Confederation of Indian Industry

FACE
CII-Jubilant Bhartia
Food and Agriculture Centre of Excellence

# MONTHLY POLICY TRACKER FOOD AND AGRICULTURE

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## INVESTMENT IN AGRICULTURE

- **Private bodies can now avail** soft loans from the Rs 5,000-crore corpus managed by NABARD. The corpus (allocated in budget 2013-14) for finance construction of warehouses, godowns, silos and cold storage units, was initially limited to the states or state-run entities. This move enables private sector participation in creating adequate storage facilities to meet additional storage demands.
- **The Centre has sanctioned Rs 75 crore for Punjab** under the National Horticulture Mission. These funds enable setting up and maintaining orchards, floriculture and bee-keeping activities; and installing community water tanks, green-houses, cold stores and pack-houses. An additional Rs 6 crore has been approved by the Centre for this fiscal to encourage farmers to shift area under cultivation from paddy to flowers, fruits and vegetables. These funds under the National Vegetable Initiative (NVI), a subsidiary scheme of RKVY, have been allocated to five districts of the state including Ludhiana, Jalandhar, Sangrur, Patiala and Fatehgarh Sahib.
- **A new crop insurance scheme is launched** for paddy, banana, pepper, turmeric, coconut, pineapple, ginger, sugarcane, cardamom and arecanut in Kerela. The crops applicable to each district are being notified by the State Government. Under the scheme, 50 percent of the premium will be borne by farmers and the balance will be met by the Centre and the State government through subsidy. There is no restriction with regard to extent of farming area and so small-scale farmers can also join and benefit from the scheme.
- **The Ministry of Commerce** has decided to extend the price stabilization fund trust scheme (PSF) in its existing form for another six months till September 30, 2013. The PSF scheme was launched in 2003 to provide financial relief to the growers of tea, coffee, tobacco and rubber when their prices fall below a specified level as a long term support rather than adhoc interventions during crisis. The scheme covers most needy small growers with operational holdings of four hectares or less.

  The commerce ministry is in the process of preparing a Modified Price Stabilization Fund (MPSF) scheme that will take time to get the cabinet approval and in the mean time market price fluctuations of commodities and currency movements necessitate PSF to be extended.

## NEW INITIATIVE

- **A multilingual SMS portal** containing information about agriculture and advisories useful to farmers was launched by Hon'ble President of India. The portal, developed completely in-house by Department of Agriculture and Cooperation, will be used for disseminating relevant information, giving topical & seasonal advisories and providing services through SMSs to farmers in language of the State. The SMS portal has started in fourteen languages and has been made farmer-friendly. After the successful trial of the portal, about twelve crore farmers across the country would be able to benefit from it.

  The States covered under the service are Delhi, Uttar Pradesh, Uttarakhand, Punjab, Haryana, Rajasthan, Madhya Pradesh, Chhattisgarh, Orissa, West Bengal, Gujarat, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Bihar, Jharkhand, Maharashtra and Himachal Pradesh.

## PUBLIC PRIVATE PARTNERSHIP (PPP)

- **Food Corporation of India (FCI)** has started the tendering process for short listing private agencies or traders who would purchase 8.5 million tonne of food grain under the Open Market Sale Scheme (OMSS) from Punjab and Haryana depots at a uniform rate of Rs 1500 a quintal. The excess stocks would enter the market slowly and FCI targets to upload entire allocated 8.5 mt of wheat in the open market by March, 2014. The decision will help to liquidate the huge wheat inventory as well as help to contain the prices, which have firmed up as private traders have bought wheat directly from farmers at higher than the support price to meet their requirement.
- **ICAR and Industry have signed MoU's** for commercialize of 58 agro-technologies from multiple sectors including crops, horticulture, food technology, veterinary, agri-engineering, agri-inputs and fisheries. These technologies have been developed under the World Bank-funded National Agriculture Innovation Project (NAIP). Licenses to commercialize these technologies have been given to 80 companies. The move is expected to facilitate active participation by Industry in the commercialization of agricultural technologies and taking them to millions of farmers across the country.

## IMPORT

- **Iraq is keen on increasing** the quantum of aromatic long-grain rice import from India. According to All India Rice Exporters Association (AIREA) data, India's Basmati rice exports to Iraq was only about two lakh tonne in 2012-13 and there is a huge scope of increasing rice exports to Iraq as consumers there have preferred rice imported from India. This could result in a jump in aromatic rice exports in the next two years.
- **India's pulses import bill is set to decline** by 25 per cent this financial year due to a record domestic output and a fall in prices globally. Pulses import hit a record 4.02 million tonnes (mt) in 2012-13, an increase of 15 per cent from 3.5 mt the previous year. But the import bill shot up 41.34 per cent to Rs 13,354 crore in 2012-13 from Rs 9,448 crore in the previous year due to a 13.6 per cent depreciation in the rupee against the dollar. The fall in import will save around $730 million outflow

## COMMODITY

### SUGAR

- **The Government has hiked import duty** on both raw and white (refined) sugar from 10 to 15 per cent. The move is expected to help the industry clear Rs 9,000 crore cane arrears to farmers, but at the same time the move would make sugar costlier.

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