# **Export Policies and Procedures Technical Manual 2022-23**

State Agricultural Management and Extension Training Institute (SAMETI), Kudumiyanmalai

&

Department of Agricultural Economics
Centre for Agricultural and Rural Development Studies (CARDS)
Tamil Nadu Agricultural University, Coimbatore

Director SAMETI, Kudumiyanmalai 2022

# SAMETI Training Programme on **Export Policies and Procedures**

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#### Sanitary and phytosanitary (SPS) measures and technical barriers to trade for Export of Agro Products – What is our role

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#### Sanitary and phytosanitary (SPS) measures and technical barriers to trade

In principle, SPS and TBT measures aim to protect the health of humans, plants and animals. However, governments may overshoot the minimum requirements to protect the lives or health of their consumers and use such measures to shield domestic producers from fair competition against exports, even as WTO rules prohibit members from applying them for the purposes of

Use of import tariffs, the most obvious form of trade impediment, has declined drastically in the past few decades, while the use of nontariff measures (NTMs) such as technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) have increased, along with trade remedies such as antidumping duties, countervailing duties and safeguards.

Trade remedies and SPS and TBT measures share common features in that they are legitimate trade protection measures allowed under the World Trade Organization (WTO) regime. One stark difference is that while trade remedies are intended to restore level-playing field after considering the impact of trade on an economy (ex-post), SPS and TBT measures are implemented to ensure the quality and standard of imported goods before they are consumed (exante)

SPS measures primarily cover the domestic production of food and plant and animal health, but to the extent that they are also applied to imported products, SPS may cause harm to foreign trade

#### **Export Opportunities**

Under open trade, market responsive agriculture has now evolved to usher in its next stage where growth originates more and more from crop diversification and value-added production. There are many constraints like high cost of transport, low quality standards, poor post-harvest and lack of knowledge of quality parameters and standards affecting export growth. Tamil Nadu set a target to increase the share of processed food in the food market from 1 percent to 10 percent and value additions from 7 percent to 30 percent.

#### **Example: Commodity Specific Export Opportunities including GI labeled**

**Non-Basmati Rice**: Major export markets: Nigeria, Bangladesh, South Africa, UAE & Ivory Coast.

**Opportunities**: Ponni, Jeerakasamba and other non-basmati rise. Learning the examples of Kerala.

#### Export of Palakkad Matta rice and export price realization

Period	Quantity (in 000 Kg)	Export Price Realized Rs/kg
2014		
January	724.28	34.10
June	564.35	33.72
December	824.89	34.08
2015		
January	841.25	33.98
June	929.75	34.67
December	749.67	33.34
2016		
January	652.68	32.62
June	696.21	31.83
December	293.06	59.39

**Erode manjal (GI)**: Middle east and Europe

Kodaikanal malai poondu (GI): 07129020 HS) Dehydrated Garlic Powder, (21039010 HS) Ginger Garlic Paste and Garlic Oil (33012947HS)

**Ethamozhi tall coconut (GI):** (Coconut fresh, Coconut dried, desiccated coconut, coconut oil – crude, Coconut Oil –refined and Oil cake)

**Sirumalai and Virupakshi hill banana** (**GI**): Tamil Nadu is second largest banana producer next to Maharastra. Currently India exports only about 8000 tonnes, of which Tamil Nadu's share is insignificant. Private exporters may be encouraged to take up banana exports by resorting to contract farming. Currently, Robusta is the most preferred variety world over. Tamil Nadu is well suited for cultivation of this variety. Market potentials also exist for varieties such as Cavendish, Red banana and Nendran.

**Maduari Malli (GI)**: Efforts have been taken to export by APEDA.

#### **Export Initiatives of Tamil Nadu**

- Agri -Export Zones (AEZ): India (60). Tamil Nadiu : Cut Flowers (Hosur), flowers (Nilgris), Cashew (Cuddalore), mangoes Districts of Madurai, Theni, Dindigul, Virudhunagar and Tirunelveli
- Flower Auction Centre: Kavalkkinaru (Tirunelveli)
- Market Complex with cold storage: Onion(Pongalur), Coimbatore, tomato (Hosur), mango (Krishnagiri), Coconut (Pudukottai), Grape, (Theni).
- Agro Processing Cluster in Industrial Park and Special Economic Zone: Turmeric (Erode),sago (Salem), Banana(Trichy),Mango (Krishnagiri),Cashew (Panrutti), Grape (Theni) and Palm products and Medicinal plants (Tutucorin)
- Special Agro Economic Zones
- Scientific and High Tech cultivation of High Value Crops: Mega orchards of 50 acres and above exempted from Land Reform Act
- Setting up of new Agro Processing Industries: 50 per cent subsidy
- Power Tariff: Subsidy for agro processing industries
- Electricity Tax: 100 percent exemption
- Certification like HACCP and other international safety measures: Subsidy
- Tamil Nadu Supply Chain Management Project (TNSCM) and Extension of Supply Chain Management project: 10 and 8 districts, respectively.
- Primary Processing Centres: 64, 20 and 7 districts (2020-21 budget speech)
- Mega Food Park : At Gangaikondan, Tirunelveli district
- Food Processing Policy
- e-nam: In two phases -15 RMs in the I phase and 8 RMs in II phase
- Organic Certification

#### Major reasons for rejection of processed food products exported by India 2005 to 2019

Product group	Major reasons for rejection		
Fruits and Vegetable preparations	Absence of health certificate (50%), Presence of aflatoxin (33%), higher content of preservatives (17%)		
Food additives/ seasoning material	Presence of aflatoxin and insects		
Cereal preparations	Presence of aflatoxin (86%), Absence of health certificate(14%)		
Coffee, tea and other non-alcoholic beverages	Presence of pesticides (anthraquinone, triazophos,monocrotophos, propargite) in tea and coffee (74%), Unauthorised use of colour (26%)		

#### Conclusion

SPS and TBT are legitimate trade policy tools and can contribute to ensuring the safety and health of a nation. In principle, the measures aim to protect the health of humans, plants and animals. However, governments may overshoot the minimum requirements to protect the lives or health of their consumers and use the measures to shield domestic producers from fair competition. Therefore, SPS and TBT retain their potential for being abused as protectionism tools. When such motivation is combined with nationalistic tendencies, it may hamper the growth of international trade and hurt consumers' welfare by limiting their choices.

#### **Export Credit Policies**

Shri Naveen Pothuraju., Executive Officer, Ms. Kalpana. N., Executive officer ECGC, Coimbatore

#### **ECGC**

The Export Credit Guarantee Corporation of India Limited (ECGC in short) is a company wholly owned by the Government of India. It provides export credit insurance support to Indian exporters and is controlled by the Ministry of Commerce. Government of India had initially set up Export Risks Insurance Corporation (ERIC) in July 1957. It was transformed into Export Credit and Guarantee Corporation Limited (ECGC) in 1964 and to Export Credit Guarantee of India in 1983.

