AGRO CHEM FEDERATION OF INDIA

ACFI NEWSLETTER

MAY 2025

India and Angola sign key pacts

NEW DELHI

Prime Minister Narendra Modi with Angolan President Joao Manuel Goncalves Lourenco, in New Delhi on Saturday. Photo: PTI

India and Angola on Saturday signed several key agreements following the bilateral meeting between Prime Minister Narendra Modi and Angolan President Joao Manuel Goncalves Lourenco at the Hyderabad House in New Delhi. Both countries signed a Memorandum of Understanding (MoUs) in the field of Ayurveda and other traditional systems of medicine and on cooperation in the field of agriculture.

An agreement on a cooperation programme between India and Angola in the domain of culture for the period 2025-29 was also signed. Angola also signed the International Solar Alliance (ISA) Framework Agreement and became the 123rd member of the ISA while India approved the Angolan request of Line of Credit of US$ 200 Million for defence procurement.

Earlier in the day, addressing a joint press conference alongside President Lourenco, Prime Minister Modi said both countries have close cooperation in various fields, adding that India and Angola are celebrating the 40th anniversary of their bilateral ties. He asserted that the relationship goes much further back, to a time when Angola was fighting for its freedom, and India supported it with full faith and friendship. IANS

US may seek tariff reductions: GTRI

Regulatory reforms in deal with India could benefit US firms

PTI
NEW DELHI

The US is expected to push for sweeping changes in India's policies, ranging from tariff reductions to regulatory overhauls, that could benefit American firms and exporters, under the proposed bilateral trade agreement with India, think tank GTRI said on Sunday.

In the agri sector, the Global Trade Research Initiative (GTRI) said the US demands include scaling back India's minimum price support (MSP) programs for crops like rice and wheat, removing restrictions on genetically modified (GM) imports, and lowering farm tariffs.

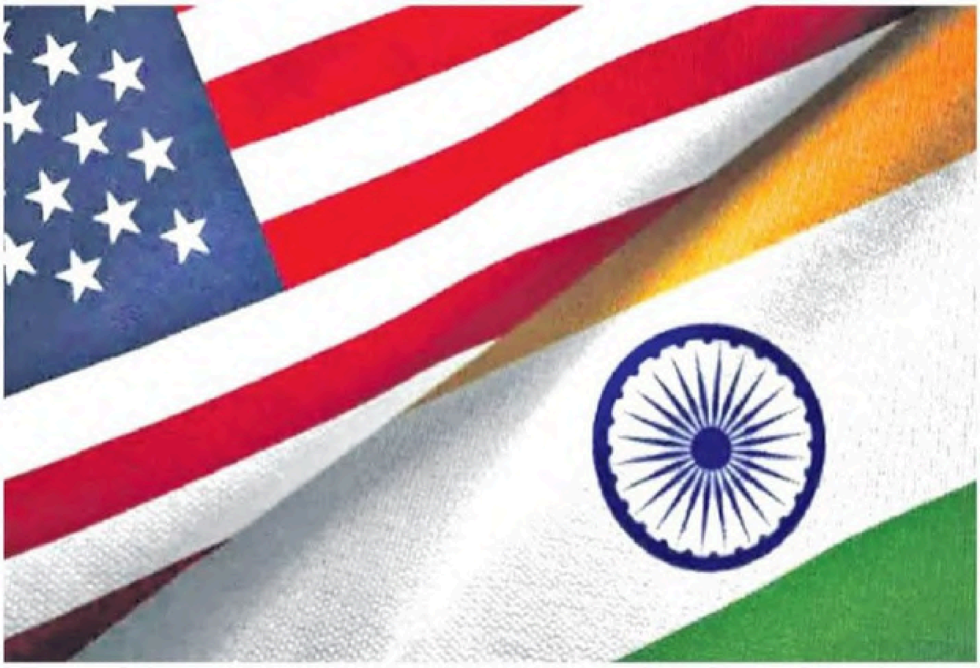
Similarly, on dairy, the US argues that India's GM-free feed certification and facility registration protocols effectively bar American dairy imports. Indian rules prohibit imports from animals fed with animal-derived feed, for example, butter from a cow fed meat, due to religious sensitivities.

"India considers this policy non-negotiable," GTRI Founder Ajay Srivastava said. He added that America may also seek easing of restrictions on US retail giants like Amazon and Walmart that face roadblocks due to India's restrictions on foreign-owned inventory-based e-commerce trading.

India resists the easing as it has to protect its small domestic retailers from unfair competition from deep-pocketed foreign firms. "It also views these restrictions as part of preserving regulatory autonomy in a fast-evolving sector," Srivastava said.

The US criticises India's cumbersome licensing requirements for remanufactured and secondhand capital goods, calling the process costly and slow. It said India mandates technical certificates, enforces quantity restrictions, and demands a residual life guarantee of at least five years for imports.

"India maintains that differentiating between new and remanufactured products is crucial to prevent dumping of obsolete technologies and to protect local manufacturing," he said, adding, "as negotiations proceed, Washington will continue pressing for wide-ranging reforms in tariffs, standards, digital rules, and services access".



US demands include scaling back India's MSP programs for crops like rice and wheat.

APEDA mulls Agri export strategies

NEW DELHI: The commerce ministry's arm APEDA is mulling formulation of strategies to boost export of agricultural and processed food products from India, an official statement said on Sunday.

The Agricultural and Processed Food Products Authority (APEDA) held an inter-ministerial dialogue to deliberate on the strategy last week here. Representatives from State governments, policy experts, industry leaders from agri trade and processed foods sector also participated in the discussions Speaking at the forum, Commerce Secretary Sunil Barthwal said that the govt is committed to reducing logistical barriers and enhancing market access for Indian agri and processed food products.

He added that academia and research institutions must be part of multi-sectoral consultations so that research and development can be a major focus for innovation and sustainability in agri exports. Agricultural production and productivity are both needed of the hour, the secretary has said, adding the ministry will further deliberate on the ideas and strategies discussed during sessions.

Secretary of the Ministry of Food Processing Industries Subrata Gupta highlighted importance of infrastructure development and value addition to ensure sustainable export growth.

The sectors which were discussed at length are rice animal products, horticulture, processed foods, and organic products. The country's agri exports are estimated to have crossed USD 50 bn in 2024-25. PTI

ICAR marks a first, develops two genome-edited varieties of rice

HARIKISHAN SHARMA & HARISH DAMODARAN
NEW DELHI, MAY 4

THE INDIAN Council of Agricultural Research (ICAR) said it has developed the world's first genome edited (GE) rice varieties with superior yields, drought and salinity tolerance, and high nitrogen-use efficiency traits.

Two of its affiliate institutions — the Hyderabad-based Indian Institute of Rice Research (IIRR) and the Indian Agricultural Research Institute (IARI) at New Delhi — have bred improved GE mutants of the popular Samba Mahsuri (BPT-5204) and Cottondora Sannalu (MTU-1010) varieties using CRISPR-Cas SDN-1 (Site-Directed Nucleases-1) technologies.

EXPLAINED E.

Union Minister of Agriculture and Farmers' Welfare Shivraj Singh Chouhan released the two rice varieties at the ICAR's NASC Complex on Sunday.

GE is different from genetic modification or GM. The latter involves introduction of genes from unrelated

CONTINUED ON PAGE 2

Bug trouble: Bt cotton faces acute risk as pink bollworm poses mid-season threat

U.Sudhakarreddy
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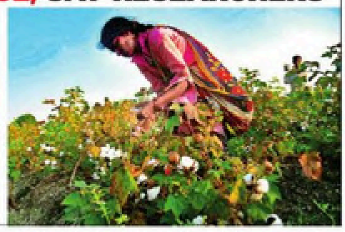
INCREASE PEST SURVEILLANCE, SAY RESEARCHERS

- While Bt cotton initially controlled bollworm infestations effectively, resistance steadily increased, according to study
- Central and southern India experienced sharp rise in mid-season attacks
- Researchers emphasise need for strict pest surveillance, & adherence to refuge guidelines, adoption of pest management practices

Pink bollworm affects 96% of India's cotton acreage



Hyderabad: In a significant development challenging two decades of pest management practices, researchers from agricultural research institutes in Andhra Pradesh and other states have confirmed the widespread resistance of pink bollworm to Bt cotton across India. A comprehensive study, conducted at 13 locations between 2007 and 2023, reveals that the pest has now established itself as a major mid-season threat across the country's cotton-growing zones.

Authored by scientists like BV Bhede (Nanded), G Annie Diana Grace (Guntur), and M Sivarama Krishna (Nandyal), among others, the study analysed unsprayed field conditions to track pink bollworm survival, infestation patterns, and the progression of resistance.

The findings, published in Scientific Reports (Nature), show that while Bt cotton initially controlled bollworm infestations effectively, resistance has steadily increased—particularly from 2014 onwards.

Green boll damage, which was negligible during the first decade following Bt cotton's introduction (2002–2013), began rising as resistant populations were first recorded on both Bt and non-Bt genotypes.

Mid-season attacks

The emergence of pink bollworm as a mid-season pest marks a critical shift. Previously, infestations occurred late in the season, but central and southern India experienced a sharp rise in mid-season attacks between 2014 and 2017. Northern cotton-growing regions, largely unaffected until recently, have now reported a surge in infestations, peaking in 2023.

The resistance buildup is attributed to multiple factors, including non-compliance with refugia requirements—non-Bt cotton crops mandated to delay resistance development—and the pest's ability to survive the off-season through diapause.

Though Bt cotton was introduced with a refuge strategy, poor implementation, non-isogenic seed availability, and logistical challenges led to widespread neglect in the field. This, coupled with prolonged exposure to sublethal doses of Bt toxins, allowed resistant pink bollworm populations to survive and proliferate.

With pink bollworm now affecting 96% of India's cotton acreage—most of it planted with bollgard-II hybrids—the threat to crop yields and long-term sustainability is acute. Researchers emphasise the urgent need for strengthened pest surveillance, strict adherence to refuge guidelines, and adoption of integrated pest management practices to combat this growing threat.

India-US trade talks: Commerce Ministry holds industry consultation, seeks suggestions

Senior representatives from industry bodies CII, FICCI, PHDCCI, India Cellular & Electronics Association and Assocham participated in the deliberations

NEW DELHI: The Commerce Ministry on May 2 held a comprehensive consultation with the domestic industry on the proposed India-US trade agreement and sought suggestions to further deepen bilateral trade ties in a mutually beneficial manner, an official said.

The stakeholder consultation was chaired by Special Secretary in the ministry Rajesh Agrawal. He is also India's chief negotiator for the India-US bilateral trade agreement (BTA).

During the meeting, Department of Commerce briefed the industry representatives on recent developments related to India-US trade ties and solicited their views and suggestions to further expand them in a mutually beneficial manner, the official added.

The special secretary assured the industry that their inputs would be factored in the ongoing trade negotiations.

Senior representatives from industry bodies including Confederation of Indian Industry, FICCI, PHDCCI, India Cellular and Electronics Association and Assocham participated in the deliberations.

The first in-person meeting between India and the US after finalisation of terms of references (ToRs) for the BTA concluded last month.

Closer Look

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- The first in-person meeting between India & the US after finalisation of ToRs for the BTA concluded last month

India and the US are exploring opportunities for an interim trade arrangement in goods to secure an "early mutual wins" ahead of finalising the first phase of the proposed bilateral trade agreement by fall of this year.

Both the countries have initiated sectoral level talks and more engagements are planned from May end.

To give an impetus to the talks, India's chief negotiator Rajesh Agrawal, additional secretary in Department of Commerce, and Assistant US Trade Representative for South and Central Asia Brendan Lynch held a three-day meeting last month in Washington.

During the meetings in Washington, the teams deliberated on wide-ranging subjects including tariff (related to goods) and non-tariff matters.

These deliberations assume significance as the US has suspended the additional 26 per cent tariffs on India till July 9. Both nations want to take advantage of this window to push the trade talks.

However, the 10 per cent baseline tariff imposed on the countries will continue to remain in place.

India is seeking duty concessions for labour-intensive sectors like textiles, gems and jewellery, leather goods, garments, plastics, chemicals, shrimp, oil seeds, chemicals, grapes and bananas in the proposed pact with America.

On the other hand, the US wants duty concessions in sectors like certain industrial goods, automobiles (electric vehicles particularly), wines, petrochemical products, dairy, agriculture items such as apples, and tree nuts, they said. PTI

Crop diversity key to sustainability

Cropping patterns, from Page 1

"Expansion of arecanut is purely market-driven," says V S Hittalmani, former additional director of horticulture. "Farming is a dynamic field, and changes do happen in the cropping pattern over time. But the rate and scale at which it is happening now are concerning," he adds. The water-guzzling crop is most commonly cultivated in irrigated regions.

Ease of cultivation and remunerative prices are key causes for the astronomical growth of arecanut in the state. Maize, a dominant agricultural crop, has also become a popular choice. These two crops have wiped out local cropping patterns in many districts. In Tumakuru district, for example, groundnut and ragi have made way for arecanut.

Cropping patterns fluctuate with varying weather conditions — including droughts and monsoons. However, there has been a decline in oilseed production, particularly sunflower and this is a worrying trend, says G T Puthra, director, Department of Agriculture, Government of Karnataka.

