

A Repository of Indian Agriculture Trade Policies

1. Principal trade-related laws of India

S. No.	Area	Law
1	Foreign Trade	Foreign Trade (Development and Regulation) Act, 1992
		Foreign Trade (Development and Regulation) Amendment Act, 2010
		Export (Quality Control and Inspection) Act, 1963
		SEZ Act, 2005
2	Customs	Customs Act, 1962
		Customs Tariff Act, 1975
3	Investment	Companies Act, 2013.
		Industries (Development and Regulation) Act, 1951
		Indian Contract Act, 1872
		Industrial Disputes Act, 1947
4	Anti-dumping/countervailing measures and safeguards	Customs Tariff Act, 1975
5	Taxation	Income Tax Act, 1961
		Central Excise Act, 1944
		Goods and Services Tax Act, 2017
		State VAT Acts
6	Standards/TBT and labelling	Bureau of Indian Standards Act, 1986
		Food Safety and Standards Act, 2006
		Drugs and Cosmetics Act, 1940 Insecticides Act, 1968
		Legal Metrology Act, 2009
7	SPS	Livestock Importation Act, 1898
		Destructive Insects and Pests Act, 1914
		Food Safety and Standards Act, 2006
		Plant Quarantine Order, 2003, under Destructive Insects and Pests Act, 1914
		Export (Quality Control and Inspection) Act, 1963
		Agricultural and Processed Food Products Export Development Authority Act, 1985
8	Competition	Competition Act, 2002
9	Intellectual Property Rights (IPR)	Copyright Act, 1957
		Patents Act, 1970
		Trade Marks Act, 1999
		Designs Act, 2000

		Geographical Indications of Goods (Registration and Protection) Act, 1999
		Protection of Plant Varieties and Farmers' Rights Act, 2001
		Seeds Act, 1966
		Biological Diversity Act, 2002
10	Agriculture	National Food Security Act, 2013
		Agricultural Produce Marketing Committee Act
11	Energy	Petroleum Act, 1934
		Oil Field (Regulation and Development) Act, 1948
		Petroleum and Natural Gas Board Act, 2006
		Electricity Act, 2003
12	Banking	Reserve Bank of India Act, 1934
		Banking Regulation Act, 1949
		Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980
		Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
		Recovery of Debts due to Banks and Financial Institutions Act, 1993
		Foreign Exchange Management Act, 1999
13	Insurance	Insurance Act, 1938
		Insurance Regulatory and Development Authority Act, 1999
		Life Insurance Corporation Act, 1956
		General Insurance Business Act, 1972
		Motor Vehicles Act, 1988
14	Securities	Securities and Exchange Board of India Act, 1992
		Securities Contract (Regulations) Act, 1956
		Depositories Act, 1996
15	Telecommunications	Indian Telegraph Act, 1885
		Indian Wireless Telegraphy Act, 1933
		Telecom Regulatory Authority of India Act, 1997
16	Maritime transport	Merchant Shipping Act, 1958
		Indian Ports Act, 1908
		Major Port Trust Act, 1963
17	Air transport	Aircraft Act, 1934
		Airports Economic Regulatory Authority of India Act, 2008
18	Rail transport	Railways Act, 1989
19	Road transport	National Highways Act, 1956
		Control of National Highways (Land and Traffic) Act, 2002
		National Highways Authority of India Act, 1988
		Carriage by Road Act, 2007

