

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 3881
ANSWERED ON 27/03/2026

IMPACT OF WAR ON INDIA'S AGRICULTURAL EXPORTS

3881. SHRI NEERAJ DANGI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the extent of the impact on India's agricultural exports due to the recent war/tensions in Iran and West Asia and the details of the States affected due to such tensions;
- (b) whether Government has formulated any strategy to explore alternative international markets for Indian agricultural products in the event of a prolonged war situation; and
- (c) whether Government is aware that disruption in exports may cause losses to farmers in several States of the country, particularly producers of basmati rice and horticultural products, if so, the steps being taken to provide relief to them?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) to (c) The Middle East region, particularly the Gulf Cooperation Council (GCC) countries, such as the United Arab Emirates (UAE), Saudi Arabia, Oman, Kuwait, Qatar, Bahrain and countries such as Iran, Iraq and Yemen are key markets for Indian agricultural products. Exports of Agricultural products destined to these countries in 2024-25 were US\$ 10.68 billion which represent nearly 20.5% of India's overall Agri exports. Agricultural exports to the region are broad based and comprise all major product categories such as Cereals, Animal products, Fresh Fruits and vegetables, Spices and Processed food products etc sourced from all across India.

The Government has been closely monitoring the evolving geopolitical situation in West Asia and the Gulf region, including its impact on India's external trade, shipping routes and logistics chains. Exporters have reported disruptions in terms of increased freight rates, imposition of war-risk surcharges, container shortages, delays in shipment schedules, and congestion at ports.

To address the situation, the Department of Commerce has operationalized the Inter-Ministerial Group (IMG) on Supply Chain Resilience on March 02, 2026, as the central coordination platform with participation of concerned Ministries and agencies, including

Ministry of Ports, Shipping & Waterways, Ministry of Petroleum & Natural Gas, Department of Financial Services, Department for Promotion of Industry & Internal Trade (DPIIT), Central Board of Indirect Taxes & Customs (CBIC), Ministry of External Affairs, Directorate General of Shipping and Reserve Bank of India (RBI). The IMG is having review meetings on a regular basis, enabled a dedicated communication channel for exporters, and compiled daily situation and action reports for coordinated response.

The Government's response has focused on coordinated trade facilitation, logistics support, customs simplification, maritime monitoring, and engagement with concerned stakeholders to reduce the impact of the disruption on India's exports, including exports to the wider Gulf region. The steps taken by the Government inter alia include the following:

- DGFT has notified on 19th March, 2026 a time-limited Support for Indian Exporters, Resilience & Logistics Intervention for Export Facilitation (RELIEF) intervention under the Export Promotion Mission, to be implemented through the Export Credit Guarantee Corporation of India (ECGC) to address elevated export risks arising from geopolitical disruptions in the Gulf and West Asia maritime corridor.
- DGFT has issued Public Notice No. 51/2025-26 dated March 06, 2026 extending the Export Obligation / Block-wise Export Obligation fulfilment period up to August 31, 2026 for specified Advance Authorisations and EPCG Authorisations where the period was expiring between March 01, 2026 and July 31, 2026, without payment of composition fee and without applying for the same to Regional Authorities of DGFT.
- CBIC has directed all Customs Zones on March 05, 2026 and March 17, 2026 to convene special Customs Clearance Facilitation Committee (CCFC) meetings with field formations, CFS operators and trade stakeholders to address operational concerns arising from the disruption.
- CBIC has issued Circular No. 09/2026-Customs dated March 08, 2026 prescribing a simplified procedure for handling export cargo returning to Indian ports due to the closure of the Strait of Hormuz, including facilitation for berthing, offloading, Shipping Bill cancellation in applicable cases, and Back-to-Town permission on request.
- CBIC has issued Circular No. 12/2026-Customs dated March 17, 2026 prescribing simplified procedure for international transshipment and handling of diverted cargo, including permission for temporary storage and re-export under customs supervision to maintain continuity of trade flows.
- Customs field formations, including Nhava Sheva, Mundra and Kandla Custom Houses, have issued facilitation measures for Back-to-Town (BTT) movement of stranded export cargo and waived physical examination in specified cases and BTT-related fees/penalties to expedite evacuation of cargo.
- The Ministry of Ports, Shipping & Waterways has issued a Standard Operating Procedure (SOP) on March 06, 2026 for major ports, providing for stakeholder meetings, 24x7 nodal officers, temporary storage of Middle East-bound cargo, additional storage areas, facilitation of BTT movement, priority handling of perishable cargo, priority handling of returning export cargo, and case-by-case waiver or reduction of certain port charges.

- The Directorate General of Shipping (DGS) has remained in regular contact with Indian vessels and Indian seafarers and has convened consultations with shipping lines-on March 06, 2026 and March 09, 2026, assessed operational challenges arising from war risk and insurance constraints, and monitored vessel movements in the Persian Gulf region. Furthermore, DGS has issued an advisory Circular No. 14 of 2026 dated March 09, 2026 to shipping lines, carriers and their agents to ensure transparency in pricing and to refrain from predatory, non-transparent or opportunistic charges, in the context of prevailing geopolitical tensions. Shipping service providers have also been advised to clearly communicate all applicable charges upfront and adhere to fair trade practices, with the objective of reducing undue cost burden on exporters and improving predictability in logistics operations.
- The Ministry of External Affairs has, through Indian Missions in the region, issued advisories and explored alternative sea passages to mitigate disruptions. The Ministry of Petroleum & Natural Gas has activated a 24x7 emergency cell for vessel tracking and reviewed developments relating to crude oil, LNG and LPG shipments, including alternative routes and supply options.

The Government has taken measures to facilitate continuation of trade flows through logistical adjustments, rerouting of consignments, use of alternative shipping routes. Transshipment of cargo is also taking place through alternate ports and via green corridors between countries, as a short term measure.

While the above measures are being taken to contain the impact of the disruptions caused by conflict and allow trade to continue to these key markets, Government through the Agriculture and Processed Food Products Export Development Authority (APEDA) is also working on expansion of our exports to alternate markets such as North America, UK, EU and Oceania region through intensification of export promotion measures such as participation in key international trade fairs and buyer seller meets in those territories and also building capacity of stakeholders to avail the opportunities on the operationalization of the recent trade agreements.
