

PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT

Agriculture Sector

Report

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Introduction

The agriculture sector is an important contributor to GDP in Pakistan and India accounting for 21% and 14.3% of GDP respectively. Agriculture sector is a major export item for India and Pakistan with agriculture exports in 2011 valued at US\$ 18.1 billion and US\$ 5.3 billion for India and Pakistan respectively. Relatively similar climatic conditions has meant that the major crops, in both countries, are the same e.g. wheat, rice, sugarcane etc. The recent move from the positive to negative list approach by Pakistan, signals substantial liberalization of trade between the two countries. Due to similarity in the production profile of agricultural items, the recent liberalization initiative entails challenges and opportunities. This report aims to capture the effects this liberalization would have on Pakistan's agriculture sector.

Objectives

Pakistan had been conducting its trade with India on a positive list approach before 26th of March, 2012. Recently, steps have been taken to liberalize trade from positive list to negative list. In the wake of this liberalization, it is anticipated that new challenges and opportunities would arise with the opening up of new sectors of the economy to competition from India. In the light of above, this study is done with the following objectives:

- i. Identification of segments of industry which are not competitive vis a vis Indian agriculture sector.
- ii. Identification of NTBs that need to be addressed to facilitate exports, of the specific sector, to India.
- iii. Identify the threats and opportunities faced by agriculture sector by using Revealed Comparative Advantage (RCA) Index.
- iv. Identification of Pakistan's export potential, for the sector, in India.

Scope and Methodology

The scope of this study is limited to trade between India and Pakistan. This report is based primarily on desk research. Due to time, resource and budgetary constraints interaction with stakeholders was not possible. The announcement of the move from a positive to negative list approach with India has been made on 26th March, however, bilateral trade data is available only for 2010 and therefore, this analysis is limited to that period.

The methodology adopted in this report is based on descriptive statistics obtained from secondary sources. In addition comparative analysis has also been done on the agriculture sectors of Pakistan and India. The structure of the report is as follows: Section 1 and 2 of this report deal with the market size of the agriculture sector in both countries, production, government policies for the sector and other demand and supply side issues. The information for these parts was obtained from secondary sources. Section 3 contains an examination of the trade policy tools adopted by GoI, for the agriculture sector including para tariffs and Non-Tariff Barriers. The compendium on NTBs was developed through a literature review of previous studies/ reports for the agriculture sector.

Furthermore in Section 4 the status of the products falling under the agriculture sector has been determined in the pre-liberalization phase (positive list approach era), post-liberalization phase (negative list regime) and under SAFTA trading arrangement. In addition the MFN and preferential tariffs are also being presented. This section also deals with the identification of Pakistan's and India's comparative position with respect to products of the agriculture sector. This analysis is done at the HS 6 digit level using Revealed Comparative Advantage Index criteria. The results are mapped according to Pakistan's agriculture sector's opportunities and threats. This is followed by calculating the export potential of Pakistani agricultural products in India and Indian agricultural products in Pakistan.

Section 1: Agriculture Sector Dynamics in India and Pakistan

There are striking similarities in the agriculture sector dynamics in India and Pakistan. Agriculture is an important sector for both countries accounting for a 21%¹ and 14.3%² share in the GDP of Pakistan and India respectively. The sector is also politically important for the two countries as rural population (engaged directly or indirectly with agriculture) accounts for 62%³ and 68% of the total population of Pakistan and India respectively.

Domestic policy on agriculture is centered around the core issues of: Food security, food self sufficiency and, due to the politically sensitive nature of the sector, on farmer income support⁴. Therefore trade policies for the agriculture are in turn dependent on these core domestic issues. Governments of both countries intervene in the sector to achieve the two above mentioned goals by ensuring that in the event of a poor harvest, in both countries, there is adequate domestic supply and do so by using trade policy instruments/tools such as export bans and intervention by State Enterprises to procure the commodity in the international market. The overall impact of state support to the agriculture sector means that foreign producers face competition from low priced local products.

The Indian government mainly resorts to two practices that distort international trade i.e. Subsidies and Non Tariff Barriers (NTBs).

1.1 Indian Food Market

India is the 6th most populous country in the world with a population of 1.2 billion people. Demographic trends suggest:

- Growing per capita food calorific intake
- Decline in the share of food in total household expenditure. Urban households spend 42% of their income on food and rural households spend about 55%.

¹ Pakistan Economic Survey, 2010

² Agricultural Statistics at a Glance, 2011. Department of Agriculture & Cooperation India

³ *ibid*

⁴ India: Effects of Tariffs and Non Tariff Measures on US Agricultural Exports, USITC, 2009

- Change in the composition of household food consumption in both rural and urban India⁵.

All of these changes are the result of rising per capita incomes. Table 1.1 shows the composition of food consumption by Indian households.

Table 1.1 Indian Household Food Consumption Pattern

Item	Share in total food expenditure Rural (%)	Share in total food expenditure Urban(%)
Cereals	29.1	22.4
Pulses and Products	6.9	6.6
Milk and Products	16.0	19.2
Eggs, fish and meat	6.5	6.6
Vegetables	11.6	12.6
Sugar	4.5	3.7
Food Total	100	100

Source: Economic Survey of India 2011-12 Data for 2009-10

With a GDP of US\$ 4.463 trillion in 2011⁶ it is estimated that the food expenditure on average would be 48.5% and so the total Indian food market is estimated at US\$ 2.1 trillion. Economic affluence has resulted in a decline in the share of cereals in food consumption as more and more Indians are now consuming milk and meat products as well as vegetables. The majority of Indians are vegetarians especially in the South, however, meat is consumed by the sizeable Muslim population. The burgeoning urban middle class population (expected to reach 500 million by 2025) is also increasingly consuming meat, poultry and western styled processed foods.

By breaking down food consumption by income segments in the categories of lowest income, middle income, high income and highest income the following observations can be made:

⁵ Economic Survey of India 2011-12

⁶ CIA World Factbook

- The lowest income spends most on cereals pulses and vegetables
- The middle income group has a more diversified food consumption pattern including meat however compared to the higher income segment consumption of meat is still low.
- The high and highest income segment spends a larger portion on meat and dairy products⁷.

On the supply side India has the largest arable land base in the world and is a major global producer of a number of items including: wheat, rice, corn, dairy, fruits and vegetables and livestock. Estimates suggest that domestic production supplies more than 97% of Indian agricultural consumption⁸.

1.2 Traditional Marketing Channels

Majority of the farms are small land holdings with farmers consuming some of the produce and selling the surplus. Most agricultural products undergo minimum processing e.g. wheat and rice. The products are then sold in *mandis*, from where they are purchased by the Government procurement agencies, wholesalers, food processing companies. The products then reach the consumers through the Government distribution channels, unorganized retail sector and organized retail sector.

1.3 Farmers Cooperatives

The concept of farmers' cooperatives arose as a result of the small size of landholdings in India which meant that individual farmers had little power but, by consolidating farms, they could achieve economies of scale. The most prominent cooperatives in India are in the dairy sector with cooperatives such as Anand Milk Union Limited (AMUL) and Mother Dairy. These cooperatives have also branched out to other non dairy products such as edible oil, fresh fruits and vegetables, frozen vegetables and fruit juices.