Source: Trade Policy Review of India, WTO, 2020

2. Agriculture Related Trade Policies of India

S. No.	Policy/Scheme	Description	Date	Examples
1	Merchandise Exports from India Scheme (MEIS)	MEIS, under which export incentives, ranged from 2 per cent to 7 percent of export value, were extended to many sectors including 740 tariff lines of agriculture products. The benefits available under MEIS were in the form of transferable duty credit scrips, which can be used for paying custom duties against imports. This scheme was discontinued due to the non-compatibility of WTO.	Introduced w.e.f. 01.04.2015 Discontinued w.e.f. 01.01.2021	
2	Remission of Duties and Taxes on Export Products (RoDTEP)	RoDTEP is the replacement of the MEIS Scheme. This scheme would refund the taxes and duties levied by Central, State and Local Governments. Such duties or taxes shall be remitted at an actual rate claimed by the exporter, subject to a notified ceiling rate and a value cap per unit of exported product. The rebate would be claimed as a percentage of the realized FOB value of exports. RoDTEP, under which export incentives, ranging from 0.5 percent to 2.5 percent and covers around 1570 agriculture tariff lines.	In force w.e.f. 01.01.2021 1st Change 01.01.2022 2nd Change 01.05.2022	Atlantic and Pacific Bluefin tunas (2.5% of FoB), Popcorn (1% of FoB), Coffee (1% of FoB) as on 11.05.2022
3	Transport and Marketing Assistance (TMA) Scheme	The "Transport and Marketing Assistance" (TMA) for specified agriculture products scheme aims to aid with the international component of freight and marketing of agricultural produce including dairy (dairy introduced on 10.09.2021) which is likely to mitigate disadvantage of higher cost of transportation of export of specified agriculture products due to trans-shipment and to promote brand recognition for Indian agricultural products in the specified overseas markets.	In force w.e.f. 01.03.2019 Revised 10.09.2021	

4	Agriculture Export Policy	Agriculture Export Policy has been rolled out with the vision to harness export potential through suitable policy instruments and to make India global power in agriculture and raise farmers' income. In line with the governments' vision of Doubling Farmers' Income by 2022, AEP seeks to double agriculture exports from present ~US\$ 30+ to ~US\$ 60+ Billion by 2022. The exports are further targeted to be increased to the level of US\$ 100 Billion thereafter in a few years through stable trade policy. AEP also focuses on cluster development, diversification of agri export basket, boosting high value and value added agri exports including organic products and enabling farmers to get benefit of export opportunities in overseas markets.	In force w.e.f. Dec, 2018	Cluster Identified for items like Mango, Coffee, Tea, Marine Products, turmeric etc.
5	One District One Products (ODOP) for Food Processing Industry	The scheme adopts the One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure.	In force Since 2018	Government has approved ODOPs for 713 districts of 35 States/ UTs. Products like Marine & Fish Products (South Andaman), Coconut Products (Nicobar), Tomato Products (Chittoor) etc.

6	Production Linked Incentive Scheme for Food Processing	The Production Linked Incentive Scheme (PLIS) proposes financial incentive to modernize and enhance competitiveness of the food processing industry by manufacturing specific categories of food products having high potential for growth in output and value addition. The objective of the scheme is to support the creation of global food manufacturing champions; promote Indian brands of food products; increase employment opportunities for off-farm jobs, ensure remunerative prices of farm produce and higher income to farmers. Products in focus are ready to eat/ready to cook, marine products, fruits and vegetables, mozzarella cheese etc.	In force The tenure of the Scheme is six years from Financial Year 2021-22 to Financial Year 2026-27.	
7	Bharatmala Pariyojana	The Bharatmala Pariyojana is a centrally sponsored and funded Road and Highways project of the Government of India. As part of the Bharatmala Pariyojana, Government of India will link its major highway corridors with India's border points with Nepal, Bhutan, Bangladesh, and Myanmar. This will facilitate trade with these BIMSTEC countries through land.	In force w.e.f. 31.07.2015	

