



India's Export and Import of Agricultural Commodities

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ABSTRACT: Indian agriculture spans 329 million hectares, with 141 million hectares sown and a gross cropped area of 195 million hectares. The 2022-23 total food grain production was 3,288.52 lakh tonnes, highlighting record outputs in rice (135.32 million tonnes), wheat (110.5 million tonnes), coarse cereals (54.75 million tonnes), pulses (26.05 million tonnes), oil seeds (37.25 million tonnes), sugarcane (490.53 million tonnes), and cotton (24.51 million bales). Major export commodities include rice, spices, buffalo meat, fruits, and vegetables, with key export markets like Saudi Arabia for rice, the US for spices, and Vietnam for buffalo meat. From 2018-2023, India saw a substantial rise in agricultural exports, reaching US\$ 52.50 billion in 2022-23. India's agricultural strengths include rich biodiversity, extensive arable land, and a robust research and extension system, while weaknesses involve land fragmentation, low technology inputs, and poor infrastructure. Opportunities exist in yield improvement, exports, and agro-based industries, countered by threats such as unsustainable resource use and imports. Historical trade policies transitioned from pre-independence commercialization to post-independence protectionism and later liberalization in the 1990s, enhancing export competitiveness. Recent policies (2009-2020) emphasize export growth and infrastructural efficiency. Government schemes like APEDA, MEIS, and SEIS bolster agricultural exports. Jammu and Kashmir, with 65% of its population dependent on agriculture, significantly contribute with exports of apples, walnuts, and almonds, accounting for substantial portions of India's production in these categories. The region has seen a 55% growth in exports over three years.

Keywords: Government policies, Export and Import agricultural commodities, Trade regulations.

INTRODUCTION

Agriculture plays a crucial role in India's economy by contributing a significant role in employment, food security and trade. India's varied agro-climatic conditions allow for production of a wide range of crops on its 329 million hectares of land. Multiple cropping is used in different locations as evidenced by the gross cropped area (GCA) of 195 million hectares and the net sown area (NSA) of 141 million hectares. India's total food grain production in 2022-23 was 3,288.52 lakh tonnes which reflects a strong agricultural output (Indiastat, 2023). India's trade policies have changed dramatically since before independence and have influenced the country's economic development. Prior to independence, India's agriculture was commercialized by the British government which made it a significant provider of raw materials for British businesses including cotton, sugar, indigo, and jute (Dutt, 2017). After independence, India followed a closed market model emphasizing government control over trade and self-sufficiency. Exports were subject to strict restrictions and could only be used to pay for imports. However, India promoted exports as a result of balance of payments (BOP) crises particularly those brought on by rising oil

prices. In order to import wheat and avert starvation India and the United States also signed the PL-480 deal during this time. Private sector involvement in trade rise when import duties were reduced. By implementing policies including a single-window system for exporting perishable agricultural products, the government aimed to reverse the declining export trend and set an annual growth goal of 15% by Foreign Trade Policy (2009-2014). The 2015-2020 trade policy further aimed to increase exports to \$900 billion raising India's global trade share to 3.5% while aligning with initiatives like Make in India, Digital India, and Skill India.

Therefore, exports and imports play a crucial role in a country's economic growth, trade balance, and overall development. Export helps to generate revenue, create employment opportunities and also strengthen a nation's global trade position. However, imports guarantee the supply of necessities like food, raw materials, and cutting-edge technology that might not be adequately supplied domestically. When both exports and imports complement each other promotes economic stability, enhances productivity, and improves the standard of living is said to be balance trade system.

Objective:

1. To analyze India's agricultural trade trends from 2018 to 2023, focusing on the import and export of key commodities and their impact on the overall trade balance.
3. To assess the role of government policies and trade regulations in shaping India's agricultural exports and imports, identifying opportunities and challenges in sustaining agricultural trade growth.

MATERIAL AND METHODS

The present study analyzes India's agricultural trade trends, focusing on the import and export of agricultural commodities from 2018 to 2023. The Directorate General of Commercial Intelligence and Statistics (DGCIS) and other credible sources as well as official government trade reports were the sources of the data. By calculating the proportion of agricultural imports and exports to total national trade the study investigates the role of agricultural trade in the overall national trade scenario.

