Monetary, regulatory support can help agri industry account for 20% of exports by 2025

Introduction

- The monetary and regulatory support announced for the agricultural industry by the Finance Ministry on Friday has the potential to help double the share of this sector in the country’s basket of exports to around 20 per cent by 2025, according to some experts.
- The strengthening of post-production facilities like cold chains, storage infrastructure and farm-gate projects will not only address wastages but will also improve unit realisation of our agricultural products.
- India’s exports dropped over 60 percent in April due to supply chain disruptions and low demand in the wake of the ongoing pandemic.

Advantages

- The announcements have come at an opportune time, as the world is apprehensive of importing edible products from China.
- The announcements have also addressed some “key bottlenecks” faced by exporters in the agricultural sector, according to FIEO. For instance, the removal of inter-state movement restrictions is a “big” relief as it will help in fulfilling export commitments and capitalise on export opportunities.
- Another positive move is the amendments to the Essential Commodities Act, which imposed stock limits on products like edible oils, oilseeds, pulses, onions, potatoes and cereals. The amendments will help in “better” price realisation for farmers, but will also help them stock sufficient quantities for timely delivery.
- In agricultural exports, we can easily achieve a Compound Annual Growth Rate of 30 per cent in the next five years. Right now agricultural products contributed only around 10 percent of India’s total export basket.