



# MONTHLY POLICY TRACKER

## FOOD AND AGRICULTURE

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### FOOD PROCESSING

- **Jharkhand state industry department with help** from the Indian Institute of Crop Processing Technology, Thanjavur, will spread awareness among rice mill owners on technology in effluent treatment. At present, there are 100 rice mills in Ranchi district. Most mills do not use updated technology and hence cannot use by-products like husk to earn extra money.

### FOOD REGULATIONS

- **A public interest litigation (PIL)** seeking ban on the sale of junk food and aerated drinks in and around schools in the country will be heard on July 22, 2013 by the Delhi High Court. The hearing is particularly important for the industry while the Food Safety and Standards Authority of India (FSSAI) presents guidelines for and definition of junk food. The PIL, filed by Uday Foundation suggested that 1) guidelines be framed on what should be sold in schools 2) a comprehensive canteen policy be implemented in schools 3) the sale of junk food be banned in the peripheries of schools, and 4) that children be prohibited from endorsing junk food in advertisements.

Looking at what happened early this year in the United States, the second largest democracy after India we find the USDA proposed fat, calorie, sugar and sodium limits on almost all foods sold in school. In addition, the agency aims to provide for healthier snack foods consisting of whole grains, low fat dairy, fruits, vegetables or proteins. Beverage portion size and caffeine content will also be controlled according to age group. However the new rules will not go into effect until at least one full school year. This implies implementation would occur after public comment is allowed and an implementing rule is put in effect to give the schools time to adopt the new standards. This move comes a little more than a year after First lady Michelle Obama and Agriculture Secretary Tom Vilsack announced new measures to make school lunches healthier for students as part of the National School Lunch and School Breakfast programs.

### TRADE

#### IMPORT

- **The Finance Ministry has imposed a definitive anti-dumping duty on soda ash** imports from Russia and Turkey. This duty would be valid for a period of five years. The move follows recommendation by the Designated Authority in the Commerce Ministry in its final findings to impose a definitive anti-dumping duty on soda ash imports from these two countries. In the case of soda ash imports from Russia, the anti-dumping duty has been pegged at \$35.99 per tonne. For soda ash imports from Turkey, the anti-dumping duty ranges from \$18.39 per tonne to \$75.16 per tonne depending on the producer and exporter. The decision is likely to impact the manufacture of detergents, soaps, cleaning compounds, float glass, container and speciality glasses, silicates and other industrial chemicals where soda ash is an essential ingredient.

## INVESTMENT IN AGRICULTURE

- **The RBI has issued a Circular to all scheduled commercial banks** in the country stating that (i) The limit of loans to farmers against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months stands increased **from Rs 25 lakh to Rs 50 lakh** both under direct and indirect agriculture; and (ii) The limit of loans to dealers/sellers of fertilizers, pesticides, seeds, cattle feed, poultry feed, agricultural implements and other inputs has been raised to **Rs 5 crore per borrower from Rs 1 crore**. The enhanced credit flow will ease the availability of financial resources to the Agriculture sector, at the same time enable banks to reachout to the farmers and the MSMEs (engaged in Agri related activities).
- **Committees with farmer representatives are** being constituted to make appropriate recommendations and suggestions to the Government for protection of farmers' interests. These committees will specifically address three crucial issues, namely,
  - The methodology of assessing cost of cultivation and determining the Minimum Support Prices of various agricultural commodities;
  - Apprehensions on dumping of agricultural produce in the country under liberal Free Trade Agreements; and
  - Appropriate safeguards to protect farmers in the wake of introduction of Foreign Direct Investment in Multi Brand Retail
- **Punjab Chief Minister has sought the Prime Minister's intervention** to ensure agriculture lands remain outside the ambit of Wealth Tax Act. The Chief Minister has also made a similar request to Finance Minister and other Union Ministries on the issue. Agricultural land, if brought under the ambit of wealth tax it would lead to widespread economic devastation of and unrest among agriculture labour and trade, business and industry establishments and persons directly or indirectly linked to agriculture.
- **The International Cotton Trade ICT**, a joint agency of the World Trade Organization and the United Nations, is now on 'Target Asia' mission to promote the African cotton. The ICT is striving to build transparency and establish direct linkage between the ginner/ grower in Africa and the buyer in India. The aim is to improve both the trade volume and the quality of the cotton. African cotton is ~2 to 4 cents/ pound cheaper than the domestically available fibre. The cost is an attractive proposition for the industry and at the same time logistic convenience and seasonality of the crop also seems to make it a rewarding proposition as the crop is harvested in June and shipment starts from the very next month, at the fag end of the Indian cotton season.

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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](http://www.face-cii.in/www.cii.in)

For more information or suggestions, please contact:

**Meetu Kapur**

Executive Director – FACE

Email: [meetukapur@cii.in](mailto:meetukapur@cii.in)

