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ACFI NEWSLETTER

APRIL 2025

Reciprocal tariffs will apply to all countries: Trump

He, however, promises to be 'much more generous'

SHREYA NANDI
New Delhi, 31 March

US President Donald Trump has said that the reciprocal tariffs, set to be announced on April 2, will apply to "all countries" without exception, dashing hopes of any relief to India. The announcement comes even as both nations continue negotiations over tariff concessions under a proposed bilateral trade agreement (BTA).

"All countries... essentially all of the countries that we're talking about. There is not a cut off," Trump told reporters aboard Air Force One on Sunday, denying reports that reciprocal tariffs will target a smaller group of 10-15 countries with the biggest trade imbalances with the US.

He, however, insisted the tariffs would be "generous". "We are going to be much nicer than they were to us," he said.

Without naming India, Trump took aim at trade practices in Asia. "You go to certain places, you take a look at every single country in Asia, what they have done to the US in trade. I won't say anybody has treated us fairly or nicely. But we are going to be much more generous to them."

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"I WON'T SAY ANYBODY HAS TREATED US FAIRLY OR NICELY. BUT WE ARE GOING TO BE MUCH MORE GENEROUS TO THEM"

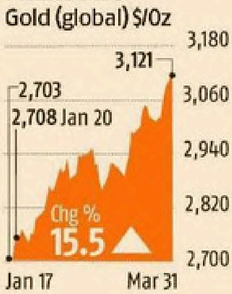
DONALD TRUMP, US president, about the upcoming reciprocal tariffs

GLOBAL ANXIETY

Global stocks tumbled and gold prices scaled new highs on Monday, a day after US President Donald Trump said that reciprocal tariffs he is set to announce this week will include all nations. "...April 2 just marks the starting point of negotiation, and we have an extended period of negotiations where there is not much clarity on the tariff structure," said Jefferies strategist Mohit Kumar.

FRESH PEAK

Gold (global) $/Oz



INDIA

Std gold (₹/10 gm)

Jan 17	78,922	Chg %
Mar 28	88,807	12.5

Sources: IBJA, Bloomberg
Compiled by BS Research Bureau

RED ZONE

Name	1-day chg (%)
US (8:45 pm IST)	
Nasdaq Composite	-1.9
S&P 500	-0.8
Dow Jones	0.0
EUROPE (8:45 pm IST)	
CAC40	-1.7
Euro Stoxx 50 Pr	-1.7
DAX	-1.5
FTSE 100	-0.8
ASIA	
TAIEX	-4.2
Nikkei 225	-4.0
Kospi	-3.0
Hang Seng	-1.3

Source: Bloomberg

EU Seeks US-like Sops from India in FTA

Presses for inclusion of forward MFN provision in trade pact during last round of negotiations in Brussels

Kirtika Suneja

EXPERT SPEAK

All of India's FTA partners will demand such concessions because we can't discriminate as per WTO rules

New Delhi: The European Union is pressing for inclusion of a "forward most-favoured-nation (MFN)" provision in free trade agreement (FTA) talks with India, which would require the latter to make concessions similar to those offered to the US in a proposed bilateral trade pact.

The issue of MFN status figured during the last round of India-EU trade negotiations in Brussels held a fortnight ago, people familiar with the development said. Such a move would imply that reduced duties would apply uniformly across all imports.

"This (MFN clause) has been suggested with a view towards the ongoing tariff talks between India and the US," said an official.

New Delhi and Washington are currently in discussions for a bilateral trade deal in the backdrop of US President Donald Trump's pledge to impose reciprocal tariffs on all countries, including India, from April 2.

Effecting the MFN provision would obligate India to automatically extend the same concessions to the EU that it would offer to the US in future, based on the formulation of the clause and its acceptance by New Delhi.

Countries can grant duty cuts to each other's imports on a preferential basis in an FTA but in the absence of such pacts, they have to give equal concessions to all of their trading partners.

"All of India's FTA partners will demand such concessions because we can't discriminate there as per the rules of the World Trade Organization (WTO)," said trade expert Biswajit Dhar.

However, the tenth round of India-EU parleys did not make much progress despite it being the first round after the College of Commissioners' visit to India on February 28, and the two sides jointly announcing the goal of finalising the agreement by the end of 2025.

"For the first time, sectoral sessions took place looking at specific industries like automotive and medical devices from a holistic point of view, looking at all obstacles that can impede market access, in particular, related to tariffs and rules of origin," said another official.

The two sides discussed rules of origin and customs procedures for claiming preferential treatment for processed agricultural products, fisheries, pharmaceutical products, chemicals, fertilisers, textiles and clothing and car parts.

Shrinking land, rising cost: It's a tough harvest for small farmers

About 90% % Of India's Farmers Own Between Less Than Two Hectares Of Land And Earn Less Than ₹4,500 A Month From Agriculture. But The Right Policies, Digital Innovations And Market Reforms Can Help Improve Livelihoods

S Chandramohan

Farming in India is under strain, and it's the small and marginal farmers who bear the brunt. NABARD's latest report says that an average farming household earns ₹13,000 a month — of which only ₹4,500 comes directly from agriculture. In some states, the figure drops below ₹5,000, pushing farmers into economic vulnerability. The 'state of marginal farmers of India 2024' report says many are adapting to non-farm income sources as agriculture becomes less viable.

With food demand expected to rise from 330 million tonnes to 500 million tonnes by 2050, and supply likely to drop, productivity improvements are imperative to meet domestic needs and exports.

As India strives to become a $10 trillion economy over the next decade, a critical sector remains in distress — agriculture, particularly marginal and small farmers. Despite govt interventions and agritech solutions, they continue to struggle with declining landholding sizes, stagnant incomes and limited access to technology.

About 10 crore marginal farmers (owning less than 1 hectare) and 2.6 crore small farmers (owning about two hectares) constitute 89.4% of India's farming population.

Over the past four decades, India's average operational landholding size has fallen from 2.28 hectares (1970-72) to 1.08 hectares. In states such as Kerala, it is as low as 0.18 hectares. This fragmentation, driven by population growth and generational division, has made traditional farming less viable.

Tamil Nadu's GDP growth is higher than the national average and its per capita income of ₹3.2 lakh is more than 170% of the all-India per capita income, but farmers suffer as the average landholding of the farm size is only 0.75 hectares. Marginal and small farmers in TN account for more than 90% of the sector.

Cultivation of single crop is the predominant practice and about 40% of the operational holdings do not report harvest of crops implying either crop failure or current fallows.

Access to technical information on cultivation is essentially through television and radio. While apps such as state govt's Uzhavan are useful, the Tamil Nadu Agricultural University's agri tech portal usage is limited as farmers cannot afford a smartphone.

Also, small land parcels limit mechanisation and access to modern inputs. Despite govt initiatives, institutional credit remains inaccessible to many due to land ownership constraints.

Farmers struggle with fluctuating prices and less market access, leading to reliance on intermediaries. Unpredictable weather patterns, erratic rainfall and depleting groundwater further threaten farm yields. While e-NAM has integrated more than 1,260 mandis across India, adoption among marginal farmers remains low due to lack of digital literacy and smartphone penetration.

Several govt initiatives aim to support small farmers, but their impact varies. For instance, ₹2.24 lakh crore has been disbursed under PM-Kisan since its launch in 2019, benefiting more than 11 crore farmers. The annual ₹6,000 support barely offsets rising input costs. Also, while farmers have benefitted through PMFBY (crop insurance), huge coverage gaps persist for marginal farmers. More than 12 crore soil health scheme cards have been issued since its launch in 2014-2015, but adoption among smallholders is negligible.

Agritech such as the use of AI, IoT, and satellite-based advisories to improve resource efficiency, are unaffordable for marginal farmers. Similarly, hardly any marginal farmers use climate-resilient seeds and other innovations in biotechnology that help farmers adapt to erratic weather patterns.

