Tight norms, weak demand hit foreign foods' imports

Rising domestic production of exotic fruits & vegetables also reduces need to import.

ET Bureau | Jun 24, 2019

NEW DELHI: Imports of food items such as muesli, mayonnaise, noodles, ice cream, ketchup and tomato sauce declined in the last fiscal due to tougher quality norms, increasing domestic production and weaker demand, trade experts said.

Despite rising health consciousness among Indian consumers, imports of certain variants of green tea and black tea have also declined, and so have those of gourmet vegetables including lettuce and Jerusalem artichoke, and lifestyle foods such as stuffed pasta, olives and sauces, they said.

“Most of these food items were liberally imported into the country earlier but now there are strict quality norms which we adhere to,” an official said on condition of anonymity.
Imports of edible vegetables and certain roots and tubers like manioc, arrowroot and sweet potatoes more than halved in the year ended March at $1.18 billion, down from $2.9 billion in 2017-18. Inward shipments of raw leguminous vegetables, lettuce, and sweet potatoes, too, saw a decline in 2018-19, trade experts said.

“While slow demand is a cause for lower consumption, we have begun growing many exotic fruits and vegetables here, thereby reducing the need for imports,” an economist with a ratings agency said.
Imports of processed foods such as ice creams, mayonnaise and salad dressings have declined and so have those of gourmet cereals such as quinoa.

This despite India’s total imports rising 8.99% on year to $507.44 billion in the last fiscal.

Some trade experts attributed the fall in imports of food items to stricter quality norms and standards set by Food Safety and Standards Authority of India (FSSAI).

“FSSAI has been putting standards in place, and products which don’t meet those can’t be imported,” said an expert on trade issues. “Also, one can’t rule out the improved competitiveness of domestic players in processed food items.”

While the authority has prohibited food items with less than 60% of shelf life left from entering the Indian market, it has also imposed new labelling norms and notified entry points last year.

Shelf life means the period between the date of manufacture and the ‘date of expiry’ or ‘best before’, whichever is earlier as printed on the label.

Imports of jams, jellies, and marmalades derived from citrus fruits fell last fiscal, while those derived from guava, pineapple and apples saw a rise in the number of takers, industry sources said.

Imports of dried tomato soups fell by 62.83%, suggesting a possible shift in preferences to more offbeat alternatives.