While the transition is in the offing, Thimmegowda M N, head of the Agrometeorology Department at the University of Agricultural Sciences, Bengaluru, says that cultivation methodologies should incorporate horticulture and agricultural crops. "Horticulture crops are also susceptible to climate change. We have the example of mango. It is losing ground in its traditional areas due to low yield and climate-induced problems," he says. "In the long term, moving away from food crops might affect our food security," he adds.

Arecanut is also vulnerable as temperatures rise, Thimmegowda says. In fact, in Dakshina Kannada, where areca is a primary crop, the horticulture department, in collaboration with the Coffee Board of India, recently conducted a feasibility survey for coffee in high-altitude areas. "Though there is no immediate threat, as areca is remunerative, we want to have a couple of alternatives. Cocoa and pepper, which are already grown as intercrops, are other prospective options," says D Manjunath, deputy director of horticulture, Dakshina Kannada.

Early trends of yield reduction, coupled with yellow leaf and leaf spot diseases, have compelled growers in Dakshina Kannada to contemplate alternative land use. The shift is already underway in Chikkamagaluru, another traditional arecanut belt, where there was a significant drop in production last year due to excess rainfall and diseases.

Smallholders' challenges

A majority of farmers who are shifting to horticulture crops have medium and large landholdings. "Horticulture crops require initial investment and have a gestation period of two to five years. We cannot afford that," says Bibi Jan, a farmer from Kundagol taluk in Dharwad district. Her family grows millets, pulses and vegetables in two acres of land. They also lease a few acres of land to grow these crops.

Her way of adapting to extreme weather conditions is to wait and watch. She waits for the monsoon to set in before choosing what to grow. In a drought year, her choice of crops differs. Other factors that inform her decision are the market and labour. Articulating this uncertainty, she provides the example of brown top millet, which fetched them Rs 6,500 per quintal last year. This year, the price has dropped to below Rs 4,000 per quintal.

Constant price fluctuations have made it difficult for farmers to achieve income security. A scientist pointed out that government policies are key to sustaining food crops, specifically pulses and oilseeds. While the minimum support price provision helps secure stable revenue, delays in setting up procurement centres pose a challenge to farmers. He gives the example of safflower procurement in north Karnataka districts this year. "By the time procurement centres were opened, farmers had sold the produce in the open market," he says.

Localised shift

Ease of cultivation has also led to significant localised shifts in cropping patterns. Take the case of Bidar, called the pulse bowl of the state. Soybean has replaced greengram and blackgram as farmers find it easier to grow compared to the traditional crops. Likewise, cotton and spreading groundnut, which are not suitable for mechanisation, have lost favour in Gadag.

Similarly, ragi has gained ground given its compatibility with mechanisation. "Combine harvesters have made ragi harvesting quick and easy for farmers. Due to acute labour shortage, they prefer crops that are suited for mechanisation," an officer of the agricultural department says. A growing number of farmers are opting for crops that suit mechanisation to address the labour shortages.

"Horticulture crops make us more self-reliant," says Koppal-based farmer Anandateertha Pyati. He shares his experience of growing millets along with tamarind on his four-acre farm. "I tried to grow millets and pulses for three seasons only to suffer losses. My application for crop insurance did not elicit any response. Finally, I gave up millet cultivation," he says.

It is no surprise that farmers are making the shift to horticulture. The area under horticulture cultivation has doubled in Koppal over the last decade, from 22,000 hectares in 2016 to 55,000 hectares today.

The horticulture department in Koppal has actively promoted the Kesar mango variety, which is suitable for the agroclimatic zone, by providing necessary information and market linkages. Thus Kesar mango has emerged as the most popular crop, with farmers even exporting it.

Dip in productivity

The shift to horticulture crops, however, may only provide temporary reprieve to farmers. Increasing cost of cultivation and decreasing productivity have only exacerbated the vulnerability of both agricultural and horticultural crops. This has meant that farmers are increasingly at odds with what to cultivate.

In the last five years, ragi has seen a significant drop in yield, from 18 quintals per hectare to 12 quintals per hectare, whereas maize has seen a reduction from 33 quintals to 28 quintals per hectare. Alternate bearing and low yield have meant that the state has seen a drop in mango production as well in recent years.

A 2021 study by the Environmental Management and Policy Research Institute and the University of Agricultural Sciences, Bengaluru, observed that some crops were losing productivity while others were gaining productivity in different districts due to climate change. The net productivity changes indicate that groundnut, rice and wheat will lose productivity by 2035. Cotton, maize, chickpea and sugarcane may gain productivity. Researchers used a crop simulation model that assessed the effects of weather, soil content, agronomic management, pests, diseases, yield, water availability and greenhouse gas emissions.

"The input cost for maize, mostly for chemical fertilisers and herbicides, is so high that we are in perpetual loss with the current yield. The entire crop cycle is run on loans," says Mahadevappa, a Dharwad-based farmer. "But we are left with no other option," he adds.

In the neighbouring Gadag district, farmer Annapurna echoes this sentiment. "If we think about profit, we will not be able to grow any crop. From land preparation to marketing, nothing is in our hands. We are always at the receiving end. Our livelihood is dependent on so many natural and human factors," she says.

Content with the returns she got from chilli cultivation this year, she says good profits are sheer luck. "Thanks to a conducive environment and good market prices, the income I got from chilli grown on an acre of land is equivalent to a field crop grown on 10 acres," she says.

Her brother, Basavaraj, sees a reduction in livestock as the major reason for the drastic changes in cropping patterns. "Earlier, we would factor in fodder requirements while growing a crop. Not anymore. There is a 75% drop in the number of cattle in our Shagoti village. Now, inflated costs have forced us to focus singularly on income generation, not on our food or the ecosystem," he says. He links how the food consumption patterns have changed with cropping patterns, leading to many health problems in people.

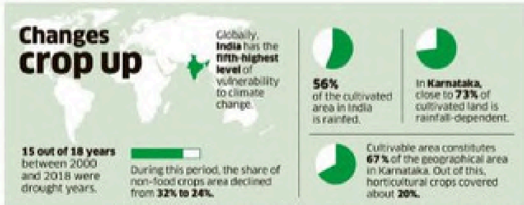
There have been successful models of crop diversification among farmers. Take Nannesab Divannavar in Hirebendigeri in Haveri district, for instance. He anticipated the need to combine agriculture and horticulture crops in 2006. Now, the four-acre farm has a good mix of fruit, food, and vegetable crops. Diversity is key to ensuring sustainability, he believes. This year, fluctuations in rainfall patterns have resulted in the reduction of mango production by two-thirds. "Other crops help me sail through," he says.

Exotic fruits

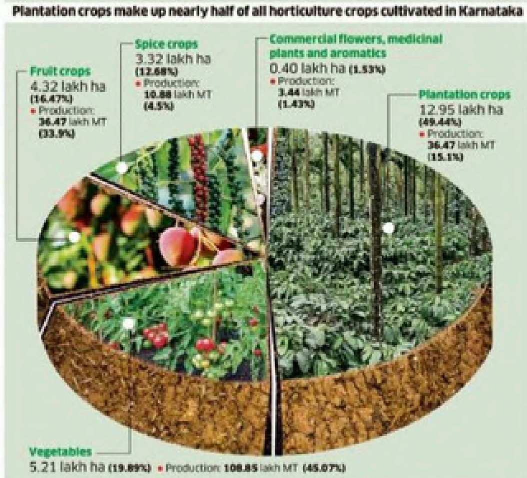
This significant shift at various levels across the state is marked by some innovative and enthusiastic farmers diversifying into exotic and indigenous crops. According to the Indian Institute of Horticulture Research, Bengaluru, there has been a 25% increase in the cultivation area of 12 fruits — mainly avocado, dragon fruit, jackfruit, tamarind, jamun, passion fruit, rambutan, and mangosteen — in the last five years. They are now grown as secondary crops, and the popularity is driven by market demand, their ability to survive extreme weather events, and relatively less maintenance.

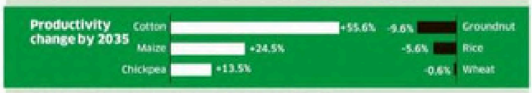
Arun S, director of the Karnataka Exotic Fruits Farmers' Association, says that dragon fruit is cultivated by nearly 600 farmers in more than 1,800 acres. The fruit has replaced the pomegranate in many areas. Data from the department of horticulture shows that dragon fruit, avocado, and litchi covered an area of 644 hectares in 2023.

As farmers are experimenting with crops — both local and novel — to sustain their livelihoods and attain income security in times of climate change, they wait for support in terms of policy to make farming viable and remunerative.

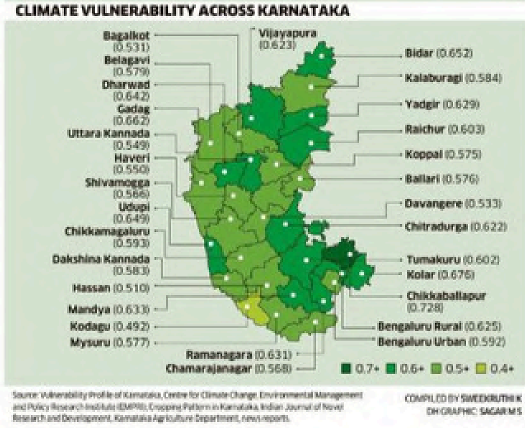


Plantation crops make up nearly half of all horticulture crops cultivated in Karnataka





CLIMATE VULNERABILITY ACROSS KARNATAKA



Source: Vulnerability Profile of Karnataka, Centre for Climate Change, Environmental Management and Policy Research Institute (EMPRI); Cropping Pattern in Karnataka, Indian Journal of Novel Research and Development, Karnataka Agriculture Department, news reports.

COMPILED BY SWEEKRUTHI K
DH GRAPHIC: SAGAR M S

Climate change vulnerability

The Intergovernmental Panel on Climate Change defines vulnerability to climate change as

The degree to which a system is susceptible to, and unable to cope with, adverse effects of climate change, including climate variability and extremes.

- **Chikkaballapur** and **Kolar** districts were found to be highly vulnerable to climate change.
- Lower the **forest area** and **road density**, higher the vulnerability to **climatic disasters.**

Agri research shaped by climate change

ANITHA PAILOOR
BENGALURU, DHNS

Until two decades ago, agricultural research was focused on increasing yield, addressing pests and diseases. However, today, "climate change has influenced at least 30% of our research," says B D Biradar, director of research, University of Agricultural Sciences (UAS), Dharwad. From developing new varieties that can withstand extreme weather variations, such as drought, high temperatures and heavy rainfall conditions, to suggesting crops, scientists are factoring in climate change in research. Today, research is also focused on climate change-induced pests and diseases.

Climate resilience is a key criterion in releasing a crop variety or technology, says H S Shivaramu, director of research, UAS Bangalore.

Professor Thimmegowda M N, head of agro-meteorology department at UAS Bangalore, says that poor soil quality with low moisture retention capacity has compounded the problem.

Earlier, a dry spell of 20-25 days would not affect the crop as the soil moisture level was high. Indiscriminate use of chemical fertilisers and pesticides has depleted the organic matter content in the soil.

Now, even as atmospheric temperature is increasing and significant alterations in both temporal and spatial distribution of rainfall are occurring, the soil has lost the ability to sustain the crop, he says. So the focus is on enhancing soil health through soil and water conservation, he adds.

Some floriculturists and growers of exotic vegetables have invested lakhs of rupees in setting up polyhouses to grow the crop in a controlled environment. "The cost of setting up a polyhouse in half an acre of land is around Rs 20 lakh. The National Horticulture Mission provides a subsidy of nearly 50% to the farmer. Those who have the capital and have avenues to get good revenue are going for it," says Ramesh D S, director of horticulture, Government of Karnataka. "Polyhouses provide protection from extreme weather, pests and diseases. The quality of produce is also good," he says. Horticulture crops are grown in polyhouses in around 2,500 hectares around Bengaluru.

The collaboration of farmers and scientists to explore the viability of a suitable crop is another trend in recent years. The latest among these efforts is to introduce north Indian crop juice *bilva* (*Aegle marmelos*) to the Kalyana Karnataka region.

Have your say

To express your opinion, e-mail us at: insight@deccanherald.co.in

Chemicals exports: Gujarat keeps crown with 46% share

Maharashtra, Telangana Take Second, Third Spots

Parag.Dave@timesofindia.com

EXPORT DOMINANCE

State	2023-24	2024-25
Gujarat	14,276	12,885
Maharashtra	5,163	5,042
Telangana	2,218	2,432
Andhra Pradesh	2,009	2,123
Karnataka	1,172	1,276
All states	**29,379**	**28,699**

Figures: US$ Million; Source: CHEMEXCIL

Ahmedabad: Gujarat continues to dominate India's chemicals export market, contributing 46.16% of the country's total chemical exports in FY 2024-25, according to recent Chemexcil data.

The state exported chemicals worth $12,885 million out of India's total chemical exports of $28,699 million.

Maharashtra followed with an 18.06% share, while Telangana secured the third position with 8.71% of total exports. However, overall exports decreased marginally in FY25 compared to FY24.

Experts believe Gujarat has a strong base of chemicals manufacturing and export facilities, which has made it a chemicals hub.

Ankit Patel, chairman (northern region), Chemexcil, said, "Gujarat has continued to dominate chemicals exports, including dyes, dyes intermediates, organic and inorganic chemicals.

Although the industry is passing through a challenging phase when demand has seen major ups and downs due to global factors, Gujarat has consistently exported more than 45% of the country's chemicals."

CONDUCIVE ECOSYSTEM

He added that other states are witnessing some growth, but Gujarat has a well-established ecosystem for the chemicals industry.