#### **Export Credit Insurance:**

Credit Insurance Covers to exporters against Credit Risk losses in export of goods & services both under Short term and Medium and LT. Credit Insurance covers to banks to protect them against risks of non payment by exporters both under Short term and Medium and LT. Domestic Credit Insurance covers to Exporters and Banks in respect of their local sales and working capital finance, respectively. Overseas Investment Insurance covers to protect Indian Entrepreneurs investing in Overseas Ventures (Equity/Loans) against expropriation risks. Exchange Fluctuation Covers to exporters to protect them in respect of their exchange losses under Medium and LT exports

#### What Is Credit Insurance?:

Trade credit Insurance insures suppliers against the risk of non- payment of goods or services by their buyers. This may be a buyer situated in the same country as the supplier (Domestic Risk) or A buyer situated in another country (Exporter Risk). The insurance covers non- payment as a result of insolvency of the buyer or non-payment after an agreed number of months after the due date. It may also insure the risk of non – payment following an event outside the control of the buyer or seller (political risk cover), for eg. The risk that money cannot be transferred from one country to another. Export credit insurance designed to protect exporters from the consequences of the payment risks, both political and commercial and enable them to expand their overseas business without fear or loss. Provides credit risk covers to Exporters against non payment risks of the overseas buyers / buyer's country in respect of the exports made.

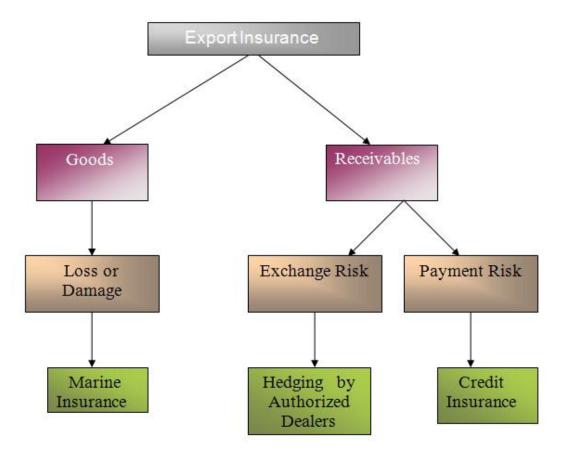
#### **ECGC – An Export Promotion Institution:**

- Provides credit Insurance covers to banks against lending risks of exporters
- Assessment of buyers for the purpose of underwriting
- Preparation of country reports
- International experience to enhance Indian capabilities
- An ISO organization excelling in credit insurance services

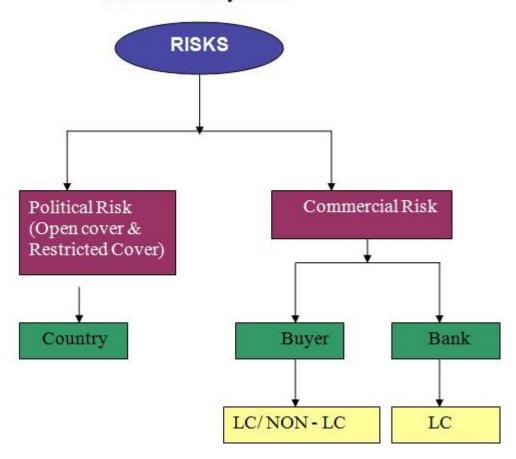
• Rated "AAA" by CRISIL for claim paying ability

#### **Need For Export Credit Insurance**

- ECGC has seen raise in number of claims due to defaults and insolvencies.
- In terms of numbers of claims developed countries have shown steep increase in numbers of claims paid.
- Export credit insurance is a viable means of securing payment.
- It is an effective sales tool.
- It is also an effective financial tool.



#### Risks Covered by ECGC



#### Risks Covered:

Commercial Risks

Insolvency of buyer / LC opening bank

Protracted Default of buyer

Repudiation by buyer

#### **Political Risks**

War / civil war / revolutions

Import restrictions

Exchange transfer delay / embargo

Any other cause attributable to importing country

#### Products offered to Exporters:

**Standard Policy** 

Small Exporters policy

Specific Shipment Policy (short term)

**Export Turnover policy** 

Specific buyer wise policy

Consignment export ( Stock holding agent)policy

Consignment export (Global entity) policy

Single buyer exposure policy

Multi buyer exposure policy

Software project exports policy

IT enabled (single customer) policy

IT enabled (multi customer) policy

#### **Export Consortium Services of TNAU**

Dr.R.Balaji, Asst. Professor (ARM), DABD, TNAU, Coimbatore

#### **India's Export - New Milestone**

According to commerce ministry spokespersons the target set by the government was achieved on March 21 when merchandise exports touched \$400.8 billion. Current exports figure is already 37% up from the previous fiscal. India's imports in the current financial year (up to March 21) was about \$589 billion. India's total exports this year, including services, is estimated at around \$650 billion. INDIA AND the United Arab Emirates (UAE) signed a Free Trade Agreement (FTA), which is set to reduce tariffs for 80 per cent of goods and give zero duty access to 90 per cent of India's exports to the UAE.

India's agrarian culture and varied regional climate have significantly contributed to the global food basket. Indian curries, spices, snacks, and mangoes are known for their excellent quality across the globe. Globally, India leads the following food segments: Ministry of Commerce and Industry, export of products under APEDA area increased from \$11.671 billion in April-November 2020-21 to \$13.261 billion in April-November 2021-22. The export of rice was \$5,937 million during April-November 2021-22, growing 11 per cent over the corresponding period of 2020-21. Exports of cereal preparations and miscellaneous processed items grew by 26 per cent during April-November 2021-22 to touch \$1,418 million against \$1,127 million in April-November 2020-21.

Fruits and vegetables exports were up by 12 per cent to \$1.720 billion during April-November 2021-22 against \$1.536 billion during April-November 2020-21. Cashew exports also grew by 29 per cent to \$302 million in the first eight months of the current fiscal compared to the same period previous year. Exports of meat, dairy and poultry products grew 12 per cent at \$2,665 million in April-November 2021-22, compared to \$2,371 million in 2020-21. In 2020-21, export of pepper increased by 28.72% to US\$ 1269.38 million; cinnamon by 64.47% to US\$ 11.25 million; nutmeg, mace and cardamom by 132.03%. Ginger, saffron, turmeric, thyme and bay leaves etc. by 35.44% to US\$ 570.63 million. Export of spices touched highest ever level of around US\$ 4 billion during 2020-21. The organic exports during 2020-21 were US\$ 1040 million as against US\$ 689 million in 2019-20, registering a growth of 50.94%. Organic exports include oil cake/ meals, oil seeds, cereals and millets, spices and condiments, tea, medicinal plant products, dry fruits, sugar, pulses, coffee etc.