India's fragmented supply chain limits farm-to-market efficiency. For instance, bananas from Theni district in TN could fetch ₹40- ₹80/kg in Delhi if transported efficiently. While schemes such as Operation Greens promote primary processing centres (PPCs), many regions lack facilities, leading to post-harvest losses. Establishing PPCs within 20km of production zones to minimize post-harvest losses.

Up to 25% of produce is wasted annually due to inadequate cold storage facilities. Empty trucks returning without cargo reduce revenue opportunities for farmers.

To uplift marginal farmers, an integrated village development model is essential. Widespread drone use for spraying at subsidised cost and intercropping techniques to optimise land use needs to be encouraged as well as schemes to scale up adoption of drought-resistant seeds and precision farming technologies under govt-backed initiatives such Krishi Mangal.

Distributing timber saplings through panchayats will help promote water retention in drought-resistant areas and uncultivated land. Shifting 20% of land to organic methods will fetch premium prices. In one hectare of land with crop husbandry, two cows, nitrogen fixing boundary plantation it is possible to increase income. Unfortunately, adaptation is low.

Bridging the gap between policy design and implementation requires adoption of villages and partnerships among govt bodies, agri tech firms, farmer organisations and research institutions. Investing in holistic, scalable solutions addressing climate resilience, infrastructure gaps and financial inclusion can turn marginal farming into a sustainable and profitable enterprise — one that not only feeds the nation but also secures the livelihoods of millions at the heart of India's agrarian economy.

(The writer is director and group president finance of TAFE)

THE DISCONNECT

Several govt initiatives aim to support small farmers, but impact varies

- e-NAM (National Agriculture Market) digitises agricultural trade, but adoption is low. **Creating hub and spoke models with smartphones-kiosks preloaded with farm advisory apps and market price alerts free of cost.** Expand e-NAM adoption through targeted training programmes for marginal farmers
- Agriculture Infrastructure Fund supports farm-based infrastructure, but **marginal farmers struggle to access funds due to lack of collateral**
- Farmer producer organisations **encourage collective farming yet remain underutilised** due to operational challenges
- Govt-backed initiatives such as IFFCO's Namo Didi are pushing **affordable drone spraying services (₹200-₹300 per acre),** but adoption is limited
- Kisan Suvidha, Kisan-eMitra and other apps provide comprehensive information on farm practices, but **digital literacy is a roadblock.** Training agri extension officers (one for every ten villages) through research institutes on how to use and transfer technology will help

Coromandel, Paradeep to gain from hike in subsidy rate for fertilisers

DEVANGSHU DATTA

The government announced a hike in nutrient-based subsidy (NBS) rates for fertilisers by 45 per cent to ₹43.6 per kg of phosphate and by 48 per cent to ₹2.61 per kg of sulphur for H1FY26 (applicable from April 1 to September 30).

The DAP (DiAmmonium Phosphate) subsidy has been increased by 9 per cent to ₹27,799 per tonne. The rates for nitrogen were revised downwards, and potash rate was unchanged.

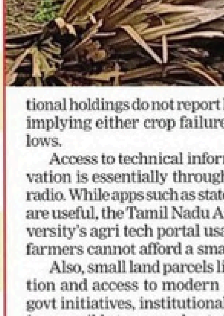
The hikes favour backward integrated plants such as Coromandel International and Paradeep Phosphates, as well as standalone manufacturers — Mangalore Chemicals and Fertilisers and traders like Chambal Fertilisers. Broadly operating profit per tonne may increase by between ₹1,000-2,000 for affected companies.

Spreads had been contracting due to rising sulphur and rock-phosphate prices so increase in NBS rates and a steep drop in ammonia (which is nitrogen based) prices may more than offset the impact of rising sulphur and rock phosphate prices. The Single Super Phosphate (SSP) subsidy has been increased by 42 per cent (₹2,142) from last revision to ₹7,263 per tonne, which will benefit Coromandel International as the largest SSP manufacturer in India. The Triple Super Phosphate (TSP) subsidy has been increased by 42 per cent (₹5,888/tonne) and will favour Paradeep Phosphates.

The total subsidy is around ₹37,300 crore for the upcoming kharif season (H1FY26), which is 43 per cent higher than the total subsidy (including retrospective additional DAP subsidy) for H1FY25. Further, based on NBS policy rates, the subsidies for DAP and NPK (nitrogen, phosphorus and potassium) have been increased by 10 per cent and 15 per cent year-on-year (Y-o-Y) respectively for H1FY26, based on the notifications and the averaged proportion of these nutrients. The DAP subsidy is ₹27,800/metric tonne and the subsidy for NPK-20 is ₹17,663/metric tonne for H1FY26.

Despite the increase in subsidy rates, gross margins may not improve by commensurate amounts owing to the increase in global raw material prices and rupee depreciation.

Global DAP prices have risen 9 per cent Y-o-Y in dollar terms, to $623/tonne. Phosphoric acid prices also increased 9.5 per cent Y-o-Y to $1,060/tonne. In addition, rupee depreciation has added to costs for imports.



Early calculations suggest that even with the subsidy hike, gross margin may in fact have been 200-300 basis points more for H1FY25, versus the coming H1FY26.

However, backward-integrated plants will gain, and so will importers. The subsidy (and prevailing raw material price) favours manufacture of NPK-20 more than DAP, as NPK-20 will have better margin.

The government's expectations for the subsidy is ₹37,300 crore (vs ₹24,400 crore in H1FY25 actual) and the budgetary allocation is ₹49,000 crore for FY26. Based on current raw material price trends, the margin for conversion of rock phosphate to phosphoric acid (important precursor raw material for DAP) will shrink Q-o-Q and Y-o-Y.

However, in H1FY26, phosphoric acid prices may inch higher towards $1,100/metric tonne from $1,060/metric tonne in Q4FY25 based on our channel checks.

Hence, backward integrated players may see healthy margins in ensuing quarters. DAP prices have moved up from $550/metric tonne in Q1FY25 to $630/metric tonne currently. Historically, changes in DAP prices have been consistently followed by similar movements in phosphoric acid prices, which in turn has led to a shift in rock phosphate prices, with lags.

Analysts are bullish about Paradeep Phosphate with earnings upgrades for FY26 and FY27, and Coromandel International is also starting to see earnings upgrades for FY26. Chambal Fertiliser will see smaller earnings upgrades.

'US tariffs may hit Indian pharma, agri exports'

Precious stones, chemicals, electricals, and machinery sectors may also face challenges: Experts

Liberation Day

- Higher the tariff gap, greater impact on some sectors
- Agri sector has 27.83% tariff differential
- Pharma sector has 10.90% tariff differential
- Impact on engg exports as well

NEW DELHI

GOODS from sectors, including agriculture, precious stones, chemicals, pharma, medical devices, electricals, and machinery may get impacted if the US will go ahead with imposing reciprocal tariffs on Indian products, according to experts.

They said that these sectors could face additional customs duties from the Trump administration because of the high tariff differential or gap, which is the difference between the import duties imposed by the US and India on a product. At the broad sector level, the potential tariff gaps between India and the US vary across the sectors. The gap is 8.6 per cent for chemicals and pharmaceuticals; 5.6 per cent for plastics; 1.4 per cent for textiles and clothing; 13.3 per cent for diamonds, gold, and jewellery; 2.5 per cent for iron, steel, and base metals; 5.3 per cent for machinery and computers; 7.2 per cent for electronics; and 23.1 per cent for automobiles and auto components.

"The higher the tariff gap, the worse affected a sector could be," an exporter said. US President Donald Trump has said that the tariff announcements, scheduled for early morning Wednesday (India time), will amount to a 'Liberation Day' for the US. According to an analysis of the think tank Global Trade Research Initiative (GTRI), the hardest-hit sector in agriculture would be fish, meat, and processed seafood, with $2.58 billion in exports in 2024, facing a 27.83 per cent tariff differential. Shrimp, a major export to America, will become significantly less competitive due to the imposition of the US tariffs.