Manish Kiri, MD of a leading chemicals manufacturing company, said, "Gujarat's chemicals industry has seen huge new investments in the last two decades, mainly because the availability of various raw materials is easier in the state because of manufacturing units."

The MD further said, "Dahej, Padra, Vatva, Ankleshwar, Vapi and Naroda are considered the biggest chemicals clusters in the country, and the state has around 35 operational common effluent treatment plants (CETPs) as well to ensure environmental compliance. In the international markets, environmental compliance is important, and it gives an edge to our chemicals industry."

ICAR sacks council member with immediate effect

The Indian Council of Agriculture Research (ICAR) has sacked Venugopal Badaravada, a farmers' representative in the governing body and general body ICAR for his acts unbecoming of a member and tarnishing the image of ICAR. Badarvada, has been sacked with immediate effect as per a letter shared by him dated May 5. He has had several run-ins with the ICAR alleging large-scale corruption and mismanagement. **BS REPORTER**

India-EU FTA our priority, possible by Dec-end: FM

RUCHIKA CHITRAVANSHI
New Delhi, 6 May

On a day India and the UK clinched a free trade pact, Finance Minister (FM) Nirmala Sitharaman said New Delhi could achieve a free-trade agreement (FTA) with the European Union by December this year as there were just "one or two items" on which each side was fixated.

The FM, however, called for some flexibility to achieve the FTA.

"Negotiation is about the art of making it possible. You need to have everything done to make it possible to achieve. But when there are fixed positions, someone will have to relax, bring in the elasticity," Sitharaman said.

She was speaking at the 'ADB Governors Seminar: Cross Border Collaboration for Future Resilience' in Milan, Italy. Except for one or two items on which each side was fixated there was largely an agreement that could be through. "The European Union is top of our priority because of the traditional links which we have with the EU... If negotiations go forward in that spirit, the December (deadline) is not impossible to achieve," the minister said.

The FM highlighted that the principle of free trade was of efficiency and it cannot be violative of the acceptable principles of free trade.

She said that the global fragmentation and also the way in which the April Tariff announcement by the US has panned out, uncertainties are increasing and simultaneously global institutions are not carrying the heft they were carrying earlier.

"In such a situation, countries are today looking at bilateral arrangements. In the case of the EU, India has been negotiating for quite some time. But today, the sense of urgency is felt by both sides because the market can be one big market," the FM added.

"INDIA HAS TAKEN A LONG-TERM APPROACH TOWARDS BUILDING ITS SUPPLY CHAINS KEEPING IN MIND ITS STRATEGIC STRENGTHS AND CAPACITIES ARE LEVERAGED"

NIRMALA SITHARAMAN,
Union Finance Minister

Sitharaman highlighted that countries need to have investments and market access in various nations given the current global situation.

"Supply chains cannot be from one big market. Concentration risks have played out substantially," she said, while stating that economically prudent solutions post globalisation have caused huge disruptions hurting the common people.

While stressing that there was no going back on globalisation, she said, "Countries today have realised that there should be at least some level of their own resources being used for meeting their demands, i.e. self-reliance. It's not a policy which is inward-looking, it's progressive."

Talking of linking India to global supply chains, Sitharaman said India has taken a long term approach towards building its supply chains keeping in mind its strategic strengths and capacities are leveraged.

The Finance Minister said India wants to strengthen itself on the basis of the assets it had whether it was human capital or technology and sectors where it can build further.

"We are also looking at sectors in which our population is engaged," Sitharaman said. While stressing that India had a population of 600 million people who were less than 25 years of age, she said that India was not dealing with an ageing population and the number of its productive age population was substantial.

‘Historic milestone’: India, UK seal free-trade deal

Duplication of social security contributions to be nixed too

SHREYA NANDI
New Delhi, 6 May

After nearly three and a half years of intense negotiations, India and the United Kingdom (UK) on Tuesday announced the conclusion of talks for a free trade agreement (FTA) that will boost strategic and economic ties between the fifth- and sixth-largest economies in an era of geopolitical uncertainties and trade wars.

The trade deal, once implemented, may make import of whisky, gin, automobiles, medical devices, electrical machinery, cosmetics, soft drinks, chocolates, and lamb cheaper for India. It will also lead to significant increase in export competitiveness of Indian shipments in the UK for sectors like textiles, toys, leather, marine products, footwear, and gems & jewellery. Sensitive items like dairy products, apples, cheese, etc, have been excluded from any duty concession by India to protect its farmers.

In a massive win for New Delhi, both nations also concluded a double-contribution convention or a social security pact that will give Indian skilled professionals working in Britain a three-year exemption from social security payments. This has been India's longstanding demand, and is expected to benefit over 60,000 employees from the information technology (IT) sector alone. It will lead to savings of around 20 per cent of employee salaries. Turn to Page 6 ▸

“These landmark agreements will further deepen our Comprehensive Strategic Partnership, and catalyse trade, investment, growth, job creation, and innovation...”

NARENDRA MODI,
Prime Minister, India

“Today we have agreed a landmark deal with India... We are now in a new era for trade and the economy. That means going further and faster to strengthen the UK's economy”

KEIR STARMER,
Prime Minister, UK

PAGE 4

AUTO TO TEXTILES: INDUSTRY WELCOMES FTA

Bilateral trade between India and the UK will increase by 25.5 billion pounds with the sealing of their FTA, and it is expected to benefit sectors such as textiles, marine products, leather, gems and jewellery, footwear, and engineering goods, said companies and industry experts.

▸ DOUBLE CONTRIBUTION CONVENTION TO HELP INDIAN IT COS

▸ INDIA-EU FTA POSSIBLE BY DECEMBER END: FM P9

WHAT'S IN THE AGREEMENT

Social security relief: 3-year exemption from UK social security payments for Indian workers under the Double Contribution Convention

Zero duty: 99% of Indian exports to UK to enjoy zero-duty access

Tariff cuts: India to cut tariffs on 90% of tariff lines; 85% to become fully duty-free within 10 years

Alcohol & auto tariffs: Whisky and gin tariffs to drop from 150% to 75%, then 40% over 10 years; auto tariffs to fall from 100%+ to 10% under quotas.

Professional mobility: Easier entry for business visitors, investors, contractual service suppliers; dependents of intra-corporate transferees to get work rights

What may become cheaper

For India: Whisky, gin, automobiles
For UK: Clothes, footwear, prawns

Start, stop, continue...

2022	**Jan:** Talks launched **Apr:** Modi and then UK PM Boris Johnson set Diwali/Oct deadline **Oct:** Rishi Sunak becomes UK PM; Diwali deadline dropped **Dec:** Negotiations resume
2023	**Oct:** Fresh Diwali/Nov target set; talks fail
2024	**Apr–Jun:** Talks paused for India elections **May:** UK announces elections **Nov:** Modi and his new UK counterpart Keir Starmer meet; agree to relaunch talks in 2025
2025	**Feb:** Talks resume with focus on FTA, bilateral investment treaty, and double-taxation avoidance **Apr:** Commerce Minister Piyush Goyal visits London to resolve pending issues

1st round India-New Zealand FTA talk ends

NEW DELHI, May 9: The five-day talks between India and New Zealand for a proposed free trade agreement (FTA), aimed at boosting bilateral trade and investment, concluded on Friday, an official said.

After a gap of about 10 years, the two countries on March 16, 2025 announced resumption of negotiations for the FTA.

"The first round of negotiations started on May 5 here," the official said.

India and New Zealand began negotiating the Comprehensive Economic Cooperation Agreement (CECA) in April 2010 to boost trade in goods, services, and investment. However, after 10 rounds of discussions, the talks stalled in February 2015.

With bilateral trade continuing to grow steadily, surpassing USD 1 billion during April-January 2025, the FTA would help unlock new avenues for businesses and consumers.

According to the think tank Global Trade Research Initiative (GTRI), a major challenge in the renewed talks will be the disparity in tariff structures.

New Zealand's average import tariff is only 2.3 per cent, with over half of its tariff lines already duty-free, meaning Indian goods already have substantial access to its market.

In contrast, India's average tariff stands at 17.8 per cent, meaning it would have to make significant reductions, making a traditional FTA less attractive for India.

"As talks resume, both countries will need to find common ground on these issues to move forward successfully," GTRI said.

Earlier, New Zealand has demanded greater access to India's dairy market, which India has resisted to protect its domestic industry that supports millions of farmers.

Currently, India's dairy imports from New Zealand is around USD 0.57 million. The country has not given duty concessions in the sector in any of its trade pacts.

New Zealand may look for duty concessions on products like meat and wine.

The bilateral trade between the two countries stood at USD 873.4 million (exports USD 538.33 million and imports USD 335 million) in 2023-24 as against USD 1.02 billion in 2022-23.

India's key goods exports to New Zealand include clothing, fabrics, and home textiles; medicines and medical supplies; refined petrol; agricultural equipment and machinery such as tractors and irrigation tools; auto; iron and steel; paper products; electronics; shrimps; diamonds; and basmati rice.

The main imports are agricultural goods, minerals, apples, kiwifruit, meat products such as lamb, mutton, milk albumin, lactose syrup, coking coal, logs and sawn timber, wool, and scrap metals.

In FY24, India's services exports to New Zealand stood at USD 214.1 million, while New Zealand's services exports to India totalled USD 456.5 million.

India's key services exports include IT and software services, provided by companies such as Infosys and HCL, along with telecommunications services to support New Zealand's digital infrastructure.

India also exports healthcare services, including medical tourism, pharmaceutical research, and telemedicine. Financial services are another important area, with Indian banks and fintech companies offering digital payment solutions.

New Zealand's services exports to India are led by education services, with thousands of Indian students pursuing higher education in New Zealand. – PTI

Deal may become model for other FTAs

Pact's approach could influence negotiations with EU, say experts

SHREYA NANDI
New Delhi, 7 May

The conclusion of an ambitious trade deal between India and the UK could serve as a model for New Delhi's ongoing free trade agreement (FTA) talks with major trade partners, including the US and EU. The long-pending deal with the UK was finalised on Tuesday.

While the specifics of the agreement with the UK is not yet known, the fact that India has agreed to slash import tariffs on automobiles from 100 per cent to 10 per cent coupled with a cap on imports, is a clear signal that New Delhi is gradually shedding its protectionist stance.

In the case of items such as automobiles, the India-UK agreement's approach could set a precedent and influence negotiations with the EU, as New Delhi may use a similar formula to make an offer. To be sure, the EU has time and again reiterated that its key offensive interests include cars.

Biswajit Dhar, distinguished professor at Council for Social Development, said there's distinct possibility that in the case of the FTA with the EU, a tariff cut along with quota will be adopted, although it is important to know how large the quota will be and the pace at which it will be enhanced over a period of time.

"The government has been under tremendous pressure to open up the market. The transition period and the quotas are enabling kind provisions that have been given to the industry. Such phased entry will ensure Indian markets don't get flooded with imported cars, while giving time to the industry to become competitive," Dhar said.

In the deal with the UK, India has also excluded sensitive items such as dairy products, apples, and cheese from any duty concession to protect its farmers, suggesting that New Delhi is unlikely to give in to the pressure to allow greater market access for agricultural products. India has been under immense pressure from the US, EU, New Zealand, and Australia to lower agricultural tariffs, especially on dairy products.

Arpita Mukherjee, a professor at the Indian Council for Research on International Economic Relations (Icrier), said that this is likely to be the most comprehensive FTA that India has signed to date. India is also sending a strong signal that it is ready to liberalise, negotiate, and close trade agreements.

"While we need to wait for the nitty gritty, India has shown a good response to liberalisation in areas such as automobiles and alcohol, which can set the stage for India quickly signing other trade deals," she said.

Under the India-UK trade deal, New Delhi has committed to give access to its large government procurement market. This will allow UK businesses access to around 40,000 tenders, with a value of at least 38 billion pounds a year.

"Apart from agriculture, till now, government procurement was being treated as a sensitive area (by India). India has been cautious about offering concessions as it wanted to protect small enterprises and jobs. In the case of the EU and the US, government procurement has been a sticking point. Depending on the details, it is a green light even for the EU that it will also gain access to the government market in India," Dhar said.

New Delhi and Britain have also concluded a double-contribution convention, or a social security agreement, that will give Indian employees working in that country a three-year exemption from social security payments. This has been India's longstanding demand, which will not only protect cross-border workers, but also lead to significant financial gains for Indian service providers.

The finalisation of the social security agreement with Britain may also give more bargaining power to New Delhi to have a dialogue with the US for such an agreement, which has been pending for two decades now.

Mukherjee cautioned that it is important to keep in mind that each of the trading partner's demands are different. For instance, one has to see what are the real demands of the Americans.

TRADE TALKS

- India's decision to slash import tariffs on automobiles from 100% to 10% signals a shedding of the country's protectionist stance
- India-UK agreement's approach could set a precedent and influence negotiations with the EU
- EU has reiterated that its key offensive interests include cars
- India has been under immense pressure from the EU, US, New Zealand, and Australia to lower agricultural tariffs

RESET FOR A NEW FUTURE

A revision in the base year for consumer price index meant for agri and rural workers is likely to push up the minimum wages

SHIVA RAJORA
New Delhi, 8 May

As the day comes to an end, Santosh Lal (44) waits outside his contractor's cabin for his wage. Some others join him. They've been manning furnaces, cutting machines, and drills throughout the day at this glass-making unit in a dusty industrial pocket of West Delhi.

