



MONTHLY POLICY TRACKER FOOD AND AGRICULTURE

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INVESTMENT IN AGRICULTURE

- **Foreign Direct Investment, upto 51 percent in Multi-Brand Retail**, has been introduced.

According to the new rules foreign retailers will have to invest a minimum of \$100 million, with at least 50 percent of the total FDI to be invested in backend infrastructure. The policy prohibits retail through e-commerce by companies with FDI in multi brand retailing.

State Governments and Union Territories would be free to take their own decisions in regard to implementation of the policy.

- **Projects worth Rs. 160 crore** have been approved by National Horticulture Mission (NHM) in Maharashtra. The state government will contribute upto 15 percent of the total subsidy of which only Rs. 3.80 crore will be used for the revival of existing horticultural projects. The remaining amount will be used for new projects.
- **A 'Contract Farming Act' will be enacted** for Punjab, to ensure better remunerative prices to the farmers and to promote crop diversification. This was announced by the Punjab Chief Minister.

The Agriculture department is directed to immediately finalize the modalities to notify maize for contract farming and implement necessary amendments in the Agriculture Produce Marketing Committee (APMC) Act. Subsidized high yielding quality seeds, weedicides and pesticides will be made available for manifold increase in the production of maize crop. The Punjab State Warehousing Corporation is the nodal agency deputed to ensure scientific storage facilities, and the agriculture department is directed to install ultra modern maize dryers in designated markets.

FOOD PROCESSING

- **Scaling up the Infrastructure Development Scheme** for Food Processing Industries, including the setting up of new abattoirs / modernization of existing abattoirs has been approved by the Cabinet Committee on Economic Affairs (CCEA).

Under this scheme, MoFPI is expected to fund setting up of 25 new abattoirs and modernization of 25 existing abattoirs (cost estimated at Rs. 240.25 crore), besides completing 8 on-going projects (cost estimated at Rs. 74.83 crore). These costs payment for technical consultancy fee maximum @ 5 percent of grant will cost Rs. 330.84 crore.

Financial assistance (grant-in-aid) would be provided at 50 percent and 75 percent of cost of plant & machinery and technical civil work in general and difficult areas respectively, subject to a maximum of Rs. 15 crore for each new project.

FOOD SAFETY & STANDARDS REGULATION

- **US Food and Drug Administration (FDA)** has released preliminary data on arsenic levels in certain rice and rice products. The data is a part of a larger FDA data collection and analysis, based on approximately 200 samples of rice and rice products collected in the US marketplace.

DAIRY

- **Gujarat Cooperative Milk Marketing Federation (GCMMF)** plans to invest Rs. 3,000 crore in the next five years in capacity expansion and exploring new territories outside Gujarat. Apart from a capacity expansion, of 25 to 30 percent, of its 40 existing plants, GCMMF plans to open five processing plants outside Gujarat and four in the Saurashtra region while exploring new territories in Jammu and Kashmir, Chhattisgarh, Rajasthan, Madhya Pradesh and the northeast states. The federation has plans to handle 125 lakh liters of milk/ day for 2012-13 and increase to 200 lakh liter/day by 2020.
- **The Kaira District Cooperative Milk Producers Union Limited (KDCMPUL)**, popularly known as Amul Dairy, is setting up a dairy plant in Kolkata with an investment of over Rs. 100 crore.

COMMODITY

SUGAR

- **As decided by the Central Government** a quantity of 40 lakh tons of non-levy quota, will be available for the months of October and November this year. The sugar factory shall sell and deliver the entire non-levy quota amounts within the validity period of the release order, i.e. from October 1, 2012 to November 30, 2012.

OTHERS

- **Sowing of Paddy, Pulses and Coarse cereals** in India improved during the monsoon week ending August 29. However, the rains failed to have a similar impact on oilseeds.

ANNOUNCEMENTS RELATED TO MINIMUM SUPPORT PRICE (MSP)

- **The Minimum support prices (MSP) of major kharif crops** for 2012-13 have been raised substantially. The revised MSP for Paddy (common) is Rs. 1250/Qtl (was Rs. 1080/Qtl in 2011-12); Wheat is Rs. 1285/Qtl (was Rs. 1120 + Rs. 50 bonus) and Cotton (medium) is Rs. 3600/Qtl (was Rs. 2800/Qtl).

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