"Already our exports have antidumping and countervailing duties in the US. The additional hike in tariffs will make us uncompetitive. Out of India's total shrimp exports, we ship 40 per cent to America," Kolkata-based seafood exporter and MD of Megaa Moda Yogesh Gupta said. He said that Indian exporters may get some relief if the US will impose similar tariffs on competitor countries - Ecuador and Indonesia. India's processed food, sugar, and cocoa exports may also face heat as the tariff gap is 24.99 per cent. Its exports stood at $1.03 billion last year. Similarly, cereals, vegetables, fruits, and spices ($1.91 billion shipments) have a tariff differential of 5.72 per cent between. Dairy products, with exports worth $181.49 million, could be "severely" affected by a 38.23 per cent differential, "making ghee, butter, and milk powder costlier and reducing their market share in the US," GTRI Founder Ajay Srivastava said.

> The hardest-hit segments in agriculture would be fish, meat, and processed seafood, with $2.58 billion in exports in 2024, facing a 27.83 per cent tariff differential. Shrimp, a major export to America, will become significantly less competitive

03/04/2025 BIZZBUZZ Pg 01

India now self-reliant in field of food grains: Shah

HM praises the Indian Farmers Fertilizer Cooperative for playing a significant role in this achievement

STATESMAN NEWS SERVICE
NEW DELHI, 6 APRIL

Union Home Minister and Minister of Cooperation, Amit Shah, on Sunday emphasized that India is now self-reliant in the field of food grains and praised the Indian Farmers Fertilizer Cooperative (IFFCO) for playing a significant role in this achievement.

He stated that IFFCO has effectively connected farmers with fertilizers and further integrated fertilizers with cooperatives, adding that the organization now stands proudly after completing fifty years of its illustrious journey.

The Home Minister was speaking at the Golden Jubilee celebration of IFFCO at its Kalol branch in Gandhinagar, Gujarat, where he also laid the foundation stone for the Beej Anusandhan Kendra (Seed Research Centre).

Shah remarked that IFFCO's 50-year journey demonstrates the incredible outcomes that can be achieved when cooperative and corporate values work in synergy.

He noted that IFFCO has efficiently handled all aspects related to research and development, marketing, branding, and outreach.

Expressing optimism about the future, Shah said that by the time IFFCO celebrates its centenary, its reputation among cooperative organizations worldwide will have grown significantly.

He added that IFFCO has undertaken various research and development initiatives. Recalling the groundbreaking ceremony of IFFCO's Kalol factory, he said it was considered a major milestone at the time.

As time progressed, IFFCO expanded its research into areas such as Nano Urea, Nano DAP, Nano Liquid Urea, and Liquid DAP, significantly increasing production.

Shah highlighted that the organization has elevated India's cooperative sector to global prominence, especially in the field of Nano Urea and Nano DAP, which are now being exported worldwide.

He further noted that the cooperative has enhanced its capacity, expanded its outreach to farmers' fields, and successfully translated laboratory research into field-level applications.

Marking the foundation of the Beej Anusandhan Kendra in Gandhinagar, Shah said Prime Minister Narendra Modi has launched several innovative ventures across various sectors in the country.

He stated that under the Prime Minister's leadership, the Ministry of Cooperation has undertaken nearly 62 unprecedented initiatives in the cooperative sector.

Shah also mentioned that Parliament recently passed a bill to establish the Tribhuvan Sahkari University, named in honour of Tribhuvandas Patel's contributions to the cooperative movement.

He explained that this university aims to deliver modern cooperative education and ensure transparency across all cooperative levels—from Primary Agricultural Credit Societies (PACS) to apex bodies.

The Union Minister stressed the need to strengthen primary cooperative societies and cooperative dairies to fortify the nation's cooperative institutions.

Shah shared that IFFCO currently operates production units in five locations across three states—Kandla, Kalol, Phulpur, Aonla, and Paradip.

He further revealed that the organization's current fertilizer production capacity stands at nine million metric tons, with sales reaching 11 million metric tons. IFFCO has achieved a turnover of Rs 40,000 crore and a profit of Rs 3,200 crore.

Several dignitaries, including Gujarat Chief Minister Bhupendra Patel and other notable figures, were present on the occasion.

Farm output growth of over 4% is the new normal: Niti Aayog's Chand

Gireesh Chandra Prasad & Vijay C. Roy

NEW DELHI

A growth of more than 4% in farm output, which now accounts for 18% of the country's economy, is the new normal, sustaining long-term low food inflation, Niti Aayog member Ramesh Chand said in an interview.

Farm output is expected to have grown at 4.6% in fiscal year 2025 that ended on 31 March, up from 2.7% in FY24.

Food inflation, which cooled to 3.75% in February from 5.95% in January, may stay below 4%, offering relief to consumers, Chand said.

Chand also said that going by India's farm output, price of commodities and trade pattern with the US, there is some scope for India to reduce tariffs on some farm products imported from the US, including apple. That could be part of a bilateral trade deal, said Chand.

Ramesh Chand, member, Niti Aayog. MINT

The reciprocal tariffs the US administration is implementing imply different tariffs on imports from different countries. It goes against the "most favoured nation" (MFN) principle of the World Trade Organisation that warrants a non-discriminatory approach to tariffs, Chand said.

"You can have different tariffs only if you have a bilateral trade agreement. So, our effort should be to go for a bilateral trade deal, which requires time. There is also the need to wait and watch how other nations are dealing with the situation," said Chand.

According to Chand, when a country has a trade surplus with another nation, it can see to it that the situation remains a win-win, even if it has to yield a bit on certain products.

Chand also said that for Washington apples, for example, even after duty reduction, there would be a price gap with Indian apples, and hence there is no threat to the domestic sector. India has a 75% import duty on apples.

"On items where we are not able to meet the growing domestic requirement, it makes sense to have a reasonable tariff and let imports come," Chand said, referring to dry fruits.

Referring to the high import tariffs on certain products of which India is a major producer and exporter, Chand said these redundant tariffs could be lowered under a bilateral trade deal. Chand cited the example of basmati rice and tea in this context.

Chand said that a growth rate of more than 4% is the new normal for India's agriculture output.

"I do not consider in the present context that a growth rate of 4% is extraordinary. It is a new normal, in my veiw. Agriculture must grow more than 4% to help India achieve the goal of *viksit Bharat*," said Chand.

"Since this is the largest sector accounting for 18% of GDP compared manufacturing sector's 14% contribution, its growth is very important," he added.

The statistics ministry has in its second advance estimates for FY25 released on 2[illegible] February, projected a 4.6% growth for the farm sector, up from 2.7% in FY24.

Chand said that food inflation is expected to remain so and below 4% if there is no unforeseen shock.

For an extended version of this story, go to livemint.com

EU seeks unity in first strike back at Trump tariffs

PHILIP BLENKINSOP
Brussels, April 6

EUROPEAN UNION COUNTRIES will seek to present a united front in the coming days against US President Donald Trump's tariffs, likely approving a first set of targeted countermeasures on up to $28 billion of US imports from dental floss to diamonds.

Such a move would mean the EU joining China and Canada in imposing retaliatory tariffs on the United States in an early escalation of what some fear will become a global trade war, making goods more expensive for billions of consumers and pushing economies around the world into recession.

The 27-nation bloc faces 25% import tariffs on steel and aluminium and cars and "reciprocal" tariffs of 20% from Wednesday for almost all other goods.

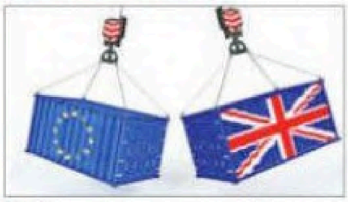
Trump's tariffs cover some 70% of the EU's exports to the United States — worth in total 532 billion euros ($585 billion) last year — with likely duties on copper, pharmaceuticals, semiconductors and timber still to come.