#### 37 Export Promotion Councils of India

- 1. Indian Silk Export Promotion Council
- 2. Jute Products Development and Export Promotion Council (JPDEPC)
- 3. Pharmaceutical s Export Promotion Council
- 4. Plastics Export Promotion Council
- 5. Apparel Export Promotion Council
- 6. Basic Chemicals, Pharmaceutical s & Cosmetics EPC (CHEMEXCIL)

- 7. Carpet Export Promotion Council
- 8. Cashew Export Promotion Council of India
- 9. CAPEXIL
- 10. Cotton Textiles Export Promotion Counc
- 11. Council for Leather Exports
- 12. EEPC INDIA (Formerly Engineering Export Promotion Council)
- 13. Electronics & Computer Software EPC
- 14. Export Promotion Council for Handicrafts
- 15. Export Promotion Council for EOUs & SEZs
- 16. Federation of Indian Export Organisations (FIEO
- 17. Gem & Jewellery Export Promotion Council (GJEPC)
- 18. Handloom Export Promotion Council
- 19. Indian Oilseeds & Produce Export Promotion Council
- 20. Powerloom Development & Export Promotion Council
- 21. Project Exports Promotion Council of India
- 22. Services Export Promotion Council (SEPC)
- 23. Shellac & Forest Products Export Promotion Council
- 24. Sports Goods Export Promotion Council (SQEPC)
- 25. Synthetic & Rayon Textiles Export Promotion Council
- 26. Telecom Equipment and Services Export Promotion Council (TEPC)
- 27. Wool Industry Export Promotion Council
- 28. Wool & Woollens Export Promotion Council
- 29. Coffee Board
- 30. Coir Board
- 31. Rubber Board
- 32. Spices Board
- 33. Tea Board
- 34. Tobacco Board
- 35. Agricultural and Processed Food Products Export Development Authority (APEDA)
- 36. Coconut Development Board
- 37. Marine Products Export Development Authority (MPEDA)

#### **Commodity Boards of India**

- Agricultural & Processed Food Products Export Development Authority (APEDA)
- Coconut Development Board
- Coffee Board
- Coir Board
- Rubber Board
- Spices Board
- Tea Board
- The Marine Products Export Development Authority (MPEDA)
- Tobacco Board

#### **India's Top 25 Export Destinations**

- USA
- China
- UAE
- Hong Kong
- Bangladesh
- Singapore
- United Kingdom
- Germany
- Nepal
- Netherlands
- Malaysia
- Saudi Arabia
- Belgium
- Indonesia
- Vietnam
- France
- Italy
- South Korea
- Japan
- Brazil
- Thailand
- Australia
- Turkey
- South Africa
- Sri Lanka

# Agri Business Export Consortium (ABEC)

For the benefit of the EDP trainees, the Agri Business Export Consortium (ABEC) was initiated during February 2020. ABEC gives all export services to the trainees and consortium members.

#### **Services Offered**

- Guidance for product selection, market & buyer identification, logistics, documentation and digital Marketing
- Creating market linkages
- Conducting buyer and seller meets
- Exposing the consortium members to national and international trade fairs & exhibitions
- Creating a permanent export exhibition for display of consortium export members products / technologies
- Conduct of national/international lectures on export related topics
- Connecting with Farmer Producer Organization (FPO), Export Promotion Council (EPC) and Institutes like IIFPT - Thanjavur, IIPT - Perungudi and APEDA for product development
- Linking banking services
- Facilitating network of stakeholders

#### **AGMARK Standards for Export of Agricultural Products**

Deputy Director of Dept of Agricultural Marketing and Agribusiness, Coimbatore

#### **AGMARK Standards for Export of Agricultural Commodities**

Directorate of Marketing & Inspection (DMI) in the Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture, Cooperation & Farmers Welfare is implementing the provisions of Agricultural Produce (Grading & Marking) Act, 1937. The Act empowers the Central Government to make Rules for

- (a) fixing grade designation to indicate quality of any scheduled article.
- (b) Defining the quality indicated by every grade designation and
- (c) specifying grade designation marks to represent particular grade designations.

Standards notified as per the provisions of the Act are popularly called AGMARK Standards.

These standards differentiate between quality and 2-3 grades are prescribed for each commodity.

Grades help farmers to get prices for agricultural commodities as per the quality.

Grades help farmers to get prices for agricultural commodities as per the quality produced by them

Consumers get the desired quality.

Till date, grade standards for 222 agricultural commodities have been notified. These include fruits, Vegetables, cereals, pulses, oilseeds, vegetable oils, ghee, spices, honey, creamery butter, wheat atta, besan, etc.

#### **AGMARK Certification**

- The DMI is implementing the scheme of certification of agricultural commodities for domestic trade and export. The Scheme is **voluntary**.
- For Blended Edible Vegetable Oils and Fat Spread certification under AGMARK is mandatory as perprovisions in The Food Safety and Standards Act and regulations, 2006.
- European Commission has approved the procedure of preshipment inspection under Agmark for exports of fruits and vegetables to EU countries.

#### **Certification for Exports**

Directorate General of Foreign Trade has notified DMI as inspection and certification body for exports of fruits and vegetables to EU countries. DMI is attending to inspection and certification of fruits and vegetables including grapes and onions. The inspection and certification is carried out as per the grade standards notified in the Fruits and Vegetables Grading & Marking Rules, 2004.

- Agmark Certification Mandatory for exports of fruits and vegetables to EU countries( EU requirement)
- 22 laboratories spread all over the country are approved to attend to grading and certification.
- Grapes, onions, Curry leaves and pomegranates are being certified for exports to EU countries

PROCEDURE FOR GRANT OF CERTIFICATE OF AGMARK GRADING FOR EXPORT

#### SCHEDULE-I (See rule 3)

(Design of Agmark Insignia)

NAME OF COMMODITY ........
GRADE .......

#### SCHEDULE - II

#### GRADE DESIGNATION AND QUALITY OF TABLE GRAPES

- 1. Table Grapes shall be fruits obtained from varieties (cultivars) of Vitis vinifera L.
- 2. Minimum requirements:
- i. Bunches and berries of Table grapes shall be:
- a. clean, sound, free of any visible foreign matter;
- b. free of pests, affecting the general appearance of the produce;
- c. free of damage caused by pests and diseases;
- d. free of abnormal external moisture;
- e. free of any foreign smell and / or taste;
- f. free of all visible traces of moulds;
- ii. Berries shall be intact, well formed and normally developed,
- iii. Table grapes shall comply with the residue levels of heavy metals, pesticides and other food safety parameters as laid down by the Codex Alimentarius Commission for exports.
- iv. Table grapes shall have minimum soluble solids of 16 degrees Brix.
- v. Table grapes shall have minimum sugar / acid ratio of 20:1.

