

Trade Promotion Council of India

Indian agricultural exports to US increased 15% in July 2020, due to the robust demand: TPCI

8th October 2020, New Delhi: Indian agricultural exports to US in the month of July 2020 grew by 15 percent compared to last year's same period while the US agricultural exports to India declined 56.07 percent, as per the data of Office of USTR and confirmed from USDA GATS System.

Speaking on the growth in agri exports to US for July month, Chairman Trade Promotion Council of India (TPCI), Mohit Singla said, "There is surge in demand of Indian rice, spices and vegetables including essential oils, soybean meal, cake and some extracts for medical use." Food and agri products of India has been seeing sustained surge in demand during the pandemic time. The surge in demand over the impact of the crisis on overall agricultural exports reflects the fact that demand for food is relatively sustainable, and that marine transportation used for most agricultural products has not been significantly disrupted due to pandemic, Chairman added.

Singla also highlighted that, "TPCI constant engagement with buyers and suppliers throughout the year has been very well reciprocated by the industry, which responded very positively despite tough times. The India- US trade relations have intensified over recent times and its stronger than ever for the food sector."

Expressing optimism TPCI Chairman said, "The supportive domestic ecosystem created by policy push will further see Indian agri and food products surge in demand globally." Global trade shows signs of rebound from Covid-19 as per the WTO latest estimate, the performance of the trade for the year to date exceeded expectations due to a surge in June and July as lockdowns were eased and economic activity accelerated, he added.

The data shows the top Indian agricultural exports to US in the month of July 2020 were rice (\$34 million), spices (\$24 million), vegetable saps and extracts for medical use (\$24

million), essential oils (\$23 million), and soybean meal and cake (\$21 million). Top US exports to India in the month of July 2020 were almonds (\$50 million), cotton (\$6.8 million), mixture of odoriferous substance (\$2.4 million), walnuts (\$1.9 million), and fresh fruit (\$1.7 million).

In July, India sold 33,500 tons of rice to the United States, up from its previous 25,100 tons in June. For several years, India typically shipped 13,000 to 17,000 tons of rice each month to the United States. Most of the rice from India is basmati, which is classified as long-grain. The basmati rice shipments to the United States have sharply risen since June.

Favorable conditions are expected to raise the Indian 2020/21 soybean crop to 11.2 million tons from 9.3 million last year owing to increased sowing area and normal rainfall.

India has sought market access for several products which is under discussion in the ongoing negotiations for which access is likely to be granted. Some of the products include- Table Grapes, Pomegranate, Pineapple, Papaya, Potato, Turnip, Radish, Sweet orange, Radish, Dried Onion, etc.

Chairman TPCI also highlighted the current bottleneck, “Despite having huge orders for food products exporters are not able to timely supply due to unavailability of containers.”

Data

India-US Agricultural Trade													
	2014	2015	2016	2017	2018	2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020
Total Trade	4.2	3.9	3.4	4.2	4.2	4.4	0.4	0.34	0.35	0.24	0.23	0.26	0.34
US Exports	1.1	1.2	1.3	1.6	1.5	1.8	0.185	0.143	0.122	0.04	0.071	0.073	0.079
India Exports	3.2	2.7	2.1	2.6	2.7	2.6	0.213	0.200	0.227	0.2	0.16	0.18	0.26
US Balance	-2.1	-1.5	-0.8	-1.0	-1.2	-0.8	-0.03	-0.057	-0.106	-0.155	-0.09	-0.11	-0.18

Source: Office of USTR and confirmed from USDA GATS System.