The European Commission, which coordinates EU trade policy, will propose to members late on Monday a list of US products to hit with extra duties in response to Trump's steel and aluminium tariffs rather than the broader reciprocal levies.

It is set to include US meat, cereals, wine, wood and clothing as well as chewing gum, dental floss, vacuum cleaners and toilet paper.

One product that has received more attention and exposed discord in the bloc is bourbon.

TURBULENT TIMES



■ The countermeasures from EU nations will affect up to **$28 bn** of US imports ranging from dental floss to diamonds

■ The feared trade war could make goods expensive for consumers

■ France has suggested the suspension of all investments by European firms into the US

■ Ireland does not support EU's retaliatory approach to tariffs

Continued on Page 5

India seeks market access for 10 agri products from Israel

Press Trust of India
feedback@livemint.com

NEW DELHI: India has requested Israel to provide market access for 10 agricultural commodities during a bilateral meeting between Agriculture Minister Shivraj Singh Chouhan and his Israeli counterpart Avi Dichter on Tuesday here.

The products India is seeking access for, include onion, potato, garlic, green chilies, turmeric, pineapple, mango, pomegranate, grapes, and okra seeds.

"On day-to-day trade, we are going to communicate to both Plant Protection Indian Israel Services (PPIS) in order to make sure that we shall be able to increase merchandise shipments from one side to the another," Dichter told media after the meeting.

The two countries also signed a bilateral pact to extend cooperation in agriculture, with a work plan discussed for 2024-26.

India expressed particular interest in exporting onions and green chilies to Israel and will send technical information soon, according to sources.

INDIA IS SEEKING ACCESS FOR ONION, POTATO, GARLIC, TURMERIC, GREEN CHILIES, GRAPES, MANGO, PINEAPPLE, POMEGRANATE, AND OKRA SEEDS

India also requested Israel to expedite the process and grant market access to the other eight commodities at the earliest, sources added.

A joint working group will be formed to develop a roadmap focusing on research and development activities with Israeli agency Mashav to develop climate-resilient seeds and improve seed quality for farmers.

"We discussed many different issues. A MoU was also signed with Israel. The deliberations were fruitful," Chouhan said, noting that 35 Centers of Excellence (CoEs) are currently operational across India.

Bayer to launch carbon credits from Indian rice farms

Our Bureau
Bengaluru

Bayer has announced its first tranche of carbon credits for thousands of rice farmers implementing regenerative practices like direct seeded rice (DSR) farming in India. Credits of up to 2,50,000 tonnes of carbon dioxide equivalent (CO_2e) are being validated, certified and issued by Gold Standard, one of the leading standards and registries in the voluntary carbon market, the company said in a statement.

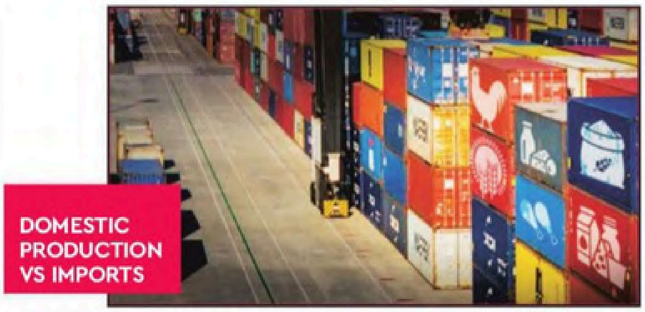
These credits will be available for climate-conscious companies to purchase in support of greenhouse gas (GHG) emission reductions, water savings and regenerative agriculture in smallholder farming at scale.

The Bayer Rice Carbon Program has been implemented across 11 States, with thousands of farmers adopting regenerative agriculture practices over the past two years.

REGEN PRACTICES

Along with alternate wetting and drying techniques, DSR is one of the emerging practices generating the new carbon credits. In addition to reduced labour and water usage and potentially lower cultivation costs leading to increased profitability, farmers participating in the Bayer Rice Carbon Program have access to crop advisory services throughout the season.

The Bayer Rice Carbon Program generates carbon credits by helping farmers transition from transplanted puddled rice cultivation, significantly reducing methane emissions caused by decomposing organic matter in flooded rice fields.



Why India needs non-tariff barriers in agricultural trade

The National Trade Estimate Report of the United States has raised concerns that non-tariff barriers by India make it near impossible to export dairy and poultry products besides staple grains such as rice and wheat. ***Sandip Das*** explains that the ring-fencing by India is due to food security imperatives, vulnerability of the millions of marginal farmers and dietary preferences

What the US report says about non-tariff barriers imposed by India

THE REPORT OUTLINED concerns about the science and risk basis for India's sanitary and phytosanitary-related trade barriers to food and agricultural imports. For instance, it says India requires dairy products intended for food be derived from animals that have not consumed feeds containing internal organs, blood meal, or tissues of ruminant or porcine origin and that exporting countries certify to these conditions, "which lack a discernable animal health or human health justification". On India's hesitation to approve genetically modified feed and food products, it says that New Delhi does not appear to take into account science-based approval processes for genetically engineered (GE) products in exporting countries.

India's minimum support prices (MSP) for major grains such as wheat and rice also drew attention, with the report saying it results in overproduction, limited demand for imports, and artificial export competitiveness.

Protecting the dairy sector

PER THE NATIONAL Account Statistics, 2024, India's milk output by value accounts for the highest share in agriculture produce and, even more than the combined value of paddy and wheat. RS Sodhi, president, Indian Dairy Association, says the dairy sector should not be unnecessarily tinkered with as it has been growing steadily over the last few decades. He says the sector should not be seen only from a trade perspective as around 100 million farmers are engaged in dairy and allied sectors.

Industry sources say higher import duties on skimmed milk powder are justified as a typical Indian dairy farmer has 2-3 animals against an average herd size of 500 animals in major milk producing countries like the US, Australia and New Zealand, which reduces their cost of production. Meenesh Shah, chairman, National Dairy Development Board (NDDB), says that global dairy players, even if they were allowed to operate in India, would find it very difficult due to the high costs of logistics. Dairy industry officials have indicated that there are no discussions at the moment about reducing import duties on dairy products.

India also requires that imported dairy products must come from animals not fed animal-derived feed, a norm that stems from religious and cultural sensitivities of a large section of the vegetarian population here.

Domestic poultry & feed markets

THE US HAS been insisting on a liberalised imports regime for soyabean (primarily used for animal feed) and chicken legs for many years. Any cut in import duties on chicken legs (currently 100%) should be considered after taking into account the needs of the domestic poultry industry which offers employment to over 5 lakh families, trade sources say. Higher duty structure is aimed at protecting the domestic industry which is growing at around 8% annually. For animal feed, India has imposed a few non-tariff barriers such as ban on GM crops and compulsory certification requirement. In 2021, the government had allowed import of 1.2 mn tonne of GM soyameal for chicken feed on an exceptional basis due to high domestic feed prices.

International trade in rice, wheat

INDIA HAS BEEN the biggest exporter of rice since 2012. India did impose restrictions on rice exports in 2023, which it has since removed. Being one of the largest producers of rice, there is no possibility of imports though import duty has been kept at 70%.

In April 2019, import duty on wheat was increased to 40% from 30% to boost procurement by the government agencies. Many traders from southern India have been calling for reducing this to facilitate imports as transportation cost of wheat to the southern states from Madhya Pradesh is high while global prices often rule below the minimum support price (MSP) offered to farmers.

Though export of wheat is banned to maintain domestic supply, at times the government allows it to meet the food security needs of certain countries.

What are the reservations against GM products?

INDIA HAD FIRST approved Genetically Modified (GM) cotton way back in 2002. Since 2008, no new varieties of GM cotton seed have been approved. BT brinjal was approved in 2012 by the Genetic Engineering Approval Committee (GEAC, which was later converted into the Genetic Engineering Appraisal Committee with truncated powers), but it was shelved by the government later citing environmental concerns.