⁷ Economic Survey of India 2011-12

⁸ From USITC Investigation No. 332-504

1.4 Food Processing Sector

The Ministry of Food Processing Industry has been established with the objective of increasing the level of processing of perishable products from 6% to 20%. It has set a target for increasing India's share in global trade from 1.5% to 3% in value terms⁹. It also plans to increase value added by 20-35 percent by 2015. The food processing sector can be divided into the following categories:

- Fruits and vegetables
- Dairy products
- Poultry
- Meat and meat products

The major processed items in the fruit and vegetable segment are fruit pulps and juices, fruit based ready-to-serve beverages, canned fruits and vegetables, jams, squashes, pickles, chutneys and dehydrated vegetables. Some recent products introduced in this segment include vegetable curries in retortable pouches, canned mushroom and mushroom products, dried fruits and vegetables and fruit juice concentrates.

Under the 11th five year plan, the following schemes were envisaged with respect to the food processing sector: Mega food parks, modernization of abattoirs, cold chain and value addition infrastructure, human resource development in the food processing sector, upgradation of quality control infrastructure.

1.5 Horticulture Sector

To promote the horticulture sector, a centrally sponsored scheme called the National Horticulture Mission was initiated in 2005-06. Some of the salient features of the scheme are:

- An end-to-end approach covering production, post harvest management and marketing to assure appropriate returns to growers / producers;
- Enhancement of acreage, coverage and productivity in potential belts / clusters;

⁹Website of Ministry of Food Processing Industry, India

- Adoption of a coordinated approach and promote partnership, convergence and synergy among R&D,
- Processing and marketing agencies in public and private sector, at all levels;
- Promote, wherever practicable, National Dairy Development Board (NDDB) model of cooperatives to ensure support and adequate returns to farmers;
- Facilitate capacity-building and Human Resource Development.

The Scheme is implemented by the State Horticulture Missions and other organizations that are provided grants in aid. The funding is shared between the Centre and States on a 85:15 basis. The Budgetary Allocation for NHM in the year 2009-10 was Rs. 1100 crore. The horticulture sector is an important foreign exchange earner for India and Pakistani and Indian horticulture exports are in direct competition with each other in international markets.

Section 2 Policy Implementation tools –Agricultural Sector

As previously mentioned the Indian Government has 3 major policy objectives:

- Food Security
- Food Self Sufficiency
- Income Support for farmers¹⁰

These policies are achieved with the help of the following instruments¹¹:

- **Input support & Infrastructure Programmes:** Provision of subsidized fertilizers, electricity, diesel, irrigation water and seeds.
- **Credit & Insurance Schemes:** Loans provided to farmers on preferential interest rates, subsidy on insurance payments.
- **Output price support Programmes:** Minimum Support Prices for staple crops
- **Farmer Income Programmes:** boost wages of farm labourers, loan write offs for poor farmers

¹⁰ India: Effects of Tariffs and Non Tariff Measures on US Agricultural Exports, USITC, 2009

¹¹ For further details on India's subsidy programmes please refer to Chapter 3 Subsidies for the Agriculture Sector. Report on the Status of Indian Agriculture by Fazal Abbas Mekan

- **Trade Policy:** Export bans, Tariffs, para tariffs, Non Tariff Barriers.

India's broad agricultural policy is formulated at the federal level, by the Ministry of Agriculture and Cooperation (MoAC), under five-year plans. MoAC and other concerned federal ministries make decisions about R&D, infrastructure, investment, credit and trade. The policies are implemented by the States which have considerable space available to adjust the policies based on their particular socio economic position.

2.1 Output Support Programmes

Central Government sets the Minimum Support Price (MSP) for 25 agricultural crops including wheat, rice, pulses, oilseeds and cotton. The GoI has increased its MSP for most covered commodities over the last 5 years. These include: rice, wheat, corn and millet all of which increased by 60%. MSPs aim at covering the actual expenses incurred by the farmer in cash and kind, including rent paid for leased land and imputed value of wages of family labour, rent for owned land and interest on fixed capital. Despite differences in cost of production across states, MSPs are uniform throughout the country. There are different implementing agencies for different crops:

- Food Corporation of India for wheat and rice.
- National Agricultural Marketing Federation (NAFED) for rapeseed, mustard and corn.
- Department of Agriculture and Cooperation for pulses and oilseeds¹².

2.2 India's Agriculture subsidies and WTO Agreement on Agriculture

India's domestic support notifications to the WTO during the Uruguay Round Included:

- Green Box Payments: Mainly of procurement by State agencies for food security purposes and payments for relief from natural disasters to farmers.

¹² From USITC Investigation No. 332-504

- Special and Differential Treatment (S&D) Domestic Support: Input subsidies to resource poor farmers.
- Product Specific Aggregate Measurement of Support (AMS): This includes minimum support prices for major commodities like wheat, rice, pulses etc. AMS calculations in the WTO AoA are shown in the table below
- Non Product Specific AMS: Fertilizer subsidy, credit subsidy, electricity subsidy, subsidy on supply of seeds and irrigation subsidies. Table 2.1 shows how AMS calculations are tallied.

Table 2.1: Sample AMS Calculations

Sample AMS Calculation for Wheat	
Intervention Price	\$255 per tonne
World Market Price	\$110 per tonne
Domestic Production of Wheat	2,000,000 tonnes
Value of wheat production(\$255*2,000,000)	\$510,000,000
Wheat AMS 1 (\$255-\$110)*2,000,000	\$290,000,000
<i>De minimis for Developing Country members (10%)</i>	\$29,000,000
<i>Source: WTO Agricultural Negotiations gateway</i>	

Gopinath, (2008) estimates the changes that have occurred in India's domestic support regime and the following are some of his key observations:

- Shifting of 80 percent of fertilizer, irrigation, and electricity subsidies from nonproduct-specific AMS to special and differential treatment of low-income and resource-poor farmers. India made a policy shift whereby these programmes would be targeted at resource poor farmers. This was possible because statistics show that 80% of India's farmholdings are small (i.e. less than 2 hectares).
- The current product specific AMS is negative due to the fact that external reference prices were larger than minimum support prices.(Please refer to Annex II for details of total subsidies budgeted).

Section 3 Trade Policy Tools

As mentioned, in Section 2, India's domestic policy of food security and food self sufficiency also manifests itself in India's trade policy. The GoI uses the following trade policy tools:

3.1 Export Restrictions/Prohibitions

The Indian government's policy of imposing export bans is a short term measure aimed at ensuring sufficient domestic availability and to ensure that prices to final consumers remain stable. Products that have been subject to export bans include: non-basmati rice, wheat, pulses, edible oils, milk powder, casein and casein derivatives, and onions. Products subject to export restrictions or quotas require special licenses and sometimes other permits before they can be exported. In addition minimum export prices are also used as a tool to restrict exports of certain commodities to ensure domestic supply.

State trading is maintained on exports with the purpose of ensuring better marketing and prices of agricultural and minor forestry products grown by small farmers or poor tribes as well as to prevent fluctuations in domestic prices. Exports by state trading enterprises included the following products: onions, sugar and wheat products.

3.2 Tariff barriers

India's agriculture sector is highly protected with average WTO bound tariffs for agricultural products (HS 1-24 with fisheries included) averaging 119.1%. India's bound tariffs for agricultural products are one of the highest in the developing world surpassing countries like China, and Brazil. The average MFN applied rate for the same products was 35.1% in 2010/11 which was a decline from the 2006/07 level of 38.2%. The significant binding overhang in agricultural tariffs has allowed India to vary its applied rates frequently and substantially which creates uncertainty for agricultural exports. India has frequently changed its applied tariffs on commodities like wheat, rice, sugar and vegetable oils subject to market conditions. When there is a domestic shortage the GoI lowers applied tariffs to reduce the price impact on consumers and when there is surplus domestic production tariffs are raised to protect farmers.