Unaware of the recent Delhi government decision to hike the minimum wages in the national capital, Lal and his fellow workers continue to receive the same wage as three years ago when they started working in the unit.

"It's a great respite that the contractor didn't cut my wage. Last month, due to some problems with the contractor, I received a lesser amount. We have been working on the same *dihadi* (daily wage) for the past three years. There are no wage revisions here and whatever we get is barely enough to make our ends meet," Lal says.

In the Indian labour market, working wages are often depressed for a host of reasons that include the use of an outdated base year to calculate inflation for workers. Poor enforcement mechanisms add to the problem.

"A relative who works as a *dihadi* technician with a big government project in Rohini had his wage revised late last year. If the government has hiked our wages, we should get them. But who will ensure this?" asks Lal.

In India, minimum wages are fixed by both the central and state governments for a number of occupations known as scheduled employment. In addition, these wages undergo periodic revisions due to changes in inflation. For this, the government comes up with two consumer price indices for agriculture and rural labour (CPI-AL/RL).

Labour economist Santosh Mehrotra says although the minimum wages are applicable only in scheduled employment and the compliance regime is pretty weak to enforce them on ground, they do set a floor wage rate for employers to follow.

"At best, they are only implemented in the government's own establishments. Indian labour market with its highly stratified nature means that they serve as an indicator for the wage market and for the workers to demand a certain wage from their contractors," he adds.

Revising the base year

Nearly four decades since its last iteration, the Centre is planning to revise the base year of the consumer price index for CPI-AL/RL to better capture price increases. The exercise is part of a broader effort by the government to introduce new series for several key macroeconomic indicators, including the Index of industrial production (IIP), gross domestic product (GDP), and the consumer price index (CPI).

Currently, the base years for CPI and CPI-IW (industrial workers) are 2012 and 2016, respectively, while the base year for CPI-AL/RL is 1986-87. The base year for CPI-AL/RL was last revised nearly three decades ago, in November 1995.

For this purpose, the Labour Bureau has constituted an expert committee, chaired by National Statistical Commission (NSC) member Asit Kumar Sadhu, to shift the base year from 1986-87 to the 2024-25 agricultural year.

"The 1986-87 base year is too outdated now.... The country has moved forward, and consumption patterns have changed. Unless the indices are revised, they won't reflect actual consumption patterns. Most importantly, they won't capture rural and agriculture wages," a senior government official explains.

According to Arun Kumar, former professor at Jawaharlal Nehru University, the two indices are crucial because the general headline retail inflation figure does not accurately represent a large segment of the rural population, given their distinct consumption patterns.

"Low-income people, especially in rural areas, spend most of their earnings on food, which is very different from the way people in urban areas or with higher incomes spend. While the current index, based on 1986-87 is obsolete, we still need a different index to compute inflation as experienced by these sections of the population. It's a welcome move that the government is changing the base year," he added.

MEASURING INFLATION

Effect Of outdated base year

Shifting the base year for these two indices is important as they determine minimum wages for agriculture and rural workers.

K R Shyam Sundar, professor of practice at MDI, says the non-revision of base years has resulted in continuation of the lopsided weightage being assigned to food items in the current series. "This has resulted in neglecting the actual price changes that have occurred in other important consumption items like education and health, among others, resulting in lower inflation being recorded against these categories," he adds.

Under the current base year which uses the National Statistics Office (NSO) 1983 household consumption expenditure survey, food items have a weighting of 72.9 per cent in the present CPI-AL and 70.4 per cent in CPI-RL. Other important consumption components, such as medical care, have a weightage of only 4.38 per cent in CPI-AL and 4.23 per cent in CPI-RL. Meanwhile, 'Education, Recreation, and Amusement' has a minuscule weightage of 0.94 per cent in CPI-AL and 0.99 per cent in CPI-RL.

Once the latest household consumption expenditure survey is used to calculate new series, the weighting composition of different items will change.

Also, CPI-AL is used to determine wages under the government's flagship rural jobs programme — the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In 2009, the MGNREGA wage was first indexed against the CPI-AL.

The Mahendra Dev committee, set up in 2013 to look at the MGNREGA wages afresh, recommended in its 2015 report, that the wages should be indexed against CPI-R instead, since CPI-AL and CPI-RL (Consumer Price Index-Rural Labour) were outdated. In CPI-Rural, food items account for only 59 per cent and it also provides for higher expenditure on education, medical care, and transport and communication.

The recommendations were not implemented by the government as the finance ministry expressed concerns over the potential fiscal implications of adopting CPI-R for wage indexation.

As a result, the MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act 2005) wages in a number of states currently are lower than the statutory minimum wages set by both the states and central government.

Impact of revision

Mahendra Dev, professor at Indira Gandhi Institute for Development Research (IGIDR) who headed the committee mentioned earlier, says that the two indices with 1986-87 as a base year have hidden the actual inflation rate experienced by these workers.

"First, they have a disproportionate weightage of food. Second, the government provides subsidised food to almost all the rural population. This results in reporting of an inflation rate which is quite lower than the actual rate. With the new series, the weightage given to different items will get rejigged for sure," he points out.

Since the government didn't accept the proposal to delink MGNREGA wages from CPI-AL a decade ago, it will now be possible to offer higher wages under the scheme as the new series will better capture the inflation, says Dev. Also, the minimum wages, set by both the central and state governments, are expected to see an increase.

Centre to reach out to 15 mn farmers with new seed ideas

Drive to start on May 19

SANJEEB MUKHERJEE
New Delhi, 8 May

Union Agriculture Minister Shivraj Singh Chouhan on Thursday announced a 15-day pan-India campaign — starting on May 29 and culminating on June 12 — to create awareness among 10-15 million farmers across 700 districts of modern technology and new seed varieties.

As part of the campaign named "Viksit Krishi Sankalp Abhiyan", around 2,000 teams comprising farm scientists, state officials, and progressive farmers among others, will fan out across the country connecting with farmers.

Each of the 2,000 teams will have three meetings every day at district level. The aim is to reach out to 1-1.2 million farmers every day. Around 3,100 agriculture scientists have been trained as master trainers, who will impart training to farmers on new practices.

Addressing the "National Conference on Agriculture for Kharif Campaign" here, Chouhan stressed the need for improving agriculture extension services to boost productivity and production of all major crops. Chouhan said he will also write to all chief ministers to make this campaign a success. Meanwhile, as part of the campaign, farmers will be given a feedback form where they will highlight their experiences and lessons learnt. The mega campaign will be monitored nationally through a dedicated cell.

Sources said a special focus of the campaign, particularly in paddy-growing areas, will be on direct-seed rice and also on other climate-resistant varieties.

Direct-seeding likely to be more scientific

The Indian Council of Agriculture Research (ICAR) plans to convert 1 million hectares where rice is grown through the direct-seeded method but in a traditional manner into more scientific methods, which would boost overall rice production by 5 million tonnes (mt). The plan is part of the efforts to lower paddy acreage by 5 million hectares but boost production by 10 mt over the next few years. The plan was detailed by ICAR Director General ML Jat at the national conference on Thursday.

BS REPORTER

Foodgrain output target at 354 mt for 2025-26 crop season

The government has targeted to produce 354 million tonnes (mt) of foodgrain in the 2025-26 crop season that will start from June.

The target is almost 4 per cent higher than the actual production of the 2024-25 season.

In this, rice production is projected at 115 mt while wheat output is targeted at 117 mt in 2025-26. Pulses production is targeted at 26.4 mt and oilseeds output at 44.7 mt.

Already, the country's foodgrain production has reached 330.92 million tonnes in the kharif and rabi seasons of the current 2024-25 crop year.

The production estimates for summer (zaid) sowing are yet to be released.

The foodgrain production in the summer season (zaid), sown between February and June which is between rabi harvest and kharif sowing season, stood at 16.5 million tonnes in 2023-24.

Need to find solutions to make Indian agriculture economically viable: Gadkari

PRESS TRUST OF INDIA ■ New Delhi

Indian agriculture needs to become economically viable as it is necessary to make the country 'Atmanirbhar', Union Minister Nitin Gadkari said on Thursday.

Addressing an event here, Gadkari said there is a need to diversify India's agriculture towards the energy and power sector, as the country does not have enough capacity for the storage of foodgrains.

There is also a need to increase employment potential in rural and tribal India, as these areas are facing crucial economic problems.

"Indian agriculture is not very economically viable. Now, this is the time we need to find out the solution that how we are going to make our agriculture economically viable.

"Without that, we cannot make Atmanirbhar Bharat," the minister said.

In the present situation, Gadkari said the big problem is that India has a surplus of foodgrain, rice, wheat and sugar.

"And these are the problems we are facing...We need to find out how the farmers will get remunerative prices," he said.

Union Minister Nitin Gadkari pointed out that by creating a good market for biofuels, India is going to reduce the demand for fossil fuels.

"If we want to reduce pollution, then the green fuel is very important for sustainable development," Union Minister Nitin Gadkari said.

India may offer to narrow tariff gap with US

New Delhi could reduce the gap to under 4%; ready to give preferential access to 90% of US goods

REUTERS
New Delhi, 9 May

India has offered to slash its tariff gap with the US to less than 4 per cent from nearly 13 per cent now, in exchange for an exemption from US President Donald Trump's "current and potential" tariff hikes, two sources said, as both nations move fast to clinch a deal.

This would mean that the average tariff differential between India and the US, calculated across all products without weighting for trade volume, would be reduced by 9 percentage points, in one of the most sweeping changes to bring down trade barriers in the world's fifth largest economy.

The United States is India's largest trading partner, with bilateral trade totalling some $129 billion in 2024. The trade balance is currently in favour of India, which runs a $45.7 billion surplus with the US.

Trump announced on Thursday his administration's first "breakthrough deal" with Britain. It lowers average British tariffs on US goods but keeps in place the 10 per cent base tariff imposed by Washington on British goods, likely setting a template for Washington's approach with other trading partners.

India wants exemption from all 'current, potential' tariff hikes

Last month, Trump announced a 90-day pause on his long-planned reciprocal tariffs on global trading partners, including a 26 per cent tariff on India, while his administration negotiates trade deals. A 10 per cent base tariff continues to apply to India and many other nations.

After the UK, India and Japan are the next two nations in line to finalise a deal, a third Indian government official said. "We will see which one crosses the line first." To achieve this, New Delhi has offered to reduce duties to zero on 60 per cent of the tariff lines in the first phase of the deal which is under negotiation, said the first two sources, both Indian government officials familiar with the matter.

India has offered preferential access to nearly 90 per cent of goods imported from the United States, including the reduced tariffs, one of the two officials said.

Details of India's offer to slash the tariff gap and what it has asked the US in return have not been previously reported. A delegation of Indian officials is likely to visit the US later this month to take the negotiations forward, a fourth official said, adding that India's trade minister, Piyush Goyal, might visit too but his plans were not finalised.

All four government officials did not wish to be identified as details of the negotiations are private and sensitive.

India's trade ministry, which is leading talks, did not respond to a request for comment.

Alongside tariff exemptions, India has also asked for preferential market access for key export sectors including gems and jewellery, leather, apparel, textiles, plastics, chemicals, oilseeds, shrimp, and horticultural produce such as bananas and grapes.

"Preferential market access for India would mean better terms of trade for these goods compared to America's other trading partners," the first official said. India is also looking for concessions that would give it an edge over competitors in supplying "products of interest", the official added.

1st round India-New Zealand FTA talk ends

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New Zealand's services exports to India are led by education services, with thousands of Indian students pursuing higher education in New Zealand. – PTI

India hasn't accepted data exclusivity demand of UK in free trade pact

NEW DELHI, May 12: India has not accepted the demand of the UK for inclusion of a 'data exclusivity' provision in the free trade agreement, announced on May 6, in a bid to protect the interests of the domestic generic drugs industry, an official said.

During the negotiations, the UK had asked to include this provision in the trade pact. "But India has not accepted that. There is no fear for the Indian generic industry from this agreement. In fact, it is our very important objective to see that the generic drug industry flourishes," the official said.

The sector plays a key role in India's exports, which are also growing.

Data exclusivity provides protection to the technical data generated by innovator companies to prove the usefulness of their products. In the pharmaceutical sector, drug companies generate data through expensive global clinical trials to prove the efficacy and safety of their new medicine.

By gaining exclusive rights over this data, innovator companies can prevent their competitors from obtaining a marketing licence for low-cost versions during the tenure of this exclusivity.

Earlier, India had also rejected a similar demand from the four-nation European Free Trade Association (EFTA) bloc (comprising Iceland, Liechtenstein, Norway, and Switzerland) in their free trade agreement negotiations. The pact was signed in March 2023 and will be implemented later this year.

India's generic drug industry is estimated at about USD 25 billion, and the country exports 50 per cent of its produce.

An expert said that data exclusivity is beyond the provisions of the Trade Related Aspects of Intellectual Property Rights agreement under the WTO.

India and the UK on May 6 announced the conclusion of the free trade agreement, which will make British Scotch whiskey and cars cheaper in India, while reducing duties on Indian imports such as garments and leather products here. – PTI

Soon, farmers will be able to test soil in seconds with a handheld device

Vijay C. Roy & Dhirendra Kumar
New Delhi

Farmers should soon be able to ditch laborious methods of soil testing, which involve collecting samples from different parts of a field and having each of those tested at government labs.

The government is preparing to upgrade the soil-testing process by empowering farmers with a handheld digital tool that can deliver results in real time using satellite technology, said M.L. Jat, secretary, department of agricultural research and education.