Last year, a Supreme Court division bench has issued a split verdict on petitions challenging the approval given by the Genetic Engineering Appraisal Committee and the ministry of environment and forests to commercially cultivate and release a genetically modified mustard variety— HT Mustard DMH-11. Agriculture minister Shivraj Singh Chouhan also recently said that GM technology is 'like playing with nature", even if it helps increase productivity.

₹11.16 Lcr

VALUE OF DOMESTIC MILK OUTPUT IN 2022-23, HIGHEST AMONG ALL AGRICULTURAL PRODUCTS

Govt approves ₹1,600 cr for modernising irrigation

THE government okayed the modernisation of command area development and water management (M-CADWM) as a sub-scheme of the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) with an initial total outlay of Rs 1,600 crore in FY26.

The projects will be made sustainable by Irrigation Management Transfer (IMT) to the Water User Society (WUS) for management of irrigation assets, according to the Union Cabinet, chaired by Prime Minister Narendra Modi.

The water user societies will be given handholding support for linking them with existing economic entities like Farmers Producer Organisations (FPOs) or a Primary Agricultural Credit Society (PACS) for five years.

The youth will also be attracted to farming, to adopt the modern method of irrigation. The scheme aims for modernisation of the irrigation water supply network to supply of irrigation water from existing canals or other sources in a designated cluster.

According to a Cabinet statement, it will make robust backend infrastructure

Centre okayed the modernisation of command area development and water management (M-CADWM) as a sub-scheme under PMKSY with an initial Rs 1,600 cr outlay for FY26

for micro-irrigation by farmers from an established source to the farm gate up to 1 hectare with underground pressurised piped irrigation.

"The use of SCADA, Internet of Things technology will be used for water accounting and water management. This will increase the Water Use Efficiency (WUE) at the farm level, increase agriculture production & productivity; and thereby increase the income of farmers," the government said.

According to the Cabinet, the initial approval is for taking up pilot projects across various agroclimatic zones in the country by challenge funding to the states.

Based on the learnings in design and structuring of these projects, the National Plan for Command Area Development and Water Management will be launched starting from April 2026 for the 16th Finance Commission period, it added.

Late last month, the Cabinet Committee on Economic Affairs (CCEA) approved the inclusion of the Kosi Mechi Intra-State Link Project of Bihar under Pradhan Mantri Krishi Sinchai Yojana-Accelerated Irrigation Benefits Programme (PMKSY-AIBP). The CCEA also approved Central support of Rs 3,652.56 crore to Bihar for completion of the project by March 2029, at an estimated cost of Rs 6,282.32 crore.

11/04/2025 BIZZBUZZ Pg 05

TRADE DEFICIT WIDENS TO $21.54 BN

India's exports inch up 0.7% to USD 41.97 billion in March

MPOST BUREAU

NEW DELHI: India's exports turned positive after four months recording a marginal 0.7 percent increase to USD 41.97 billion in March, while the trade deficit widened to USD 21.54 billion, the government data showed on Tuesday.

Cumulatively, during the 2024-25 financial year (April-March), the country's exports moved up a tad by 0.08 percent to USD 437.42 billion, whereas imports climbed by 6.62 percent to USD 720.24 billion, leaving a trade deficit of USD 282.82 billion.

The trade deficit in February this year was USD 14.05 billion. In March last year, the difference between exports and imports stood at USD 15.33 billion. During 2023-24, it was USD 241.14 billion.

As regards imports, the growth rose to a four-month high of 11.3 percent year-on-year to USD 63.51 billion in March.

The country's overall exports of goods and services are estimated to reach a "record" of USD 820.93 billion in 2024-25, an increase of 5.5 percent over 2023-24 when these outbound shipments stood at USD 778.13 billion.

The trade deficit in February this year was USD 14.05 billion. In March last year, the difference between exports and imports stood at USD 15.33 billion

Services exports are estimated at USD 383.51 billion last fiscal against USD 341.06 billion in 2023-24. The imports stood at USD 194.95 billion in 2024-25 against USD 178.31 billion in 2023-24.

Commenting on the data, Commerce Secretary Sunil Barthwal said despite global challenges, the merchandise exports touched the "highest" ever figures in 2024-25.

The overall shipments were also "highest" ever, he told reporters here.

Highlights

- The country's overall exports of goods and services are estimated to reach a 'record' of $820.93 billion in 2024-25
- Commerce Secretary Sunil Barthwal said despite global challenges, the merchandise exports touched the "highest" ever figures in 2024-25
- The overall shipments were also "highest" ever, he told reporters

The major drivers of growth include engineering, electronics, pharma, ready-made garments of all textiles, rice, cotton yarn/fabrics, plastics, coffee, spices, tea and tobacco.

In 2024-25, engineering exports touched a maximum of USD 116.67 billion against USD 109.3 billion in 2023-24. It was followed by electronics (USD 38.38 billion against USD 29.12 billion), pharma (USD 30.47 billion against USD 27.85 billion), ready-made garments of all textiles (USD 15.99 billion against USD 14.53 billion), rice (USD 12.47 billion against USD 10.42 billion), cotton yarn/fabrics (USD 12.06 billion against USD 11.68 billion), plastics (USD 8.92 billion against USD 8.09 billion). Sectors which recorded negative growth last fiscal include petroleum products (USD 63.34 billion against USD 84.16 billion), gems and jewellery (USD 29.81 billion against USD 32.17 billion), and chemicals (USD 28.7 billion against USD 29.38 billion).

According to the data, gold imports have increased to USD 58.01 billion last fiscal against USD 45.54 billion. In volume terms, the imports dipped to 757.15 tonnes in 2024-25 against 795.32 tonnes in 2023-24. Other import sectors that recorded positive growth last fiscal include crude oil (USD 185.78 billion against USD 178.73 billion), and electronic goods (USD 98.73 billion against USD 87.86 billion).

Coal, and coke imports, however, dipped to USD 31.09 billion in 2024-25 against USD 38.88 billion in 2023-24.

NBRI lays path for organic farming in state

PIONEER NEWS SERVICE ■ Lucknow

The National Botanical Research Institute (NBRI) has laid the path for organic farming in Uttar Pradesh by providing microbial biofertiliser to farmers setting for enhanced yield, plant growth and better soil health of agri lands. Biofertilisers have been produced and distributed to farmers of UP through state Agriculture Department, which accounts for more than 9.0 lakh acres of land coverage for different legumes and cereals crops.

Giving details, Director Ajit Shasany said NBRI has developed stress-tolerant biofertilisers to enhance plant growth, improve soil health and increase crop yield. These products reduce the need for chemical fertilisers and pesticides, benefiting the environment and farmers. Field trials across different agroclimatic zones can further validate their effectiveness.

Shasany said technology has advantages over competitors due to its focus on understanding the relationship between microbes, plants and environmental stresses. "These biofertilisers are compatible with sustainable agricultural practices and can be used alongside chemical fertilisers. Field trials have shown their effectiveness and cost-efficiency compared to commercial products. These biofertilisers have been successfully applied to a wide range of crops, including cereals, pulses, oilseeds, and horticultural crops," he added.

To maximise the impact of CSIR-NBRI's biofertiliser technology, a partnership was formed in 2004 with the Directorate of Agriculture, UP Government.

"This collaboration led to the commercial production of these biofertiliser in their biofertiliser manufacturing units across Uttar Pradesh. CSIR-NBRI provided the necessary technology, training and support, while the Directorate of Agriculture handled logistics, distribution and farmer outreach. This successful partnership has significantly benefited farmers by increasing crop yield and reducing reliance on chemical fertilisers," he said.

Twice a year before the Rabi and Kharif seasons, the Uttar Pradesh Department of Agriculture sets production targets for its 10 biofertiliser manufacturing units. To ensure quality control and standardisation, the department shares these targets with CSIR-NBRI. This enables the institute to organise timely training programmes for the unit officials. During these training sessions, CSIR-NBRI also provides mother cultures of highly effective strains of beneficial bacteria.