In its Preferential/ Free Trade Agreements India has protected its agriculture sector. For example under SAFTA, after textiles agriculture is the most protected sector with 280 products (at the HS 6 digit level) designated as sensitive. Most of the sensitive agricultural products fall between Chapter 6 and 14 – Vegetable products.

3.3 Para Tariffs

The GoI imposes a number of para tariff measures that increase the actual tariffs paid. Some of these para tariffs are: additional duty, additional duty of customs, education cess and landing fees.

Additional duty or Countervailing duty (CVD) on agricultural imports—not to be confused with the CVD used in WTO parlance—is set for products to equal to the Central Excise Rate for the same domestically produced products. CVD is applied on the c.i.f value plus applied tariffs and landing fees. It is applied for the following agricultural products: malt, starches, biscuits, bakery products, custard powder, spices, soft drink concentrate, confectionary products, cocoa products and some vegetable oils.

Special CVD applied at the rate of 4% for most imports including agricultural products was first introduced in the budget in 2006/07. Rice, pulses, wheat, fresh fruits and vegetables are exempt from special CVD. It is applied on the value of the product after all applicable taxes have been added.

All imports into India are subject to a landing fees levied at the rate of 1% of c.i.f value. An educational cess of 3% on the custom duty payable is levied on all exports.

Table 3.1 takes the example of ethanol, a product which Pakistan exported to India in 2010 worth US\$ 2.2 million, essentially paid the following duties and charges:

Table 3.1: Duties and Para tariff calculations

Duties and Para Tariffs on Pakistani Ethanol in the Indian market		
a.	C.I.F Value	\$ 2202
b.	Landing fees @ 1% of c.i.f	\$22.02
c.	Total assessable value (AV) = c.i.f value+landing fees	\$2224
d.	Tariff paid under SAFTA 6.2% of AV	\$136.6
e.	c+d	\$2361
f.	CVD @ 10 of e.	\$236
g.	Total value after CVD (e+f)	\$2597
h.	Education cess 3% of d.	\$4.10
i.	Total cost after tariff and education cess (g+h)	\$2601
j.	Special CVD 4% of i	\$104.04
k.	Total cost of Pakistani Ethanol after all duties	\$2705

Source: Author's own calculations based on Central Board of Excise & Customs India

The details of the para tariff measures, MFN rates and preferential rates, applicable to Pakistan's major agriculture exports to India can be perused from Annex I

3.4 Non Tariff Barriers (NTBs)

Indian NTBs in the agricultural sector have been compiled through a literature review of previous studies/ surveys. The review suggests that most NTBs faced by agricultural exports are due to India's SPS standards which are in some cases more stringent than internationally recognized standards. Pakistani exporters were also facing problems due to lack of testing facilities at the land borders and requirements for phytosanitary permits.

Table 3.2: Compendium of NTBs in the Agriculture Sector

Sector	Study	Major Findings
Sanitary and Phytosanitary Measures and Technical Barriers to Trade	India Pakistan Trade Possibilities and NTBs (Oct, 2007)	<ul style="list-style-type: none"> • Multiplicity in Indian standards, Indian rules, regulations and enforcement agencies creates problems for Pakistani traders. Information flows on trade related matters is very weak between the two countries and as a results the problems get more compounded. • Lack of testing facilities at the land border causes unnecessary delays in trade transactions. • Pakistan's export interest is mainly in two items which are textiles and agricultural products and exporters feel that restrictions are most rigorously applied by India. India has larger proportion of key items (textiles and

		agricultural products) in the sensitive list as compared to Pakistan.
Fruit and other agricultural products	Non Tariff Measures Inhibiting South African exports to China and India. Tralac. 2008	<ul style="list-style-type: none"> The survey based study identified the lack of distribution channels and cold storage infrastructure as a major NTB. Other Non tariff barriers identified included: Lack of creditworthy customers and exchange rate fluctuations.
Fruit and other agricultural products	WTO India Trade Policy Review, 2007	<ul style="list-style-type: none"> In the WTO Committee on Sanitary and Phytosanitary measures, Members expressed concern that India's notification on fumigation requirements "deviated" from international standards. Non notification of various SPS measures was also a concern. Import restrictions are in place for 7.7% of agricultural tariff lines. State trading is used for the import of rice, wheat, rye, maize, oats and coarse grains. The Government also monitors imports of a number of agricultural products considered to be sensitive, including milk products, fruit and nuts, coffee, tea, spices, cereals, and edible oils.
Fruit and other agricultural products	Survey conducted from FPCCI, Rawalpindi Chamber of Commerce. WTO India Trade Policy Review, 2007	<ul style="list-style-type: none"> Multiple SPS legislation and implementing agencies. Plant quarantine facilities are available at Amritsar airport but not at Amritsar rail cargo station or at the Wagah border.
Fruit and other agricultural products	India Pakistan Trade Possibilities & Non tariff barriers, 2007.	<ul style="list-style-type: none"> Imports of primary agricultural material require a phytosanitary import permit, issued by the Department of Agriculture and Cooperation under the Plants, Fruit and Seeds (Regulation of Import into India) Order, 2003. The Plant Quarantine (Regulation of Import into India) Order was promulgated in 2003 (under the Destructive Insects and Pests Act, 1914)¹³. Imports of plants or plant products into India (with the exception of those listed under Schedule VII of the Plant Quarantine (Regulation of Import into India) Order 2003) require a permit issued under this Order. The permit is issued only after completion of a pest risk analysis.

¹³ The Plant Quarantine (Regulation of Import into India) Order, 2003 repealed the: Rules for regulating the import of insects in India notified under notification No. F 193/40-A, 3 February 1991; Rules for regulating the import of live fungi into India notified under notification No. F 16-5(I)/43-A, 10 May 1943; import of cotton into India Regulations, 1972; and the Plants, Fruits and Seeds (Regulation of Import into India) Order, 1989. The issuing authority depends on the expected point of entry (see Schedule X of the Order).

		<ul style="list-style-type: none"> • The analysis is based on a comparison of pest profiles in the exporting country and India in line with the IPPC guidelines on pest risk analysis; the Department of Agriculture and Cooperation is assisted by research institutes, such as the Indian Council of Agricultural Research (ICAR), in conducting this analysis. All applications for a permit must be made to the relevant authority seven days in advance of importation¹⁴. The permit is valid for six months and permits multiple shipments of imports. • In the case of imports of agricultural items from Pakistan it has been pointed out by Indian importers that to get the required phytosanitary certificate and testing requirements in India could take several days.
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3.5 Ministry of Commerce Survey on Trade Liberalization with India¹⁵

Agriculture sector respondents reported that the Indian Government was providing its farmers with subsidized fertilizers, pesticides and seeds. The Indian Government also had invested in R&D to develop new varieties of seeds that were heat resistant, required less water, pest resistant etc. Rice mills pointed out that the Indian Government was giving 1.5% duty reduction to husking units. Manufacturers of mango pulp and juices stated that India was providing 40% subsidized rates for air freight.