Data Collection & Analysis**India's Import and Export of agricultural Commodities (2018-2023).**

Year	Agriculture imports (In crores)	Total national imports (In crores)	%age agriculture imports to total national import	Agriculture export (In crores)	Total national exports (In crores)	%age Agriculture export to total National import	Balance of trade in agriculture (In crores)
2018-19	40,522.59	43,25,396.4	0.93	1,32,908.82	42,30,932.09	3.14	92,386.23
2019-20	41,856.97	45,17,400.3	0.92	1,18,098.13	43,74,251.25	2.69	76,241.16
2020-21	40,900.77	38,26,800.8	1.06	1,50,946.22	41,30,268.45	3.65	1,10,045.45
2021-22	54,191.26	62,88,928.5	0.86	1,83,229.08	56,01,769.05	3.27	1,29,037.82
2022-23	66,063.04	74,67,333.9	0.88	2,14,429.79	64,34,715.75	3.33	1,48,366.75

India's top Agri-export items.

years	2018-19	2019-2020	2020-21	2021-22	2022-23
Products	Qty (MT)	Qty (MT)	Qty (MT)	Qty (MT)	Qty (MT)
Non-basmati rice	48,21,553.81	33,64,055.79	76,21,298.45	1,09,89,506.75	1,02,94,858.65
Basmati rice	37,85,156.24	37,72,557.10	37,32,168.98	32,11,404.11	36,43,229.34
Spices	11,72,309.35	12,08,400.81	17,58,985.45	15,30,661.72	14,04,357.26
Buffalo meat	10,78,234.74	9,59,464.24	9,46,595.79	10,10,193.02	9,71,816.89
Fruits and vegetables	36,52,055.02	27,46,965.52	32,83,499.61	35,49,448.15	44,69,638.58

India's top Agri-imports items.

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Products	Qty (MT)	Qty (MT)	Qty (MT)	Qty (MT)	Qty (MT)
Vegetable Oil	15019000.00	14722000.00	13540000.00	14278000.00	11705000.00
Pulses	2527876.00	2917059.00	2466156.00	2519615.00	2496165.00
Cashew Kernels	839637.00	941419.00	834403.00	881101.00	1332165.00
Fresh Fruits	1124178.00	993730.00	1234910.00	1370119.00	1549872.00
Cocoa products	87592.95	85269.51	89010.00	95105.19	128654.28
cereals	244317.00	673058.00	134787.00	87110.00	305242.00

The research utilizes secondary data obtained from published reports and statistical sources. The key variables considered include:

- Agricultural Imports: The total amount of agricultural products imported into India from 2018 to 2023.
- Agricultural Exports: The total amount of agricultural products that India shipped throughout the same time period.
- Total National Imports and Exports: The sum of imports and exports' trade values.
- Percentage Contribution: The proportion of trade in agriculture to all trade in the country.
- Agriculture's Balance of Trade: The net difference between imports and exports.

Data Analysis

- The collected data were systematically organized in tabular format.

- The agricultural sector's percentage share in overall trade was determined.
- Agricultural imports were deducted from agricultural exports to calculate the trade balance.
- From 2018 to 2023, trends in agricultural imports and exports were represented graphically.
- The top agricultural product importers and exporters were determined.
- The main agricultural imports and exports from India were examined.

Government Schemes to Promote Agri-Export in India

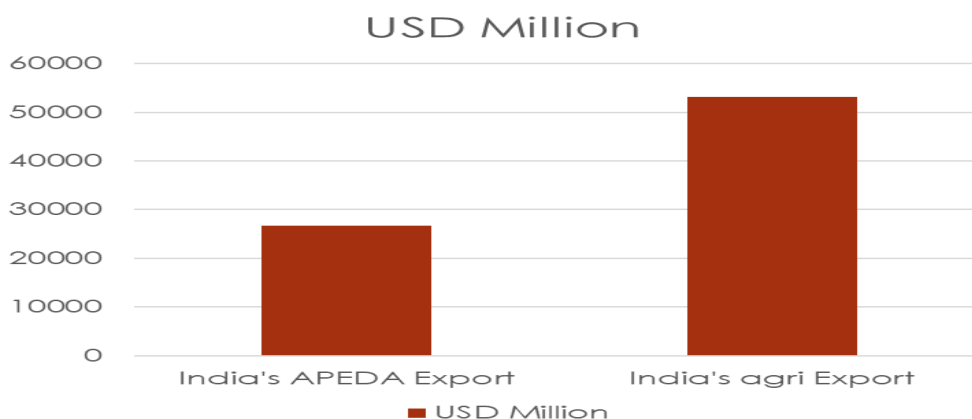
- APEDA (Agricultural and Processed Food Products Export Development Authority)
- Merchandise Exports from India Scheme (MEIS)
- Service Exports from India Scheme (SEIS)

- Agriculture and Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 to 2025-26)

— **APEDA (Agricultural and Processed Food Products Export Development Authority)**

- APEDA came into existence in December, 1985.
- The following tasks have been entrusted to the Authority.

