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FACE
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INVESTMENT IN AGRICULTURE

- **The state governments have roped in** Small Farmers' Agri- business Consortium (SFAC) to promote the formation of farmer producer organisations (FPOs) to mobilize FPOs in their respective states. A part of RKVY funds will be set aside for SFAC to utilise in this mobilization work. Some of the states who have already initiated the move are Madhya Pradesh, West Bengal, Sikkim, and Kerala. The FPOs in various states will be formed in different sectors like agriculture produce, diary and animal husbandry and poultry. The mandate is to form FPOs of 1000 farmers per village and assist them in registration, collection of the produce, providing market linkages, technology inputs and catering to post harvest needs..
- **The Cabinet Committee on Economic Affairs (CCEA) has approved** Rs 458.56 crore to be released as equity to the Food Corporation of India (FCI) up to 2016-17 for constructing storage capacity of 2.92 lakh tonnes in north eastern states. The foodgrains storage facilities would be set up at 37 locations in north east, including Sikkim, at an estimated project cost of Rs 509.76 crore during the 12th Five Year plan (2012-2017). Of the total, Rs 236.27 crore will be spent in 2014-15 fiscal under the plan scheme: Augmentation of foodgrains capacity by FCI and intermediary storage capacity by state government during 12th Five Year Plan.

AGRI MARKETING

- **The finance ministry is working out changes** in the Agricultural Produce Marketing Committee (APMC) Act, to allow farmers to sell directly to consumers that will save high intermediation costs. The plan will be presented to the new government that will take office after the elections. The blue print is based on a study of Azadpur Mandi in Delhi which despite scale has high intermediation costs. According to the Ministry's estimates APMC Act pushes up the cost of vegetables in the Azadpur Mandi by 12-16 per cent, contributing significantly to the high difference in wholesale and retail prices of vegetables.
- **Farmers of Paithan tehsil in the Aurangabad district of Maharashtra** have formed a company Pratisthan Agro Producer Limited (PAPL), to sell their agriculture produce directly to the consumers. At present, 1,500 farmers have been enrolled as group members and there are 2,000 others in queue. The company has plans to expand its area of operation in a phased manner.

EXPORT

- **Members of the World Trade Organisation (WTO)** - including the European Union (EU), Australia, Brazil and Colombia - have demanded that the country removes the subsidies that were granted to Indian sugar exports in February 2014, stating that the subsidies would distort world markets by depressing prices and hurting producers in their countries. India said that the policy was designed to encourage diversification away from white sugar to raw sugar, that no intervention payments had been paid yet, and that the export subsidies would be notified to the WTO.
- **The Government has allowed private entities,** in addition to the state-owned agencies like STC, PEC and MMTC, to export all varieties of onion. The move follows the Centre earlier doing away with the minimum export price (MEP) to boost exports in view of domestic supplies improving and wholesale prices crashing. Earlier the government had imposed MEP in September 2013 amid retail prices touching Rs.100 a kg in major parts of the country. The MEP was raised several times and onion was even imported to curb exports and boost domestic supplies.

IMPORT

- **Iran, the largest importer of basmati rice from India,** has introduced a new set of standard for basmati rice imports. Iran has revised their accepted level of arsenic in basmati rice from 150 ppm to 120 ppm (parts per million). In addition, the documentation process has also become time consuming. These two issues have slowed down India's basmati exports to Iran.

NEW INITIATIVES

- **The government has decided to fully fund the cost of import** of best quality planting material in horticultural crops to all state governments and public sector undertakings under National Horticultural Mission and sub schemes like Mission for Integrated Development of Horticulture (MIDH).
- **The National Green Tribunal** has directed the agriculture ministry to hold a meeting with Punjab, Haryana, UP and Delhi to prepare "composite" guidelines to prevent pollution caused by straw burning. The agriculture ministry also needs to specify the manner and time frame required to implement the guidelines.
- **Farmers from 15 states are set to form** a national seed savers network that will be one of the largest repositories of seeds for crops and vegetables in India. The aim of this network of about 100 individuals will be to access germplasm from the National Bureau of Plant Genetic Resources (NBPGR) and agricultural universities so that corporations cannot claim intellectual property rights (IPR) on traditional Indian crops. The move to form a network, they say is a reaction against the recent approval given to field trials of genetically modified (GM) crops by the Ministry of Environment and Forest (MoEF).

SUGAR

- **Maharashtra has decided to buy sugar** for its public distribution system (PDS) from the co-operative sugar mills in the state. The state government has decided to sign a MoU with the Federation of Co-operative Sugar Factories of Maharashtra (Sakharsangh), which in turn will sign MoU with the sugar co-operatives located in each district or nearby areas. The state government will bear the transportation cost for delivery of sugar while the payment will be against delivery.

FERTILIZER

- **The Fertiliser Ministry has moved a Cabinet note** to reduce potash fertiliser subsidy for 2014-15 fiscal, which would result in savings of Rs 900 crore to the exchequer. The Ministry has recommended constant subsidy rates for all the complex fertilisers, barring potash, which has been proposed to be reduced by Rs 2,000 per tonne to Rs 9,400 per tonne. The subsidy of potash has been proposed to be reduced in view of fall in global prices by USD 100 per tonne to USD 320 per tonne.

- **The Cabinet Committee on Economic Affairs (CCEA)** has cleared the hike in fixed cost of urea by up to Rs. 350 per tonne. The move will lead to increase in subsidy by about Rs. 900 crore. CCEA also approved amendments to the New Investment Policy for urea sector that aims at encouraging new investment in the urea sector by removing 'guaranteed buyback' clause and including a provision of bank guarantee of Rs. 300 crore from companies keen to set urea plants under this policy.

DAIRY

- **Jharkhand government has inked a 5 year agreement** with the National Dairy Development Board (NDDB), for the second time, to boost state's dairy production. The NDDB will take over the management of the operations of the newly constituted Jharkhand State Co-operative Milk Producers Federation Limited (Milkfed) and Jharkhand Dairy Project. The board will also prepare a five-year dairy development plan and take up its execution.

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