Producers of items like fruit juices, fruit concentrates and jams believed that the Indian industry was much more developed, than their Pakistani counterparts, with better R&D and low cost of production. It was for these reasons they felt that these products should be included in the negative lists. They requested that import of aseptic bags, conical drums and other supporting products from India should be duty free. According to rice processing mills, India had obtained licenses from international firms to manufacture agricultural machinery and Pakistan should also try to do the same as it would result in lower costs. They suggested that Pakistan should import pre and post harvest machinery from India some of which was already being imported from

¹⁴ The issuing authority depends on the expected point of entry (see Schedule X of the Order).

¹⁵ In 2011 the Ministry of Commerce conducted a survey of Pakistani enterprises to obtain their feedback on trade liberalization with India.

India. Some rice processing mills also stated that India was providing subsidies to its farmers in the shape of fertilizers, pesticides and seeds.

Importers importing seeds from India when asked the reason why they were sourcing from India replied that India had better R&D in the sector and had developed hybrid and Open Pollinated Variety (OPV) seeds. Ethanol manufacturers are of the view that the local demand for ethanol in Pakistan is already very low and if Indian ethanol is allowed it will take over the already small market.

3.6 Trade related schemes

The GoI is providing trade related assistance to agriculture exporters in the form of reimbursement of product registration charges abroad, creating awareness about the WTO Agreement on Agriculture and the creation of a product specific database of SPS measures, quality standards and environmental standards. Other assistance provided is through commercial sections in India's foreign missions. These trade- related schemes for enhancing agricultural exports are detailed in Table 3.3.

Table 3.3: GoI's Trade Related Schemes for the Agricultural Sector

Capacity building to enhance competitiveness of Indian Agriculture and Registration of Organic products abroad.	Objectives of the scheme are to: Create awareness regarding WTO Agreement on Agriculture. Creation of a product specific-Country specific database of SPS measures, quality standards, and environmental standards. Reimbursement of Organic product registration charges abroad and liaison with trade missions regarding market intelligence. Improvement of infrastructure of labs involved in standard setting.	Proposals are submitted for approval to a committee. Funding Pattern: On a cost sharing basis between the government and the private sector. Budgetary Allocation: Rs. 1 crore for each financial year.
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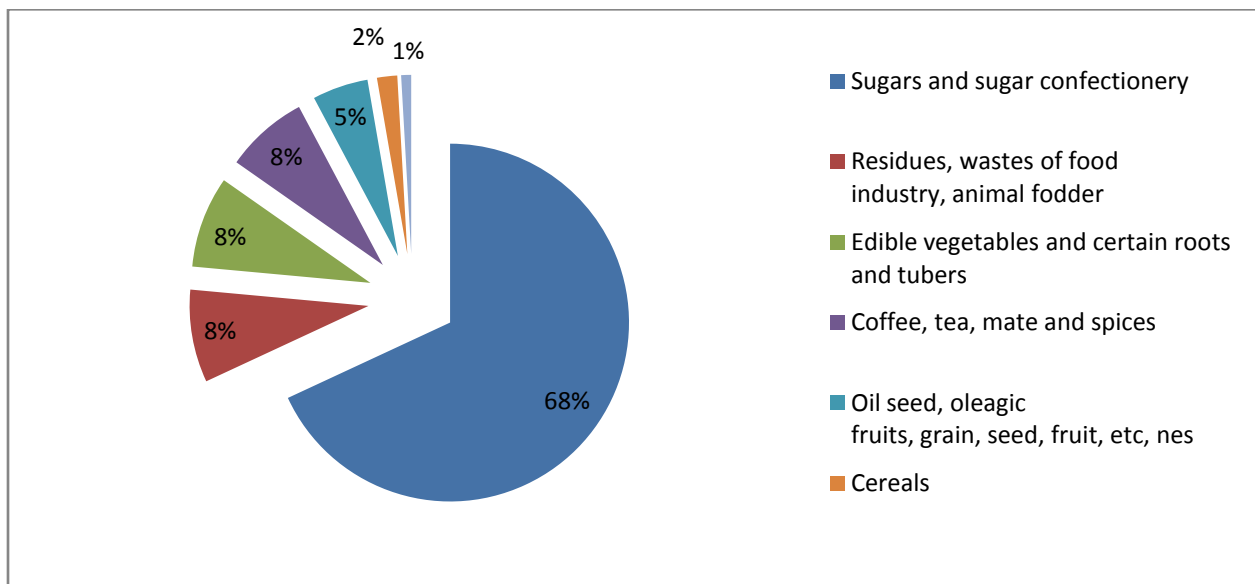
Source: Compiled from the Union Budget 2011-12 and Trade Policy Review India, 2007

Section 4 Pakistan India Agriculture trade

Agricultural products were the major import item of Pakistan from India. In the year 2010 agricultural items accounted for 61% of the total US\$ 1.5 billion imports from India (i.e. US\$ 920 million). Pakistan's trade pattern vis a vis import of agricultural products is to import those commodities where domestic supply cannot meet demand. It has been observed that sugar imports from India have risen exponentially from just US\$ 6.3 million in 2003 to US\$ 613 million in 2010. Trade liberalization with India has provided a fast and inexpensive alternate route for the import of agricultural commodities that are in shortage in Pakistan.

Examining the pattern of agricultural imports from India in Figure 4.1 we can observe that trade in the sector has risen from just US\$ 46.5 million in 2003 to US\$ 920 million in 2010. The main agriculture import items from India includes sugar which was imported in large quantities in 2006 and 2010 to meet the sugar shortage in Pakistan. Pakistan also imported animal feed, chickpeas, tomatoes, black tea, red chilies, onions, garlic, ginger, coriander seeds, cardamom and seeds. Seed importers were of the opinion that India had better quality seeds due to better R&D in this sector which has resulted in the development of heat resistant, low water absorbing seed varieties. Pakistan was also importing meat and milk powder from India.

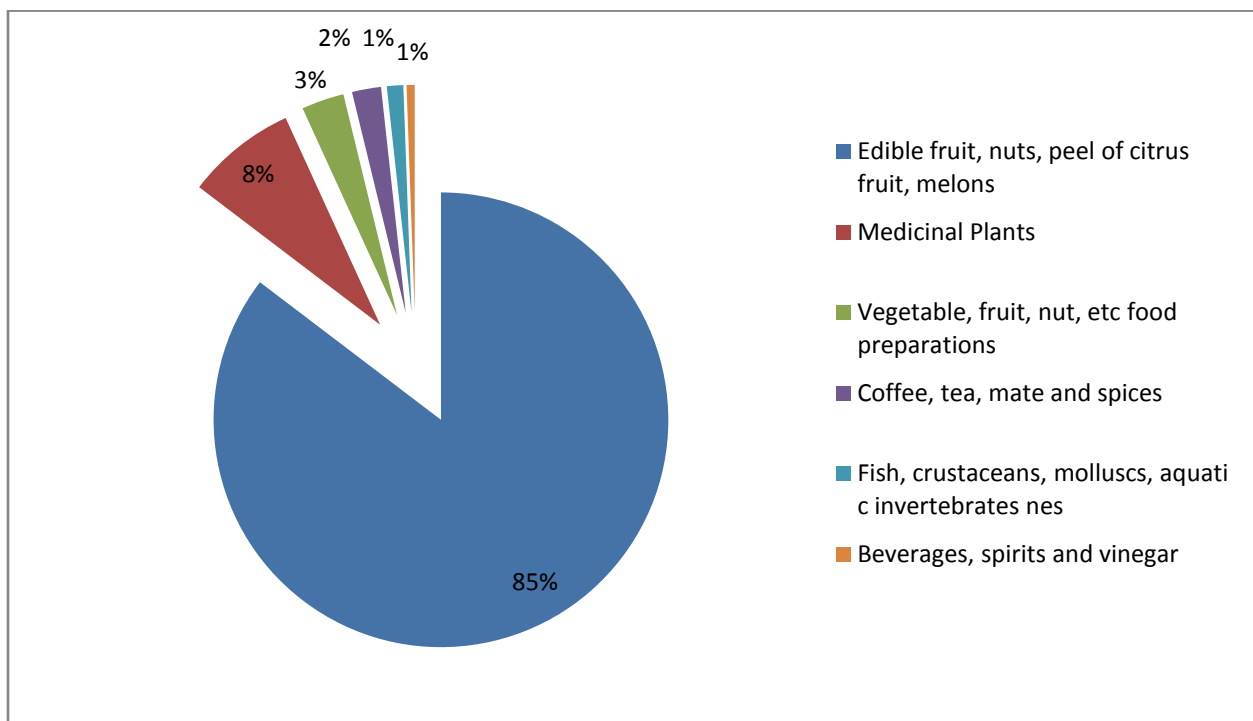
Figure 4.1: Composition of Pakistan's Imports from India



