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UK-Australia trade deal: what are the issues?

-Hardik

The prospect of free trade with Australia has shocked British farmers. There is much at stake in what could be the first major post-Brexit agreement.

What is a free trade agreement?

In a free trade agreement, goods and services can be bought and sold across international borders with little or no government tariffs, quotas, subsidies, or prohibitions to inhibit their exchange.

How would the deal work?

As part of this free-trade deal, Australia will get access to UK food market - without any taxes or quotas. This would make it easier and cheaper for big Australian farms to export products such as lamb and beef to the UK. In return, British farmers would enjoy the same access to the Australian market. This agreement with Australia will focus on goods, which are easier to maintain, rather than a complex services sector (industries such as law, advertising and banking). Decision on complex sectors might take several years. This deal with Australia would also be an important step towards joining a wider Asia Pacific free-trade agreement - the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) - which could provide British farmers with huge opportunities in the future.

Would it harm British farmers and businesses?

The impact of this deal on the farmers is likely to be limited in the short term. In 2019-20, trade Between Australia and UK was estimated at £ 20bn and only a small portion of the trade was food and drink, which was worth £425m to Australia in

2020. According to HMRC statistical analysis by the Food and Drink Federation (FDF), UK imported food and beverages worth £ 384m from Australia. Also, 0.15% of all cattle exports from Australia goes to the UK and Australian mutton lambs accounted for 14% of UK's consumption last year, valued at £ 46m. The main commodities exported to UK from Australia are gold, wine, lead, pearls and gems. The main UK exports to Australia are cars, pharmaceuticals and Scotch whiskey.

This data clearly shows that the Australian exports complement UK production rather than compete. However, according to the Financial Times, the top Australian beef retailer expects to increase sales to the UK 10 times if the deal happens as the Australian beef is produced at a cheaper cost than its UK counterparts and UK farmers seem to reject the idea that meat produced in the UK to a higher standard and price will find a market in Australia.

What does it mean for the consumers?

The main benefit to UK consumers will be cheaper food & wine and also the potential for business relations with Australia to improve, leading to further investment. But the Critics also believe that this deal with Australia would increase the size of the British economy by only about 0.02% over 15 years, so this deal doesn't seem much beneficial either to the British farmers or to the British economy.

Large Leap in India's Export of Organic Foods

-Sanjiv Rathwa

India's export of organic food has been rise by 51% that is \$1.04 billion in this fiscal (2020-21) comparison to previous (2019-20). Since 2002-03 it has grew 80 times. The exports of organic food products increased by 39 per cent to 888,179 metric ton during FY 2020- 21 compared to 638,998 MT shipped in 2019-20.



Recently, India has exported a consignment of 10.20 MT of gluten free jackfruit powder and retort packed jackfruit cubes to Germany. Other organic products India has exported to the world are Oil cake meal, oil seeds, fruit pulps and purees, cereals and millets, spices and condiments, tea, medicinal plant products, dry fruits, sugar, pulses, coffee, essential Oil etc. Oil cake meal has been a major commodity of the organic product exports from India.



India has exported organic foods to 58 countries including USA, European Union, Canada, Great Britain, Australia, Switzerland, Israel, and South Korea.

Such a large leap in growth of export of organic products owes to the rising demand of Indian organic products, nutraceuticals and health food in overseas market. The growth in organic products has been achieved despite logistical and operational challenges posed by the COVID19 pandemic.