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Exporters are worried that Indonesia's suspension of Indian agri shipments citing failure to comply with certification norms may lead other countries to tighten inspection and scrutiny norms for Indian produce, even as New Delhi mounts a diplomatic bid to get Jakarta to reverse its decision.

India is holding hectic deliberations through multiple diplomatic channels with Indonesian authorities for release of the stuck shipments and an end to the suspension. The government is hoping that the suspension may be lifted in another week or 10 days.

Indonesia suspended Indian agri shipments on 25 March after New Delhi failed to comply with the registration renewal requirement for its 26 food certification laboratories for peanuts and grapes. In the process, several shipments already made, including those of spices and cereals, are also stuck, leading to uncertainty for Indian exporters.

India could not comply with Jakarta's lab renewal requirement in June last year due to the pandemic and had been seeking a 3-6-month extension. The renewal request was rejected by Indonesia in February due to non-compliance, two government officials told Mint.

India exported 1,774 crore worth of peanuts to Indonesia in 2020-21. Grape exports were only worth about 1 crore but a prolonged suspension could dash hopes of boosting agri exports to the south-east Asian country, experts said.

"While the renewal of laboratories issue pertains to peanuts and grapes only, Indonesia is stopping all shipments of plant origin products, including cereals and spices like dried red chillies, etc from 25 March onwards. We are taking it up with the Indonesian authorities to expedite clearance soon," said one of the officials cited above.

The official added that the Indian government has provided all the requisite data and that fresh registration will take place soon.

"The immediate impact of such a suspension is that the majority of the agri consignments that are stuck may go waste. Peanuts, for instance, develop mycotoxins if they are not transported swiftly. The other thing is such suspensions act as a kind of whistleblower event," an expert from a not-for-profit research institute said.

Other countries may now tighten the inspection regime which could have a negative impact on all agri exports, experts fear. "Shipments which would otherwise go smoothly will now face greater scrutiny," the expert quoted above added. He said although private labs continued to get themselves audited virtually, the Agricultural and Processed Food Products Export Development Authority, being a government body, may have chosen to wait during the peak covid-19 period.

Queries emailed to commerce and industry ministry and APEDA remained unanswered till press time.

APEDA sent a fresh dossier to the Indonesian Agriculture Quarantine Agency (IAQA) on 7 April after compiling information from all laboratories.

"We are in touch with the Indonesian agri authorities. While it is difficult to tell how much time the

process will take, it can be as early as a week or 10 days," the second official further said.

The 26 certification laboratories are renewed for registration by the Indonesian authorities every three years, but this year in June, India could not collect information from these labs due to the pandemic and later sought a six-month extension in October. However, the extension was not granted even though data was submitted by February. Jakarta stopped accepting shipments from 25 March and the licence expired.

A government official told Mint that the IAQA issued five non-compliance notices in March this year -- three pertained to dried red chillies which is taken care by the Spices Board, and two related to peanuts, looked after by APEDA.

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