Statement for Secretary (ER) at the Ministerial panel Discussion on “Creating agri-business linkages, addressing food security and sustainable development” at the 1st IORARC Economic & Business Conference on 4 July 2013 at 1130 hrs.

In this panel we will address the issue of “Creating agri-business linkages, addressing food security and sustainable development”. IORARC member-states vary in size and level of economic development. Fisheries, Livestock Agro-Industry, Dairy and dairy Product Sector, Agro-Industry of Organic Farming, Agro-Industry of Fruit and Vegetable, Agro-Industry of Floriculture, Agro-Industry of Sericulture, Agro-Industry of Food and Beverages Sector and Agriculture Engineering are among the major components of agri-business sector. Countries of IORARC, however, are at different levels of development in these sectors. There are countries which have natural resources in abundance but exploitation of these resources are not developed commercially. On the other hand, some members are rich in capital and technology to help develop the agri-business sector. Therefore, this sector can potentially bridge the gap between markets and resource centres.

2. Agriculture and related activities constitute the bedrock of many of the IORARC countries. Exports generated by this sector are important foreign exchange earners for many countries. Several countries in IORARC are home to the world’s richest agricultural resources. IORARC was established with an aim to promote economic cooperation for sustainable and balanced growth in Member-States. During the last two Council of Ministers meeting, we focussed on promoting business linkages among member-states for enhanced cooperation in identified areas for improving living standards of our people. In this context, this Economic & Business Conference (EBC) jointly co-hosted by India and Mauritius will hopefully provide further impetus.

3. It would be appropriate to share a brief glimpse of the Indian agricultural sector and its development in recent years. Agriculture is still a dominant sector of Indian economy. About 65 % of the population still relies on agriculture for employment and livelihood. India is the largest producer of milk, pulses, jute and jute-like fibres; second largest producer of rice, wheat, sugarcane, groundnut, vegetables, fruits and cotton production; and is a leading producer of spices and plantation crops as well as livestock, fisheries and poultry.

4. In the past few years (2007-12), Indian agriculture witnessed an average annual growth of 3.6 %. In order to boost investments in the sector, the Government of India has allowed 100% foreign direct investment (FDI) under automatic route in storage and warehousing including cold storages.
5. Today, India ranks 10th in global agricultural and food exports. The Indian agriculture sector is now moving towards another green revolution. The transformation in this sector is being induced by factors like new found interest in commercial agriculture with new and improved technologies, mechanised farming, rapid growth of contract farming, easy credit facilities, etc.

6. India is already engaged with some other friendly countries in various fields related to agri-business. A major area of engagement between India and IORARC members can be in promoting technology transfer and R&D for enhancing global competence in agriculture. This can be based on crops and strengths of countries across different regions. India has worked on implementing joint collaborative projects in the areas of hybrid rice technology, breeding for biotic and abiotic stress tolerance, quality enhancement of agricultural produce, nutrient and water use efficiency management amongst others. This initiative can be expanded to IORARC member-states. Member countries can learn and develop more efficient farming practices and management skills through information sharing and field visits as well as in association with agricultural universities of member countries.

7. Warehousing that can satisfy scientific technical parameters governing crop storage practices along with further deployment of low cost storage equipments/structures across the region is something that we need to look at. Immense potential exist to augment economic co-operation between among IORARC member-states to not only develop but also carry out R&D activities in development of farm equipment customized to local needs.

8. Skill development programmes can be worked in agri-business and food processing sector among member countries. Farmers in India are increasingly adopting Crop Insurance practices. Private sector companies in India, too, are coming up with customized insurance products (for regions and for specific products). There is significant potential to replicate these innovative models by customizing insurance products to IORARC countries.

9. Research Information System, known as RIS, supported by the Ministry of External affairs of India had submitted a study report on “Trade and Investment Prospects of the IOR-ARC in the New Millennium: New Economic Frontiers of the Region”. The study has identified various sectors which needs close coordination for enhancing flow of trade and goods. Food sector, which is directly linked with the topic of panel discussion on Agri-business in IOR region is one of among them. The study mentions that IORARC countries have strong interest in the expansion of market access for processed food products in which many counties have competitive edge in diversified sectors.
10. The study has also identified competitiveness of each of the member county in specific processed food sectors and also their demand pattern for these products. The study recommended that Member-States should strengthen cooperation and exchange information to identify and address various Non-Tariff Trade Barriers existing in regional trade. Agriculture and agri-business are not stand alone sectors, in fact, they are linked with ocean studies, climate and weather patterns in the Indian Ocean. Cooperation in these areas also forms part of IORARC agenda.

11. Commercial development of these sectors may become significant tools for uplifting the rural economy, employment generation. However, agri-business sector needs investment and necessary technology for creating infrastructure that positively supports the demand & supply chain. *Indian Ocean Business Rim Business Forum (IORBF)* and *Working Group on Trade & Investment (WGTI)* in collaboration with member-states can identify specific areas of agri-business for channelizing investment and possible markets. A few days earlier India put a GPS satellite in orbit. In future, we may be able to share this technology with member countries in IORARC, after a period of testing.

12. Thank you for your patience. I now call upon……………… to address us; 5-7 minutes is the time slot for each speaker.