Source: Author's Calculations based on ITC Trade Map

Pakistan's total agricultural exports to India in 2010 were US\$ 53.8 million accounting for 20% of all exports to India. As Figure 4.2 shows, Pakistan's agricultural exports to India comprised mainly of dates the export volume of which, in 2010, was US\$ 45 million. The other products exported were, medicinal plants (US\$ 3.4 million), fruit juices (US\$ 1.5 million), aniseeds and other spices (US\$ 1 million) shrimps (US\$ 0.6 million) and ethanol (US\$0.2 million). The pattern of Pakistan's agricultural exports to India according to Figure 1.2 is varied with exports reaching a peak of US\$ 111 million in 2005. This was due mainly to India's import of onions from Pakistan to meet domestic supply gaps.

Figure 4.2 Composition of Pakistan's Exports to India



Source: Author's Calculations based on ITC Trade Map

4.1 Liberalization Status

Out of 1946 items on the Positive List, for trade with India, 218 comprised of agricultural items. Out of a total of 126 items allowed for import through Wagah border, 48 were agricultural items. Moving from the Positive list to the Negative list has entailed further liberalization for the

agriculture sector as almost all agricultural items, with the exception of tobacco and alcoholic beverages have been opened for trade. Pakistan's Sensitive List under SAFTA includes 137 agricultural tariff lines and includes: meat, milk products, tomatoes, onion, garlic, peas, kinnows, grapes, watermelon, apricots, cherries, peaches, tea, red chillies, basmati rice, betel leaves, palm oil, sunflower oil, alcoholic beverages and tobacco products.

4.2 Pakistani Agricultural Products –Opportunities & Threats

According to the methodology adopted, by this report, Pakistani products that face an opportunity as a result of trade liberalization with India are identified on the basis of Revealed Comparative Advantage (RCA) analysis¹⁶. Under this analysis products (at HS 6 digit level) for which Pakistan is competitive and India is uncompetitive are considered as an export opportunity for Pakistan. Similarly, products for which both Pakistan and India are competitive are deemed to be a threat for Pakistan.

4.2.1 Opportunities

Pakistan has the opportunity to export the following agricultural products to India (for further details please refer to Annex III): broken rice, kinnows, ethanol, fish products including shrimps, dates, potatoes, fruit juices, water melons and dried apricots.

4.2.2 Threats

Pakistan faces a threat from the following products (for further details please refer to Annex IV): rice, cane molasses, guavas, mangoes, onions, spices, cumin seeds, glucose and glucose syrup, citrus fruits, milk powder and honey.

¹⁶ $RCA_{pg} = [X_{pg}/X_p] / [X_{wg}/X_w]$ Where: X_{pg} = Exports of Good g by Pakistan, X_p = Total exports of Pakistan, X_{wg} = World exports of good g , X_w = Total World Exports

Under RCA analysis if a product category has an RCA greater than 1 it is competitive and if the RCA is less than 1 the product is uncompetitive. Please refer to Annex III for more detailed calculations.

Section 5 Export Potential¹⁷

Pakistan exported US\$ 2.2 million of ethanol (HS 2207200) to India in 2009 and was the second largest supplier of the commodity after Brazil. Brazil was the primary exporter of this commodity accounting for 97% of all imports of India. Pakistan could boost ethanol exports in the Indian market to US\$ 91.6 million. Pakistan receives a preferential advantage under the SAFTA agreement for this product line. The MFN tariff for ethanol is 30% and the preferential rate for SAFTA non-LDCs is 6.2%. Pakistan also has the potential to export undenatured ethanol (HS 22071000) to India, however due to the fact that this product could be also be used for human consumption it is considered as sensitive with an MFN rate of 150%. Therefore, it would be difficult to obtain any concessions for this product.

Pakistan also has the potential to export: food preparations, sesamum seeds, tobacco, animal feed, fruit juices, pasta, medicinal plants and herbs, shrimps, cumin seeds, honey, jams jellies and marmalades, dried apricots and other dry fruits. There is also the potential to export vegetables when there is a surplus in Pakistan and a shortage in India.

India has the potential to export the following agricultural products to Pakistan: Black tea, chickpeas, maize, milk powder, food preparations, infant food (made of cereals), animal feed, onions, wheat, ginger, grapes, black pepper, copra, garlic and sugar.

Conclusion

The domestic policy of the Government of India with respect to the agriculture sector has been one of achieving food security and food self sufficiency and farmers' welfare. To meet these goals the GoI heavily subsidizes the agricultural sector. Assistance provided ranges includes subsidies on electricity, fertilizer and seeds, credit on preferential terms, crop insurance on lower than market premium rates, extension and training services to Minimum Support Prices. As a

¹⁷ Export Potential is calculated by matching the products exported by Pakistan to the world, the products imported by India from the world and imported by India from Pakistan.

result of the extensive support to the farm sector India is able to meet 97% of its domestic demand for food.

India's agriculture sector is highly protected with average WTO bound tariffs for agricultural products (HS 1-24 including fisheries) averaging 119.1% with average MFN applied rates of 35.1% in 2010/11. The sector is also protected in India's various FTAs for example, in SAFTA after textiles agriculture was the most protected sector with 280 products (at the HS 6 digit level) designated as sensitive. In addition to high tariffs imports to India face a number of para tariff measures which increase costs for exporters to the country. Pakistani agriculture exports also encounter NTBs in India some of which include: multiple SPS legislation and implementing agencies, lack of plant quarantine facilities at Wagah border, requirement for obtaining phytosanitary permits which may take several days.

Out of 1946 items on the Positive list for trade with India 218 comprised of agricultural items and out of a total of 126 items allowed for import through Wagah border 48 were agricultural items. The move from a Positive to Negative list has meant further liberalization for the agriculture sector as almost all agricultural items, with the exception of tobacco and alcoholic beverages, have been opened up for trade.