IISR develops new turmeric variety

Our Bureau
Kochi

The ICAR–Indian Institute of Spices Research (IISR) has developed a light-coloured turmeric variety for the *masala* industry.

Called IISR Surya, the new variety features a light-coloured rhizome for the powdering industry.

It was developed after extensive research and the variety is expected to significantly benefit farmers, especially in the production of high-quality turmeric powder.

In addition to the common yellowish turmeric, the *masala* and powdering industry prefers lighter-coloured varieties like Mydukur and Salem Local.

However, these are available only in limited quantities. To meet the rising demand, lighter turmeric is mixed with regular turmeric, resulting in inconsistent quality, according to a press release.

Despite this, the demand for this special category of turmeric continues to rise in Japan and several European countries.

HIGHER YIELD

IISR Surya is a high-yielding, long-duration variety (9 months) that offers a 20-30 per cent yield increase compared to existing light-coloured varieties (Mydukur).

Under optimal conditions, this variety can yield up to 41 tonnes per hectare, while the average yield hovers around 29 tonnes per hectare.

IISR Surya is known for its pleasant aroma.

Cotton panel recommends removing 11% import duty

Subramani Ra Mancombu
Chennai

The Committee on Cotton Production and Consumption (COCPC), headed by the Union Textile Commissioner, has recommended to the Centre to remove the 11 per cent import duty on cotton.

The COCPC, which comprises stakeholders in the cotton industry, made the recommendation at its meeting held in Mumbai on Wednesday, said K Venkatachalam, Chief Advisor, Tamilnadu Spinning Mills Association (TASMA). He was part of the stakeholders meeting.

"If the Centre is unable to remove the 11 per cent duty fully, then the COCPC recommended that it could freeze the customs duty for the next months," he told *businessline*.

Textile mills importing cotton have to be alert on the developing scenario, though any change in the import duty structure will have to be notified by the Ministry of Finance, he said.

POSITIVE SIGNAL TO US

Venkatachalam said the move will send a positive signal to the Trump administration in the US that India has made the import duty on cotton zero. "This will likely reflect positive on Indian textile exports to the US," he said.

The development follows the estimate of Indian cotton production at lower than 300 lakh bales by COCPC and industry bodies such as the Cotton Association of India.

AMID RISING GLOBAL RISKS

A good monsoon: Despite shrinking share, agri could buttress growth projections

AANCHAL MAGAZINE
NEW DELHI, APRIL 20

A farmer at his wheat field in Ludhiana. Gurmeet Singh

AMID THE uncertainties and disruptions resulting from the ongoing global tariff war, India's growth prospects seem to be at risk. Concerns have been raised over the future trajectory of capital expenditure and private sector investment for India, as the impact of a slowing global economy will make its way to domestic shores, sooner or later. But, there is a silver tint in the clouds of doubt — a good projection for the monsoon that augurs well for agriculture.

Agriculture, which accounts for around 16 per cent share in the Gross Domestic Product (GDP) of the country and supports over 46 per cent of the population, has shown resilience over the last few years, especially in the post-Covid phase. The agricultural sector's annual growth has remained consistently above 4 per cent (except 2.7 per cent in 2023-24) in the last five years starting from the pandemic year 2020-21. This year, too, it is expected to gain with an above-normal rainfall forecast for the four-month long monsoon season in India. The monsoon season is likely to bring rainfall at 105 per cent of the long-period average, the India Meteorological Department said in its forecast released Tuesday. This would mark the second consecutive year of 'above normal' rainfall for India and the country would receive 100 per cent or more rainfall this season for the fifth time in the last seven years since 2019.

Global risks, domestic support

An above-normal monsoon is expected to spur consumption demand, especially in rural areas. Coupled with lower inflation and softer crude oil prices, it is seen supporting growth. Estimates of agricultural production also suggest a positive outlook for food inflation, as per the latest economic review of the Ministry of Finance. As per the second advance estimates, kharif and rabi food grain output is expected to rise by 6.8 per cent and 2.8 per cent, respectively. Among cereals, kharif rice production is projected to grow by 6.6 per cent, while wheat output is expected to reach a record 1,154.3 lakh tonnes.

However, headwinds from global trade disruptions continue to pose downward risks for India, as was noted by the Reserve Bank of India in its latest monetary policy review on April 9. The real GDP growth for 2025-26, as per the RBI, is projected at 6.5 per cent lower than earlier projection of 6.7 per cent, with Q1 growth seen at 6.5 per cent; Q2 at 6.7 per cent; Q3 at 6.6 per cent; and Q4 at 6.3 per cent.

Most forecasts by economists have slashed India's growth projections for the ongoing financial year 2025-26 by at least 20 basis points. However, a likely pickup in rural demand with softening food inflation and crude prices have been underlined as the positive factors. "Apart from the direct impact of higher tariffs, there would be a severe indirect impact as global growth slows and capital flows to emerging economies are adversely impacted. India's domestic investors will also get wary amid the ongoing global disruptions. Hence, the gradual growth of private sector investment post-Covid could remain tepid in the coming quarters. We expect India's GDP growth to moderate to around 6.2 per cent in FY26 from our estimate of 6.4 per cent growth in FY25. The supporting factors for the economy would be the chance of a normal monsoon season and healthy agriculture production," Rajani Sinha, chief economist, CareEdge Ratings said.

Rural demand pickup

Rural demand is showing some signs of revival with pickup in FMCG sales volume growth, rise in fertiliser and tractor sales, Gaura Sen Gupta, chief economist, IDFC FIRST Bank said. "Meanwhile urban demand remains more subdued than rural demand. Softness in urban demand is indicated by passenger vehicle sales and electronic payments data," she said.

The demand for work under the rural employment guarantee scheme — Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) — at the national level remains above the pre-Covid levels even as it has steadily declined from its peak in 2020-21 during the Covid-19 pandemic. Compared with pre-Covid levels, the demand is still significantly higher, with 85 lakh more families availing of the rural job scheme in 2024-25 than in 2019-20.

The rising MGNREGA demand is not necessarily a sign of rural distress, whereas a falling MGNREGA demand is definitely a sign of dissipation of rural distress, Chief Economic Advisor V Anantha Nageswaran said during *The Indian Express'* Idea Exchange last week.

Softening inflation, rate cuts

While a normal monsoon and softening global commodity prices will support inflation, the impact of weather-related disturbances on food inflation will require monitoring. Inflationary concerns, especially for food inflation, have abated for the Indian economy, even as growth concerns have escalated. CPI inflation eased to a near-six year low of 3.34 per cent in March and is expected to remain below 4 per cent, the baseline target of the RBI's 4+/-2 per cent target, in the next few months. RBI has also cut its forecast for retail inflation for FY26 to 4 per cent from their previous estimate of 4.2 per cent.

The RBI, which cut the key policy rate by 25 basis points in its latest monetary policy review earlier this month, is expected to cut rates further by 50 basis points in FY26, with a likely deeper rate cut cycle in case of heightened growth risks from the global tariff war.

Going forward, as per the RBI, on the supply side, while agricultural prospects appear bright, industrial activity is recovering, and the services sector is expected to be resilient. Sustained demand from rural areas, an anticipated revival in urban consumption, expected recovery of fixed capital formation supported by increased government capital expenditure, higher capacity utilisation, and healthy balance sheets of corporates and banks are expected to support growth, it said.

Trade pact with India will help open new markets for US goods: USTR

NEW DELHI, April 22: The proposed trade pact with India will help open new markets for American goods and create new opportunities for workers, farmers, and entrepreneurs in both countries, the USTR stated on Tuesday.

US Trade Representative (USTR) Jamieson Greer said that there is a "serious" lack of reciprocity in the trade relationship with India.