Source: Government of India

3. Core/Complementary Policy affecting Exports and Imports

S. No.	Core Trade Policy affecting agriculture trade	Description	Example	Measures/ Policy affecting Export or Import of India	Frequency of Policy Movement
1	MFN Tariff	The average MFN applied tariff for agriculture in 2019-20 was 34.8%, a decline from 36.4% in 2014-15. It rose back up to 36.5% in 2020/21. The MFN tariff ranges up to 150% but remains well below the bound tariff which ranges up to 300%. While the statutory tariff rate is announced in the annual Budget, applied rates are changed from time to time, to ensure stable domestic supplies and prices.	In April 2019, the import tariff for wheat was raised from 30% to 40%. Import tariffs for sugar were also gradually increased from 40% in April 2015 to 50% in July 2017 and 100% in February 2018. India's considerably higher bound tariff rates permit the adjustment of applied tariffs as and when domestic needs arise.	Import	Case on Case basis
2	Tariff Rate Quota (TRQ)	A tariff-rate quota is a two-tiered tariff system that combines import quotas and tariffs to regulate import products. A TRQ allows a lower tariff rate on imports of a given product within a specified quantity and requires a higher tariff rate on imports exceeding that quantity. For products subject to TRQs, quota quantities and in-quota rates are adjusted from time to time to meet domestic needs.	India provides additional market access through MFN TRQs on imports of powdered milk and cream, maize, and edible oils (sunflower seed, safflower, rape, colza and mustard). Since 2018, the quota fill rates have been negligible, except for rape, colza and mustard oils, and fractions thereof, for which the fill rate was 100%. Since 2017, India has also implemented a TRQ of 300,000 metric tonnes (MT) for raw sugar (HS1701), at an in-quota rate of 25%, as a unilateral market access trade facilitation measure. India also maintains TRQs for tea, desiccated coconut, pepper, Vanaspati, bakery shortening and margarine in its RTA with Sri Lanka, and vegetable fats in its RTA with Nepal.	Import	Case on Case basis

S. No.	Core Trade Policy affecting agriculture trade	Description	Example	Measures/ Policy affecting Export or Import of India	Frequency of Policy Movement
3	Minimum Import Prices (MIP)	Minimum import prices ensure that a product cannot be imported at a price that is lower than a price set by the state. If the import price is below the minimum price, an additional charge is imposed. Minimum import prices can be based on domestic market prices or international reference prices. Under WTO rules, minimum import price is regarded as non-tariff trade barriers and are therefore prohibited.	At the end of 2019, MIP on agricultural products were cashew kernel broken (INR 680/kg), cashew kernel whole (INR 720/kg), areca nuts (INR 251/Kg), black and green pepper (INR 500/Kg), and cardamom (INR 500/Kg).	Import	Case on Case basis
4	Quantitative Restrictions	When a trading partner uses quantitative restrictions, however, it is impossible to export in excess of the quota no matter how price competitive foreign products may be. Thus, quantitative restrictions are considered to have such a distortional effect on trade that their prohibition is one of the fundamental principles of the GATT.	Quantitative restrictions on imports of peas of up to a 100,000 tonnes per year were imposed in April 2015, initially for three months, and then extended three times. On 28 March 2020, quantitative restrictions on imports of peas were announced, of up to 150,000 tonnes (for green peas and other peas) and 400,000 tonnes (for pigeon peas) for 2020/21.	Import	Case on Case basis
5	State Trade Enterprises (STEs)	State trading enterprises are defined as governmental and non-governmental enterprises, including marketing boards, which deal with goods for export and/or import. Article XVII of the GATT 1994 is the principal provision dealing with state trading enterprises and their operations.	Import of rice and wheat for public procurement, and coconut and coconut oil and fertilizers.	Import	Case on Case basis

S. No.	Core Trade Policy affecting agriculture trade	Description	Example	Measures/ Policy affecting Export or Import of India	Frequency of Policy Movement
6	Minimum Export Price (MEP)	From time to time, the government stipulates a minimum price below which an exporter shall not sell the product to an overseas customer. The export invoice has to be at or above the specified MEP. The intention is to ensure domestic supplies and contain inflation.	In January 2018, India announced an MEP for onions of USD 700 per MT until 20 February 2018; the MEP was removed on 2 February 2018. Following this, in September 2019, the MEP was reinstated; it was replaced by an export ban until further notice. On 30 November 2019, exports up to 9,000 MT were permitted through STEs. Similar changes were made at various times to export conditions for other products, such as pulses, edible oils, rice, and potatoes. The export restriction on pulses was removed on 22 November 2017. India also maintains a 40% tax on exports of hides, skins and leather, to promote domestic value-addition in this labor-intensive sector.	Export	Case on Case basis
7	Import prohibitions	India continues to impose import prohibitions and restrictions. The DGFT may, through a notification, impose restrictions on imports to: (i) protect human, animal or plant life or health; public morality; historical heritage; the environment; and intellectual property rights (IPRs); (ii) prevent the use of deceptive practices; the use of prison labor; and the traffic of arms, ammunition and implements of war; (iii) and to comply with United Nations Security Council resolutions.	India applies import prohibitions, mainly on health and safety grounds, and these continue to apply to products such as meat and offal from wild animals, tallow fat, animal rennet, and unprocessed ivory. India has also applied import prohibitions to shark fins, leather from reptiles, and fur skin. Most of these restrictions apply to goods no matter of their origin; however, some import prohibitions are country specific. Imports of milk and milk products from China have been prohibited, since 2015, on health grounds.	Import	Case on Case basis