#### AGMARK standards for Grape

#### Criteria for grade designation for Grape

Grade designation	Grade requirements	Provision concerning sizing	Grade tolerances	
1	2	3	4	
Extra class	Grapes must be of superior quality. The bunches must be typical of variety in shape, development and coloring and have no defects. Berries must be firm, firmly attached to the stalk, evenly spaced along the stalk and have their bloom virtually intact.	-	5% by weight of bunches not satisfying the requirements of the grade, but meeting those of class I grade or exceptionally coming within the tolerances of that grade.	
Class I	Grapes must be of good quality. The bunches must be typical of variety in shape, development and coloring. Berries must be firm, firmly attached to the stalk and, as far as possible, have their gloom intact. They may, however, be less evenly spaced along the stalk than in the extra class. Following slight defects may be there, providing these do not affect the	-do-	10% by weight of bunches not satisfying the requirements of the grade, but meeting those of class II grade or exceptionally coming within the tolerance of that grade.	

	general appearance of the produce and keeping quality of the package.  - a slight defect in shape.  - a slight defect in coloring		
Class II	The bunches may show defects in shape, development and coloring provided these do not impair the essential characteristics of the variety. The berries must be sufficiently firm and sufficiently attached. They may be less evenly spaced along the stalk than Class I grade. Following defects may be there, provided these do not affect the general appearance of the produce and keeping quality of the package.  - defects in shape  - defects in coloring  - slight sun scorch affecting the skin only,  - slight bruising,  - slight skin defects	-do-	10% by weight of bunches not satisfying the requirements of the grade, but meeting the minimum

#### **EXIM Policy, Formalities of Registration and Export documentation**

Mrs.Vijayalakshmi, Asst Director Gen of Foreign Trade, O/o.The JDGFT, Coimbatore

#### **Evolution of International Trade in India**

- Prior to 1991, we were in a Controlled Trade Regime. Exports & Imports were allowed only against Licences.
- After independence, Imports & Exports (Control) Act, 1947 governed the imports and exports of India.
- Lots of restriction, both qualitative such as CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) and quantitative namely quota were imposed.
- During this licensing era, DGFT was then known as Chief Controller of Imports & Exports and its role was mainly Trade Control.
- In 1991, a series of Economic Reforms were introduced in order to revive the Indian Economy and a Liberalised Foreign Trade Policy was formulated, thereby, removing the controls on Imports & Exports.
- This was necessitated due to a serious balance of payment crisis. We were unable to pay our essential import bills, ran a high deficit, borrowed from external sources to finance those deficits and inflation was on the rise.

#### **Need for exports**

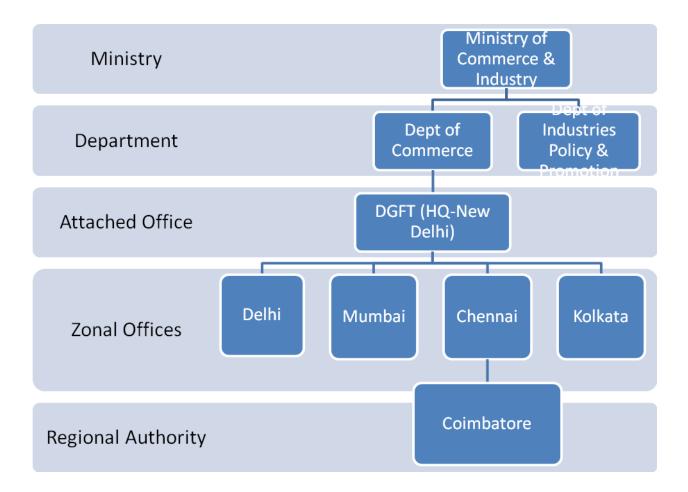
- Regional Authorities of DGFT along with other agencies of Central and State Government are involved in creating institutional mechanism in each District to prepare District Specific Export Action Plans for developing roadmap for export promotion in each District.
- To earn Foreign Exchange
- Foreign Exchange is vital for a Country's Economy essentially to settle the Import Bills and in order to maintain the Balance of Payment.
- A country's economy is determined by its foreign exchange reserves
- Global Trade has become inevitable with the signing of the World Trade Agreement. So it is imperative to project our Brand Image (Made in India) across the world in order to sustain in the international market.
- To play an increasing role in the *global value supply chain*

#### **Role of DGFT**

- The present role of DGFT is more of a Trade Facilitator
- This Directorate, with Headquarters at New Delhi, is headed by Director General of Foreign Trade.
- DGFT is responsible for formulating and implementing the Foreign Trade Policy with the main objective of promoting India's Exports.
- DGFT derives its Powers from Foreign Trade (Development & Regulation) Act, 1992. [FTDR Act]

- DGFT issues scrips/authorisations to exporters and monitors its corresponding obligations through its Network of 25 Regional Offices and Extension Counter in Indore.
- DGFT HQ and many of its regional offices are ISO 9000:2008 certified Organizations.
- All regional offices provide facilitation to exporters in regard to developments in international trade, i.e. WTO agreements, Rules of Origin and anti-dumping issues, etc. to help exporters in their import and export decisions in an internationally dynamic environment.

#### ORGANIZATIONAL SETUP of DGFT



#### **DGFT HIERARCHY**

- DGFT
- · Addtl. DGFT
- Joint DGFT
- Deputy DGFT
- Asst. DGFT
- FTDO
- Next level Officers.

#### **Functions of DGFT**

• DGFT is empowered to formulate the Foreign Trade Policy & entrusted to implement the Policy through its 37 Regional Authorities (RA) including 4 Zonal Offices.

#### FOREIGN TRADE POLICY

**Foreign Trade Policy (FTP)** is announced by DGFT in every five years. The current policy period is 2015-2020. Policy related to import and export is given in Foreign Trade Policy. It contains various export promotion schemes & eligibility. Amendments are issued in the form of notifications.

#### Vision

-to make India a significant participant in world trade by the year 2020 . -to enable the country to assume a position of leadership in the international trade discourse.

#### **Export & Import Policy**

Free	Export/Import is permitted without any authorization.	
Restricted	Export/Import is permitted on production of authorization issued by Regional authorit based on DGFT's recommendation	
Prohibited	Export/Import is not allowed.	

Who is an Importer or Exporter?

• One who imports and intends to import as well as one who exports and intends to export and holds a valid IEC Number, unless otherwise specifically exempted, is called an Importer or an Exporter.

