

D/o Agriculture, Coop & FW
Trade Division

Overview of Trade Division for website

Trade Division is entrusted with the responsibility of making policy recommendations on export and import of agricultural commodities. Trade Division is the nodal Division of the Department for coordinating/ formulating responses on World Trade Organization's (WTO) Agreement on Agriculture with the Ministry of Commerce, with Foreign Investment Promotion Board (FIPB) on FDI in agriculture, with Ministry of Finance in matters relating to the modification in the Custom/Excise duties on agricultural commodities and with Ministry of Commerce in matters relating to Preferential Trade Agreements (PTAs)/Free Trade Agreements (FTAs) with different countries.

2 The following work has been allocated to Trade Division:-

- Working with Department of Commerce in Formulation of India's position in WTO Agreement on Agriculture and other allied agreements.
- Preparation of various returns/report to be notified to WTO.
- All matters relating to international trade including policy recommendations in respect of agricultural Commodities.
- Examination of proposals received from Department of Commerce relating to negotiations in respect of agricultural commodities in various Preferential Trading Arrangement (PTA)/ Free Trade Areas (FTA) and formulation of India's offer and request list.
- Examination of export and import proposals received from DGFT relating to agriculture commodities.
- Formulation of policy relating to Foreign Direct Investment in Agriculture, in consultation with DIPP.
- Examination of FDI proposals received from Foreign Investment Promotion Board (FIPB).
- Compilation/analysis of data relating to export and import of agriculture commodities.
- Budget proposals including suggestions in respect of modification in customs duties

3 India's position in global agriculture trade

India is among the 15 leading exporters of agricultural products in the world. The country has emerged as a significant exporter in certain agriculture items like rice, meat, spices, raw cotton and sugar. India has developed export competitiveness in certain specialized agriculture products like basmati rice, guar gum and castor oil. As per WTO's Trade Statistics, India's share in agricultural export and import in the world were 2.46% and

1.46% respectively in 2014. During this year, India's total global agriculture & allied export and import were at US\$ 43.47 billion and US\$ 27.31 billion respectively.

4 Agriculture trade policy

4.1 Exports - Presently exports of principal agricultural products including rice, wheat, sugar, cotton, fruits and vegetables are “free” without any quantitative restrictions. Export of **pulses** (excluding kabuli channa) and **edible vegetable** oil in bulk (excluding coconut oil and rice bran oil) is ‘restricted’ to meet the domestic demand.

4.2 Imports- Imports of principal agriculture products are mostly “free” without any quantitative restrictions.

5 India's agricultural Exports: Agricultural exports decreased from Rs. 2,62,778 crores in 2013-14 to Rs. 2,13,555 crores in financial year 2015-16 with a decline of nearly 18%. During 2015-16 marine products, basmati & non-basmati rice, buffalo meat, spices and cotton were top commodities of India's agriculture exports. The share of agricultural exports in total exports of the country decreased from 13.79 % in 2013-14 to 12.46% in 2015-16.

5.1 India's top 15 agricultural export commodities in terms of quantity and value for the year 2013-14, 2014-15 and 2015-16 are given below.

Table 1: India's top 15 agricultural export commodities

Quantity: '000 tonnes Value in Rs. Crores

Sl No.	Commodity	2013-14		2014-15		2015-16	
		Qty	Value	Qty	Value	Qty	Value
1	Marine Products	1001	30627	1073	33685	976	31183
2	Buffalo Meat	1366	26458	1476	29283	1314	26682
3	Rice -Basmati	3754	29292	3702	27599	4045	22714
4	Spices	897	15146	923	14842	821	16374
5	Rice(Other Than Basmati)	7148	17795	8226	20336	6374	15086
6	Cotton Raw Includ. Waste	1948	22338	1143	11643	1346	12816
7	Sugar	2478	7179	1954	5327	3826	9772
8	Coffee	254	4799	221	4973	256	5123
9	Cashew	121	5095	135	5566	103	5025
10	Fresh Vegetables	2292	5384	2019	4612	1872	4763
11	Tea	250	4873	215	4166	247	4719
12	Castor Oil	545	4364	547	4710	587	4616
13	Tobacco Unmanufactured	237	4783	220	4163	215	4371
14	Groundnut	510	3188	708	4675	537	4039
15	Fresh Fruits	525	3646	484	3148	573	3918

Source: DGCIS, Kolkata

6 India's agricultural Imports: India's agricultural imports increased from Rs. 85,727 crores in 2013-14 to Rs 1,39,933 crore in 2015-16 registering a growth of nearly 63%.

Increase in value of agricultural imports during this period was primarily on account of imports of vegetable oils, pulses, cashew nuts, spices and sugar. Share of agricultural imports in the total imports increased from 3.16% in 2013-14 to 5.63% in 2015-16.

