Agri exports rise despite dip in buffalo meat, basmati shipments

Growth in fresh fruits, vegetables, non-basmati rice shipments compensate

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India’s agri and processed food exports registered a marginal growth for the year ended March 2017 over the corresponding previous year, despite the top two large product categories—buffalo meat and basmati rice—registering a dip in shipments. A double-digit growth in shipments of fresh fruits, vegetables, non-basmati rice and a sharp increase in groundnut exports helped sustain the overall agriexports growth trend, said Apeda Chairman DK Singh.

According to provisional data, overall agri and processed food exports grew 3.1% in rupee terms at Rs1.078 lakh crore, against Rs1.046 lakh crore in the previous financial year.

In dollar terms, the shipments during 2016-17 were estimated at $16.092 billion, lower by around 1 per cent over the previous year’s $16.37 billion.

Basmati exports dropped 7 per cent in dollar terms at $3.2 billion, against the previous year’s $3.47 billion.

In volume terms, basmati shipments were estimated at 3.99 million tonnes, against 4.04 mt.

Singh attributed the dip in basmati shipments mainly to the reduced off-take from Iran, the largest buyer. “Iran had imposed a minimum export price of $850 per tonne, and Indian exporters were not keen to sell at that price: this impacted the volumes to an extent. Now Iran has gradually started issuing permits,” Singh said.

Non-basmati rice shipments grew 10.5% per cent in value at $13.722 crore ($15.453 crore).

In volumes, the non-basmati rice shipments were up 6.81 mt, against 6.46 mt in the previous year. Overall rice shipments exceeded 10.81 mt, about 3 per cent higher than the previous year’s 10.50 mt.

The Apeda Chairman sees bright prospects for exports of fresh fruits and vegetables, and also non-basmati rice in the current financial year.

Singh said buffalo meat exports may increase marginally as the issues faced by the sector have been resolved. “We expect buffalo meat exports to revive,” Singh said. Demonetisation and the crackdown on illegal slaughter houses in Uttar Pradesh impacted the shipments to an extent.

Buffalo meat is the largest category in the overall agri-export category. Although India exported 1.33 mt of buffalo meat in 2016-17, about 15 per cent higher than in the previous year, the realisations fell by the same margin at Rs26.803 crore ($26.684 crore in 2015-16). In dollar terms, buffalo shipments were valued at $3.92 billion, against $4.09 billion.