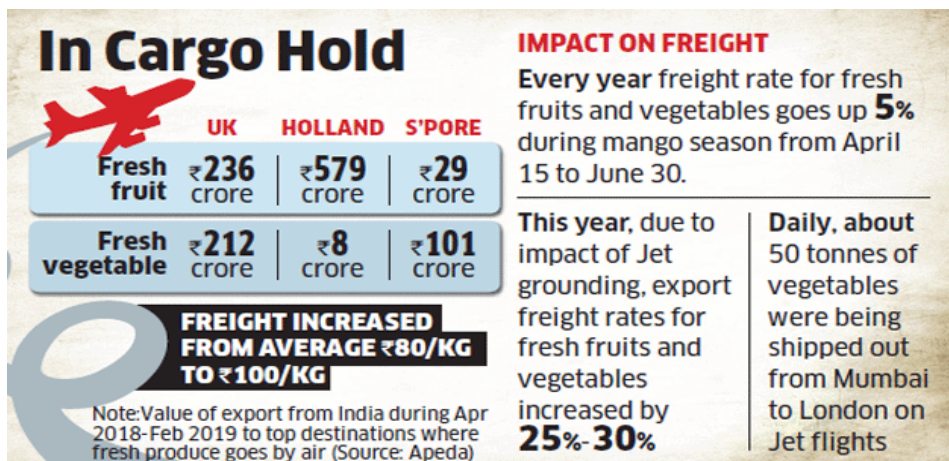


Jet-black days: Veggie, fruit exporters feel pinch as rates rise

Daily, about 50 tonnes of vegetables on an average were being shipped out from Mumbai to London.

The grounding of Jet Airways NSE 0.82 % flights has affected export of fresh fruits and vegetables as the carrier had the highest capacity for cargo and accounted for 50% of exports from Mumbai to London, Amsterdam, Paris and Singapore. Emirates, which has the second highest capacity, has consequently hiked rates by 30% to 40%.

The Jet shutdown has particularly affected fresh produce exports to Europe, especially the UK. Daily, about 50 tonnes of vegetables on an average were being shipped out from Mumbai to London. Jet Airways used to operate three daily flights and had a majority share while carrying these 50 tonnes of produce. Emirates, via Dubai, had the second largest share. “From an average of Rs 75-80 per kg, the latest freight rates are in excess of Rs 100/kg. As a result, exporters are unable to fulfil their volume and price commitments with their customers,” said Kaushal Khakhar, CEO of Kay Bee Exports.



Besides fruits, major vegetables headed for these markets like okra, chillies and mangoes will get a hit too. “This dramatic reduction in capacity has been nothing short of a force majeure event like Brexit. We have appealed to our customers to take cognizance of the situation. With our in-house freight forwarding division, we are able to



fulfil the volumes and maintain the service levels but at a significant jump in freight rates,” said Kakkar. “Some exporters have informed us that the export freight rates have increased by up to 30%. If the situation continues like this, there could be impact in the long term,” said Sunil Pawar, managing director, Maharashtra State Agricultural Marketing Board (MSAMB).

The reduction in cargo capacity has had exporters scrambling to find alternative airlines that will book their cargo. Ekram Husain, vice-president, Fresh Vegetables and Fruit Exporters Association, said “It is not just about increase in freight. The capacity available for export of fruits and vegetables has declined drastically.” Exporters pointed out that Alphonso mangoes from Rajapur, the constituency of union commerce minister Suresh Prabhu, is also stuck in the mango season. They said they cannot reach out to the minister as it is the election time.

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