#### VARIOUS EXPORT PROMOTION SCHEMES

• To promote exports, DGFT has formulated various export promotion schemes

#### FOR EXPORT OF GOODS

- MERCHANDISE EXPORTS FROM INDIA SCHEME (MEIS)
- DUTY EXEMPTION/REMISSION SCHEMES
- EXPORT PROMOTION CAPITAL GOODS SCHEME (EPCG)

#### FOR EXPORT OF SERVICES

• SERVICE EXPORTS FROM INDIA SCHEME (SEIS)

#### MERCHANDISE EXPORTS FROM INDIA SCHEME (MEIS)

#### **Objective**

Objective of Merchandise Exports from India Scheme (MEIS) is to provide rewards
to exporters and offset infrastructural inefficiencies and associated costs involved in
export of goods/products, which are produced/manufactured in India, especially those
having high export intensity, employment potential and thereby enhancing India's
export competitiveness.

#### **Entitlement under MEIS**

• Exports of notified goods/products with ITC[HS] code as listed in Appendix 3B shall be rewarded under MEIS at the rates notified therein on the FOB value of Exports. This scheme is extended to SEZs too.

#### SERVICE EXPORTS FROM INDIA SCHEME (SEIS)

#### **Objective**

• Objective of Service Exports from India Scheme (SEIS) is to encourage export of notified Services from India.

#### Eligibility

- Service Providers of eligible services shall be entitled to Duty Credit Scrip at notified rates (as given in Appendix 3D) on net foreign exchange earned.
- This scheme is extended to SEZs too.

### **EXPORT PROMOTION CAPITAL GOODS SCHEME (EPCG)**Objective

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services to enhance <u>India's export competitiveness</u>.

#### **EPCG Scheme**

Zero duty EPCG scheme allows import of capital goods (Machineries) at zero Customs duty, subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.

•	<i>Eg. :</i>	CIF Value of Machinery	- Rs.1,00,000
•		Customs Duty (30%)	- Rs.30,000
•		Duty saved (DS) value	- Rs.30,000
•		EO to be fulfilled (6 times DS value)	- Rs.1,80,000
•		within a period of 6 years	

Second hand capital goods NOT permitted.

#### **Eligibility:**

EPCG scheme covers manufacturer exporters, merchant exporters tied to supporting manufacturer(s) and service providers.

#### **Organic Certification Procedure for Export of Agricultural Commodities**

Quality Manager, Tamil Nadu Organic Certification Department, Coimbatore

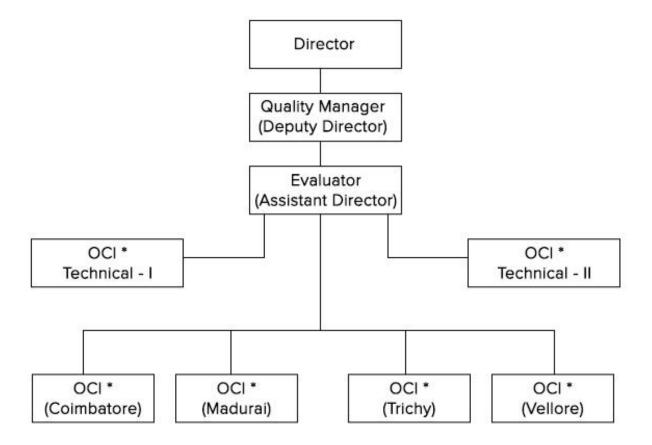
Tamil Nadu Organic Certification Department (TNOCD), Department of Organic Certification, Tamil Nadu, India, is a certification body for organic production which was established by Government of Tamil Nadu on 17 th May 2007 as a separate Department encovering the whole state. The Directorate is at Coimbatore in Tamil Nadu State, India.

The main aim of the organization is to promote all activities related to inspection and certification of the organic agricultural sector to serve the Nation in accordance with NPOP norms and imparting training. TNOCD is organic certification body accredited by APEDA, Ministry of Commerce and Industry, Government of India.

The Director of Organic Certification Department is also the Director of the Seed Certification Department of Tamil Nadu State. The Deputy Director of Agriculture is posted as a Quality Manager for the whole Department, Assistant Director of Agriculture posted as an Evaluator in the Department. Agricultural Officers are posted as Organic Certification Inspectors with specific jurisdictions inside the State of Tamil Nadu.

All certification decisions are overseen by a central Certification Committee which is made up of a range of representatives of the organic sector. The Certification Committee also acts as the stakeholder body of the organisation in terms of overseeing and review of policy and effective implementation of the quality system. Tamil Nadu Organic Certification Department has a programme of registering operators for crop production, food processing and handling, in supporting the broad based Agriculture.

# STRUCTURE OF ORGANIZATION TAMILNADU ORGANIC CERTIFICATION DEPARTMENT (TNOCD)



- \* Organic Certification Inspectors
- \*\* Head Quarters of Organic Certification Inspectors

#### **QUALITY POLICY**

Tamil Nadu Organic Certification Department (TNOCD) is committed to provide its customers i.e. Organic Operators with stringent procedures to enhance the quality, endurance and reliability of the system of production and there by ensures quality of final Organic products, employing trained & qualified professionals to provide efficient state-of-the-art platform, complying with all applicable regulatory requirements and continually improving the Management System. Moreover, it co-ordinates with the seed and Agriculture Department of the State Government to facilitate trade and better market for the operators in the line with State Government policy.

#### **Inspection and Certification**

Inspection and Certification of Organic Farms are carried out in accordance with NPOP norms which was launched by the Government of India in the year 2000 and notified in October 2001 under Foreign Trade (Development and Regulation) Act.

#### **Scope Certificate**

TamilNadu Organic Certification Department shall issue scope certificate to the Organic farmer/operator/handler/exporter who comply with National Programme for Organic Production (NPOP). This Department has issued Scope Certificate for Production, Processing and Trade to benefit the registered operators/farmers.

#### **Transaction Certificate**

- 1. Transaction certificate shall be issued to the specified lot or consignment of goods which have been derived from production and or processing system that has been certified.
- 2. This certificate shall be essential for export of Organic products.
- 3. Transaction Certification is an authorization given by TamilNadu Organic Certification Department stating that the products / stocks mentioned in transaction certificate has been produced and or prepared in compliance with National Programme for Organic Production norms.

#### **Statement of Compliance**

Statement of Compliance is issued to the operator on the products after necessary inspection on each consignment.

#### **Organic Certification**

Organic certification system is a quality assurance initiative, intended to assure quality, prevent fraud and promote commerce, based on set of standards and ethics.

It is a process certification for producers of Agricultural Food and Fibre commodities and Medicinal and Herbal plants/ Products (Cultivated and Wild harvested).

