

DELAY IN ISSUANCE OF HEALTH CERTIFICATES, TRANSPORTATION HINDER INDIA'S FARM EXPORTS

The ongoing lockdown amidst COVID-19 has affected businesses of exporters in the country. Specifically, the disruption in economic activity has adversely hit exporters of perishable agriculture commodities as they are unable to meet the increasing orders from abroad because of bottlenecks in documentation and transportation. MVIRDC World Trade Center Mumbai interviewed two exporters of processed food to understand the challenges faced by them. Following is the excerpt of the interview:

First Exporter:

Sarah EXIM Pvt Ltd. : Exporter of fruits and vegetables

1. Do you face slowdown in orders for your products from abroad? Kindly explain.

We have a lot of demand from abroad as we are exporting perishable agricultural goods from India.

2. Are you facing disruption in procuring raw materials for manufacturing your products? Kindly explain.

Lot of mandis and markets are shut. There is lack of clear direction from government in this regards. Fruit and vegetables, onions and potatoes all mandis should be open seven days a week even on Sunday. The idea behind keeping them open for more than usual time and days will ensure less crowd and distancing. Stern notification to all to this effect is needed.

3. Are you facing delay in local transportation to ports and from port to the destination?

Empty container yards are non operative because of local gram panchayat and local goons. We have to lift empty reefer containers from yards, so that we can stuff them and send to ports. These yards are all hijacked, blocked by local villagers and local politicians. They do not let trailers go inside these yards to pick empty containers. Therefore, the local police authorities should ensure that all container yards are opened. Drivers of trailers are fearing villagers and police atrocities. They should be given police passes for smooth movement.

Also, there is heavy congestion in ports because of delay in clearing inbound containers out of the customs area or port area because of non-availability of transport workers.

4. What are the other challenges you are facing in the normal course of your business because of the lockdown?

Phytosanitary certificate, health certificate, lab reports and certificate of origin are all closed. My cargo is due to arrive in Greece in the first week of April 2020. I am unable to get AGMARK certification for the agro-commodities in the cargo as the concerned issuing office is closed. The government should have all these bodies to work in port by deputing one staff.

5. What are the steps you expect from the government to overcome the above challenges?

Sea trade is safest in today's COVID-19 condition, as crew members are not allowed to disembark. Crew members on ships are not allowed to come down on the warf or disembark from the ship. There is zero physical contact with crew. It should hold any threat of infection to personnel working at port.

Yet Indian authorities have asked for 14 days quarantine of vessel before given berthing permission. This is uncalled for.

Therefore, the government should do away with this mandatory quarantine and instead impose stringent measures to ensure zero physical contact with the crew. The government should ensure smooth functioning of exports of perishable agriculture commodities. This year, due to adverse weather, the harvesting season has been delayed by three months and started in march. The farmers will lose heavily if exports are hampered.

Second Exporter:

McCain Foods India Pvt Ltd. Exporter of French Fries, Smiles, Savoury Wedges, Hash Brown

1. Do you face slowdown in orders from abroad? Kindly explain.

Yes, we do observe overall slowdown in many export markets due to lockdown, travel cancellations, etc in different countries.

However, retail channels for food products has picked up well in most countries. People have now more demand for foods that can be consumed at home during the lock down.

India does have some new opportunity to build its exports in key product categories including food , where China had been competing.

Consumers/ countries trust and repose confidence on Indian products as the quality of our supply is far better than that of China in the present scenario.

2. Are you facing disruption in procuring raw materials for your goods? Kindly explain.

Not so much, however, the movement of goods from one place to other is a challenge, this could impact our future raw material availability.

3. Are you facing delay in local transportation to ports and from port to the destination?

Indian Ports are practically not operating with lock down situation, port congestions, lack of manpower at port, etc. Besides, the Customs House Agents/ Forwarders/ Road / Rail transporter/ shipping lines offices are not functional.

4. What are the other challenges you are facing in the normal course of your business because of the lockdown?

Issues of documents from government departments such as Export Inspection agency (for getting the mandatory health certificate of food products) and Chamber of commerce (Certificate of origin) have not been functional, thereby practically even if government mentions that essential commodities such as food can move, it is practically not possible without availability of needful certificates. Respective departments are unaware about any procedure to provide these documents online to exporters. Courier service is not functional – resulting in inability to dispatch documents to customers, banks, etc.

5. What are the steps you expect from the government to overcome the above challenges?

Government should align government departments to accept application and start functioning online to issue respective certificates. India should encourage online certification with digital signature and streamline the operations of ports and customs departments.

Press Information Bureau, Government of India:

- [Invest India Business Immunity Platform](#)
- [Agriculture and allied activities exempt from lockdown](#)

DGFT

- [Retrospective issuance of certificate of origin under trade agreements](#)
- [Amendment in export policy of Hydroxychloroquine](#)
- [Global Authorisation for Intra-Company Transfers of SCOMET items/software/technology](#)
- [Proceedings under Insolvency and Bankruptcy Code](#)

CBIC

- [Exchange rate notification](#)
- [Amendment in customs notification on tariff values](#)

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