



MONTHLY POLICY TRACKER

FOOD AND AGRICULTURE

Volume 2, No. 6 / 2013

June 1, 2013

INVESTMENT IN AGRICULTURE

- **The Punjab Government** has decided to exempt the market fee on the fruits and vegetables exported to countries across the globe. The decision will boost the agriculture diversification program as well as give a major fillip to the exports of fruits and vegetables from the state.
- **The Government of Odisha** has unveiled its State Agriculture Policy that lays focus on irrigation and food processing industries. Under this new policy, the state government will sanction agriculture loans to farmers at two per cent interest rate with Rs 11,000 crore to be spent to lift irrigation. The policy is expected to invigorate the state's agro sector.

MINIMUM SUPPORT PRICE (MSP)

- **Government has initiated thinking on** how support price is being calculated. With the help of a committee under the chairmanship of Ramesh Chand, Director of the National Centre for Agricultural Economics and Policy Research, cost concepts for fixing MSP will be examined. An earlier committee constituted under economist Y K Alagh in 2005-06 presented a case that price recommendations be integrated with the tariff policy. Similar recommendations are expected to come up again for Government attention while examining how best to calculate support price. Related changes would impact grain procurement and stocking.

PUBLIC PRIVATE PARTNERSHIP (PPP)

- **The United States Agency for International Development (USAID)** is supporting a new public-private research partnership between the Australian Centre for Plant Functional Genomics (ACPFPG) and India's Vibha Agrotech. The aim of this partnership is to develop new climate-resilient varieties of rice and wheat. Work will initially take place in Australia and India, but the technologies will be made available to developing countries in South Asia and globally where climate stresses impact cereal yields. The technology is expected to help smallholders who grow important cereal crops more resilient to climate change.

TRADE

EXPORT

- According to **US Department of Commerce (DoC)** around twenty one subsidy and export assistance programs of India prove harmful to the US local shrimp industry. Therefore the **US DoC** has imposed a 5.91 per cent countervailing duty (CVD) on Indian shrimp. These rates are preliminary duty rates and the final rates of CVD will be released in August. 25 such subsidy schemes of China, 7 of Ecuador, 14 of Indonesia, 16 of Malaysia, 12 of Thailand and 20 programs of Vietnam have also attracted detailed CVD investigation. CVD imposition will impact India's position as a seafood exporter in the US market one of the largest importer of Indian seafood items on value terms. India gets 17.94 per cent of the total export revenue from the US market alone and almost 65 per cent of India's export to the US is shrimp.
- **India and China have signed three separate agreements.** These agreements enable India's exports of buffalo meat, fisheries and pharmaceuticals; as well as feed and feed

ingredients to China. The move is expected to help lessen the current trade deficit between the two countries which increased from \$19.2 billion in 2009-10 to \$40.7 billion in 2012-13. The move will benefit Indian exporters in these three segments as all the sectors are of immense trade importance to India and India has clear price and quality competitiveness in these sectors to compete in the world market.

FOOD REGULATIONS

- **Formation of Pesticide Residue Management Cell** under the Food Safety Commissioner Delhi is recommended by an Expert panel following the Delhi High Court's recent suo motu notice asking food regulators to check the percentage of pesticide residue in fruits and vegetables sold in the national capital. The matter is now listed for August 17 when the court will take a decision on the issue. Taking into account the role of APMC in handling the trade of fruits and vegetables the expert panel has made following suggestions;
 - ✓ Take APMC Delhi equipped with a lab facility in the loop to intensify the checking and sampling of fruits and vegetables and
 - ✓ Expand the lab facilities in the city to regulate and monitor the level of pesticide residue level on a regular basis.

SUGAR

- **The Uttar Pradesh Government** has decided to waive purchase tax of Rs 2 per quintal on sugarcane imposed on the sugar mills. This decision would be a direct relief to the sugar mills.

HORTICULTURE

- **The Punjab Government** will spend Rs. 75 crore on the implementation of the National Horticulture Mission (NHM) programme in the state providing financial assistance to farmers, entrepreneurs, nursery owners as well as those interested in other horticulture-related fields as per NHM guidelines. Grant approved by the NHM would be utilised for the production of seeds and distribution of vegetables, improving seed infrastructure for handling, processing, packing and storage, setting up nurseries, establishment of new gardens and expansion of area under fruits, mushrooms, flowers, spices and aromatic plants. Financial aid under protected cultivation would also be given for green houses, plastic mulching, shade net houses, plastic tunnels, anti-bird and poly houses. Creation of a horticulture-friendly atmosphere will help the horticulture industry to flourish in the state.
- **A Center of Excellence for fruits** spread over an area of 72 acres, is established, jointly by India and Israel, in Haryana's Sirsa district. The CoE will share Israeli cultivation technology and know-how of fruit plants with Indian farmers and horticulturists, besides serving as a focal point for Indo-Israeli agriculture R&D. The plans aim to showcase some of the most advanced Israeli nursery and fruit cultivating technologies, adapted for Indian conditions by local experts.

This document is being shared for information purposes only and is therefore not intended to substitute for formal professional advice. All information in this document has been compiled and/or arrived at from online sources in the public domain.

Published by:

CII-Jubilant Bhartia Food and Agriculture Centre of Excellence (FACE),
C/o Confederation of Indian Industry (CII)
India Habitat Centre, Core 4A, Ground Floor, New Delhi - 110003, (INDIA)
Tel: +91-11-43007490, Website: www.face-cii.in/www.cii.in

For more information or suggestions, please contact:

Meetu Kapur

Executive Director – FACE, Email: meetukapur@cii.in

