

Market Access and Export Potential for Indian Agribusiness Products

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Introduction

India's agribusiness sector plays a critical role in the national economy, contributing around 18% to the GDP and providing livelihoods to over half of the population (World Bank, 2024). With a unique agro-climatic diversity, the country produces a wide range of agricultural products, from staples like rice and wheat to niche items such as spices, tea and coffee. Exports in this sector are a vital growth driver, generating \$48.9 billion in 2023-24 and bolstering rural incomes and international recognition for Indian products.

Effective market accesses the ability to enter and compete in foreign markets is essential to this growth. Overcoming trade barriers and maximizing opportunities will strengthen India's agribusiness competitiveness on the global stage.

Current State of Indian Agribusiness Exports

India's agribusiness exports have shown robust growth, accounting for over 12% of the country's total exports and contributing 2.6% to GDP in recent years (APEDA, 2022). In the fiscal year 2023-24, India's agricultural exports reached approximately \$50 billion, accounting for about 12% of the country's total exports. The agriculture and allied sectors contributed 17.7% to the nation's Gross Value Added (GVA) during this period

Key export categories include:

- **Spices:** India is a global leader in spices such as turmeric, cardamom and cumin.
- **Tea and Coffee:** Darjeeling tea and robusta coffee are highly sought after in the U.S., Europe and the Middle East.
- **Rice:** India, as the world's largest exporter of basmati rice, caters to markets in the Middle East, Europe and Africa.
- **Fruits and Vegetables:** Exports include mangoes, bananas and okra, among other fresh produce.

Major markets include the United States, European Union, ASEAN countries and the Middle East. Despite significant contributions, the sector's

penetration in value-added and processed foods remains underdeveloped, signalling immense untapped potential.

Opportunities for Expanding Export Potential

Global market trends present numerous growth avenues for Indian agribusiness:

- **Emerging Markets:** Rising demand in Africa, South America and Southeast Asia for Indian staples and spices offers fresh opportunities.
- **Organic and Specialty Products:** Products like organic spices, teas and quinoa are gaining global traction.
- **Health-Oriented Foods:** Increasing interest in plant-based diets and health-focused products aligns with India's diverse agricultural outputs.
- **Processed and Value-Added Products:** Developing branded and ready-to-eat food items can yield higher returns and reduce dependency on raw exports.

Challenges to Market Access for Indian Agribusiness

Despite these opportunities, several obstacles impede the growth of Indian agribusiness exports:

- **Trade Barriers:** High tariffs, quotas and restrictive policies in target countries.
- **Quality and Safety Standards:** Non-compliance with stringent international regulations and certifications often limits exports.
- **Logistics and Supply Chains:** High transportation costs, cold storage issues and post-harvest losses reduce competitiveness.
- **Infrastructure and Technology Gaps:** Limited access to advanced farming techniques and processing facilities.
- **Climate Change:** Volatile weather patterns impact crop yields and stability.

Government Initiatives and Policies to Enhance Export Potential: The Indian government is addressing these challenges through:

<ul style="list-style-type: none">• Agriculture Export Policy, 2018: Aims to double agricultural exports through organic promotion, value addition and diversification.• APEDA: Offers exporters financial assistance, infrastructure support and market intelligence.• Subsidies and Incentives: Supports cold chain setups, processing units and export ventures.• Trade Agreements: Bilateral deals with nations like Australia and the UAE focus on reducing trade barriers and opening new markets. <p>Strategies for Improving Market Access and Export Competitiveness</p> <p>To unlock the sector’s potential, the following measures should be implemented:</p> <ul style="list-style-type: none">• Quality and Compliance: Investment in food safety, quality certifications and global standards compliance.• Value Addition: Shifting focus from raw commodities to processed, branded and ready-to-consumer goods.• Supply Chain Efficiency: Improved logistics and cold storage systems to minimize post-harvest losses.• Digital Adoption: Leveraging tools for export documentation, market intelligence and farmer-to-market linkages.	<ul style="list-style-type: none">• Sustainability: Encouraging environmentally friendly farming methods and expanding the organic product portfolio. <p>Conclusion</p> <p>Enhanced market access and export competitiveness are critical for the sustained growth of India’s agribusiness sector. With the right policies, private sector involvement and farmer support, India can solidify its position as a global agribusiness leader. Prioritizing quality, innovation and sustainability will ensure that the sector thrives, benefiting rural economies and contributing to national growth.</p> <p>References</p> <p>Agricultural and Processed Food Products Export Development Authority (APEDA). (2022). <i>Annual Report 2021-22</i>. Retrieved from https://apeda.gov.in</p> <p>Agricultural and Processed Food Products Export Development Authority. (2024). <i>Annual Administrative Report on 2022-23</i>. Retrieved from https://apeda.gov.in</p> <p>Ministry of Commerce and Industry, Government of India. (2018). <i>Agriculture Export Policy 2018</i>. Retrieved from https://commerce.gov.in</p> <p>Food and Agriculture Organization (FAO). (2021). <i>The State of Agricultural Commodity Markets</i>. Retrieved from https://fao.org</p>
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