The Emergence of India as a Major Global Exporter

S Baskar Reddy
Syngenta Foundation India

USDA Agricultural Outlook Forum
Smart Agriculture in the 21st Century
A Discussion on Innovation, Biotechnology, and Big Data

February 19, 2015
Outline of the Presentation

• Major Trends in Agri Exports
• Driving Factors
• Future Outlook
• Other Factors
Indian Agri Exports - Big Picture

Country wise Average annual growth in agri exports by value (2003-2013) in %

United States: 9.2, 9.6, 9.9, 10.1, 10.5, 10.6, 11
Canada: 11
Mexico: 11.1
Malaysia: 11.6
Thailand: 11.8
Brazil: 14.9
India: 17.6, 21.3

Source: USDA

Indian Agri exports (incl marine products) as per cent of total exports

2009-10: 8.2
2010-11: 8
2011-12: 10.1
2012-13: 11.8
2013-14: 11.9

Source: CSO & DGCIS

Agri exports from India (except marine) (US $billion)

2009-10: 15.78
2010-11: 21.37
2011-12: 32.65
2012-13: 37.22
2013-14: 38.9

Source: APEDA

Marine Exports from India (US$ Billion)

2008-09: 1.9
2009-10: 2.1
2010-11: 2.8
2011-12: 3.5
2012-13: 3.5
2013-14: 5

Source: MPEDA

Total Indian Agri Exports including marine in Year 2013-14: 43.9 US$ Billion
### Agri Exports of Major Commodities
(Million Tonnes)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>7.17</td>
<td>10.14</td>
<td>10.90</td>
<td>6.44</td>
</tr>
<tr>
<td>Wheat</td>
<td>0.74</td>
<td>6.51</td>
<td>5.57</td>
<td>2.57</td>
</tr>
<tr>
<td>Maize</td>
<td>3.85</td>
<td>4.78</td>
<td>3.97</td>
<td>2.14</td>
</tr>
<tr>
<td>Soy meal</td>
<td>5.25</td>
<td>4.74</td>
<td>4.09</td>
<td>0.37</td>
</tr>
<tr>
<td>Guargum</td>
<td>0.73</td>
<td>0.43</td>
<td>0.64</td>
<td>0.42</td>
</tr>
</tbody>
</table>

source: www.commerce.nic in
## Agri Exports of Major Commodities

(Million USD)

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014 (Oct)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruits &amp; Vegetables</td>
<td>2080</td>
<td>2177</td>
<td>2690</td>
<td>1410</td>
</tr>
<tr>
<td>Buffalo Meat</td>
<td>2867</td>
<td>3202</td>
<td>4350</td>
<td>3045</td>
</tr>
<tr>
<td>Guargum</td>
<td>3355</td>
<td>3919</td>
<td>1980</td>
<td>965</td>
</tr>
<tr>
<td>Basmati Rice</td>
<td>3217</td>
<td>3564</td>
<td>4865</td>
<td>2621</td>
</tr>
<tr>
<td>Wheat</td>
<td>202</td>
<td>1934</td>
<td>1569</td>
<td>727</td>
</tr>
<tr>
<td>Maize</td>
<td>1075</td>
<td>1305</td>
<td>1204</td>
<td>511</td>
</tr>
<tr>
<td>Non-Basmati Rice</td>
<td>1723</td>
<td>2652</td>
<td>2925</td>
<td>1912</td>
</tr>
<tr>
<td>Spices</td>
<td>2037</td>
<td>2212</td>
<td>2267</td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>3500</td>
<td>3500</td>
<td>5000</td>
<td></td>
</tr>
</tbody>
</table>

**Total Exports**: 36150  40720  43900

Source: APEDA/DGCIS
Structural Transformation in Indian Agri Exports

Share of Export in Indian Production (%) of major crops
Diversification in Indian export basket 2013

Source: Spice Board

Changing Composition of Indian 's Agri export

Source: Agricultural Statistics at a Glance, Various issues & Department of Commerce
- Basmati Rice has been showing consistent growth across years
- Non-Basmati rice exports permitted from Sep, 2011 onwards
- Maize has been showing consistent growth in recent years.