#### Why Certification?

- Third party assurance from producer to the consumer separated by distance
- For uniform label
- Assurance to the consumers that its concern for Quality has been addressed.
- Effective marketing tool for image, credibility, visibility, transparency and traceability

#### **Certification bodies of APEDA**

- Bureau Veritas (India) Pvt. Limited
- ECOCERT India Pvt. Ltd.
- IMO Control Pvt. Ltd.
- Indian Organic Certification Agency (INDOCERT)
- Lacon Quality Certification Pvt. Ltd.
- OneCert Asia Agri Certification (P) Ltd.
- SGS India Pvt. Ltd.
- Control Union Certifications
- Uttarakhand State Organic Certification Agency (USOCA)
- APOF Organic Certification Agency (AOCA)
- Rajasthan Organic Certification Agency (ROCA)
- Vedic Organic Certification Agency
- ISCOP (Indian Society for Certification of Organic Products
- TQ Cert Services Private Limited Aditi Organic Certifications Pvt. Ltd
- (formerly FoodCert India Private Limited
- Aditi Organic Certifications Pvt. Ltd
- Chhattisgarh Certification Society, India (CGCERT)
- Tamil Nadu Organic Certification Department (TNOCD)
- Intertek India Pvt. Ltd.
- Madhya Pradesh State Organic Certification Agency
- Odisha State Organic Certification Agency (OSOCA)
- Natural Organic Certification Agro Pvt. Ltd.
- Fair Cert Certification Services Pvt. Ltd.
- Gujarat Organic Products Certification Agency (GOPCA)
- Uttar Pradesh State Organic Certification Agency
- Karnataka State Organic Certification Agency

- Sikkim State Organic Certification Agency (SSOCA)
- Global Certification Society
- · GreenCert Biosolutions Pvt. Ltd
- Telangana State Organic Certification Authority

#### **Tamil Nadu Organic Certification Department (TNOCD)**

- Started in May 2007
- Accreditation from APEDA -2009(Ministry of Commerce and Industry)
- NAB/NPOP/0019
- NPOP (An overarching architecture and a programme of GOI which provides an institutional mechanism for implementation of NSOP)

#### **APEDA**

Renewal Accreditation once in three years due for renewal in 2021(cannot function as CB without accreditation)
 Annual Surveillance audit every year by APEDA

#### **Activities / Services by TNOCD**

- Organic Crop production
- Food processing
- Organic trade
- Input approval

#### REGISTRATION OF ORGANIC FARMS

#### 1.Individual

- Contiguous area as one farm unit
- No area limit for one unit

#### 2.Group

- Small farmers can participate
- Area within the district
- Legal status / structure required
- > 10 ac farmers should be less than 50% of total area of group
- Similar production system

#### **Principles of Standards (crop production)**

- Conversion (24-36 months) During this period all requirements to be followed
- Seed/ planting material to be organic or chemically not treated

- No synthetic inputs used directly or indirectly (fertilizers, pesticides, hormones)
- All inputs to be of natural and organic origin or naturally mined minerals as per the permitted and not permitted list
- Using natural cycles, best management practices to avoid diseases and pests. In case if inputs are used they shall be organic
- No Genetically modified organisms

#### **National Standards for Organic Production**

- 1. Crop production plan
- 2. Conversion requirements
- 3. Landscape
- 4. Choice of crop and varieties
- 5. Diversity in crop production & management
- 6. Nutrient Management
- 7. Pest ,Disease ad weed management
- 8. Contamination control
- 9. Soil and water conservation

#### **Inspection methods**

- Visits of facilities, fields, etc.
- Review of records and accounts.
- Calculation of input/output norms, production estimates etc.
- Assessment of production system
- Interview with responsible persons
- Risk assessment
- Part Conversion and Parallel Production
- Inspection for Use of Genetically Engineered Products
- Use of off-farm inputs
- Analysis for residue testing (if required)
- Inspection and study of entire production/ processing process

#### **Fee structure**

SI.No	Details	Registration fee	Inspection and Certification fee	Travel Time fee	Scope certificate fee	Total
1	Individual farmers (Small & Marginal )	500	1000	200	1000	2700
2	Individual farmers (other group of farmers)	1000	1000	200	1000	3200
3	Group of farmers	5000	1000	200	1000	7200
4	Corporate	5000	2000	400	2000	9400

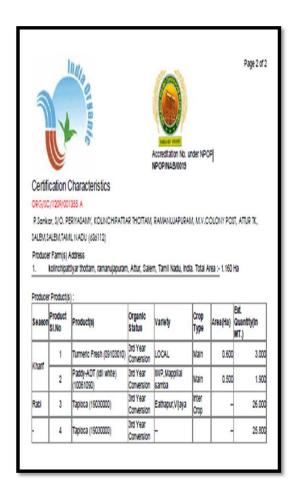
Renewal fee (every year): 25% of Registration fee + Inspection fee + Travel time fee and scope certificate fee

#### **Tracenet**

APEDA has developed an Internet based Traceability Software system, for monitoring organic products exported from India. The developed traceability software system has integrated all stakeholders in the supply chain of export of these products namely, the Farmers, the Pesticide Testing Laboratories, Processors, Exporters, Certification bodies, APEDA and other related public and private organizations. Organic products is integrated into the new system which leads to a full fledged traceability system, which is named as "TraceNet".

#### Scope certificate





#### **Transaction Certificate**

It is the certificate issued by the accredited Certification Body to its operator for every sale of his product to the buyer.



#### **Certification for food processing**

#### **General Requirements of Processing**

- Any off farm activities of an agricultural produce
- Any physical handling of an organic product
- Covers the storage of raw material, production method, process flow, ingredients and processing aids used, packaging, labelling, storage of finished product, dispatch
- Processing at operator's own or sub contracted unit (Separate inspection with documentary evidence required in both cases)
- Can follow parallel processing.

#### **Chain of Custody**

- Inspection to cover all stages of handling
- Product integrity to be verified
- Audit trail to be carried out
- Traceability to be established

• License to use its certification mark to be issued only if the chain of custody of the product where steps in the production chain have been certified by other accredited Certification Bodies under NPOP as per the National Standards of Production.

#### **Packaging**

- Biodegradable, recyclable, reusable systems and eco-friendly packaging materials are advisable
- Packaging material shall not contaminate food
- The additives restricted for use in manufacturing of packaging films for packaging of organic food stuffs are listed
- The packages shall be closed in such a manner that substitution of the content cannot be achieved without manipulation or damage of the seal.

#### Which food products can be labelled as 'Organic '?

#### **Under NPOP system:**

- In case of single ingredient product where all requirements been met as per the specified standards can be labelled as Organic
- In case of multi ingredient product where min. 95% of ingredients are of certified origin, can be labelled as 'Certified Organic'.

