



AGRI-EXPORT FROM INDIA

PROSPECTS & PROCEDURE



Dr VK Gondalia and Dr KS Jadav

Department of Agricultural Economics & WTO Cell

B.A. College of Agriculture

Anand Agricultural University, Anand

Phone: 02692-264950, Mo: 9662527886 • Email : vkg@aaui.in

Introduction

Today, exports is seen as an essential component of GDP. The growth in exports is linked to increased employment and in general, prosperity of the country. The central as well as Gujarat state government have rolled out many schemes for increasing exports.

Prospects for Agri-Export

Agriculture is a backbone of Indian economy and it also has a crucial role to play in Indian export. Agriculture and it's allied sectors contribute about 12 % share in total exports from India. India is now being perceived by the world as an ideal food basket. 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. Continuous innovation and efforts towards productivity, pre & post-harvest management, processing and value-addition, use of technology and infrastructure creation is an imperative for Indian agriculture. India exported agricultural products worth of Rs. 2.69 lakh crore during the year 2018-19 and has reported 10.73% annual growth during the last decade (Fig. 1). The information regarding export of major agricultural products along with their growth is depicted in Table-1. It shows that India has great export opportunities in overseas market.

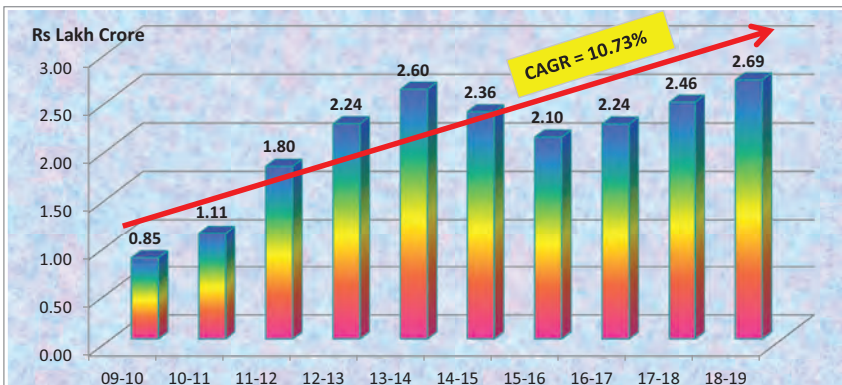


Fig. 1 : Growth of Agri-Export From India

Role of WTO Cell

Department of Agricultural Economics and WTO Cell is actively engaged in providing export related trainings to the farmers, students and agri-entrepreneurs. It also contributes by conducting research on various aspects of export. Recently, the Department has carried out research on growth and prospects of export of major agricultural products like fruits, vegetables, cumin, fennel, coriander, groundnut, sesame, castor, dairy products, etc. The findings of these research studies have been published in form of books for wide use of all stakeholders.

Table-1 : Agri-Export From India (Value and Growth)

Rank	Name of product	Export Value (2018-19) (Rs Crore)	CAGR (%) (09-10 to 18-19)	Rank	Name of product	Export Value (2018-19) (Rs Crore)	CAGR (%) (09-10 to 18-19)
1	Marine Products	47621	19.80	31	Other Oil Seeds	927	29.83
2	Basmati Rice	32806	11.55	32	Cucumbers /Gherkins (Pro)	907	6.63
3	Buffalo Meat	25091	17.10	33	Mango Jams/Jellies	901	17.21
4	Non-Basmati Rice	20903	10.08	34	Sheep/Goat Meat	868	11.67
5	Cotton	14628	-1.29	35	Fruits / Vegetable Seeds	865	19.28
6	Oil Meals	10438	-5.88	36	Peper	821	16.41
7	Sugar	9518	27.31	37	Vegetable Oils	745	20.01
8	Castor Oil	6170	9.72	38	Onion Powder	720	12.85
9	Tea	5828	6.42	39	Pomegranates	689	25.72
10	Coffee	5722	10.05	40	Poultry Products	687	7.31
11	Guargum	4707	0.86	41	Mango Pulp	658	-0.03
12	Cashew	4579	7.10	42	Curry Powder/Pest	616	17.94
13	Chilli Powder	4256	18.12	43	Cardamom(Small)	609	17.23
14	Tobacco Unmanu.	3984	2.71	44	Mollases	586	19.29
15	Cereal Preparations	3846	15.32	45	Floriculture	571	7.61
16	Sesame Seeds	3762	6.67	46	Cucumbers/Gherkins fresh	530	13.78
17	Onions fresh	3467	6.96	47	Potatoes	441	23.16
18	Dairy Products	3376	12.53	48	Bananas	412	19.07
19	Groundnut	3296	7.01	49	Mangoes fresh	406	10.58
20	Mint Products	3228	8.88	50	Garlic	309	36.67
21	Tobacco Manufactured	2873	15.95	51	Coriander	273	9.15
22	Spice Oils & Oleoresin	2662	16.72	52	Tomatoes	262	4.58
23	Cumin	2418	24.06	53	Raisins (Grapes Dried)	259	17.75
24	Other Cereals	2355	-11.34	54	Fennel	259	23.61
25	Grapes fresh	2335	22.14	55	Nutmag & Mace	221	10.61
26	Alcoholic Beverages	2104	12.73	56	Ginger	216	17.25
27	Pulses	1795	11.73	57	Green Chilly	213	16.90
28	Cocoa Products	1351	37.85		Others	17042	-
29	Milled Products	1059	22.57		Total Ari-Export	269226	10.73
30	Turmeric	1036	11.36				

