

## Fruit, veggie exports fall 70% during lockdown

**The average export was 4 lakh tonne a month in the previous year and now only 30% of that is happening said an APEDA official.**

Export of fruits and vegetables has fallen by about 70% since the lockdown began in late March, largely because of high air freight charges, according to exporters and officials.

Fruit and vegetable exporters prefer to send cargo via flight to ensure quality and freshness of their products. But with airlines increasing their freight charges by as much as 166% to Rs 250/kg, this trade has taken a hit, they said.

In India, the March-May period is peak season for export of fruits and vegetables. An official of Agricultural and Processed Food Products Export Development Authority (APEDA) said that from an average of 400,000 tonnes a month in the previous year, export of fruits and vegetables are down to 120,000 tonnes a month now.

“We have seen a 70% drop in business since the lockdown happened. It’s a difficult time for the exporters and only when flights resume, the situation will improve,” said Narendra Bhatia, partner at Asar Brothers, a Mumbai-based exporter. “We are getting a number of queries from new markets in Russia, Singapore and Indonesia, but the high freight charges are a deterrent to venture into these markets.”

Bhatia said that more flights need to operate and government assistance is required to push exports. “There is so much uncertainty from sourcing fruits and vegetables to get cargo slots and timely schedule of flights that exporters have stopped giving commitments,” he said.

In the initial days of the lockdown, labour and transportation were the big challenges, but gradually it was the high air freight that became the larger reason for the drop in exports, said Kaushal Khakhar, CEO of Kay Bee Exports.



“Airlines started increasing air freight rates beginning April. Our buyers in overseas market are not ready to pay for the higher cost we are incurring, leading to more than 50% drop in export volume,” said Khakhar, adding that a fourth of his annual sales happens in April-May.

At present, the freight rate of most airlines for the European market is between Rs 200 and Rs 250 a kg compared with Rs 75-85 a kg before the lockdown. The freight charges for the Middle East is Rs 150 a kg compared with Rs 60-70 a kg in March.

Exporters said that it is the peak season to export mango, banana, pomegranate and vegetables like guar, chillies, okra, bottle gourd, drumsticks and chillies.

According to Khakhar, the government needs to incentivise the trade by giving financial assistance, or higher rates of duty drawback, or reduced rates of income tax, similar to Section 80HHC which was prevalent two decades ago.

**Lien article :**

<https://economictimes.indiatimes.com/news/economy/foreign-trade/fruit-veggie-exports-fall-70-during-lockdown/articleshow/75880957.cms>