#### **Plant Ouarantine Policies and Procedures**

Mr. Sundaramoorthy, Plant Quarantine Officer, Bangalore

Plant Quarantine' refers to the holding of plants in isolation until they are believed to be healthy. Now, broader meaning of the plant quarantine covers all aspects of the regulation of the movement of living plants, living plant parts/plant products between politically defined territories or ecologically distinct parts of them. Intermediate quarantine and post entry quarantine are used respectively to denote the detention of plants in isolation for inspection during or after arrival at their final destination.

#### **Importance**

The entry of a single exotic insect or disease and its establishment in the new environment continues to cause great, national loss till such time it is brought under effective control. In certain cases a country has to spend a few million rupees before success incontrolling the introduced insect pest or disease is achieved.

#### Plant Quarantine is equipped into 3 divisions:

#### 1. Domestic quarantine

Restriction to entry of plant and plant related material form one state to another state, which is associated with sate machinery production.

- There are many infected materials which are prohibited to transport to other state for trade and export, like;
- Banana bunchy top virus (Assam, W.B., Kerala)
- Apple scab (JK and HP).

#### International quarantine;

• Legal restriction on pant and plant related products between on e country to country to ensure pest and diseases free materials.

#### **Embargo:**

• When the pest risk is very high and the safe guards available in the country is not adequate and, therefore, import is prohibited.

#### Quarantine Regulation:

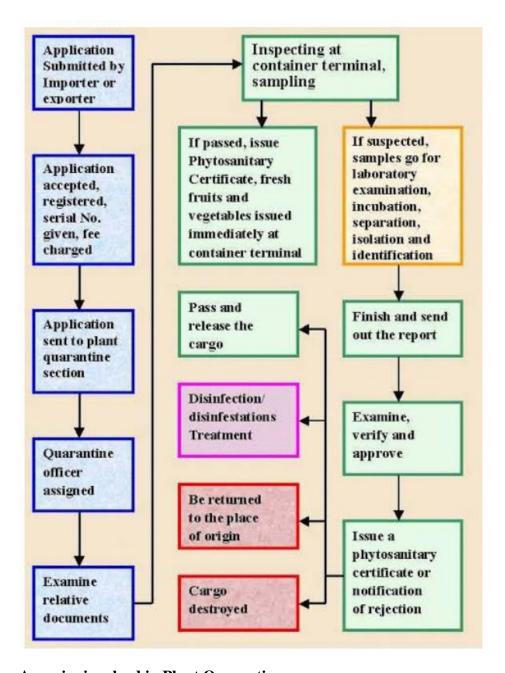
Whatever the type of introduced plant are, i.e. seeds, vegetables, fruits etc. bulk introductions
are always risky as thorough examination and treatment in such cases is very difficult and
planting area is far too large to prevent the establishment and spread of the introduced
pest/disease.

Based on these factors, plant quarantine regulates the introductions as follows:

- Complete embargo/prohibition: When the pest risk is very high, the safeguards available in the country are not adequate and, therefore, import is prohibited.
- Post-entry quarantine: The risk is very high but adequate safeguards in the form of post-entry isolation growing facilities are available.
- Restricted: Pest risk is not high and import permit is required stipulating conditions for entry, inspection and treatment.
- Unrestricted: Import permit is not required, and material may enter without restriction

#### Inspection Procedures followed in quarantine station:

- Visual inspection To detect sclerotia, nematode galls, bunt galls, smuts, insect infestations, weed seeds, insect eggs, inert mater etc.
- X-ray test Insect infestation
- Washing test Spores of fungus eggs of insect adhering to seeds, nematode galls
- Sedimentation test Stem eelworm (Ditylenchusdipsaci) (Baerman Funnel Test)
- Incubation test Seed borne fungi/ bacteria (Blotter/agar test)
- Grow out test Seed borne bacteria/viruses/downy mildews
- Electron microscopy Potentially used for identification and characterization of all plant virus
- Serological methods: ELISA, DIBA, ISEM, Agglutination test. Nucleic acid hybridization
   Polymerized Chain Reaction (PCR)



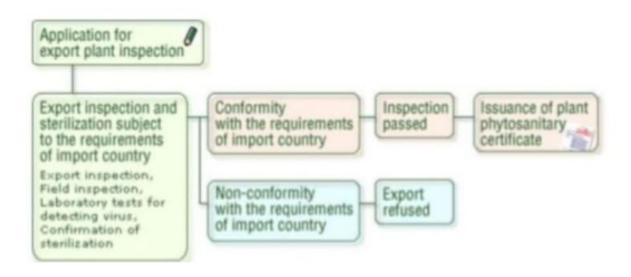
#### **Agencies involved in Plant Quarantine**

- Directorate of Plant Protection, Quarantine and Storage, Faridabad
- National Bureau of Plant Genetic Resources (NBPGR), New Delhi
- Crop specific Research Institutes of Indian Council of Agricultural Research (ICAR).
- Head of Plant Pathology Division of State Agricultural Universities (SAU).
- State Agricultural and Horticultural Departments

#### Plant Quarantine Stations in India:

- National Plant Quarantine Station (NPQS), Rangpuri, New Delhi
- Regional Plant Quarantine Stations: Amritsar, Chennai, Kolkata, Mumbai
- 75 Notified points of entry at various
  - Seaports (42)-Bhawnagar, Kandla, Mumbai, Vishakhapatnam etc.
  - Airports (19)- Amritsar, Delhi, Mumbai, Kolkata, Chennai etc.
  - Land frontiers (14)-Hussainwala, kalingpong, Bangaon, Attari wagha etc.
  - 65 Inland Container Depots.

# **Export flowchart**



#### Certificate of Origin and Role of Various Export Promoting Institutions in Promotion of Agro Export

Mr. S.Sivaraman, Advocate & Consultant, Foreign Trade Policy and Customs, Chennai

#### **Agri-Export Policy**

The Government of India approved the Agri-Export Policy in 2018, with the recognition that agricultural exports will play a major role in its objective of doubling farmer's incomes by 2022. It aims to integrate Indian farmers and high quality agricultural products with global value chains. The major objectives of the policy are:

- To double agricultural exports from present US\$ 30+ billion to US\$ 60+ billion by 2022 and reach US\$ 100 billion in the next few years thereafter, with a stable trade policy regime.
- To diversify India's export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To strive to double India's share in world agri exports by integrating with global value chain at the earliest.

  Enable farmers to get benefit of export opportunities in overseas market.

