



Indonesia's suspension of Indian groundnut imports may end soon

A team from Jakarta will visit by this month-end and carry out inspections, says Apeda Chairman

An Indonesian team is scheduled to visit India this month-end to end the impasse over the suspension of Indian groundnut imports by Jakarta.

Following reports of aflatoxin contamination, Indonesia stopped importing Indian groundnuts from September 3. Abhishek Dev, Chairman of the Agricultural and Processed Food Export Development Authority, told businessline that Indonesia had responded to India's communication and is sending the team. A New Delhi-based trade analyst said Indonesia will likely resume importing Indian groundnuts after the team visits India and satisfies itself with the processes and procedures being followed by growers and exporters.

FINDINGS DISPUTED

The Indonesian team will likely inspect the facilities that handle groundnuts for exports. Aflatoxins are considered poisonous compounds. Trade sources said Apeda reached out to the Indonesian Quarantine Authority (IQA) over the suspension of groundnut imports in the first half of September. Even as the ban was imposed, exporters disputed Indonesia's delayed process in notifying the presence of aflatoxins in the groundnut shipments. Exporters said there have been at least a couple of issues with Indonesia's handling of the groundnut import issue from India. One, the IQA reported problems of aflatoxin in consignments three months after they landed from India.

The second issue is that exporters say Indonesia's testing standards do not conform to standards defined by the World Trade Organisation. Indonesia imports a third of India's groundnut exports. Last fiscal, it imported 2.77 lakh tonnes (It), valued at \$280 million, of the total 7.46 It, valued at \$795 million, shipped out by India. "The suspension of groundnut imports by Indonesia could cost India ₹410 crore (\$46.65 million) these two months," said the analyst.

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Indian exporters are keen to resume shipments since the kharif groundnut harvest has begun in some parts of the country. "The lack of institutional memory is one of the impediments to India's agricultural exports," the analyst said.

The weighted average price of the oilseed is around ₹4,885 a quintal now, compared with the minimum support price of ₹7,263.

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