S. No.	Core Trade Policy affecting agriculture trade	Description	Example	Measures/ Policy affecting Export or Import of India	Frequency of Policy Movement
8	Import Licensing	<p>To facilitate the importation of restricted items, an import licensing system is in place. In 2019-20 there were 440 tariff lines subject to import licensing. All importers holding a valid IEC may apply for a license. Import licenses are issued, on an MFN basis, by the DGFT. The practice of routing import licensing applications through the sponsoring authorities was stopped. Applications are considered by the Exim Facilitation Committee, a single administrative organ, constituted for this purpose. Import licenses are valid for 18 months, renewable for 6 months on merit. Fees are calculated based on the c.i.f. value of imports, one per thousand of the c.i.f. value, with a minimum of INR 500 and a maximum of INR 100,000. Import licenses are issued for a specific port as specified by the applicant. If the import policy specifies a port of entry for a particular product, then the license will indicate it.</p>	<p>Certain agriculture products may only be imported through specific ports such as palm oil (HS1511) (all ports, except ports in Kerala).</p>	<p>Import</p>	<p>Case on Case basis</p>

Source: Government of India

4. India's Free Trade Agreements

S. No.	Name of the Agreements	Signed (Year)
Regional Trade Agreements (RTAs) In force		
1	India-Sri Lanka Free Trade Agreement (FTA)	1998
2	Agreement on South Asian Free Trade Area (SAFTA)	2004
3	India-Nepal Treaty of Trade	1950
4	Agreement of Cooperation with Nepal to Control Unauthorized Trade	1991
5	India-Bhutan Agreement on Trade, Commerce and Transit	2016
6	India-Thailand FTA - Early Harvest Scheme (EHS)	2003
7	India-Singapore Comprehensive Economic Cooperation Agreement (CECA)	2005
8	India-ASEAN CECA	2009
9	India-South Korea Comprehensive Economic Partnership Agreement (CEPA)	2009
10	India-Japan CEPA	2011
11	India-Malaysia CECA	2011
12	India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)	2021
13	India-UAE CEPA	2022
14	India-Australia Economic Cooperation and Trade Agreement (ECTA)	2022
Preferential Trade Agreements (PTAs) In force		
1	Asia Pacific Trade Agreement (APTA)	1975
2	Global System of Trade Preferences (GSTP)	1988
3	SAARC Preferential Trading Agreement (SAPTA)	1993
4	India-Afghanistan PTA	2003
5	India-MERCOSUR PTA	2004
6	India-Chile PTA	2005
Free Trade Agreements (FTAs) and Preferential Trade Agreements in Negotiations		
1	India-Thailand Comprehensive Economic Cooperation Agreement (CECA)	Negotiating
2	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Free Trade Agreement (FTA)	Negotiating
3	India-Gulf Cooperation Council (GCC) Free Trade Agreement (FTA)	Negotiating
4	India-SACU Preferential Trade Agreement (PTA)	Negotiating
5	India-EU Broad Based Trade and Investment Agreement (BTIA)	Negotiating

6	India – New Zealand Comprehensive Economic Cooperation Agreement (CECA)	Negotiating
7	India-Canada Comprehensive Economic Partnership Agreement (CEPA)	Negotiating
8	India-Indonesia Comprehensive Economic Cooperation Agreement (CECA)	Negotiating
9	India – Israel Free Trade Agreement FTA	Negotiating

Source: Department of Commerce, Government of India