Pakistan's total exports to India were US\$ 272.8 million, in 2010, out of which agricultural exports were US\$ 53.8 million. 85% of all agricultural exports to India consisted of dates. Other items include medicinal plants, fruit juices, aniseed, shrimps and ethanol. Based on RCA analysis conducted Pakistani products that face threat from Indian imports include: rice, cane molasses, guavas, mangoes, onions, spices, cumin seeds, glucose and glucose syrup, citrus fruits, milk powder and honey. Similarly Pakistani products in which Pakistan has an export opportunity are: broken rice, kinnows, ethanol, fish products including shrimps, dates, potatoes, fruit juices, water melons and dried apricots.

Pakistan has the potential to export sesamum seeds, tobacco, animal feed, fruit juices, pasta, medicinal plants and herbs, shrimps, cumin seeds, honey, jams jellies and marmalades, dried apricots and other dry fruits. There is also the potential to export vegetables when there is a surplus in Pakistan and a shortage in India.

Recommendations

- The Government of India subsidizes the agricultural sector through input support programmes, credit and insurance schemes, output price support and farmer income programmes. It also has high tariffs, and para tariffs such as countervailing duty(CVD)¹⁸, Special CVD, and education cess. There are also a number of Non Tariff Barriers such as multiple standards, lack of testing facilities at the land border, requirement of phytosanitary permits etc. These measures make Pakistani products uncompetitive in the Indian market. The Government of Pakistan needs to take up these issues at governmental levels.
- Any strategy for promoting Pakistani agricultural exports to India must take note of the uncertainty in the application of trade restrictions by India. During times of domestic food shortages tariffs are lowered, para tariffs waived and NTBs relaxed. However, once there is excess supply or supply is able to meet demand trade restrictions are enforced once again. Therefore, government needs to take up this issue with Indian government to ensure consistency in application of policy instruments.
- Demographic trends suggest that as income levels increase Indian households tend to increase per capita consumption of vegetables, fruits and processed foods. Pakistani horticulture exports could target the niche market consisting of the more affluent segment. In this context, export promotion organizations need to hold exhibitions for promotion of aforementioned products.
- To enhance exports there is a need to address the NTBs for fruit sector. One possible solution could be the acceptance of globally recognized standards, for exports of fruits so as to minimize investment by fruit exporters and at least meeting some of the import requirements of India. As reported by (Sulaiman) reports that Indian Prevention of Food Adulteration (PFA) rules are detailed and complex and inspectors are alleged to use these

¹⁸ This countervailing duty (CVD) is different from the CVD in WTO parlance

regulations to discourage imports and this also leads to corrupt practices. Many international standards for horticulture products have been developed including: Global Good Agricultural Practices (Global GAP), Hazard Analysis and Critical Control Points (HACCP) and British Retail Consortium (BRC). Funding/support needs to be provided to PHDEC for developing Pakistan's own standards for food safety and then benchmark them so that they receive equivalence to international standards.

- On the import side an important advantage of trade liberalization with India is emergence of India as a quick market to source for import of agriculture produce in case of shortage in the Pakistani market. However, reliance on Indian agricultural imports would be inadvisable due to the policy of the GoI to enforce export bans or minimum export prices when there are domestic shortages. Also, because of similarity in ecological zones for planting of crops, it is possible that both countries may experience shortages at the same time. Therefore Pakistan needs to continue its policy of food self-sufficiency despite liberalization of trade with India.
- The implementation of internationally recognized standards requires fruits to undergo various tests like: wax test, pesticide test, brix test etc. For the results to be accepted the tests have to be conducted by an internationally recognized laboratories. There are currently 20 accredited laboratories, in Pakistan, to conduct such tests. However, for citrus more laboratories are needed near Sargodha which is the main citrus producing region. Support/funding should be provided to the private sector for the establishment of these laboratories on a cost sharing basis.

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Annex I – Custom Tariffs India

HS 6	Description	Export to India (\$000)	Average Customs duty (%)	Pref under SAFTA (%)	Para Tariff Measures
080410	Dates, fresh or dried	44666	30	11	CVD:0 Special CVD: 4% Custom Cess: 3%
121190	Plants & parts of plants (incl sed & fruit) used in pharm, perf, insect etc nes	4483	15	15	CVD: 0 Special CVD:4% Custom Cess: 3%
120740	Sesamum seeds, whether or not broken	3736	30	30	CVD:0 Special CVD:4% Custom Cess: 3%
220720	Ethanol alcohol and other spirits, denatured, of any strength	2202	30	6.2	CVD: 12% Special CVD:4% Custom Cess:3%
091099	Spices nes	1849	30	30	CVD: 0 Special CVD:4% Custom Cess: 3%
200911	Orange juice, unfermented spirit, whether or not sugared, sweet, frozen	1779	35	11	CVD: 6% Special CVD:4% Custom Cess: 3%
120799	Oil seeds and oleaginous fruits, nes, whether or not broken	1252	30	NIL	CVD: 0 Special CVD:4
130190	Natural gums, resins, gum-resins and balsam, except arabic gum	1099	30	11	---
220720	Ethanol and other spirits, denatured, of any strength	91667	30	6.2	CVD: 12% Special CVD:4% Custom Cess: 3%
220710	Undenatured ethanol of an alcohol strength by vol of 80% vol/higher	13895	150	150	Custom Cess: 3%
210690	Food preparations nes	11623	150	11	CVD: 6% Special

HS 6	Description	Export to India (\$000)	Average Customs duty (%)	Pref under SAFTA(%)	Para Tariff Measures
					CVD:4% Custom Cess: 3%
120740	Sesamum seeds, whether or not broken	10768	30	11	CVD: 0 Special CVD:4% Custom Cess: 3%

*Source: Export data from ITC Trade Map
Average Customs Duty and Preferential tariffs under SAFTA calculated from Central Bureau of Excise & Customs (CBEC) India.
Para Tariff measures retrieved from EXIM Guru website*

Annex II

Other Subsidies		
	2011-12 (Rs. Crore)	2012-13(Rs.Crore)
Subsidy on import of Pulses	250	300
Reimbursement of losses to State Trading Corporations(STC) in trading operation of edible oils	0.01	0.01
Reimbursement of internal transport and freight charges to sugar factories on export shipment of sugar	25	25
Subsidy on import of edible oil	366	615
Subsidy on maintenance of buffer stock of sugar	50	17
Reimbursement of shortages in handling of imported fertilizers by FCI		0.01
Scheme for extending financial assistance to sugar undertakings	46.7	51.73
Grant to NAFED for Price Support Scheme and Market Intervention Scheme	110	110

Source: Union Budget 2012-2013 Vol I

Budgetary Outlay 2011-12	
Item	Rs. Crore
Rashtriya Krishi Vikas Yojana(RKVY)	7810.87
National Food Security Mission	1250
Integrated Oilseeds, Oilpalm, Pulses and Maize Development	547
Plant Protection	70.94