The the technology is still underdevelopment so no timeline was given.

With this device, farmers will be able to quickly assess soil properties such as texture, organic matter, pH and nutrient levels in seconds, allowing for precision-farming.

With such information handy, farmers can apply the right amount of fertilizer, nutrients and irrigation based on specific soil needs, thus reducing input costs and improving crop yields, said Jat, who is also director general at the Indian Council of Agricultural Research.

The new National Soil Survey Laboratories will provide real-time and easy-to-understand soil data to farmers. MINT

Also, unlike soil health cards that offer static and often technical reports, new National Soil Survey Laboratories will provide real-time and easy-to-understand soil data to farmers, who will receive personalized advice via mobile apps or handheld devices.

These innovations are expected to overhaul agricultural practices in India, and significantly improve yields. While traditional soil testing methods take several days and require substantial resources, conventional chemical analysis done at soil testing laboratories is expensive, labour-intensive and time-consuming.

Agriculture contributes about 18% to India's GDP and accounts for 42% of its workforce.

In the 2025-26 Union Budget, the agriculture and allied activities department received an allocation of ₹1.71 trillion, up 20% from revised estimates of ₹1.40 trillion for FY25.

A large set of soil spectral libraries will allow for developing sensor-based soil fertility assessment, agriculture scientists said. This will allow farmers to treat different parts of their fields based on specific soil conditions.

Also, a depository of soil spectral data collected from across the country will make soil data more accessible and interpretable to farmers without technical backgrounds through user-friendly apps, Jat said.

The national depository currently "contains more than 40,000 spectra of different soil types collected from across India... Once it is fully developed, soil properties will be known in a fraction of a second," said a senior scientist associated with the ICAR-National Bureau of Soil Survey and Land Use Planning.

Another ICAR scientist said 5,000-10,000 samples would be added every year. "Once we have a sufficient number of soil samples covering the majority of variations in soils, relations between the soil properties and the spectra can be developed using various modelling algorithms," this scientist said.

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

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Above-normal monsoon forecast spurs demand for seeds, fertiliser

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Picture for representation

EYE ON SKY: The target for sowing area has been fixed at 114.5 lakh hectares but farmers say the govt must ensure supply of seeds

Bengaluru: The forecast of a bountiful monsoon season has left farmers with mixed feelings as on the one hand they hope to cash in, but on the other they feel a collective twinge of apprehension over availability of sowing seeds and fertiliser.

The southwest monsoon — from June to Oct — is not only predicted to bring above-normal rainfall (104%) but is also expected to arrive a week earlier than usual in Karnataka. This has pushed up demand for sowing seeds and fertiliser.

Consequently, statewide sowing area is expected to rise by at least 7% as the target for 2025 is fixed at 114.5 lakh hectares compared to 107 lakh hectares last year for both southwest and northeast (between Nov and Jan) monsoons. This is expected to result in a jump in food production as the govt has set a target of 148.5 lakh tonnes — a significant 27% rise over last year's 111.5 lakh tonnes.

But the worry over govt support persists. "Farmers can reap benefits of good rain and achieve this target only when the govt ensures adequate supply of sowing seeds and fertiliser," said T Yaswantha, general secretary, Karnataka Prantha Raitha Sangha.

The agriculture department, in review documents, has projected demand for seeds at 7.2 lakh quintals — a jump from 6.5 lakh quintals. It has stock available for 6 lakh quintals. Last year, farmers purchased some 48 lakh tonnes of fertiliser and demand is expected to jump to about 50 lakh this year.

Agriculture minister N Cheluvarayaswamy insists farmers need not worry as the govt has put in place measures to ensure adequate supply of all agricultural inputs. "We have taken steps to support farmers," Cheluvarayaswamy said. "Stock of sowing seeds and fertiliser have been checked. There will be no scarcity."

GT Putra, agriculture director, concurred, saying: "We will ensure there is no scarcity of quality seeds." He went on to say that the govt, as a matter of policy, is emphasising lesser use of chemical fertiliser and is encouraging farmers to pursue natural farming.

But Yaswantha differed, pointing to distress at Raitha Samparka Kendras through which the govt supplies seeds and fertilisers to farmers. He said none of these kendras in taluks are functional and while there is brisk agricultural activity across the state thanks to surplus pre-monsoon rains, farmers have been forced to buy seeds and fertiliser from private vendors.

Moreover, he said, the hike in seed prices has been a dampener since the govt cut subsidies by 50% last year. Several farmer leaders too have urged the govt to help farmers with adequate measures.

"A big issue is that the agriculture department is suffering from a severe staff crunch," said HR Basavarajappa, president, Karnataka Rajya Raitha Sangha-Hasiru Sene. "There are no field officers and village assistants to take care of farmers' needs. A large contingent of outsourced employees has replaced them. The govt must address this issue on priority."

Natural farming is booming; now it may finally get certified

Vijay C. Roy
vijay.roy@livemint.com
NEW DELHI

Organic farming uses natural inputs like compost. BLOOMBERG

The government is likely to introduce a certification system for natural farming, modelled on the one for organic produce, a senior agriculture ministry official said, in a bid to boost consumer trust and farmer income.

This is a significant step for the 1.8 million farmers practicing natural farming across 780,000 hectares in the country, as it will enable them to command premium prices for their chemical and synthetic fertilizer-free products, leading to better and more stable incomes, the official said.

"We are planning to introduce the Natural Farming Certification System (NFCS) across the country soon. It would be non-binding and voluntary for producers," said the official, without giving a specific timeline.

Organic farming uses natural inputs like compost and manure, while natural farming avoids all external inputs—including organic fertilizers—relying solely on natural ecological processes.

The move comes in the backdrop of organic farm products being sold at a premium to consumers.

State and union territory boards on organic and natural farming may act as the certifying agencies. Natural farming is gaining traction in Punjab, Haryana, Madhya Pradesh, Uttarakhand, Jharkhand, West Bengal, Mizoram, Telangana and Kerala, with farmer-led movements and state governments supporting its adoption. The NFCS will be implemented under the existing Participatory Guarantee System (PGS-India)—which certifies organic produce—but with separate standards tailored for natural farming.

"The certification benefits farmers through market access and fair pricing, while giving consumers confidence in the quality and safety of what they buy," said another government official requesting anonymity.

The new certification is likely to promote accountability and create a formal structure for natural farming.

This can influence policies, attract government support and boost consumer awareness. Queries sent to the agriculture ministry spokesperson remained unanswered.

"What started with just a few crops is now expanding to almost all major crops," said Umendra Dutt, executive director of Kheti Virasat Mission, which promotes natural and organic farming.

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

New policy for PACS on anvil

Centre aims to set up 2 lakh new Primary Agricultural Credit Societies (PACS) by 2029: Amit Shah

NEW MEASURES

- Quick settlement of PACS in liquidation process
- Registration of new PACS in place
- Involving a co-operative-owned company model

> "The work of connecting 22 different types of businesses with PACS has been done by the Union government, and I am sure arrangements have been made to ensure not a single registered PACS becomes financially sick in coming times
>
> — *Amit Shah, Union Minister of Co-operation*

AHMEDABAD

UNION Minister Amit Shah on Sunday said the Centre has taken measures to prevent registered PACS from becoming financially sick and will soon bring a policy for their quick settlement in case they have gone into liquidation and for registration of new PACS in their place.

The Union Minister of Co-operation said the Narendra Modi government aims to set up two lakh new Primary Agricultural Credit Societies (PACS) by 2029, and they are being connected to 22 different types of businesses, with arrangements being made to ensure registered PACS don't become financially sick. "The work of connecting 22 different types of businesses with PACS has been done by the Union government, and I am sure arrangements have been made to ensure not a single registered PACS becomes financially sick in coming times," Shah said at 'Sahkari Mahasammelan' organised here to mark the International Year of Cooperatives.

In a short time, the Centre is going to bring a new policy for quick settlement of PACS that have gone into liquidation and for registration of new PACS in their place, he added.

The Union Minister said initiative is also being taken to involve "a cooperative-owned company" for manufacturing equipment such as those for making ice cream, cheese, paneer, keeping milk chilled as well as measuring fat etc as part of promoting a circular economy in the dairy sector. In a short time, the government also plans experimentation with a circular economy in the dairy sector by forming a cooperative society for the use of skin, bones, and horns of animals when they die, he said. "If the cooperative sector has to move forward, then we will have to make efforts to bring awareness, training and transparency in every group. The Cooperative Department of the Union government has set this as the goal of the Cooperative Year. Therefore, the Centre has given importance to both Science of Cooperation and Science in Cooperation - reviving and modernising the science of cooperation and the use of technology in cooperatives," he added.

Agri dept launches campaign against sale of fake fertilisers

ANIL SHARMA
Jaipur, 19 May

Rajasthan's agriculture department on May 15 launched a campaign against the sale of fake fertilisers, and hoarding of fertilisers and seeds during the kharif (monsoon crops) season.

Suresh Kumar Ola, the state's agriculture commissioner, said that the quality control campaign will be run till July 10, under which department officials will inspect the establishments of fertiliser, seed, and pesticide manufacturers and sellers.

"If irregularities are found, actions like ban on sale, seizure, license suspension or cancellation will be taken under rules related to agricultural inputs, the Fertiliser (Control) Order 1985 and the Essential Commodities Act 1955," he added.

Ola further said that officers in all districts have been directed to take stern action against the production or sale of sub-standard or fake fertilisers, including diammonium phosphate (DAP).

Agriculture and allied sectors contribute around 27 per cent to Rajasthan's gross domestic product (GDP). The main crops grown in the kharif season in the state include guar, bajra (also known as pearl millet), jowar, moong, moth, soybean and groundnut.

Illegal storage of fertilisers and seeds was found in large quantities across the state last year, along with manufacture of fake fertilisers.

Over 7,040 bags of urea, 3,630 bags of DAP, 540 bags of single super phosphate (SSP) and 20 bags of zinc sulphate were seized from seven illegal warehouses in Deeg. In Alwar, 230, 84 bags of fake DAP with the IFFCO brand were seized. Fake DAP was also caught in Hindaun.

CLEARED OF PESTS, CAUGHT IN PAPERWORK

A Case of Exporting Mangoes: US Junks 15 Indian Shipments

Exporters forced to destroy cargo sent by air over lapses in documentation

Shantanu Nandan Sharma

New Delhi: Authorities in the US—India's largest export market for mangoes—rejected at least 15 shipments of the fruit sent by air upon arrival, attributing it to lapses in documentation. They instructed the exporters to either destroy the cargo in the US or re-export it to India. All chose to discard the mangoes due to its perishable nature and high cost of transporting it back to India.

The affected shipments had undergone irradiation in Mumbai on May 8 and 9, but were turned away at airports including Los Angeles, San Francisco, and Atlanta, **ET** has learnt. US authorities cited discrepancies in the documentation related to the irradiation process—a mandatory treatment that exposes a fruit to controlled doses of radiation to eliminate pests and extend shelf life. So, it wasn't the presence of pests but the paperwork around the pest-control protocol that caused the problem, according to exporters.

Two exporters, speaking on condition of anonymity, expressed concern over the rejection.

'Mistakes at Irradiation Facility' ▸▸ 7

India No. 4 Marine Products Exporter

India has emerged as the fourth largest exporter of marine products, shipping to 130 countries in FY25, said the commerce ministry. ▸▸ 3

Not So Sweet

7 shipments, irradiated but held back

$500,000 loss estimate

REASON FOR ENTRY DENIAL

Incorrectly issued PPQ203	**This USDA** form is mandatory for mango imports

It is issued by US official stationed at irradiation facility

ACTION TAKEN

Exporters told to re-export or destroy consignments	**Most opted** for destruction due to high re-export costs

Core sector growth slips to 8-mth low in Apr

SHIVA RAJORA
New Delhi, 20 May

Output growth in India's eight core infrastructure industries plummeted to an eight-month low of 0.5 per cent in April from an upwardly revised 4.6 per cent growth recorded in March, with three sectors contracting sharply, including refinery products and fertilisers, while electricity and natural gas clocked very feeble upticks.

Base effects also pulled down last month's growth print, as the Index of Core Industries (ICI) had risen a sharp 6.9 per cent in April 2024, which was the joint highest in the past thirteen months.

Cement production grew at the fastest pace among the core sectors, rising 6.7 per cent in April, but this was almost half the pace recorded in March and the lowest uptick in six months. Steel output grew 3 per cent and electricity generation rose a mere 1 per cent, the slowest uptick in seven months for both sectors.

Coal production rose at a three-month high pace of 3.5 per cent, while natural gas output grew for the first time in 10 months, albeit by a fractional 0.4 per cent, according to data released by the Ministry of Commerce and Industry on Tuesday.

Crude oil output (-2.8 per cent) contracted for the fourth consecutive month, that economists attributed to low global prices, while output in refinery products contracted for the first time in eight months, with a 4.5 per cent drop that marked the sharpest downturn since November 2022.

Fertilisers (-4.2 per cent) contracted for the first time in 11 months.

Output slides

Sectoral growth in April* (Y-o-Y chg in %)	
Coal	3.5
Crude Oil	-2.8
Natural Gas	0.4
Refinery Products	-4.5
Fertilizers	-4.2
Steel	3
Cement	6.7
Electricity	1

*Provisional

Source: Ministry of Commerce & Industry

The eight core sectors constitute 40.27 per cent of the Index of Industrial Production (IIP), which had recorded a mild recovery to rise 3 per cent in March. Economists now expect industrial output growth to drop to around 1 per cent in April.