The USTR also welcomed Vice President JD Vance and Prime Minister Narendra Modi's statement reaffirming the importance of the India-US COMPACT (Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology) initiative and highlighting the progress in the negotiations for a bilateral trade agreement (BTA), launched by both nations on February 13.

"These ongoing talks will help achieve balance and reciprocity by opening new markets for American goods and addressing unfair practices that harm American workers. India's constructive engagement so far has been welcomed and I look forward to creating new opportunities for workers, farmers, and entrepreneurs in both countries," he said.

Vance is in India on a four-day visit. The two countries are aiming to finalise the first phase of the pact by the fall (September-October) this year.

India and the US have finalised the terms of reference outlining the roadmap for negotiations of the proposed BTA, according to the USTR statement.

"I am pleased to confirm that USTR and India's Ministry of Commerce and Industry have finalised the Terms of Reference to lay down a roadmap for the negotiations on reciprocal trade," Ambassador Greer said.

According to the USTR, the United States is looking at increasing market access, reducing tariffs and non-tariff barriers, and negotiating a robust set of additional commitments to ensure long-term benefits.

The US has long recognised significant trade barriers with India and as a result, the US ran a USD 45.7 billion goods trade deficit with India in 2024, a 5.1 per cent (USD 2.2 billion) increase over 2023, the statement said.

The US' total goods trade with India was estimated at USD 129.2 billion in 2024. According to the US, India's average applied tariff is 17 per cent, among the highest of the world's largest economies, while America's average applied tariff is 3.3 per cent.

India's average applied tariff rate on agricultural products is 39 per cent while the USA's is just 5 per cent.

"In addition to tariffs, technical barriers to trade, regulatory barriers, and restrictions on access to the market in the services, industrial, and agricultural sectors also reduce US exports to India," it said.

On April 2, President Trump imposed a 10 per cent tariff on all countries and individualised reciprocal higher tariffs on nations with which the US has the largest trade deficits in order to level the playing field.

"The ToR (terms of reference) announcement with India is a critical step forward in negotiations with India to achieve reciprocal trade with one of our most strategic partners and deliver results to the American People," the statement said.

ToRs include issues such as tariffs, non-tariff barriers, rules of origin, and customs facilitation. – PTI

Biologicals 'at forefront' of agricultural shift, says Syngenta India chief

PNS ■ NEW DELHI

Syngenta India Country Head and Managing Director Susheel Kumar said on Wednesday that innovation in biologicals can transform the future of food security, emphasising partnerships to fast-track solutions for farmers.

"Farming is faced with multifaceted challenges. Therefore, we need to adopt a multipronged strategy to make sure that crops are cultivated in a viable and sustainable way," Kumar said at the BioAg World Congress while unveiling the company's roadmap.

Kumar highlighted that farmers face numerous challenges in ensuring global food security, with food chain pressures and public demand for better residue management limiting farming options.

"Reduced solution efficacy due to resistance and pest shifts demands new modes of action," he said in a statement.

"Meeting the challenge requires a significant effort, and biologicals and seed treatment are at the forefront of this shift," Kumar added.

Kumar said partnerships are crucial to accelerate innovation and deliver solutions to growers quickly.

He noted that Syngenta's research and development approach has helped establish an industry-leading biologicals pipeline.

Biologicals, which include natural microbial, seaweed and plant extracts, aid in nutrient cycling, pest and disease management, and improving plant growth, Kumar explained.

"Three main types of biologicals - biostimulants, nutrient use efficiency products and biocontrols - provide farmers with more choices to manage resistance, improve soil health, reduce residue in foods, and address climate change impacts," he said.

Sanjay Kumar Tokala, Head of Biologicals at Syngenta India, said the global biological sector is expected to grow to USD 20 billion by 2030, with robust growth in Indian markets.

He added that biologicals promote biodiversity and support long-term soil fertility, making farming systems more resilient to climate change.

Chemical use to ripen mangos under scanner

Food safety teams launch cracking down on illegal practices

SAMPAT G. SAMRITAN | DC
VIJAYAWADA, APRIL 23

Given usage of banned calcium carbide and ethylene beyond permissible limits as well as ethephon for quick ripening of fruits, especially mangoes and bananas, food safety authorities have started launching drives to curb such illegal practices in AP.

Teams of officials from the food safety department have started visiting the wholesale markets and cold storage facilities to collect fruit samples and check the chemicals and their quantum used for ripening of fruits.

The practice of using chemicals for ripening of mangoes and bananas has been in vogue for some time. But given the huge demand for fruits during summer, a section of farmers and traders are placing sachets of banned calcium carbide among the collection of fruits to artificially ripen the fruit quickly, so that it could be sold.

Similarly, mangoes and bananas are placed in ethylene chambers at storage points. Though 100 ppm of ethylene is permissible for usage, a section of farmers is using ethylene beyond this limit to ripen fruits and make a quicker buck.

In addition, there are reports of farmers using ethephon in the form of liquid in a diluted form. This liquid is being sprayed on fruits for their quick ripening. Some farmers even dip bunches of bananas in the diluted ethephon. A section of fruit consumers is alleging that chemicals are being injected into watermelons to ensure that the colour inside is red and attractive. Food safety authorities have ruled out such a practice saying watermelon does not accept any foreign material within it.

Officials from stakeholder departments are also carrying out awareness drives among farmers and traders against use of chemicals for artificial ripening of fruits. People who consume such fruits develop intestinal disorders. They may even cause cancer in some cases.

Food Safety joint controller N. Poornachandra Rao said, "We are inspecting wholesale fruit markets and storage facilities. We will initiate action as per norms if farmers and traders are found guilty of using banned chemicals for ripening of fruits."

HEALTH AT RISK

BANNED calcium carbide and excess ethylene are being used to ripen mangoes, bananas.

ETHEPHON is sprayed or used to dip bananas for quick ripening.

SOME TRADERS place calcium carbide sachets among fruits to ripen them fast.

ETHYLENE chambers are used beyond the 100 ppm permissible limit.

OFFICIALS are conducting awareness drives for farmers and traders.

US, China Trade War Rekindles Soybean Tensions, Brazil Gains Ground

With tariffs driving China away to South American countries which produce 52% of the world's soyabean, American farmers brace for economic fallout and market upheaval

New York Times

Consider the soybean.

A legume about a centimetre in size, it is eaten from the pod as edamame or processed into tofu, soy milk and other products. But that is not why it is one of the world's most lucrative commodities. High in fat and protein, soybeans are what much of the world's livestock eat.

And now the humble crop is at the centre of the trade war between the United States and China.

The United States sells more soybeans to China, by value, than any other single product. Last year, that amounted to more than 27 million metric tons, worth $12.8 billion, or about 9 cents of every dollar of goods the United States sold to China.

But with the enormous tariffs erected between the two countries over the past two weeks, those sales are likely to suffer soon. That is bad news for the American farmers who grow soybeans and the Chinese chicken and hog farmers who buy them — and potentially very good news for the nation ready to step in: Brazil.

More than half of US soybean exports went to China last year, but the price just went up 135% under the tariffs China installed

American soybean farmers are worried about whether their biggest customer will keep buying.

More than half of US soybean exports went to China last year, but the price just went up 135% under the tariffs China installed in response to President Donald Trump's 145% tax on Chinese imports.

"Farmers deal with bad weather. We deal with pests. We deal with tractors breaking," said Heather Feuerstein, who owns a farm near Grand Rapids, Michigan. "That's our lives."

But tariffs? "This is a threat to our continued way of life," she said.

While Trump says his bulwark of tariffs will create a renaissance in American-made goods, thousands of soybean farmers like Feuerstein fear he will devastate American agriculture in the process.

At the same time, he could, inadvertently, be helping soybean farmers in Brazil and Argentina.

The two South American countries produce 52% of the world's soybeans, including 40% from Brazil alone, compared with 28% for the United States. No other nation is close.