The salient features of Government's plan to promote exports of agricultural products are

- (i) maintaining a long term, stable, and by-default 'open' export policy
- (ii) effective handling of sanitary and phytosanitary standards (SPS) and technical barriers to trade (TBT) issues in domestic and destination markets
- (iii)Creating cold chain and transport logistics
- (iv) The government has identified clusters across the country for the promotion of agriexports. For instance, six clusters have been identified in Maharashtra for grapes, mango, pomegranate, banana, oranges and onion. For successful implementation, FPO's and co-operatives need to be linked with the farmers and exporters. Many countries in the Middle East region are open to investing in facilities like cold chain and warehousing in India for import of agro and processed food products.
- (v) Agriculture and horticulture production in India is estimated at around 600 million tonnes per year. But around 30% of fresh horticulture produce is wasted. It is necessary that this wastage is addressed, quality and health standards are adhered to and international markets are actively explored.

(vi)As part of the policy, shrimps, meat, basmati & non-basmati rice, grapes, bananas, pomegranate, vegetables including potatoes, processed / value added products, cashew, plant parts/medicinal herbs in value added form, including herbal medicines, food based nutraceuticals, aromatics, spices (cumin, turmeric, pepper), ethnic & organic food have been identified as potential sectors.



#### **Types of Export Promotion Councils (EPCs)**

Sr.No. Name of the Organisation Type of Organisation Administrative Contol					
Sr.No.	Name of the Organisation		Administrative Contol		
1	Federation of Indian Export Organisations	Apex body of all EPCs	Ministry of Commerce		
2	Agricultural and Processed Food Products Export Development Authority	Development Authority	Ministry of Commerce		
3	Apparel Export Promotion Council	EPC	Ministry of Textiles		
4	Basic Chemicals Pharmaceuticals & Cosmetic Export Promotion Council	EPC	Ministry of Commerce		
5	Carpet Export Promotion Council	EPC	Ministry of Textiles		
6	Cashew Export Promotion Council of India	EPC	Ministry of Commerce		
7	Chemicals and Allied Products Export Promotion Council	EPC	Ministry of Commerce		
8	Coffee Board	Commodity Board	Ministry of Commerce		
9	Coir Board	Commodity Board	Ministry of Small & Medium Enterprises		
10	Coconut Development Board Council	Commodity Board	Ministry of Agriculture and Farmers Welfare		
11	Cotton Textiles Export Promotion Council	EPC	Ministry of Textiles		
12	Council for Leather Exports	EPC	Ministry of Commerce		
13	Engineering Export Promotion Council	EPC	Ministry of Commerce		
14	Export Promotion Council for EOUs and SEZ Units	EPC	Ministry of Electronics & Information Technology		
15	Electronics & Computer Software Export Promotion Council	EPC	Ministry of Commerce		
16	Export Promotion Council for Handicrafts	EPC	Ministry of Textiles		
17	Gem & Jewellery Export Promotion Council	EPC	Ministry of Commerce		
18	Handloom Export Promotion Council	EPC	Ministry of Textiles		
19	Indian Silk Export Promotion Council	EPC	Ministry of Textiles		
20	Indian Oilseeds & Produce Exporters Association EPC (IOPEA)	EPC	Ministry of Commerce		
21	Jute Products Development and Export Promotion Council - (JPDEPC)	EPC	Ministry of Textiles		
22	Marine Products Export Development Authority	Development Authority	Ministry of Commerce		
23	Project Exports Promotion Council of India	EPC	Ministry of Commerce		
24	The Plastics Export Promotion Council	EPC	Ministry of Commerce		
25	Powerloom Dev. and Export Promotion Council	EPC	Ministry of Textiles		
26	Pharmaceutical Export Promotion Council	EPC	Ministry of Commerce		
27	Rubber Board	Commodity Board	Ministry of Commerce		
28	Service Export Promotion Council	EPC	Ministry of Commerce		
29	Shellac Export Promotion Council	EPC	Ministry of Commerce		
30	Spices Board	Commodity Board	Ministry of Commerce		
31	Sports Goods Export Promotion Council	EPC	Ministry of Commerce		
32	Synthetic & Rayon Textiles Export Promotion Council	EPC	Ministry of Textiles		
33	Tea Board	Commodity Board	Ministry of Commerce		
34	Telecom Equipment and Services Export Promotion Council (TEPC)	EPC	Ministry of Communications		

#### **Role of Export Promotion Councils (EPCs)**

The primary role and function of EPCs is to showcase India as the preferred destination for export of high-quality products and services. To achieve this, the EPCs represent India and its exporters in the international markets and promote the products through various means. While consolidating exports in current export destinations, EPCs are also required to help exporters in identifying new markets and expanding their export basket. They also help the Government in framing effective trade policies by providing insights about the issues faced by exporters in international markets.

The EPCs are constituted as autonomous bodies with independent functioning and decision-making powers. Nevertheless, any laws and by-laws devised / modified by the Central Government from time to time, apply to all the EPCs and they are required to follow them.

#### **Functions of EPCs**

- **Promoting exports:** The primary objective of EPCs is to help exporters in promoting their products in international markets. They do this through various external and internal promotional activities including organising / participating in international trade fairs, buyer-seller meets, etc.
- Assistance in Incentive schemes: Help and assist exporters in availing benefits of various incentive schemes announced in the Foreign Trade Policy. EPCs are authorized to issue RCMC certificates without which exporters cannot avail those benefits
- Expanding to new markets: Help exporters to consolidate their exports and expand into new markets / meet new buyers through EPC's branches and offices opened in foreign countries. This is helpful more so in the case of small and medium manufacturers who may not have resources to do this on their own.
- **Strengthen relations**: Arrange and send delegations to key foreign countries in order to strengthen or diversify exports in those countries.
- **Providing timely information**: Provide exporters with information on latest trends, happenings, and export opportunities in international markets; changes or updates in trade policies, etc.
- **Liaisoning**: Liaison with the trade and export communities to identify their needs, issues/problems and represent their problems to the Government.
- **Assist in policy making**: Collect comprehensive data on exports concerning their respective product categories and provide the same to the Government to help frame effective trade policies.
- Assist exporters in: (a) technology upgradation, (b) product/service quality improvement, (c) design improvement, (d) standards and specifications, (e) product development, (f) innovation

#### **Benefits of EPCs**

- Ease of access to international markets: The biggest benefit for exporters is the ease of access to international markets as EPCs work towards increasing buyer-seller interactions. Small and medium businesses stand to benefit most out of this as many of them do not have the resources to approach international buyers on their own.
- Aid in export incentives: Registered exporters with the EPCs benefit from the various export incentive schemes as and when announced by the government. It is mandatory for exporters to register with EPCs to avail these benefits.
- **Source of trade data**: All EPCs collect export and import data of all its members, thus building a repository of valuable information for both the government and the exporters. This data can provide a lot of insights into diversifying and expanding the international market base.
- Platform for growth: EPCs arrange foreign tours for trade delegations to help exporters reach out to new markets. Such tours present perfect opportunities to increase the buyer base and exports. It not only strengthens the trade relations, but also overall bilateral relations between the countries.