Source: APEDA

EXPORT PROCEDURE

Stage-I : Basic Preparations

1 Establishing an Export Firm/Company

- ◆ Set up a sole Proprietary concern/ Partnership firm/ Private Limited Company/Co-operative.
- ◆ Get Registration with Nagarpalika/SSI/Local Trade Association.
- ◆ Open a current account with a Bank authorized to deal in Foreign Exchange.
- ◆ Get Permanent Account Number (PAN) from the Income Tax Department.

2 Obtaining IEC Number

- ◆ An IEC is mandatory for undertaking export/import business.
- ◆ Apply online for e-IEC on the DGFT website (<http://dgft.gov.in/>).
- ◆ Valid PAN, Valid Mobile No. and Email ID, Preprinted cancelled check (as proof of Bank account) address proof are also required.
- ◆ Only one IEC is required for export/import of any number of products.
- ◆ No need to renew every year. you can modified when required.



IEC

(Import Export Code)

3 Obtaining RCMC (Registration Cum Membership Certificate)

- ◆ RCMC is required for availing authorization to import/export or any other benefit under Foreign Trade Policy (FTP) and to avail services/ guidance.
- ◆ Apply to concerned Export Promotion Councils (EPCs)/ FIEO/ Commodity Boards/ Authorities. Like APEDA for agro products, SPICE BOARD for spices, FIEO for multiproducts, etc.
- ◆ Membership needs to be renewing after expiry.



Stage-II : Getting an Export Order

4 Selection of Product

- Make list of potential products you want to export.
- Find HS code of your selected products from the DGFT website and also know about the export policy framed by the government.
- Collect export data from various websites like www.apeda.gov.in, www.commerce-app.gov.in, etc.
- After careful study of export data, identify products most suitable to you for export.

5 Selection of Overseas Markets

- ◆ An overseas market should be selected after careful study of market size, competition, quality requirements, etc.
- ◆ Evaluate the markets based on the export benefits available under the various Free Trade Agreements. Such information is available at www.indiatradeportal.in
- ◆ Information regarding competitive countries is available at www.trademap.org.



6 Finding Buyers

- ◆ Create your multilingual website providing all relevant information about your products.
- ◆ Collect buyer's information from various B2B portals.
- ◆ Participate in international trade fairs and buyer seller meets.
- ◆ EPCs, Indian Commercial Missions abroad, overseas Chambers of Commerce can also be helpful.
- ◆ Take help of your friends and relatives residing abroad.
- ◆ Find and contact agents of foreign buyers.
- ◆ Appoint your agents in buyers' countries.



7 Send Sample

- ◆ Send samples as per the demands of buyers which will help in getting export orders.

8 Pricing / Costing

- ◆ Product pricing is crucial in getting buyers' attention and promoting sales in view of international competition.
- ◆ The price should be carefully worked out considering delivery terms (incoterms) and payment terms.
- ◆ Preparing an export costing sheet in excel for every export product is advisable.