Source: Data analysed from http://agriexchange.apeda.gov.in/indexp/genReport_combined.aspx
5 middle east countries have been contributing to around 70 – 80 % of the total Basmati exports

Iran’s basmati imports from India has seen a significant increase in 2011-12 followed by even more significant increase in 2012-13 & 2013-14.

Indian Government has made significant marketing efforts to capture new markets such as China, Africa where the effect is expected to be visible in the coming years

Source: Data analysed from [http://agriexchange.apeda.gov.in/indexp/genReport_combined.aspx](http://agriexchange.apeda.gov.in/indexp/genReport_combined.aspx)
Big Gains from Buffalo Meat Exports

Buffalo Meat Export from India

Country wise Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Vietnam Social Republic</th>
<th>Thailand</th>
<th>Malaysia</th>
<th>Egypt Arab Republic</th>
<th>Saudi Arabia</th>
<th>Jordan</th>
<th>Algeria</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2009-10</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2010-11</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2011-12</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2012-13</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2013-14</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: APEDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>30 export modern abattoirs</td>
</tr>
<tr>
<td>2011</td>
<td>Regulatory changes of DGFT &amp; APEDA</td>
</tr>
<tr>
<td>2012</td>
<td>33 Integrated Abattoirs, 58 meat processing facilities</td>
</tr>
<tr>
<td>2013</td>
<td>12 new Abattoirs coming up</td>
</tr>
<tr>
<td>2014</td>
<td>4700 municipal slaughter houses to be renovated</td>
</tr>
</tbody>
</table>
Driving Factors

• Good monsoons (except 2009)
• Good procurement prices – motivated farmers
• Productivity increases in maize and rice, especially in Eastern India (BGREI)
• Policy decision to allow rice and wheat exports since 2011
• USD 10-15 advantage in Freight for SE Asia Markets compared to Europe/Latin American countries
Driving Factors

- Indian rice quality is good
- Large number of Indian Expats (rice, spices)
- Increasing value addition in spices
- Modern abattoirs driving buffalo meat exports
- Improved warehousing infrastructure
- Better shrimp varieties and stricter regulations
5 Year Trend of USD vs Other Currencies

**USD: Indian Rupees**

**USD: Brazilian Real**

**USD: Euro**

**USD: Russian Ruble**

Source: https://in.finance.yahoo.com
Future Outlook

• **Basmati: Remain Strong**
  – Basmati exports will remain strong
  – New varieties (Pusa 1509) which are more efficient than current varieties
  – Good synergy between scientists, millers and farmers

• **Buffalo Meat: Remain Strong**
  – Newly standardized slaughter house norms
  – Large number of new modern abattoirs
  – High demand for Indian Buffalo meat in China
  – Buffalo offal (liver, tongue, heart, tail) not consumed in India

• **Soya Meal: Weak**
  – Exports seen at 26-year low: cheaper supply from Argentina, Brazil and China

• **Wheat: Weak**
  – Currently Indian wheat is not competitive
  – If Euro weakens further, there will be no scope for wheat exports from India
Future Outlook

• **Non-Basmati Rice: Medium to Strong**
  – Quality of Indian Rice is good
  – Thailand Rice giving stiff competition

• **Corn: Weak to Medium**
  – South Asia and Middle East markets are good
  – Currently, Indian corn not competitive

• **Spices: Remain Strong (3Bn USD by 2016)**
  – South Asia and Middle East markets are good
  – Indian /South Asia Cuisine gaining popularity
  – Usage in Nutraceutical industry

• **Guargum: Weak**
  – Low prices in international market
  – Weakening oil prices

• **Marine Exports: Medium- Strong**
  – Increased production of L. Vannamei shrimp
  – Quality control measures and Traceability
Other Factors Influencing Exports

• New government – high expectations
• Infrastructure (ports, railways and roads) expected to improve
• Overall economic outlook positive – 6.3 % in 2015-16
• India to grow faster than China by 2016-17 @6.5 %: IMF
• Indian Currency vs USD... last one year it was stable
• Euro and other currencies are depreciating faster than Indian rupee
Thank You