6.1 India's top 15 agriculture commodities imported during year 2013-14, 2014-15 and 2015-16 are in the Statement given below:

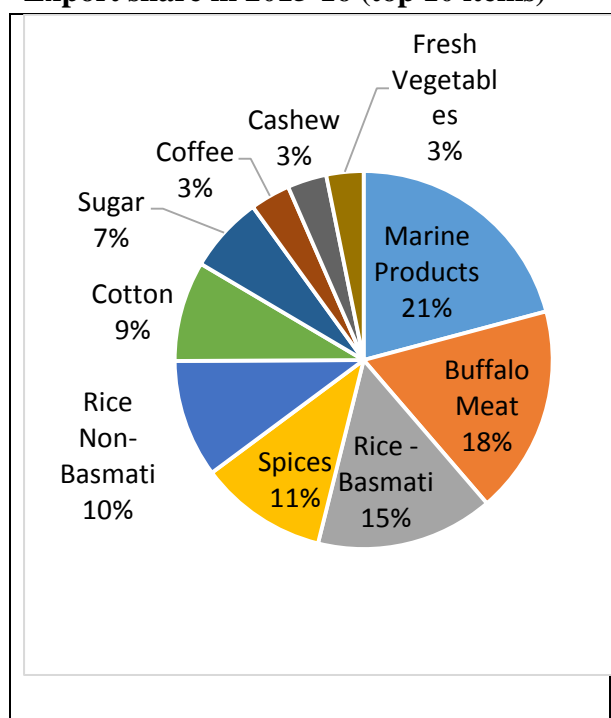
Table 2: India's top 15 agricultural import commodities

Quantity: '000 tonnes Value in Rs. Crores

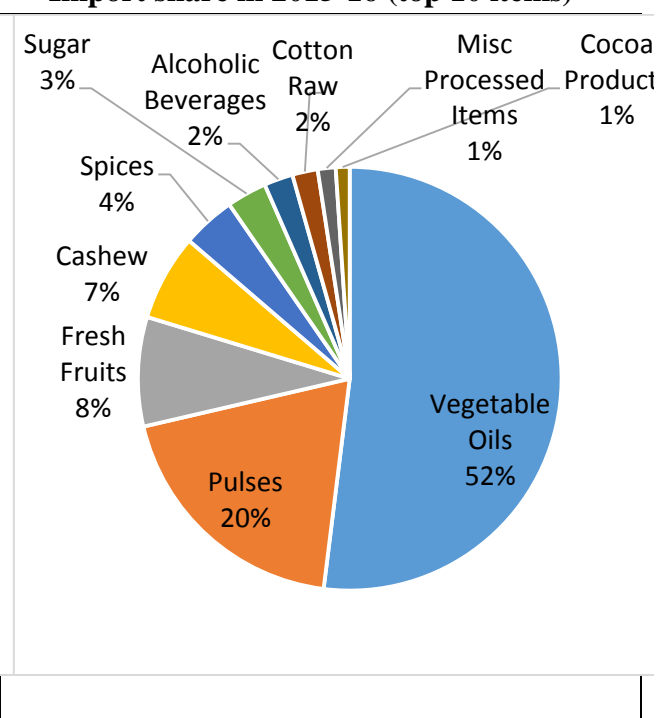
Sl No		2013-14		2014-15		2015-16	
		Qty	Value	Qty	Value	Qty	Value
1	Vegetable Oils	7943	44038	11548	59094	15639	68630
2	Pulses	3178	11037	4585	17063	5798	25619
3	Fresh Fruits	769	7716	858	9544	836	11013
4	Cashew raw	776	4668	941	6600	962	8701
5	Spices	156	3452	161	4392	191	5382
6	Sugar	881	2287	1539	3668	1943	4038
7	Alcoholic Beverages		2076	0	2508	0	2915
8	Cotton Raw Includ. Waste	181	2376	259	3101	232	2563
9	Misc Processed Items		1474		1749	0	1799
10	Cocoa Products	52	1072	65	1551	56	1399
11	Wheat	11	27	29	61	516	870
12	Coffee	60	729	75	930	66	802
13	Fruits / Vegetable Seeds	8	449	14	611	14	702
14	Marine Products	31	411	28	452	50	635
15	Cereal Preparations	53	419	63	569	61	573

Source: DGCIS, Kolkata

Export share in 2015-16 (top 10 items)



Import share in 2015-16 (top 10 items)



7 FDI Policy in Agricultural Sector:

As per the present FDI Policy, **100% FDI** is allowed in the following activities of agriculture through **automatic route**:

- Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions;
- Development and Production of seeds and planting material;
- Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, under controlled conditions; and
- Services related to agro and allied sectors

7.1 100% FDI is also permitted in plantation sector namely tea plantations, Coffee plantations, Rubber plantations, Cardamom plantations, Palm Oil plantations and Olive oil tree plantations through automatic route.

7.2 Besides the above, FDI is not allowed in any other agricultural sector/ activity.