9 Negotiation with Buyers

- ◆ A reasonable discount in price may be considered after determining the buyer's interest in the product, future prospects and continuity in business.

10 Managing Payment Risk

- International trade involves payment risks due to buyer/ Country insolvency. These risks can be covered through Export Credit Guarantee Corporation of India (ECGC).
- ♦ Get an appropriate policy from ECGC to protect against payment and political risk.



Stage-III : Processing an Export Order

11 Confirmation of Order

- ♦ On receiving an export order, it should be examined carefully in respect of items, specifications, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed.

12 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 and within time limit.

13 Quality Control

- ♦ In today's competitive era, it is important to be strict quality conscious about the export goods.
- ♦ Agricultural exports are subject to compulsory pre-shipment inspection and certification.
- ♦ 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.
- ♦ Information related to quality parameters is available on EPCs website such as APEDA, Spice Board, etc.



14 Finance

- ♦ Exporters are eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates
- ♦ Contact your Bank to avail pre-shipment finance to meet working capital requirements for purchase of raw material/finished goods, packing/transporting, etc.
- ♦ Post Shipment finance is also available which is adjusted by realization of the sale proceeds of the export bills.



15 Labeling, Packaging, Packing and Marking

- ♦ Marking such as address, package number, port and place of destination, weight, handling instructions, etc. is required.
- ♦ The export goods should be labeled, packaged and packed strictly as per the buyer's specific instructions.
- ♦ Now a days, traceability has also become important. The required information is available on EPCs website.



16 Insurance

- ♦ Get Marine Insurance policy to cover risks of loss or damage to the goods during transportation.

17 Delivery

- ♦ Exporter must adhere the delivery schedule.
- ♦ Planning should be there to let nothing stand in the way of fast and efficient delivery.
- ♦ Any delay in delivery may create problem in payments.

18 Customs Procedures

- ♦ Exporters may avail services of Customs Brokers licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.
- ♦ An exporter need to apply different forms of shipping Bill/ Bill of Export for export of duty free goods / dutiable goods and export under drawback etc.
- ♦ The Shipping Bill or Bill of export is provided by custom to the exporter through broker.
- ♦ Bill of Lading / Airway Bill is provided by shipping agency after loading of goods.



19 Documentation

- ♦ Mandatory documents for export :
 1. Bill of Lading/ Airway Bill
 2. Commercial invoice and packing list
 3. Shipping Bill/ Bill of Export
 4. Other documents like certificate of origin, inspection certificate etc may be required as per the case.

20 Submission of documents

- ♦ 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. Following documents need to be submitted :
 1. Bill of Exchange
 2. Letter of Credit (if shipment is under LC)
 3. Invoice and Packing List
 4. Airway Bill/ Bill of Lading
 5. Declaration under Foreign Exchange
 6. Certificate of Origin/ GSP
 7. Inspection Certificate, wherever necessary
 8. Any other document as required in the LC or by the buyer

21 Realization of Export Proceeds

- ♦ As per FTP 2015-2020, all export contracts and invoices should be prepared in US dollar or any freely convertible currency.
- ♦ As per RBI rules, it is exporter's responsibility that export proceeds should be realized in 9 months failing which exporter has to face legal action by RBI.

Important Websites for Export Business

No.	Name of Organization	Website
1	Directorate General of Foreign Trade	www.dgft.gov.in
2	Ministry of Commerce and Industry	www.commerce-app.gov.in
3	Central Board of Excise and Custom	www.cbec.gov.in
4	E-Com Portal of Central Board of Excise and Custom	www.icegate.gov.in
5	Federation of Indian Export Organisations (FIEO)	www.fieo.org
6	Indian Trade Portal by managed by FIEO	www.indiantradeportal.in
7	Export Credit Guarantee Corporation of India Ltd.	www.ecgcindia.com
8	Agri. & Processed Food Prod Export Dev. Authority	www.apeda.gov.in
9	Spices Board of India	www.indianspices.com
10	International Trade Centre (ITC)	www.trademap.org
11	World Trade Organization (WTO)	www.wto.org
12	Various B2B Web Portals	www.alibaba.com www.indiamart.com www.tradeindia.com www.exportersindia.com www.cybex.in www.zauba.com

Contact for Export Related Information and Training

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