"The impact of Tariff Tantrums-led unprecedented economic uncertainty along with a high base effect pulled the infrastructure output growth down to be the lowest since August 2024, with six of eight sectors seeing a moderation in growth," said Paras Jasrai, Associate Director at India Ratings and Research. Jasrai said he expects IIP growth in the range of one to two per cent in April, and core sectors' growth to improve to around 2 per cent in May.

Terming the ICI print for April 'quite disappointing', Bank of Baroda chief economist Madan Sabnavis reckoned that IIP growth will be in the range of 1 per cent to 1.5 per cent for last month.

Rating agency ICRA said IIP growth could moderate sharply to just around 1 per cent in April, citing the tepid core output numbers and other available high frequency indicators.

"The healthy growth in non-oil exports may provide an upside, unless the same represents round-tripping of some imports," the firm's chief economist Aditi Nayar noted.

'Panel working on IPR issues of gene-edited rice'

Q&A The world's first gene-edited rice varieties were released a few weeks ago, marking a significant milestone in India's long journey in agriculture research. In an interview with **Sanjeeb Mukherjee** in New Delhi, director general of the Indian Council of Agricultural Research (ICAR) **ML Jat** talks about various issues surrounding these rice varieties and his roadmap for the council. Edited excerpts:

What is the next step from here for the genome-edited rice varieties?

Genome editing is a relatively new technology, and we've had a breakthrough with the development of two novel varieties using this approach. This marks a world-first, particularly in targeting specific traits such as coastal salinity tolerance — crucial in the context of climate change and global megatrends, which are intensifying agricultural challenges. We have to be prepared for these challenges

We can't create new technologies overnight. Addressing future scenarios — like projections for 2050 — require early investment and research.

These projections help us catalogue likely problems, such as shifts in temperature and rainfall. But alongside identifying issues, we also need to work on solutions. Some of these aspects we need to work on right now.

Accordingly, using this technology, we've developed two varieties that will eventually enter the seed chain and reach farmers. Ultimately, this isn't just about scientific showcases — the aim is to deliver impact at the farm level.

Has the government launched any programme around genome editing?

■ Yes, the Centre has launched a ₹500 crore programme focused on genome-edited crops. These include work on field crops, cereals, pulses, oilseeds, horticulture, and even livestock.

Some work is already underway — such as standardising protocols — and this marks a strategic shift in agricultural research. Genome editing complements classical breeding. But now, with climate change in mind, we must target specific traits — drought resistance, flood tolerance, heat tolerance, and quality enhancements.

The research is trait-specific, location-specific, and crop-specific.

Are there any concerns around Intellectual property rights (IPR) issues with CRISPR-Cas9 technology (that uses a bacterial protein Cas9, guided by a small RNA molecule, to cut DNA at a specific location in the genome)? How are these being addressed?

■ As far as IPR of gene editing tools is concerned, the freedom to operate licence will be acquired by the government, and there will not be any liability on farmers or consumers. Several private organisations in India and government bodies of other nations have acquired licenses of gene editing tools for their application in crop improvement. This is a very 'insignificant' matter which some groups are trying to portray for stopping developmental activities in the country. A high-level committee has already been constituted by the government to negotiate the access to IP for commercial uses of genome-edited rice lines by farmers. The two genome-edited rice varieties have been identified as promising but not yet released and notified. The seeds of

these varieties will be made available to farmers only after due access of IP from the IP owners. Once released, the seeds of genome-edited varieties can be maintained by farmers from generation to generation. This is without the necessity to buy them from private seed companies. It will help farmers enhance their income, and dependency.

What is the timeline for bringing genome-edited varieties to farmers?

■ The agriculture minister recently said it would take 3-4 years — but that timeline can be accelerated. However, even after variety identification or release, several steps remain: breeder seed production, foundation seed, certified seed, and then multiplication. That alone can take two or more years, especially since some crops have only one growing season.

In smaller volumes, rollout can begin earlier, but for large-scale deployment, the system needs time. Initially, we'll deploy the technology through public systems — like the National Seeds Corporation (NSC) — before involving private players. The All-India Coordinated Research Project (AICRP) on seeds is already engaged.

You've taken over as director general at a critical time. What is your broader vision for ICAR over the next few years?

■ Our core vision is to align ICAR's efforts with national priorities, particularly the aspiration for Viksit Bharat, with agriculture at the heart of that vision.

To achieve this, we are focusing on research prioritisation to address the most pressing needs of agriculture and the country. We are adopting a 'One System' approach to harmonise the work of ICAR, state agricultural universities, Krishi Vigyan Kendras (KVKs), and government departments, ensuring farmers receive integrated and holistic solutions instead of fragmented advice.

Furthermore, we are shifting from production-centric models to comprehensive agri-food system thinking.

These include foresight planning, return on investment analysis, and consideration of the full value chain from production to market.

Several experts say that budget has been a constraint for ICAR. What are your views?

■ Budget remains a constraint if we continue working in silos.

If we integrate efforts across institutions and break redundancy, even limited resources can have a far greater impact. Complementarity and convergence across agencies are the key.

India, US aim to unveil early harvest trade deal next month

The early deal would involve cutting duties on American automobiles, farm items

Rajeev Jayaswal
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NEW DELHI

India and the US aim to announce an early harvest trade deal next month, with both sides allowing greater market access to each other by removing tariff and non-tariff barriers for a majority of goods, including farm produce, while protecting sensitive items through a negative list or quota restrictions, officials aware of the development said.

The early deal involving low-hanging fruits such as automobiles and agricultural items would demonstrate New Delhi's earnestness to substantially reduce tariffs for American products. Similarly, Washington would reciprocate by removing the 10% reciprocal baseline tariff for Indian goods and withdrawing proposed India-specific 16% additional tariff from July 9, the officials said requesting anonymity.

This will be an initial deal, followed by the first tranche of a comprehensive Bilateral Trade Agreement (BTA) by September-October 2025 as proposed by the two leaders—Prime Minister Narendra Modi and President Donald Trump on February 13 in Washington.

While some agricultural items and farm produce of the US, such as corn, almonds, soyabean, pistachio, poultry and meat could be allowed in India, there would be restrictions on genetically modified (GM) foods that are not permitted, they said.

In return, the US will give greater market access to India's labour-intensive merchandise besides withdrawing reciprocal tariff measures imposed on April 2. According to the officials, commerce minister Piyush Goyal's current visit to the US brightens the prospects of finalising a mutually beneficial initial trade deal soon.

HT on Tuesday reported that Washington and New Delhi may announce an initial trade deal next month and India may escape the US' additional reciprocal tariff that was set to kick in on July 9. After several rounds of discussions, India and the US have arrived at near-consensus on granting duty-free access to over 90% products from the respective countries for mutual gain, provided Washington accords preferential treatment to Indian merchandise by removing all non-tariff barriers, the report said.

Hindustan Times

Goyal in a post on X on Tuesday also hinted at a positive progress of talks.

Goyal is currently in the US for a week-long visit at a time when chief negotiators of both sides are intensely engaged in trade negotiations in Washington. The minister had also visited Washington in March to oversee the trade talks. While the US negotiating team is led by assistant US trade representative Brendan Lynch, the Indian team is led by commerce secretary-designate Rajesh Agrawal.

Dhanuka Agritech PAT grows 24%

Our Bureau
Mangaluru

Dhanuka Agritech Ltd, an agri input company, recorded a profit after tax (PAT) of ₹296.96 crore during FY25 against ₹239.09 crore in FY24, registering a growth of 24.2 per cent.

The company recorded revenues of ₹2,035.15 crore for the period ended March 31(₹1,758.54 crore), registering a growth of 15.73 per cent.

Stating that a favourable rabi season and strong crop acreage drove solid demand in the fourth quarter, Dhanuka, Chairman of Dhanuka Agritech Ltd, in a media statement, said: "We are well positioned to sustain this momentum into the next fiscal year, with a focus on expanding our product offerings and delivering greater value to our partners and customers."

Farm sector growth to hit 3.5% in FY26: Chouhan

AGENCIES
New Delhi, 19 May

Agriculture Minister Shivraj Singh Chouhan on Monday said the country was likely to achieve 3.5 per cent farm sector growth rate during 2025-26, as he announced a pan-Indian 15-day campaign to educate farmers about new technologies before the ensuing kharif sowing.

"Agriculture growth of 1.5-2 per cent is considered to be good. India is achieving at least 3 to 3.5 per cent growth rate. We expect to achieve 3-3.5 per cent growth even in FY26," he said. According to the Economic Survey 2024-25, agriculture sector growth for the 2024-25 is pegged at 3.8 per cent.

The India Meteorological Department has predicted above-normal monsoon conditions this year, with the monsoon expected to reach Kerala by May 27, about five days ahead of the usual June 1 onset.

Farmers' groups support move to cancel water pact with Pak

A group of farmers' organisations on Monday extended support to the government's decision to put the Indus Water Treaty (IWT) in "abeyance". During an interaction with Agriculture Minister Shivraj Singh Chouhan, the farmers' leaders affirmed the community stands with the government on the issue.

Deepak reports 20.7% rise in net to ₹277.6 crore

Deepak Fertilisers and Petrochemicals Corporation Ltd (DFPCL) on Thursday posted a 20.74 per cent rise in consolidated net profit to ₹277.66 crore for the fourth quarter of the 2024-25 fiscal on higher income. The company reported a net profit of ₹229.96 crore a year ago. Its total income rose 26 per cent to ₹2,716.99 crore during the January-March quarter of 2024-25, from ₹2,158.56 crore in the year-ago period.

Agriculture must grow at 5% for India to be developed nation by 2047: Chouhan

SANJEEB MUKHERJEE & AGENCIES
New Delhi, 20 May

Agriculture and allied sectors need to grow at 5 per cent annually on a sustained basis for India to achieve 'developed country' status by 2047, Agriculture Minister Shivraj Singh Chouhan said on Tuesday.

Foodgrain is grown on 93 per cent of farmland, but growth in the crop is just 1.5 per cent. "We are working towards bridging the yield gap in crops and achieving a national average yield... If we have to make India a developed nation by 2047, agriculture and allied sectors have to grow at 5 per cent annually," he said.

He was speaking at a press conference on the sidelines of the annual conference of vice-chancellors of agricultural universities and directors of Indian Council of Agricultural Research (ICAR) institutes.

The minister was confident of achieving the 5 per cent annual growth rate, emphasising that various agricultural institutes play a key role. "Research plays a very important role in increasing agricultural production and reducing costs. Our target is to maintain an annual agricultural growth rate of 5 per cent. All research institutions must work in one direction to achieve the goals."

Chouhan noted that the agriculture and allied sector must achieve $1 trillion for India to be a $5 trillion economy.

'Wheat procurement may hit 32 mt'

Food Minister Pralhad Joshi on Tuesday said the government has procured more than 29 million tonnes of wheat so far this year and the figure may touch 32-32.5 million tonnes (m) on record production.

The Centre had set a target of procuring 31.5 million tonnes of wheat initially and this was revised to around 33 million tonnes.

SANJEEB MUKHERJEE

India-US may announce interim trade agreement before July 8

PRESS TRUST OF INDIA ■ New Delhi

India and the US may announce an interim trade agreement before July 8, with New Delhi seeking full exemption from the additional 26 per cent tariff on domestic goods, an official said.

The US on April 2 imposed an additional 26 per cent reciprocal tariff on Indian goods, but suspended it for 90 days till July 9. However, the 10 per cent baseline tariff imposed by America remains in place. The government official said India's endeavour to protect its sensitive sectors may entail some quota or minimum import price (MIP). Such sectors include agri goods and dairy.

Commerce and Industry Minister Piyush Goyal was there in Washington earlier this week to give an impetus to the trade talks. He held meetings with US Trade Representative (USTR) Jamieson Greer and US Commerce Secretary Howard Lutnick.

"Talks are moving positively. Before July 8, we are looking at concluding an interim deal before the first tranche. It will include goods, non-tariff barriers, some areas of services also like digital. We are trying that the 26 per cent additional duty and the 10 per cent baseline tariff should not be there for India," the official said, adding that India is seeking concessions for its labour-intensive sectors such as textiles and leather.

At present, the Trump administration requires approval from the US Congress to bring tariffs below the MFN (most favoured nation) rates.

But the administration has the authority to remove the reciprocal tariffs imposed on a number of countries, including India. India may look at certain commitments from the US on the duty concessions for its labour-intensive sector in the first tranche of the proposed bilateral trade agreement (BTA). Both countries have fixed a deadline to conclude the first phase of the pact by fall (September-October) of this year to more than double bilateral trade to $500 billion by 2030.

The minister level meetings were followed by the deliberations between chief negotiators of the two countries, which will continue until May 22.

Officials from New Delhi and Washington are looking to take advantage of the 90-day tariff pause window to advance the talks.

The US has suspended the additional 26 per cent tariffs on India till July 9. It was announced on April 2 to bridge the widening trade deficit.

To boost bilateral trade, India is seeking duty concessions for labour-intensive sectors like textiles, gems and jewellery, leather goods, garments, plastics, chemicals, shrimp, oil seeds, chemicals, grapes and bananas in the proposed pact with America.

On the other hand, the US wants duty concessions in sectors like certain industrial goods, automobiles (electric vehicles in particular), wines, petrochemical products, dairy, agriculture items such as apples, tree nuts and GM (genetically modified) crops.

