

## Growth of Indian Agriculture Export during Covid-19 Pandemic

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**Abstract-** India has a well established and ever prospering Agriculture Sector and it occupies a leading position in global trade of agricultural products. There are multiple factors which favour India's Agri-Export trade. The recent and ongoing COVID-19 pandemic had pushed the Global Economy into a state of pre recession and many sectors recorded negative growth in 2020. But the Agriculture sector in India has outperformed its production from the past years and equipped the nation with self sufficiency and buffer stock for export. This Paper studies the Impact of the COVID-19 Pandemic on India's Agriculture Export sector. The study reveals that the Agri- export sector has shown a record growth this year and the highest since 2003-04. It discusses the various factors which have contributed to this development. This paper also suggests the various measures and course of action to be adopted to further diversify the India's global trade of Agricultural Products.

### I. INTRODUCTION

Agriculture in India is the most significant contributor to the Economic Growth and employs close to 60 percent of the Nation's population. Over the years the agriculture sector has established itself as a strong pillar of the economy, which has grown stronger since the Green Revolution in the mid 60s'. Agriculture export has been one of the most potential determinants of the overall merchandise export of the country. In the initial years government controlled the export of most agricultural produce so as to provide sufficient supply of raw materials for the domestic agri based Industries. However, with the advent of the New Economic Policy of 1991, the India's trade policy on Agricultural Items has taken a paradigm shift. The objective was made multidimensional with ensuring food security on one hand and developing a strong export base for the agriculture production on the other hand. It, moving simultaneously, would ultimately enhance the farmer's income and also ensure domestic self-sufficiency [1].

In India, agriculture contributes about sixteen percent (16%) of total GDP and ten percent (10%) of total exports. With more than 60 % of land being arable in India and presence of favorable climatic conditions, regular monsoon over a period of time, and presence of a huge manpower, Agriculture in India has always flourished. Rice, wheat, potato, tomato, onion, mangoes, sugar-cane, beans, cotton, cashew, etc are some of the agriculture Products of India which hold a significant

economic value in domestic as well as global mark [2]. India has consistently maintained trade surplus in the agricultural products over the years. Moreover, India's terms with other countries have provided for favorable market for its agriculture products.

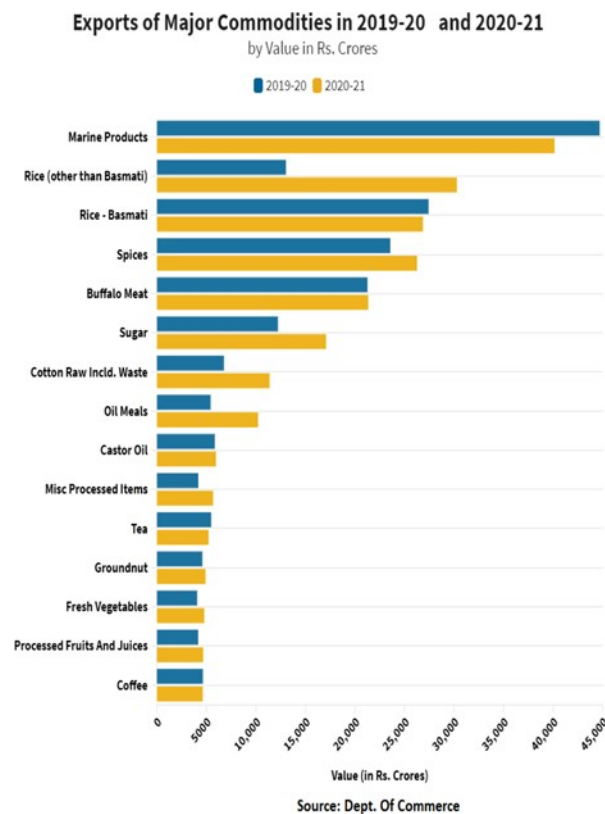
When the Entire world was hit by the Covid-19 Pandemic in the early months of 2020 there was an anticipation of another Global Economic Recession because most Industries and Services came to standstill. There is a multi-sectoral impact of the virus as the economic activities of nations have slowed down [3]. To contain the spread of the Virus Indian Government came into prompt action by announcing a nationwide lockdown for confining the people in their homes. The production units were stopped, Exports and Imports were restricted, the retail sector was confined to the supply of essential commodities, and most Services were closed for the time being. The pandemic has affected production and marketing through labour and logistical constraints, while the negative income shock restricted access to markets and increased prices of food commodities affecting the consumption pattern [4].

