



01 Apr 2016 7 Stories

Investment in Agriculture

Special price stabilization fund for food-items in Jharkhand

The State Cabinet of Jharkhand has approved setting up of a special price stabilization fund for food-items to assist at times of inflation. The Rs 100 crore fund will have a 50:50 participation of the state and Center and will be put under a special committee chaired by food and supplies secretary. The state cabinet also gave its approval to a new state level watershed mission. Under the mission, the irrigation department will undertake 29 watershed projects across 15 districts. The fund for the project will be pooled in rural infrastructure development fund (RIDF) of NABARD. A total of 95% of the total expected at Rs 330 crore will be borne by RIDF while the rest will be borne by the state. Under the 29 projects, 204 micro-watershed projects will be taken up in 15 districts including Ranchi, Garhwa, Deoghar, Dumka, Hazaribag, Dhanbad, Palamu and Khunti districts.

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Agriculture Marketing

NAFED to increase storage capacity

NAFED has increased its onion storage capacity from 2,500 metric tonnes to 4,000 metric tonnes to create buffer stock of onions under the Price Stability Funds (PSF) to monitor scarcity of onions. The storage capacity of Laslagaon godown has been increased from 1,500 metric tonnes to 2,500 metric tonnes, while the storage capacity of Pimpalgaon godown has been increased from 1,000 metric tonnes to 1,500 metric tonnes.

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Trade

India requests Iran to reduce import duty on tea

The Government of India has asked Iranian custom authorities to be more flexible in calculating import duties to correct the disproportionately high levies being imposed on low-priced South Indian tea. Iran imposes 20 per cent import duty on tea and charges 9 per cent VAT. A correct calculation of import duty on low-value tea can make a considerable difference to exporters of low-priced tea. Also Indian tea exporters face a lot of competition from Sri Lankan tea in Iran and lowering of customs levies could play an important role in giving Indian tea an edge over its competitors.

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US increases anti dumping duty on frozen shrimps from India

The US government has raised the anti-dumping duty on import of frozen shrimps from India. The preliminary average duty has been increased to 4.89 per cent in 10th annual review of dumping duties, compared to 2.96 per cent in ninth review which covered February 1, 2013, through January 31, 2014. The move may severely impact exports to US as it will make seafood exported from India less competitive in pricing terms and India may lose out to competitors from Vietnam, Indonesia and other countries. The final duties might be different from the preliminary duties and are scheduled to be issued in early July 2016.

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Wheat import tax to be extended

The Ministry of Finance is likely to extend the wheat import tax until September to shield domestic farmers from cheap imports as wheat from the new-season harvest will become available by the end of this month. The import tax of 10 percent was reinstating, after a gap of eight years, in August last year, following big wheat imports from overseas. Later in October, the government raised the import tax, to 25 percent.

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Sugar

DGFT allows export of additional raw sugar to US

The DGFT has notified export of additional 723 tonne of raw cane sugar to the US under the tariff rate quota up to September 30, 2016. A certificate of origin, if required, for export of preferential sugar to the US, shall be issued by additional director general of foreign trade, Mumbai.

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Fertilizer

CCEA approves NBS rates for P&K Fertilizers

The Cabinet Committee on Economic Affairs has approved fixation of Nutrient Based Subsidy (NBS) rates for Phosphatic and Potassic (P&K) fertilizers for the year 2016-17, due to decreasing trend in international prices of finished fertilizers and raw materials. The per KG subsidy rate (in Rs) for Nitrogenous fertilizer is Rs 15.854; for Phosphatic fertilizer is Rs 13.241 and for Potassic fertilizer is Rs 15.470. At the same level of consumption of P&K fertilizers (about 310.44 LMT) during 2016-17 as in 2015-16, the total subsidy implication on P&K fertilizers for 2016-17 at proposed rates works out to be about Rs.21,274 crore.

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