While the import of GM crops from the US continues to remain a non-starter due to regulatory norms in India, New Delhi is open to import non-GM products like Alpha alpha hay (a kind of cattle feed).

The US has on multiple occasions raised concerns over certain non-tariff barriers being faced by American goods in the Indian markets.

Whether another round of talks will happen on the proposed pact between the two countries, the official said, "We are trying to finalise things as early as possible."

The US remained India's largest trading partner for the fourth consecutive year in 2024-25, with bilateral trade valued at $131.84 billion. The US accounts for about 18 per cent of India's total goods exports, 6.22 per cent in imports and 10.73 per cent in the country's total merchandise trade.

With America, India had a trade surplus (the difference between imports and exports) of $41.18 billion in goods in 2024-25. It was $35.32 billion in 2023-24, $27.7 billion in 2022-23, $32.85 billion in 2021-22 and $22.73 billion in 2020-21. The US has raised concerns over this widening trade deficit.

Enforcing Punjab's hybrid paddy ban a challenge in saline water areas

Vibhor.Mohan
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Chandigarh: Enforcing Punjab govt's ban on hybrid paddy seeds will be a significant challenge in areas like Muktsar, Fazilka and Mansa, which are plagued by saline groundwater and waterlogging.

Farmers in these regions, who previously adopted hybrid varieties after repeated cotton crop failures, are now sourcing seeds from Haryana to bypass the restrictions or reluctantly exploring basmati as an alternative.

Last year, rice millers in Punjab refused to buy hybrid paddy, citing issues with higher breakage and lower milling recovery, leading the Punjab govt to ban these hybrid varieties, along with the traditional PR-44 variety. Adding to the confusion, it was alleged that hybrid varieties was mixed with PR-126 at some places.

Sukhwinder Singh of Rakhala village in Muktsar Sahib said his family had been cultivating hybrid seeds for over two decades but before imposing the ban, the state govt had not offered any alternative to farmers. "Our water quality is so poor that basmati cultivation is impossible for us. State govt must announce assured procurement for maize and moong. With cotton crops failing for four consecutive years, we're now waiting for the courts to decide our fate before planning our next move," he said.

BAN HITS MUKTSAR, FAZILKA, MANSA FARMERS

Paddy transplantation is a water-intensive exercise in Punjab

- Punjab govt's ban on hybrid paddy seeds will be a significant challenge for farmers in Muktsar, Fazilka and Mansa, whose areas are plagued by saline groundwater and waterlogging
- Farmers in these regions had previously adopted hybrid varieties after repeated cotton crop failures. They say they had done so as water in their areas was of poor quality and even basmati isn't viable for them
- Now, these farmers are sourcing hybrid seeds from Haryana to bypass the ban on hybrid seeds in Punjab
- They say they would leave paddy if state govt would ensure the procurement of maize and moong

Balwinder Singh, a basmati farmer from Rana village in Fazilka said, "Farmers in areas with poor water quality, who previously grew cotton, are the ones who cultivated hybrid varieties. For them, even basmati isn't a viable option. Where water quality is suitable, basmati varieties like Pusa 1718, PB 1421, and 1401 are popular choices among farmers."

Rajinder Singh, a farmer from Malaut, said farmers from areas with saline water were procuring hybrid seeds from Haryana. "They are ready to forego a cut of upto Rs 300 on their produce at the time of procurement. A bag of 3kg is available for Rs 1,400, a hike of Rs 200 over previous year. Hybrid seeds come with the advantage of the paddy crop maturing in 60 days," Rajinder added.

Karanjit Singh, chief agriculture officer, Muktsar, said since the paddy-sowing season was under way, the state agriculture department is keeping a check on the sale of hybrid seeds. "There are some parts of the district where water is of inferior quality and farmers are being advised to switch to basmati or cotton. Besides, the availability of canal water has significantly increased in the area," he said.

Kamaldeep Singh, a rice miller, said basmati was always an option, even in areas where water quality was traditionally saline.

"Farmers have been getting good prices for paddy in the open market. Lately, farmers across the state have been drawn to growing hybrid varieties which was not a good trend," he said.

Farmers said hybrid paddy was essential in regions with saline groundwater, such as parts of Muktsar, Fazilka, Mansa and Bathinda, where traditional varieties struggle to grow.

Effective for the Kharif season 2025, the Punjab govt has imposed a blanket ban on the sale and sowing of paddy variety PR-44 and all hybrid seeds. This decision, based on Punjab Agricultural University (PAU) recommendations, stems from concerns over hybrid seeds' high cost and their failure to meet Food Corporation of India (FCI) quality standards. PR-44 was also banned last year due to its long maturity period and high water consumption.

Dhanuka Agritech plans to expand Dahej facility

Subramani Ra Mancombu
Chennai

National Stock Exchange-listed Dhanuka Agritech Ltd plans to extend its operations at its new facility in Dahej, Gujarat.

The company is in talks with its Japanese collaborators for contract manufacturing of formulations they would be willing to share.

"Last year, we set up a facility in the chemical zone in Dahej, Gujarat, where we manufacture technical grade pesticide. We are currently manufacturing only one molecule. It is a multi-purpose plant. We are talking with our Japanese collaborators to share some molecules with us so that we can manufacture them and supply," Mahesh Kumar Dhanuka, the company's Chairman, told *businessline* in an online interaction.

One reason for Dhanuka to offer manufacturing of the molecules is that the overhead costs are lower in India as compared to Japan.

Mahesh Kumar Dhanuka, Chairman, Dhanuka Agritech

On any Japanese firm showing interest, he said two firms had visited the Dahej facility and were happy with it.

Dhanuka has set up its research and development (R&D) facility at Sanand in Gujarat, where 30 scientists are working. If the scientists develop any new molecule, the company will put up a new facility in Sanand. It is also open to any Japanese tie-up to come up with a new unit there, he said.

The agri-chemical firm, which has a tie-up with at least six Japanese companies, is keen to do contract manufacturing for Japan or other countries. "We would like to do contract manufacturing because earlier, China was the number one exporter in the world, and the US was the second-largest exporter. India became the second-largest exporter of agrochemicals two years ago. So, there is a huge opportunity," said Dhanuka.

INVESTMENTS IN FYLLO

The Chairman said that after witnessing the export opportunity, the Gurugram-based firm established an export division last year. Recently, it acquired two molecules from Bayer, which provides it access to 20 countries.

Dhanuka, which has formulation facilities in Keshwana in Rajasthan and Udhampur in Jammu and Kashmir, besides Sanand, has invested in a precision instrument company, Fyllo (AgriHawk Technologies Pvt Ltd).

Fyllo provides two instruments for agriculture. One is a small weather station installed on farms. The station is linked to the company's central computer system, which provides information to the farmer on his/her mobile on the likely weather and threat of pest attack.

The other instrument provides farmers with information on when he/she should irrigate the field next and other information such as soil moisture and temperature.

"We have also invested ₹30 crore in IoTechWorld Avigation, a drone company," he said.

On the demand for advanced crop inputs, he said the company comes out with 2-3 new molecules every year, and it trains farmers on how the product can resolve their problems.

The firm has recruited 1,500 post-graduates called "Dhanuka Adopters" who go out on the field and train the farmers.

This has helped the company to rope in 2 lakh farmers to its LinkedIn account and subscribe to its Whatsapp channel.

Hans India

Crop planning should align with mkt demand: CM

Naidu asks farmers to cultivate high-demand crops to avoid losses

HANS NEWS SERVICE
VIJAYAWADA

CHIEF Minister N Chandrababu Naidu on Thursday directed the officials of the Agriculture department to go for crop-specific planning aligned with national and global market trends.

Naidu emphasised the need to inform farmers in advance about suitable crops based on market dynamics to ensure a balance between supply and demand and prevent losses. "Farmers must cultivate only high-demand crops to avoid losses," said Naidu. He instructed the officials to adopt scientific planning and monitor global agricultural developments regularly. During an official review on key crops such as tobacco, cocoa, mango, and paddy, he discussed immediate and long-term farmers' issues. He stated that both short-term and long-term challenges in agriculture must be addressed through the Cabinet Sub-Committee. The CM instructed officials that cocoa stocks with farmers should be purchased at Rs 500 per kg, and if the companies fail to do that, he said the government should step in for direct procurement. He also ordered accurate registration of HD Burley tobacco stocks

through an app and approved a crop holiday for that variety due to lack of market demand. He is pursuing the inclusion of HD and White Burley varieties under the Tobacco Board and will discuss farmer concerns with union ministers. The Chief Minister also reviewed challenges faced by tomato farmers and instructed officials to encourage more tomato processing units in the state to ensure fair prices. On paddy, officials informed him that procurement is progressing smoothly, with even rain-damaged stock being purchased. To boost mango pulp consumption, he suggested a Goods and Service Tax (GST) reduction on pure juices and proposed its use in mid-day meals and Tirumala-Tirupati Devasthanams (TTD) temple offerings to increase demand. This initiative is aimed at boosting mango juice consumption and alleviating the financial strain on mango farmers, who are currently grappling with declining prices. It has been observed that a lack of orders has led to a slowdown in mango procurement, causing considerable distress among mango growers. Naidu directed officials to ensure that pulp processing companies immediately resume procurement. However, officials highlighted that existing stockpiles and a shortage of bank loans for pulp companies are limiting their capacity to purchase fresh stock. To address this, the CM instructed officials to facilitate bank loans for these processing units. Ministers Ayyanna Patrudu, Nadendla Manohar, Gottipati Ravikumar, Nimmala Ramanaidu, and Payyavula Keshav participated in the review meeting.

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India-Oman free trade agreement faces 'Omanisation' policy hurdle

Amiti Sen
New Delhi

The proposed India-Oman comprehensive economic partnership agreement (CEPA) is stuck over the Gulf country's 'Omanisation' policy, which encourages employment of Omani nationals in the private sector, sources said.

India wants that the regulations on compulsory employment of Omanis in various sectors be frozen at the current level for India, and not increased after the India-Oman CEPA is signed.

"Omanisation policy is the only issue that remains to be ironed out. They have various percentages for compulsory recruitment of Omanis in various professions. We want that to be frozen. We don't want a situation where after the FTA, more restrictions are put," a source tracking the matter told *businessline*.

Oman is India's third largest trading partner in the GCC group of Gulf countries, with bilateral trade around $8.9 billion in FY24.

KEY PARTNER

- New Delhi wants Oman to freeze requirement for compulsory recruitment of Omanis in various sectors at the current levels
- Oman is India's third largest trading partner in the GCC group of Gulf countries
- In the services sector, India hopes to send more professionals to Oman

Indian goods worth $3.7 billion like gasoline, iron and steel, electronics and machinery may get a significant boost in Oman, once both sides reach a comprehensive free trade agreement, according to the think tank, Global Trade Research Initiative.

These goods mostly face a 5 per cent import duty in Oman. In the services sector, India hopes to send more professionals to Oman and hence does not want increased restrictions related to employment of expats.

The India-Oman CEPA negotiations began in November 2023, and there were expectations that it would be wrapped up by the first half of 2024.

TRICKY ISSUES

However, talks stalled over market access demands from Oman for certain items, including petrochemical products.

"Most tricky issues have now been resolved. Once an agreement is reached on the 'Omanisation' policy, the pact can be signed," the source said. In the Gulf region, India already has a free trade agreement with the UAE. The India-Oman CEPA is also important for its strategic value as it can widen India's access to West Asia, fostering economic and strategic ties in a region of critical importance, the source said.

India's key imports from Oman include petroleum products and urea. These account for over 70 per cent of imports. Other important items are propylene and ethylene polymers, pet coke, gypsum, chemicals and iron and steel.

India's main exports to Oman include petroleum products, iron and steel, rice (particularly basmati), processed minerals, ships, boats and floating structures, electrical machinery, machinery parts, tea, coffee, spices, fruits and meat products.

Seed law drafting begins; Farmers' opinion to shape framework

PNS ■ HYDERABAD

The Telangana government has initiated the process of drafting a comprehensive Seed Act aimed at strengthening farmer rights, regulating seed quality, and curbing the menace of spurious seeds. The first meeting of the Seed Act Drafting Committee was held at BRKR Bhavan on Monday, marking the formal launch of consultations for the proposed legislation.

Chairing the meeting, Committee Convenor and Agriculture Director B Gopi said the views of farmers would form the foundation of the new law. "We will begin consultations at the village level and go all the way up to the State level to ensure that every concern of the farmer is reflected in the final draft," he stated.

The meeting saw detailed discussions on key elements to be included in the legislation - primarily the farmer's right to seed, mechanisms to prevent the circulation of fake seeds, and clear protocols for compensation if a farmer suffers losses due to spurious seeds.

Seed Corporation Chairman Anvesh Reddy clarified that the intent behind the law is purely farmer welfare. "If necessary, we will also study seed legislation models from other states to create the strongest possible law," he said.

Farmer Commission member Bhoomi Sunil reiterated that the committee has been tasked with creating a legally sound and inclusive law. Members also raised serious concerns about loopholes in current seed-related regulations and vowed to address them in the new draft.

The committee resolved to conduct field visits and gather inputs from farmers, agricultural scientists, and officials. Meetings will be held at the district level in Collectorates, and separate consultations are planned with seed companies, organisers, and dealers.

The committee stressed that the drafting process must be inclusive and bottom-up, giving due importance to farmer feedback. "Every clause in the draft will reflect the voices of the field," members affirmed.