- Development of export related industries for the scheduled products.
- Registration of individuals as exporters of the scheduled products.
- Upgradation of packaging of the Scheduled products.
- Upgradation of marketing of the Scheduled products abroad.
- Export oriented production promotion and development of the Scheduled products.



— **Merchandise Exports from India Scheme (MEIS)**

- MEIS was established in April 1, 2015
- Objectives: Offset Infrastructure Inefficiencies and Associated Costs, Enhance Competitiveness, Diversify Export Destinations, Simplify Export Procedures.
- Beneficiaries:
 - MEIS contributed to an increase in merchandise exports. Specific sectors like textiles, leather, and engineering goods saw export growth rates increase by approximately 3-5% due to the scheme.
 - MEIS contributed to a notable percentage increase in merchandise exports, with estimates suggesting a 3-5% rise in export growth rates due to the scheme.

— **Service Exports from India Scheme (SEIS)**

- SEIS was established in April, 2015 under the foreign trade policy.
- Objectives: SEIS has incentivized service exporters, leading to an increase in the overall volume of service exports from India.
- Beneficiaries:
 - Under SEIS, an incentive of 3-7% of the net foreign exchange earnings is provided to the service exporters.
 - It mandates the importers and exporters to possess an active Import-Export Code (IEC Code) for minimum net foreign exchange earnings of US\$ 15,000 to be able to claim under the scheme.

— **Agriculture And Processed Foods Export Promotion Scheme of APEDA For The 15th Finance Commission Cycle (2021-22 To 2025-26)**

Objectives:

- Understanding several challenges faced by Agri-exporters.
- Acknowledging the need for assistance to successfully navigate through these challenges.

Beneficiaries:

The beneficiaries of APEDA includes trade delegations, registered exporters, Central/State Govt. agencies,

promoters of GI products, Indian missions abroad, Trade chambers etc.

There are two criteria:

1. Up to 50% of the total cost will be covered by assistance, with a cap of Rs. 10 lakhs per study per recipient.
2. If the study is carried out by Trade Associations, Indian missions overseas or Central/State Government agencies than 75% assistance of the total cost will be there with a cap of Rs. 10 lakhs per study per beneficiary.

Results:

Agricultural Trade Trends (2018-2023)

- India remains one of the largest exporters of agricultural products worldwide.
- In 2022-23, India's agricultural exports stood at US\$ 52.50 billion, marking a steady increase from previous years.
- The agricultural trade balance remained positive, indicating a net export advantage.
- Key agricultural exports include non-basmati rice, basmati rice, spices, buffalo meat, and fruits & vegetables.
- India's major agricultural imports include vegetable oil, pulses, cashew kernels, fresh fruits, cocoa products, and cereals.
- Vegetable oil was the largest import commodity, accounting for 51.9% of total agricultural imports in 2023.

Key Findings:

- **Rice Exports:** In 2022-23, India exported rice worth US\$ 11.14 billion, reflecting a 15.22% growth over 2021-22.
- **Spices Exports:** Indian spices exports in 2023-24 reached 15,39,692 tonnes, valued at ₹36,958.80 crore (US\$ 4.46 billion), marking a 17% increase in value and a 9% increase in volume over the previous year.

- Fruits & Vegetables Exports: Processed fruits and vegetables grew by 42.42% (April-September 2022), while fresh fruit exports rose by 4%.
- Pulses, fresh fruits, and vegetable oil accounted for 72% of India's total agricultural imports in 2023.
- India is the largest producer and consumer of pulses, focusing on high-yielding, disease-resistant varieties to boost domestic production and reduce imports.
- Agricultural imports in 2023 were projected to decline by 18.6% to US\$ 17.1 billion, mainly due to falling import prices rather than quantity reductions.

CONCLUSIONS

According to the study, India continues to have a dominant position in the world's agricultural commerce with a positive trade balance. Rice, spices, fruits & vegetables remain the top export commodities, while vegetable oil dominates imports. The government's efforts to increase domestic agricultural production, particularly in pulses, aim to reduce reliance on imports. To maintain India's agricultural trade growth, future trade policy should concentrate on improving value-added processing, expanding export markets, and

tackling issues like market instability and water scarcity.

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