"Once they can't get it from the US, they'll need to take more from Brazil," said Neusa Lopes, a top executive at Girassol Agrícola, a major soybean producer in Brazil's biggest soybean state, Mato Grosso. "And to take more from Brazil, they will have to pay more for it."

The soybean market involves a complicated web of commodities traders, shipping companies and futures contracts, so prices are often a moving target, but recent spot prices showed that South American soybeans had become more valuable in the wake of the tariffs.

Lopes, whose company plants soybeans and corn across more than 170,000 acres, an area nearly the size of New York City's five boroughs, said she could now sell a 130-pound sack of soybeans for about $21, up 10% from last month. Most of her crop goes to China, which is already by far Brazil's largest soybean buyer. But now Lopes hopes to earn more for the same crop.

The prices are rising later than the Brazilian and Argentine farmers would have wanted. Harvest season is ending in South America, and they have already sold nearly three-quarters of their stocks, said André Nassar, president of the Brazilian Association of Vegetable Oil Producers, which represents the nation's largest soybean producers. But those who haven't yet sold are now capitalising — or holding off and betting that the trade war will last, likely meaning even higher prices ahead.

In other words, the South Americans are sitting pretty.

Some 4,000 miles to the north, Feuerstein is in a bind. The annual turn of seasons means she must begin planting her more than 200 acres soon. If she works hard, the weather cooperates and the bugs are managed, in late fall she will harvest 10,000 or more bushels, over 600,000 pounds of soybeans.

Some might be sold to local dairies or a nearby crush facility, where the soybeans are processed into oil and meal. Others will be sold immediately after harvest to a local grain elevator, or stored on the farm to sell later.

"I would love a crystal ball right now," Feuerstein said. "I don't think anything that we have traditionally done is necessarily what we should be doing right now. I think everything is changing from minute to minute."

Exposed fruits worst affected by heat & pest activity surge

▶ Continued from Page 1

Farmers said the combination of extreme heat and increased pest activity created a perfect storm for crop failure. "Certain pests thrive during extreme summer conditions, leading to rise in fruit drop incidence. Whatever crop remains has poor quality. My production has dropped by 60%," said Solapur grower Jhambuvant Ghodake said.

Extreme heat has led to sun scorching on vegetables, causing visible burn damage to exposed fruits like cucumbers, tomatoes and brinjals. "Consumers may need to brace for higher vegetable prices in the coming weeks as the supply chain feels the impact of this," another farmer said.

Vegetable retailer Vitthal Hanamgar from the NIBM Road area said, "Supplies have already reduced this week by nearly 20% in retail markets because of high temperatures affecting production. We have heard that supplies may reduce further in the coming days with the temperatures staying above 40°C for longer. Prices in the retail markets have already started rising. For instance, cauliflower that was selling for Rs 60 per kg last week has now risen to Rs 80-100 per kg. Cluster beans have increased from Rs 40 per kg to Rs 80, okra was Rs 40 per kg and is now Rs 80. Ridge gourd that was Rs 60 per kg last week is now Rs 100, while French beans were Rs 60 last week and have now jumped to Rs 160 per kg."

Sanjay Pawar, a vegetable grower from Nashik, said, "Our 9-acre farm, with 3-4 acres of bitter gourd and 6 acres of tomatoes, is struggling because of the heat. Pests and sun damage are affecting crops, and a water shortage is limiting irrigation, resulting in a 25-30% drop in production."

Vilas Shinde, another vegetable grower from Nashik, said, "Temperature rise has significantly impacted both quality and quantity of the crop. There is a strong likelihood of prices increasing even further. There's been a noticeable impact on vegetable. In my farm alone, there's been a 50% drop in leafy vegetable production."

India can reap a lot more from its agricultural sector

NITIKA NATHANI & AKSHITA AGARWAL

are, respectively, partner and senior engagement manager at McKinsey & Company.

India has the benefit of favourable climatic conditions that enable diversity in crop production, routinely helping it rank among the world's top two countries for arable land. The country also has the world's second-largest agricultural crop output.

Yet, there are several markers that indicate significant headroom for growth. For example, India's yield for cereals is 25% and 50% lower in kilogram-per-hectare terms than Brazil's and the US's, respectively; India's share of processed food exports is about 25% of its total agricultural exports; and over 90% of Indian farmers are yet to adopt modern agri-technologies such as precision farming and remote sensing.

While strong agri-production fundamentals and the high potential for growth point to greater gains to be made, sectoral challenges and geopolitical uncertainties need to be factored in for India's agricultural sector to generate greater value for farmers, agri-markets and consumers.

Five tailwinds underpin an optimistic view on agricultural growth:

One, changing consumer demand has led to a sharper focus on high-value crops and livestock, like fruits, vegetables and dairy products. The government's aspiration is to boost agri-exports by an incremental \$40-50 billion by 2030; and India's biofuel policy is driving expansion in the country's output of key feedstocks such as corn.

Two, digital adoption in agriculture is growing, with around 40% of farmers using digital payments in 2024, an increase from around 11% in 2022. India's digital push by the government and growing tech stack infrastructure are expected to continue accelerating this shift.

Three, the rise of agri-financing to ₹25 trillion, a 14% annual increase from 2021-22 to 2023-24, indicates widening access to credit. Recently expanded loan limits, such as for the Kisan Credit Card scheme and targeted subsidies like those for mechanization are expected to further boost credit access in India.

Four, the streamlining of supply chains, particularly through cooperatives and farmer producer organizations (FPOs), is easing the journey of crops from the farm to the market against a backdrop of otherwise fragmented logistics. Organized trading networks and digital platforms like the Open Network for Digital Commerce (ONDC) and the government's e-Mandi platform are improving market linkages and price discovery as well as transparency.

Five, the adoption of sustainable practices in farming has risen from around 10% of farms to 15% over the past two years; the use of agri-biologicals has grown from around 7% to 11% and could grow further, with almost 67% of farmers expecting to increase their spend on biologicals. This would also make it easier to tap global markets. Agriculture accounts for around 20% of greenhouse gas emissions (GHGs) and such eco-friendly shifts would help mitigate these.

Our farm sector could grow much faster and also make significant headway with exports

Buoyed by these positive trends, agri-businesses could explore additional avenues, such as the following, to create additional value.

An integrated input-output approach for crop value chains: For example, in horticulture, some companies are innovating to improve farming practices and on-field productivity, as with high-yield varieties of seeds and advisory issuances on what crops to sow and when. Together with market-linkage support, farmers can expect better price realization. Export quality produce, for example, could command a premium.

Calibrated credit infusion enabled by analytics and the use of artificial intelligence: Many agri-fintechs are pioneering innovative credit models using data from FPOs and farmer cooperatives as well as alternative data. This makes a difference, as financial institutions can improve agri-financing by using enhanced credit-worthiness assessments and risk-adjusted credit flows.

Ramped up crop diversification, value addition and exports: For example, India is prioritizing the production of crops that can take the place of large imports, like pulses, vegetable oils and nuts, and also enhancing its export readiness in fields where trade dynamics matter, such as aquaculture and millets. The opportunity for value addition is prompting the emergence of farm-to-fork direct-to-consumer (D2C) brands, as well as the expansion of dairy and poultry farming for value-added exports. In addition, India is well-placed to address global demand for 'corn ethanol' as an alternative to traditional fuels.

Adoption of an 'omni-channel' approach to product and service delivery: As farmers around the country increasingly embrace digital tools, sustainable inputs and innovative practices, agri-businesses can blend digital interfaces with localized last-mile networks—which could be in-person or via call centres—to engage with farmers. This would not only create a seamless experience for farmers across multiple agri-business touchpoints, but also enhance engagement, stickiness and their openness to try new approaches and technologies. Managing network costs and optimizing service overheads hold the key to success in this endeavour.

By capturing such value-creation opportunities, India's agricultural sector could contribute significantly more to economic growth and bolster the country's position globally.

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