Issues and Solutions of Fresh Fruits Export in India

Pitam Chandra\textsuperscript{1} & Abhijit Kar\textsuperscript{2}

Indian Council of Agricultural Research

Division of Post Harvest Technology
Indian Agricultural Research Institute
New Delhi, India

India facts........

• Largest producer of fruits in the world
• Fruit production 46 million tonnes

– 10\% of world production
– 4\% of world citrus production
– 46\% of world mango production
– 1\% of export earnings from agricultural products
India : The March Ahead

fruit production, yields and exports grew faster than the average for the world:

– production 5.33% compared to 2.2%;
– yields 2.14% compared to 0.95%; and
– exports 8.21% compared to nearly 2%.

............ however, India’s share in the global exports of fruits remains low.

Comparison of major fruits’ production in India and World

<table>
<thead>
<tr>
<th>Fruit</th>
<th>Production (Million Tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>India</td>
</tr>
<tr>
<td>Banana</td>
<td>13.304</td>
</tr>
<tr>
<td>Grapes</td>
<td>1.250</td>
</tr>
<tr>
<td>Mango</td>
<td>12.733</td>
</tr>
<tr>
<td>Papaya</td>
<td>2.150</td>
</tr>
<tr>
<td>Pineapple</td>
<td>1.172</td>
</tr>
<tr>
<td>Others</td>
<td>14.5942</td>
</tr>
<tr>
<td>Total</td>
<td>45.203</td>
</tr>
</tbody>
</table>

Source : Ministry of Commerce and Industries Data Sheet, 2005
Constraints for Exports

• Lack of exportable varieties
• Lack of post-harvest infrastructure
• High cost of obtaining certification for exports

Supply Chain Issues

• Uneconomic scale of operation
• Lack of consistency in supply and quality
• Lack of cost competitiveness
• Inadequate and inappropriate storage and distribution infrastructure
• Lack of technical support for the agro-industrial sector
Market Access Issues

- Non-Tariff Barriers
  - Import Policy Barriers
  - Standards, Testing, Labelling and Certification requirements
  - Anti-dumping & Countervailing Measures
  - Export Subsidies and Domestic Support
  - Government procurement

- Short product life cycle
- Lack of brand image

Technological Constraints

- Majority of holdings are small and unirrigated
- Unproductive plantations needing replacement / rejuvenation.
- Low productivity of crops due to inferior genetic stocks and poor management.
Technological Constraints

• Inadequate supply of quality planting materials of improved varieties
• High incidence of pests and diseases
• Heavy post harvest losses

Proposed Solutions

• Targeted Products
  – India’s production advantage (in aggregate terms or for specific varieties)
  – Production should shift to demand driven rather than supply driven
  – Current and likely trade volumes in the category, based on underlying demand trends
  – Potential for differentiation
  – Comparative cost advantage
Proposed Solutions

• Improvement of market access

  Market Intelligence
  • Major importing markets
  • India’s competitiveness vis-à-vis key competitors
  • Existing tariff structure and non-tariff barriers, and likely changes in the context of WTO requirements
  • Current status of quality standards and food regulations in target markets for imports of defined products.

Proposed Solutions

• Improvement of market access

  Harmonization with international standards/practices, certification and testing

  • Substitute post arrival testing with pre-shipment inspection
  • Encourage importing countries to set up offices in India for certification of export consignments
Harmonization with international standards/practices, certification and testing

• Encourage food testing laboratories to obtain accreditation from international agencies.
• Introduce certification zoning systems
• Promote certification of organic farming for different crops

Proposed Solutions

• Supply chain alignment with international requirements
  – Enable direct farmer-importer linkages
  – Set-up independent world class food testing and inspection infrastructure
  – Devise an alternate system of processing grade products specifications based on internationally accepted norms
Supply chain alignment with international requirements

– Support private sector initiatives for investing in specialized transport infrastructure

– Encourage investment in infrastructure to improve product quality

• Integration of Government Schemes

Recommendations

• Integrate all schemes offered for export promotion through various Ministries and allied agencies

• Strengthen food processing infrastructure in identified Agri Export Zones

• Encourage food testing laboratories to get accreditation from international agencies
Recommendations

• Set-up independent world class food testing and inspection infrastructure, particularly in clusters with significant presence of exporters

• Devise an alternate system of processing grade products specifications based on internationally accepted norms

• Promote aggregation of exports to meet the minimum order requirement of importers

Recommendations

• Develop a strong market intelligence system to aid exporters

• Introduce certification zoning systems

• Promote certification of organic farming for different crops

• Build global brands on the back of India’s strengths
Recommendations

• Support a responsive research and development infrastructure to provide technological upgradation