INTERIM TRADE PACT

US officials likely to visit India for next round of talks

PNS ■ NEW DELHI

A team of US officials is expected to visit India in the coming weeks for the next round of discussions on the proposed interim trade agreement between the two countries, sources said.

The visit gains importance as India and the US are likely to agree on an interim trade agreement before July 9, with New Delhi pushing for full exemption from the 26 per cent reciprocal tariff on domestic goods.

"The US team is expected in India for trade talks. Negotiations are moving at a faster pace," one of the sources said.

India's chief negotiator, Special Secretary in the Department of Commerce Rajesh Agrawal, concluded his four-day visit to Washington last week. He held talks with his US counterpart on the proposed agreement.

Commerce and Industry Minister Piyush Goyal was also in Washington last week to give an impetus to trade talks. He met with US Commerce Secretary Howard Lutnick twice during his visit.

The US on April 2 imposed an additional 26 per cent reciprocal tariff on Indian goods but suspended it for 90 days till July 9, later. However, Indian goods still attract the 10 per cent baseline tariff imposed by America.

At present, the Trump administration requires approval from the US Congress to bring tariffs below the MFN (most favoured nation) rates. But the administration has the authority to remove the reciprocal tariffs imposed on a number of countries, including India.

Both countries have fixed a deadline to conclude the first phase of the proposed bilateral trade agreement pact by the fall (September-October) of this year. According to sources, there is a possibility that both sides agree on an interim trade deal before the first tranche.

The US remained India's largest trading partner for the fourth consecutive year in 2024-25, with bilateral trade valued at USD 131.84 billion. The US accounts for about 18 per cent of India's total goods exports, 6.22 per cent in imports, and 10.73 per cent in the country's total merchandise trade.

With America, India had a trade surplus (the difference between imports and exports) of USD 41.18 billion in goods in 2024-25. It was USD 35.32 billion in 2023-24, USD 27.7 billion in 2022-23, USD 32.85 billion in 2021-22 and USD 22.73 billion in 2020-21.

The US has raised concerns over this widening trade deficit.

The two trading partners look to more than double bilateral trade to USD 500 billion by 2030.

External risks from trade barriers remain, trade deal with US could boost exports

AANCHAL MAGAZINE
NEW DELHI, MAY 27

FINMIN'S MONTHLY ECONOMIC REVIEW

INDIA HAS the potential to remain as one of the most promising destinations for investment, amid global uncertainty, the Finance Ministry said

INDIA CONTINUES to be the fastest-growing major economy despite a revision of growth rates amid rising global uncertainties and trade tensions, according to the April review

'THE PASSAGE of the US Budget Bill and the reaction in the US bond market, in light of the recent downgrade of the US sovereign credit rating by Moody's, will also set the tone for financial markets globally in the final months of 2025'

EXTERNAL VULNERABILITIES from trade barriers, especially tariffs from the US, remain but a successful trade deal with America could mitigate these risks and boost exports even as private investment remains cautious in the face of global uncertainty, the Ministry of Finance said in its monthly economic review (MER) for April on Tuesday. India has the potential to remain as one of the most promising destinations for investment, amid global uncertainty, the Ministry said, adding that India continues to be the fastest-growing major economy despite a revision of growth rates amid rising global uncertainties and trade tensions.

"As of April 2025, India remains the fastest-growing major economy despite a revision of growth rates amid rising global uncertainties and trade

of 6.3-6.7 per cent in FY26, supported by robust domestic fundamentals, stable macroeconomic management, and growing government capital expenditure, while declining inflation strengthens this outlook. However, external risks persist, notably from a 26 per cent US tariff on Indian imports, though a temporary suspension is in place as bilateral negotiations

barriers remains a key external vulnerability. Private sector capital expenditure could lag behind, with firms adopting a more cautious stance amid global uncertainty and tighter financial conditions. A successful US-India trade agreement could flip current headwinds into tailwinds, opening up new market access and energising exports," the Ministry said.

lowed by retaliatory escalations by China and the EU. These country-specific tariffs were eventually suspended at least until July 9, pending further negotiations, and as of now, a flat 10 per cent tariff applies to imports from all countries, effective April 10.

The Ministry noted that the outcome of a pause in the US-China reciprocal tariffs will be important. Further, the passage of the US Budget Bill for the next financial year and the reaction in the US bond market, in light of the recent downgrade of the US sovereign credit rating by Moody's, will also set the tone for financial markets globally in the final months of 2025.

Listing out India's advantages in the form of macroeconomic stability, fiscal policy focused on quality of expenditure and prudence, a benign inflation and monetary policy backdrop and financial and corporate sectors with strong balance sheets, the Ministry said this may not be the moment for self-congratulation

leverage them to make oneself not just attractive but also indispensable to investors.

"Foreign direct investors are likely to respond positively to policies that strengthen the country's medium-term growth prospects. In particular, policies that enhance the skills and productivity of the country's young workforce can significantly strengthen the virtuous cycle of investment and growth," it said.

An above-normal and spatially well-distributed monsoon will keep the food inflation outlook benign, the Ministry said. "Going forward, inflationary pressures stemming from food items are expected to remain low on account of a good rabi harvest, an increase in the area sown under summer crops, and healthy buffer stocks of foodgrains," it said.

Retail inflation rate had declined to 3.16 per cent in April from 3.34 per cent in March, marking the lowest annual inflation rate since July 2019.

EU nations agree to exempt most firms from carbon border tariff

REUTERS
27 May

European Union countries backed plans on Tuesday to scale back the bloc's carbon border levy to cover just 10 per cent of the companies currently covered by the scheme, on the grounds that these firms account for nearly all of the emissions involved.

Their approval makes it highly likely that the EU will exempt most of the 200,000 importers that had been due to face the world's first carbon border tariff, starting next year.

EU countries must negotiate the final changes with the European Parliament, which said last week it would support the proposals. Ministers from EU countries on Tuesday approved the proposed changes at a meeting in Brussels.

Scaling back

- Only 10% of firms will now be subject to the carbon border levy
- These firms account for over 99% of emissions covered by the scheme
- Most of the 200,000 importers originally targeted will be exempted
- EU Parliament supports the revised plan; final negotiations pending

The EU's carbon border tariff is designed to shield European producers against cheaper rivals in countries with less ambitious climate laws. It will impose a fee on imported goods that is equivalent to the carbon price already paid by EU-based companies under the bloc's CO_2 emissions policies.

The Commission had proposed the changes in February. It said they would spare smaller businesses from time-consuming bureaucracy without compromising the environmental impact of the policy, as the remaining 10 per cent of importers are responsible for more than 99 per cent of the emissions it covers.

Under the changes, the carbon border tariff will apply costs to companies that import more than 50 metric tons per year of goods including steel, cement, aluminium and fertilisers.

That would replace the existing rules, under which all individuals or companies importing such goods with a value above 150 euros ($170) would have had to pay the levy from next year.

Companies will have to buy permits, starting in 2027, to cover the carbon emissions of importing products from the year 2026.

How FTAs with US, UK, EU could impact India's agriculture trade

HARISH DAMODARAN
NEW DELHI, MAY 27

INDIA'S AGRICULTURE exports rose 6.4% to $51.9 billion in 2024-25 from $48.8 bn during the fiscal year ended March 2024. Growth in overall goods exports was almost flat in this period — rising 0.1% from $437.1 bn in 2023-24 to $437.4 bn in 2024-25.

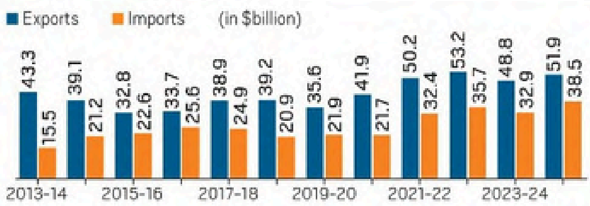
The contrast is starker in the value of imports. While total merchandise imports grew 6.2% in 2024-24 over 2023-24 (from $678.2 bn to $720.2 bn), farm imports were up 17.2% (from $32.9 bn to $38.5 bn).

The longer period trend *(chart)* shows agriculture exports declined between 2013-14 and 2019-20, before recovering and peaking at $53.1 bn in 2022-23. Overall, exports increased from $43.3 bn in 2013-14 to $51.9 bn in 2024-25, or a little more than 20%.

Imports posted a steadier expansion — from $15.5 bn in 2013-14 to an all-time-high of $38.5 bn in 2024-25, an increase of 148%. India's agriculture trade surplus more than halved from $27.7 bn to $13.4 bn during this period.

These data constitute the context in which India is negotiating trade agreements with the United States and European Union, who are seeking tariff reductions and greater market access for their agricultural products.

INDIA'S AGRICULTURE TRADE



INDIA'S TOP AGRI EXPORT ITEMS ($ million)

	2021-22	2022-23	2023-24	2024-25
Marine products	7,772.36	8,077.98	7,372	7,405
Non-basmati rice	6,133.63	6,356.71	4,573.41	6,527.58
Basmati rice	3,537.49	4,787.65	5,843.3	5,944.48
Spices	3,896.03	3,785.36	4,248.56	4,451.54
Buffalo meat	3,303.78	3,193.69	3,743.26	4,060.54
Sugar	4,602.65	5,770.83	2,824.74	2,159.4
Fruits & Vegetables	1,692.48	1,791.05	2,037.58	2,065.39
Processed F&V	1,190.59	1,417.59	1,624.22	1,805.76
Coffee	1,020.74	1,146.18	1,286.28	1,805.57
TOTAL*	50,240.21	53,153.55	48,821.68	51,940.67

INDIA'S TOP AGRI IMPORT ITEMS ($ million)

	2021-22	2022-23	2023-24	2024-25
Vegetable oils	18,991.62	20,837.7	14,871.66	17,333.14
Pulses	2,228.95	1,943.89	3,746.78	5,477.28
Fresh fruit	2,460.33	2,483.95	2,734.97	3,043.7
Cashew	1,255.46	1,805.67	1,431.39	1,669.43
Spices	1,299.38	1,336.65	1,455.57	1,625.42
Sugar	169.2	292.97	1,984.88	1,388.1
Raw cotton	559.55	1,438.69	598.66	1,219.32
Alcoholic beverages	693.23	797.64	1,328.22	1,115.51
Natural rubber	1,032.71	937.6	739.18	1,069.05
TOTAL*	32,422.3	35,686.2	32,870.03	38,509.32

*Source: Department of Commerce | * Total includes other commodities not listed in table.*

DRIVERS OF EXPORTS

The *tables* show India's top farm export and import items in the last four years. The No. 1 export commodity, marine products, registered a decline from $8.1 billion in 2022-23 to $7.4 billion in the following two fiscals.

India's marine exports are largely to the US (35% share), China (20%), and the EU (15%). Shipments to the US, predominantly frozen shrimp, now attract 17.7% duty, including the 10% baseline tariff that President Donald Trump imposed from April 5. An increase to 26% — Trump has put that plan on hold until July 9 — may hurt Indian exports further.

There are no such worries with rice. Values of both non-basmati and basmati shipments reached record levels in 2024-25 — 14.1 million tonnes (mt) of non-basmati, and 6.1 mt of basmati rice exports were together worth a whopping $12.5 billion.

The bulk of India's basmati goes to West Asia, and the non-basmati grain to Africa.

scaled new highs during the last fiscal.

Coffee exports were boosted after global

followed by a typhoon in Vietnam.

Both exports and imports of spices surged

ucts, oleoresins, curry powder/ paste and other non-traditional spices such as turmeric, coriander, fennel, ginger and garlic. It is a net importer of pepper and cardamom.

Domestic supply shortfalls have impacted exports of wheat, sugar, and cotton. Exports of wheat and sugar peaked at $2.1 bn and $5.8 bn in 2021-22 and 2022-23 respectively, but exports were subsequently banned or restricted.

Cotton is a sad story — exports had crossed $4.3 bn in 2011-12 and $3.7 bn in 2012-13 but have since collapsed, and India has turned into a net importer of the natural fibre.

Buffalo meat exports surpassed $4 bn in 2024-25, but were still below the $4.4 bn and $4.8 bn levels reached in 2013-14 and 2014-15 respectively.

DRIVERS OF IMPORTS

The big-ticket import items remain vegetable oils and pulses. Low per-acre yields relative to rice and wheat, and the absence of a system similar to minimum support price-based government procurement have made it less viable for Indian farmers to ramp up production of oilseeds and pulses.

The result is a soaring import bill. The imports of pulses were valued at $5.5 bn in 2024-25, pushing past the $5 billion mark for the first time.

Also, stagnant or falling domestic production is leading to rising imports of cotton and natural rubber. With no yield-raising technologies after genetically modified (GM) Bt hybrids, India's cotton output fell from 398 lakh bales to 291 lakh bales between 2013-14 and 2024-25.

Rubber production has averaged 8.5 lakh tonnes (lt) in the last three years, down from the 9-9.1 lt till about 2012-23. This, even as domestic consumption has inched up from 10 lt to 15 lt during the past decade.

Other significant agri import items include fruits (almonds, pistachios, walnuts, apples, dates, figs and raisins, etc), spices (basically pepper and cardamom), and alcoholic beverages.

With the signing of trade pacts with the US, EU, and the UK, imports of dry fruits, wines, and spirits will likely go up. The US is also likely to push for import duty cuts and easing of non-tariff barriers (particularly relating to GM crops) on maize, soyabean, and cotton.

All this will ultimately reflect in India's agricultural exports, imports, and the surplus.

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