Amid the COVID-19 crisis, agricultural activities related to production and marketing have been deemed "essential services" and were not restricted in any state. However, the lockdowns shut the operations of retail sellers and restricted their movement, constrained the movement of goods severely, closed processing units that consume agricultural commodities, and—despite their essential service tag—shut down some Mandis and markets. Despite the odd conditions there was a considerable improvement in the food grain production and the COVID- 19 induced movement restrictions worldwide did not affect India's Agri-exports as they did with other commodities [5-6].

### II. RESEARCH DESIGN

India is a land of Agriculture and Farmers. Its rich Agriculture provides a wide scope of research for the scholars. The recent and ongoing COVID-19 Pandemic has impacted all sectors of the economy due to which there is a need to study the effect and develop a strategic plan for recovery and a precautionary course of action to deal with such situation in the future. This study focuses on the impact of the pandemic on agriculture exports. The

Secondary data was extensively collected from digital sources including the figures from the official portals of Department of Commerce, Department of Agriculture and Farmers Welfare, Press Information Bureau, and from other Scholarly journals and articles. The results were derived after comprehensive evaluation of the facts and figures from the aforementioned sources.



**Fig. 1** Exports of major Commodities

As shown in fig.1, India's agriculture export in 2020 has outperformed the figures from the previous year. Wheat showed a huge growth in exports, increasing from Rs. 425 Crore to Rs. 3283 Crore, while other cereals recorded a massive Rs. 4542 crores compared to Rs. 1318 in the previous year. Country has witnessed a significant growth of 132% in export of Non-Basmati Rice, which being Rs. 13,030 crores in 2019-20 rose up to 30,277 crores in 2020-21. Apart from this the other commodities which rocketed the exports chart in the period of April 2020 to February 2021 as compared to the corresponding period during 2019-20 include Spices (Rs. 26257 crore vs Rs 23562 crore; with a growth of 11.44%), Sugar (Rs 17072 crore vs Rs 12226 crore and a growth of 39.64%), Raw cotton (Rs. 11373 crore vs Rs 6771 crore; growth 67.96%), Fresh Vegetables (Rs. 4780 crore, growth 17.54%) and Processed Vegetables (Rs 2846 crore vs Rs 1994 crore; growth 42.69%) etc [7].

The main drivers of the increase in exports in 2020-21 are wheat (672% increase), vegetable oil (258%), cereals (245%), molasses (141%) and non-Basmati rice (132%). Marine products, Wheat, Non-Basmati Rice, Spices, and

Buffalo meat were among the top five commodities to be exported, in terms of value in 2020-21. Together, these five products accounted for almost 54% of agriculture exports the exports of Basmati rice have also slightly dropped by 2% in 2020-21 due to ban on its import by many countries because of extensive use of banned Tricyclazole and Buprofezin in its cultivation.

For over a decade and a half India had market for its agricultural products in the US, China, Afghanistan, Bangladesh, the UAE, Vietnam, Saudi Arabia, Indonesia, Nepal, Iran and Malaysia. However, demand for India's agri products in Europe has declined due to various precautionary trade restrictions by the European Union. But still India has recently gained market access for pomegranate in Australia, Mango and Basmati rice in Argentina, Carrot seeds in Iran, Wheat flour, Basmati rice, Mango, Banana and Soyabean oilcake in Uzbekistan, Tomato, Okra and Onion in Bhutan and Oranges in Serbia. Many Asian countries, which were key players of the agri export, like; Kazakhstan, Myanmar, Russia and Vietnam have imposed cereal trade restrictions like bans, quotas and licensing, which are distorting the global food supply [8].