Seeds	404.97
Fertilizers	45
Agriculture Economics and Statistics	204
Crop Insurance	1150
Horticulture Activities: National Horticulture Mission Rs.1200 crore National Mission on Micro Irrigation Rs.1130 crore	2773
Crop Insurance	1150
National Food Security Scheme (Rice, Wheat and Pulses)	1350
Soil & Water Conservation	65
Cooperation: Interest subvention on loans provided by NCDC to cooperatives(Rs.80 crore), Rehab & Reconstruction of Cooperatives (Rs. 25 crore)	222
Construction of rural godowns	136
Development of Marketing Infrastructure Grading	165
Small Farmers' Agri business consortium	27
Marketing Research Survey & Marketing Information network	807
Animal Husbandry	1045.25
Dairy Development (Intensive Dairy Development Project, Assistance to Cooperatives, Strengthening Infrastructure for quality and clean milk.	250
Fisheries (Promotion of aquaculture, Construction of Fishery harbours)	298
Agriculture Research & Education	2800
Food Processing Industry: (Mega food park, cold chain, value addition and preservation infrastructure, modernization of abattoirs)	600
Foreign Trade & Export Promotion (Agriculture, food processing)	
Agricultural & Processed Food Products Development Authority	180
Plantation Boards : Tea, coffee, rubber, spices	555
Development of Marine Products Industries & Export of Marine Products	110
Total	24016.03
<i>Source: Extracted from Union Budget 2012-13 Vol I</i>	

Annex III – RCA Analysis: Opportunities

HS Code	Description	RCA_PK	RCA_IND	Positive List	Negative List
100640	Rice, broken	138.25	0.00	not in positive list	Liberalized
080520	Mandarins(tang&sats)clementines&wilks &sim citrus hybrids,fresh/dried	17.68	0.00	not in positive list	Liberalized
220720	Ethyl alcohol and other spirits, denatured, of any strength	49.69	0.54	not in positive list	Liberalized
220710	Undenatured ethyl alcohol of an alcohol strength by vol of 80% vol/higher	12.60	0.43	not in positive list	Liberalized
151620	Veg fats &oils&fractions hydrogenated,inter/re-esterified,etc,ref'd/not	13.72	0.78	151620	Liberalized
030339	Flatfish nes, frozen, excluding heading No 03.04, livers and roes	179.35	0.95	not in positive list	Liberalized
020110	Bovine carcasses and half carcasses, fresh or chilled	21.06	0.00	020110	Liberalized
080410	Dates, fresh or dried	46.53	0.56	not in positive list	Liberalized
070190	Potatoes, fresh or chilled nes	12.15	0.66	070190	Liberalized
110100	Wheat or meslin flour	7.05	0.29	not in positive list	Liberalized
050400	Guts, bladders and stomachs of animals except fish whole or in pieces	5.21	0.14	not in positive list	Liberalized
071090	Mixtures of vegetables, frozen	23.91	0.19	071090	Liberalized
040120	Milk not concentrated & unsweetened exceeding 1% not exceeding 6% fat	3.45	0.03	not in positive list	Liberalized
020450	Goat meat, fresh, chilled or frozen	55.42	0.04	020450	Liberalized
170410	Chewing gum containing sugar, except medicinal	13.65	0.28	not in positive list	Liberalized
080300	Bananas including plantains, fresh or dried	1.30	0.20	not in positive	Liberalized

HS Code	Description	RCA_PK	RCA_IND	Positive List	Negative List
				list	
170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	1.36	0.36	not in positive list	Liberalize d
230641	Oil-cake and other solid residues, whether or not ground or in the for	6.00	0.71	not in positive list	Liberalize d
030623	Shrimps & prawns,not frozen,in shell or not,including boiled in shell	10.52	0.28	not in positive list	Liberalize d
010210	Bovine, live pure-bred breeding	8.79	0.00	not in positive list	Liberalize d
200980	Fruit&veg juice nes (exc mx) unferment unspiritd,whether/not sug/sweet	3.18	0.13	not in positive list	Liberalize d
190531	Sweet biscuits	1.19	0.69	not in positive list	Liberalize d
220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	1.05	0.01	not in positive list	Liberalize d
040390	Buttermilk,curdled milk & cream,kephir & ferm or acid milk & cream nes	2.82	0.02	not in positive list	Liberalize d
030614	Crabs frozen, in shell or not, including boiled in shell	3.25	0.44	not in positive list	Liberalize d
190219	Uncooked pasta, not stuffed or otherwise prepared, nes	1.32	0.07	not in positive list	Liberalize d
030530	Fish fillets, dried, salted or in brine but not smoked	6.94	0.01	not in positive list	Liberalize d
030559	Fish nes, dried, whether or not salted but not smoked	4.21	0.70	not in positive list	Liberalize d
200911	Orange juice,unfermentd¬ spiritd,whether not sugard sweet,frozen	2.54	0.04	not in positive list	Liberalize d
030229	Flatfish nes,fresh or chilled excluding heading No 03.04,livers & roes	10.65	0.13	not in positive list	Liberalize d
020610	Bovine edible offal, fresh or chilled	4.07	0.06	020610	Liberalize d
040110	Milk not concentrated and unsweetened not exceeding 1% fat	4.47	0.04	not in positive list	Liberalize d

HS Code	Description	RCA_PK	RCA_IND	Positive List	Negative List
030622	Lobsters nes, not frozen, in shell or not, including boiled in shell	3.10	0.55	not in positive list	Liberalize d
030569	Fish nes, salted and in brine, but not dried or smoked	16.87	0.50	not in positive list	Liberalize d
030510	Fish meal fit for human consumption	40.62	0.06	not in positive list	Liberalize d
080290	Nuts edible, fresh or dried, whether or not shelled or peeled, nes	2.12	0.37	080290	Liberalize d
220600	Fermented beverages nes (for example, cider, perry, mead, etc)	2.07	0.03	not in positive list	Liberalize d
020410	Lamb carcasses and half carcasses, fresh or chilled	3.18	0.73	020410	Liberalize d
230230	Wheat bran, sharps and other residues, pelleted or not	3.22	0.00	not in positive list	Liberalize d
120890	Flours and meals of oil seeds or oleaginous fruits,except mustard,nes	14.78	0.19	not in positive list	Liberalize d
200990	Mixtures of juices unfermentd¬ spiritd whether o not sugard o sweet	1.20	0.01	not in positive list	Liberalize d
030319	Frozen Pacific salmon "Oncorhynchus gorboscha, Oncorhynchus keta, Onco	1.46	0.27	not in positive list	Liberalize d
010410	Sheep, live	1.30	0.00	010410	Liberalize d
020680	Sheep, goats, asses, mules or hinnies edible offal, fresh or chilled	69.01	0.92	not in positive list	Liberalize d
020422	Sheep cuts, bone in, fresh or chilled	1.54	0.02	020422	Liberalize d
160415	Mackerel, prepared or preserved, whole or in pieces, but not minced	3.07	0.59	not in positive list	Liberalize d
121300	Cereal straw&husks,unprepd,whether or not choppd,ground,pressd,pelletd	7.69	0.01	121300	Liberalize d
080711	Watermelons, fresh	1.04	0.17	not in positive list	Liberalize d
050690	Bones&horn-cores degelatinisd,unwk,defattd o simply prepr,powder&waste	8.79	0.33	not in positive list	Liberalize d
081310	Apricots, dried	2.31	0.00	not in positive	Liberalize d

