

Non-tariff issues in focus as US, India bet high on farm trade

Banikankar Pattanayak
New Delhi, March 20

EVEN as farm exports are poised to drop for a second straight year in 2015-16, India is working with the US on further strengthening its farm trade processes, as the country seeks to aggressively tap its largest market for agricultural and processed food items to beat a global slowdown.

While India is eyeing more market access and less non-tariff barriers in the US for its farm items — including mango, litchi and rice — to expand its product basket for exports, the US side has been keen on a greater pie of the Indian market for their products such as cherry, strawberry and almonds, sources told FE.

In a recent Plant Health Technical Bilateral meeting here, both India and the US agreed to submit certain reports on pest risk analysis by the end of March so that further steps can be initiated at the earliest, a source said. The two sides are learnt to have discussed issues relating to fumigation and how to improve processes for phyto-sanitary tests so that no con-

FROM FARM TO MARKET



Note: Based on DGCIIS data for farm and processed food items. *Apr-Nov period

signment is held up on the issues of posing health risks. India and the US are learnt to have discussed irradiation processes in pomegranate supplies from India. Some of these discussions will be carried forward during the US and India Trade Policy Forum (TPF) meeting later this year.

Supplies of some farm items such as rice, mango and oilseeds from India have been periodically banned or curbed by countries, including Iran, the EU and Vietnam, in recent years on charges of interceptions of harmful pests and organisms in Indian consignments. India doesn't want its farm trade with the US de-

ralled in any such manner, especially at a time when its farm as well as overall exports are going downhill, even though it had strongly contested allegations of those imposing such curbs in the past.

The US was India's largest farm export destination during the April-November period of this fiscal and its sixth-biggest import market of such agricultural products, according to the commerce ministry data. Indian exports to the US include guar gum, rice, casein, honey, processed fruit and vegetable. The US accounted for roughly 11% of India's farm exports in 2014-15.

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In the last TPF meeting in October 2015, both the countries had agreed to follow up on 'exploring the possibility of enhanced market access on identified agricultural products'. They had recognized the need to establish science- and risk-based regulations and procedures that are based on international standards and guidelines, and agreed to share best practices in this regard.

By 1/2 Newspaper Unit
21/3/16