The massive growth of agriculture export in India can be attributed to multiple factors.

They can be studied under:

- (a) Excess Labour involvement and favorable monsoon resulted in increased production in Agriculture sector amidst the Pandemic situation. The public procurement of the agricultural produce has also been record high.
- (b) Lesser demand in domestic food and Agriculture based industries due to nationwide lockdown, provided for surplus export stock.
- (c) International Trade distortions resulted in the commodity price rise while India offered to trade for a comparatively reasonable price line.
- (d) Trade restrictions imposed by several countries had created a highly shaken supply chain for food grains across the globe. It has helped India in emerging as a leading player in global agriculture production market.
- (e) On specific demand from countries, National Agricultural Cooperative Marketing Federation of India (NAFED) has facilitated the export of 50,000 MT of wheat to Afghanistan and 40,000 MT wheat to Lebanon under Government-to-Government arrangement.
- (f) India captured new markets namely, Timor-Leste, Papua New Guinea, Brazil, Chile, and Puerto Rico.

The market forces of demand and supply have undoubtedly boosted the Indian agri-export sector and the Government acted as a facilitator. The Department of Commerce has made efforts, in collaboration with the Department of Agriculture, for gaining market access for Indian products. Agricultural and Processed Food Products Export Development Authority (APEDA) took actions to boost agriculture exports during the pandemic.

Such efforts include promotion in virtual buyer-seller meets, formation of product specific export promotion forums, hosting product promotion meetings and webinars regularly to understand the challenges and resolving them, and further promotion of GI products. Under the Agriculture and Processed Foods Export Promotion Scheme of APEDA, financial assistance was provided for infrastructure development, Quality Development and Market Promotion.

### III. CONCLUSION

India has, for long, been recognized as an agriculture powerhouse, but hasn't performed much to its potential when it comes to agricultural exports. But the agricultural exports have gained the momentum in fiscal year 2020-21 amidst the COVID-19 lockdown situation. This has again showed that India can be a leading country in agriculture production and export. Holding a strong position in agriculture Export has a number of positive externalities. Higher agricultural exports would mean better price realization for farmers, increases awareness regarding good agricultural practices and consequently. Greater thrust on quality; an increases awareness of what consumers in other countries demand, which would stimulate value addition and moreover it will improve employment generation and higher rural income for the country. There have been global concerns on restriction of exports of agricultural commodities by a few global players. India, being trade-surplus on commodities like rice, meat, milk products, tea, honey, horticultural products, etc. may seize the opportunities by exporting such products with a stable agri-exports policy. A few bottlenecks in the agriculture export can be removed which will help the sector to boom. Addressing the logistic bottlenecks will not only make our exports hassle free but also more competitive. Export relaxation on Government's end will encourage the agri-exporters. Some other actions to be addressed are reduction of post-harvest loss, availability of necessary infrastructure like cold storage, proper monitoring of fertilizer and pesticides usage and controlling the use of banned fertilizers, adoption of the latest farm technology, and widening the scope of export finance for agriculture products. State Governments should implement the specific action plans for administering the export of the surplus agricultural production in their region. Efforts for cooperation between exporters and

Government are needed for broader market access and expanding of the foreign market. Opening the gates for Private individuals and institutions will also flood this sector with the much required investment. The Government's vision of doubling Farmers' income by 2022 and doubling the farm exports by 2025 seems achievable. The first wave of the pandemic has not affected India's farm exports as much as it affected the other sectors. In fact, the pandemic gave new opportunities and innovations for the farm sector to flourish. The chain of events triggered by the pandemic has had a mixed Impact on the domestic agricultural systems specially in production, marketing and consumption, yet India has emerged as self sufficient and a net exporter of food in the past year.

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