HS Code	Description	RCA_PK	RCA_IND	Positive List	Negative List
				list	
010519	Poultry, live except domestic fowls, weighing not more than 185 g	28.33	0.17	not in positive list	Liberalized
030223	Sole, fresh or chilled, excluding heading No 03.04, livers and roes	3.85	0.03	not in positive list	Liberalized
040299	Milk and cream nes sweetened	1.20	0.03	not in positive list	Liberalized
030199	Fish live, nes	1.01	0.01	not in positive list	Liberalized
120921	Seeds, lucerne (alfalfa), for sowing	3.68	0.22	120921	Liberalized
121120	Ginseng roots usd primly in pharm,perf,insecticide,fungicide/sim purp	1.87	0.00	121120	Liberalized
010639	Live birds (excl. birds of prey and psittaciformes "incl. parrots, par	21.13	0.00	not in positive list	Liberalized
020210	Bovine carcasses and half carcasses, frozen	2.20	0.03	020210	Liberalized
020736	Ducks/geese/guinea fowl, cuts/offal, frozen	1.11	0.18	not in positive list	Liberalized
120922	Seeds, clover, for sowing	6.09	0.01	120922	Liberalized
030371	Sardines,sardinella,brislg or sprats,frozen ex hd No 03.04,livers&roes	1.26	0.45	not in positive list	Liberalized
120929	Seeds of forage plants, except beet seeds, for sowing nes	1.11	0.14	120929	Liberalized
090910	Anise or badian seeds	5.14	0.92	090910	Liberalized
140110	Bamboos used primarily for plaiting	7.08	0.14	140110	Liberalized
230650	Coconut/copra oil-cake&oth solid residues,whether/not ground/pellet	2.99	0.87	not in positive list	Liberalized
170240	Glucose inc syrup cntg in dry state min 20% but <50% by wt of fructose	1.14	0.65	not in positive list	Liberalized
110319	Cereal groats and meal nes	1.97	0.10	not in positive list	Liberalized
050710	Ivory unworked or simply prepared not cut to shape & powder & waste	33.43	0.00	050710	Liberalized

HS Code	Description	RCA_PK	RCA_IND	Positive List	Negative List
010599	Poultry, live except domestic fowls, weighing more than 185 g	1.06	0.01	not in positive list	Liberalized
121010	Hop cones, not ground, powdered or pelleted	1.69	0.00	not in positive list	Liberalized

Annex IV—RCA Analysis: Threats

HSCode	Description	RCA_P K	RCA_IN D	Negative list	Positiv e List
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	90.22	9.86	Liberalized	not in positive
170310	Cane molasses	47.96	11.94	Liberalized	not in positive
030379	Fish nes, frozen, excluding heading No 03.04, livers and roes	4.29	5.59	Liberalized	not in positive
130232	Mucilages & thickeners derived from locust beans & seeds or guar seeds	24.53	38.45	Liberalized	130232
080450	Guavas, mangoes and mangosteens, fresh or dried	15.63	12.23	Liberalized	not in positive
030613	Shrimps and prawns, frozen, in shell or not, including boiled in shell	1.70	5.87	Liberalized	not in positive
081340	Fruits, dried nes	32.81	1.43	Liberalized	081340
020421	Sheep carcasses and half carcasses, fresh or chilled	75.77	6.65	Liberalized	020421
070310	Onions and shallots, fresh or chilled	5.15	10.01	Liberalized	070310
081090	Fruits, fresh nes	7.04	1.11	Liberalized	081090
091091	Mixtures of two/more of the prods of different headgs to this chapter	44.73	7.57	Liberalized	not in positive
170230	Glucose&glucose syrup nt cntg fruct/cntg in dry state <20% by wt fruct	9.02	1.97	Liberalized	not in positive
070990	Vegetables, fresh or chilled nes	2.88	1.47	Liberalized	070990
160520	Shrimps and prawns,prepared or preserved	2.26	1.48	Liberalized	not in positive
030624	Crabs, not frozen, in shell or not, including boiled in shell	20.78	3.05	Liberalized	not in positive
091099	Spices nes	19.47	13.05	Liberalized	091099
120740	Sesamum seeds, whether or not broken	3.65	14.33	Liberalized	120740
160420	Fish prepared or preserved, except whole or in pieces	3.75	1.91	Liberalized	not in positive
080590	Citrus fruits, fresh or dried, nes	87.77	1.54	Liberalized	not in positive
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes	3.53	5.07	Liberalized	121190
030374	Mackerel, frozen, excluding heading No 03.04, livers and roes	3.86	2.77	Liberalized	not in positive
230690	Veg oil-cake&oth solid residues nes,whether or not ground or pelleted	18.77	14.17	Liberalized	230690
030329	Salmonidae, nes,frozen,excluding heading No 03.04, livers and roes	22.31	1.06	Liberalized	not in positive
090420	Fruits of the genus Capsicum or Pimenta, dried, crushed or ground	4.03	24.11	Liberalized	090420
030349	Tunas nes, frozen, excluding heading No 03.04, livers and roes	27.63	1.40	Liberalized	not in positive
240110	Tobacco, unmanufactured, not stemmed or	1.49	2.72	NOT	not in

HSCode	Description	RCA_P K	RCA_IN D	Negative list	Positiv e List
	stripped			Liberalized	positive
110812	Maize (corn) starch	4.23	1.61	Liberalized	110812
140420	Cotton linters	7.47	8.43	Liberalized	not in positive
090930	Cumin seeds	11.59	26.72	Liberalized	090930
200190	Veg,fruit,nut&edible prts of plants nes,prep/presvd by vin/acetic acid	2.04	2.26	Liberalized	not in positive
040229	Milk and cream powder sweetened exceeding 1.5% fat	4.42	1.45	Liberalized	not in positive
140490	Vegetable products nes	5.30	3.71	Liberalized	140490
090230	Black tea (fermented)&partly fermentd tea in packages not exceedg 3 kg	1.04	3.27	Liberalized	090230
040900	Honey, natural	1.11	2.57	Liberalized	not in positive
071231	Dried mushrooms of the genus "Agaricus", whole, cut, sliced, broken or	29.81	6.43	Liberalized	not in positive
110290	Cereal flour nes	5.47	2.91	Liberalized	not in positive
091030	Turmeric (curcuma)	6.90	49.53	Liberalized	091030
010420	Goats, live	6.65	4.24	Liberalized	010420
151590	Veg fats&oils nes&their fractions,refind or not but not chemically mod	1.19	3.10	Liberalized	151590
230240	Cereal bran, sharps and other residues nes, pelleted or not	3.92	5.03	Liberalized	not in positive
050790	Whalebone,horns,etc unworkd or simply prepard,unshapd,and powder&waste	8.01	5.94	Liberalized	not in positive
120799	Oil seeds and oleaginous fruits, nes, whether or not broken	1.29	2.27	Liberalized	120799
120999	Seeds, fruit and spores for sowing, nes	1.16	1.99	Liberalized	120999
090950	Fennel or juniper seeds	7.75	18.93	Liberalized	090950
030333	Sole, frozen, excluding heading No 03.04, livers and roes	3.09	3.01	Liberalized	not in positive
130190	Natural gums, resins, gum-resins and balsam, except arabic gum	1.01	15.98	Liberalized	130190
110610	Flour and meal of the dried leguminous vegetables of heading No 07.13	7.66	7.35	Liberalized	not in positive
120750	Mustard seeds, whether or not broken	1.21	2.73	Liberalized	120750
090940	Caraway seeds	7.19	2.91	Liberalized	090940
230610	Cotton sed oil-cake&oth solid residues,whether or not ground or pellet	2.23	2.02	Liberalized	not in positive
030376	Eels, frozen, excluding heading No 03.04, livers and roes	3.56	2.98	Liberalized	not in positive