap and sub-standard food products. Indian consumers are also getting quality conscious and demand for quality food is increasing. If domestic standards are not implemented properly, the retail chains like Reliance, Spencer's, etc. may prefer to source their products through imports to meet the growing demand of quality food and as a result of which Indian farmer would suffer not being competitive. India has started making sincere efforts to improve upon

quality standards of farm produce for boosting exports. The measures taken in this direction are given below:

- (i) Adoption of Quality standards
- (ii) Adoption of GLOBALGAP
- (iii) Adoption of Traceability
- (iv) Adoption of Food Safety Management System certification

6. Initiative from APEDA

APEDA has also been taking various steps for promotion of quality and its control. APEDA provides assistance in the form of subsidy up to 25% for setting up laboratories for analyzing quality parameters like pesticide residue, metal content, etc. APEDA also promotes quality control by giving 50% subsidy for installing quality management, quality assurance and quality control systems such as ISO series, HACCP and GAP Certification.

7. Certification Facilities

With the awareness on importance of quality control especially pesticide residue, more and more farmers are registering with GLOBALGAP. Facilities for GLOBALGAP Certification are available at a number of locations in the country. This has resulted in registration of more and more grape and pomegranate farmers in Maharashtra. Also facilities for testing for pesticide residues are now available in almost all states.

8. SPS – Technical Barriers to Trade (TBT) Agreements

Article XX of the General Agreement on Tariffs and Trade (GATT) allows governments to enact trade measures to protect human, animal, or plant life or health, provided that the provisions do not discriminate and are not used as disguised protectionism. In addition, two specific World Trade Organization agreements deal with food safety, animal and plant health and safety, and product standards in general.

Manufacturers and exporters need to know what the latest standards are in their prospective markets. To ensure that this information is made available conveniently, all WTO member governments are required to establish national enquiry points and to keep each other informed through the WTO. The Technical Barriers to Trade Committee is the main clearinghouse for sharing information among members and the primary forum for discussing concerns about the regulations and their implementation

9. Trade Barriers: Tariff and Non-tariff Barriers

Tariff Barriers are the tax or duty imposed on the goods which are traded to/from abroad. On the contrary,

Non-tariff Barriers are the obstacles to international trade, other than tariffs. These are administrative measures implemented by the country's government to discourage goods brought in from foreign countries and promote domestically produced items.

Trade barriers often protect domestic companies by putting restrictions on the movement of goods amidst nations. When two countries trade in the goods, a certain amount is charged as a fee by the country, in which goods are entered, so as to provide revenue to the government as well as raise the price of foreign goods, so that the domestic companies can easily compete with the foreign items. This fee is in the form of tax or duty, which is called a tariff barrier. The amount of tax or duty charged as tariff is added to the cost of the import, which makes the foreign goods more expensive, whose price is ultimately borne by the consumer of the products. The tariff is paid to the customs authority of the country in which goods are sent.

Tariff barriers have two-fold objective – on the one hand, it helps in increasing government revenue and on the other hand, it provides protection and support to the local industries and companies against foreign competition. It also facilitates the conservation of foreign exchange reserves. Tariff barriers often help in reducing dependency on international items and increases self-sufficiency.

Non-tariff barriers refer to non-tax measures used by the country's government to restrict imports from foreign countries. It covers those restrictions which lead to prohibition, formalities or conditions, making the import of goods difficult and decrease market opportunities for foreign items. These are quantitative and exchange control that affects the trade volume or prices, or both. It can be in the form of laws, policies, practices, conditions, requirements, etc., which are specified by the government to restrict import. Hence it encompasses popular trade-distorting practices such as Import Quotas, Import Licensing, Price Control, Foreign Exchange Regulations, Quantity Restrictions, Pre-Shipment Inspection, Rules of Origin etc. In layman terms, non-tariff barriers are hindrances to international trade, which can be legal or bureaucratic.

10. National Codex Point

The Food Safety and Standards Authority of India, (Ministry of Health and Family Welfare) is the National Codex Contact Point for liaison with the Codex Alimentarius Commission and to coordinate Codex activities in India. codex-india@nic.in

Conclusions

Agri-exports from India are on a growth path. Recent events in the world – such as the Covid 19 pandemic, the conflict in Europe – has put agro products supply chains in disarray. The food security of several nations is in jeopardy and food inflation has risen. The world is looking at India to bridge the demand-supply gap of agro products. This is an opportunity for India to bring in production improvements (productivity, quality, phytosanitary measures), in order to cater to export markets, while catering to the more demanding domestic consumers as well.

India is targeting agri-exports to exceed USD 100 billion in the near future. Preparing FPOs to cater to export markets can help them develop a broader perspective. They can progress from merely procuring for domestic commodity sales to investing value chain activities. It is hoped that agencies promoting FPOs will find the materials developed for the Advanced Training Modules for Agri-Export useful in the field.



Bankers Institute of Rural Development (BIRD), Lucknow is an autonomous institute promoted by National Bank for Agriculture and Rural Development, the Development Bank of the country. It is a premier institute for providing training research and consultancy services in the field of agriculture and rural development banking in India and abroad. The Institute was established in 1983, for addressing the capacity building needs of stakeholders. BIRD, Lucknow is an ISO 9001: 2015 certified training Institute.

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Project Lending-Agriculture and MSME, Climate Finance, Rural Banking, Farmer Producer Organization, Micro Finance, Human Resource, Financial Inclusion, Training of Trainers, Executive Development, Management Development Programme, IT based Banking, Green Finance, Responsible CSR, Group approach to Development, Women Empowerment, Organizational Development, Investment & Treasury Management, Risk Management.

Faculty

Faculty are drawn from NABARD, banks and scholars of respective fields and have pan-India level field experience. The faculty have specialization in Banking Finance, Financial Inclusion, Agriculture & Allied sector, Fisheries, Forestry and Human Resources, etc.

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