



MONTHLY POLICY TRACKER FOOD AND AGRICULTURE

INVESTMENT IN AGRICULTURE

- **The National Bank of Agriculture and Rural Development (NABARD) and the Small Farmers' Agribusiness Consortium (SFAC)** have signed a memorandum of understanding (MoU) to jointly implement schemes for the promotion of farm producer organizations (FPOs). Under the deal, NABARD will leverage the benefits of the equity grant and credit guarantee fund for FPOs set up by SFAC to ensure that finance for producer companies flows smoothly. NABARD will also actively collaborate with SFAC at the National, State and district level by participating in the Food Security Mission.
- **The Haryana Horticulture Department is setting up** two Quality Control Labs, one at Gharaunda of Karnal district and other at Sirsa at a cost of Rs 2 crore each. These labs would start functioning in the next six months. The infrastructure facility will encourage farmers to shift from wheat-paddy to horticulture to save soil health and water table in the state.

AGRICULTURE MARKETING

- **The Government of Maharashtra has put on hold** its decision to delist onions and potatoes from APMCs till an alternate mechanism is worked out for the benefit of farmers. The state government has also decided not to impose any stock holding limits on onions and potatoes under ECA on the grounds that the majority of the stocks are with farmers and not traders. This decision was taken after the Centre directed various state governments to impose stock holding limits on onions and potatoes after the fluctuation in prices.
- **The Cabinet Committee on Economic Affairs (CCEA) has empowered the states** to set stock limits for onion and potatoes. The specified ceiling will be in force for a year. This is for the first time that stock holding limits have been fixed for vegetables to curb hoarding. Also the minimum export price (MEP) for onions is increased to \$500 per tonne from \$300 with the aim to discourage exports. The government has also advised the states to delist fruits and vegetables from the APMC Act, so that farmers have the option to sell their produce in the open market without going to the mandis.

- **Food Corporation of India, AP region, has adopted a new multi model transportation** approach to dispatch raw rice stock from Visakhapatnam to Agartala in Tripura. It involves transportation of stock from Vizag port to Diamond Harbour in Kolkata by a ship. The stock will then be trans-shipped through river up to Bangladesh. Thereafter, it will transit Bangladesh through trucks and again would be boarded from Bangladesh to feed FCI depots in Agartala by trucks. The movement is regulated by Protocol on Inland Water Trade and Treaty (PIWTT) signed between India Bangladesh governments. The novel venture opens up an alternative route when compared with the conventional dispatch of stock by the rail-road hitherto done from Punjab/Haryana to Tripura.
- **Delhi has delisted fruits and vegetables from the Azadpur, Keshopur and Shahdara APMC's.** The notification states, "In pursuance of the provisions of sub-section (1) of section 3 read with section 4 (4) of the Delhi Agriculture Produce Marketing (Regulation) Act, 1998 (Delhi, Act of 1999), the LG, government of National Capital Territory of Delhi, is pleased to declare his intention of ceasing the regulation of marketing of such agricultural produce of fruit and vegetables in the respective market areas of the above-mentioned marketing committees in the NCT of Delhi, ". The step will ensure that growers will have the freedom to sell their produce outside the purview of the mandis and it will be not mandatory on them to sell through the mandis.

NEW INITIATIVE

- **Uttar Pradesh has signed three MOU's** with New Zealand-based Duncan Milk, frozen yogurt manufacturer and retailer Yowild and avocado and kiwifruits contract farmer Inzenia. The three companies have shown their commitment towards setting up base in the state.
- **The 'Pusa Farmers Mall' is set up by IARI** to facilitate a marketing platform to farmers for selling their produce directly and increase income of growers. Processed food items like atta, roasted soya, soya tofu, pickles, and packed fresh vegetables and fruits will be sold at the mall. Farmers will be allocated stores on a weekly basis and a minimum fee for electricity and water will be charged from them.

EXPORT

- **The Government of Brazil has laid down strict sanitary norms** for the imports of poultry meat and poultry meat and offal products. These products can be imported by Brazil only if the consignments are accompanied by a health certificate, endorsed by an approved veterinarian from the Official Veterinary Service in the exporting nation. The decision is important for Indian poultry industry as Brazil is India's competitor in the international poultry market and any changes in the rules could directly affect the global market.
- **EU Commission has announced through decision notice no. 2007/777/EC** to lift ban on import of Indian Poultry Meat and to implement amended model health

certificate to be issued by EIC for exports of meat products, treated stomachs, bladders & intestines prepared from fresh meat of domestic poultry, including meat of farmed and wild game birds. Further, it is also specific that a transition period upto 30th September, 2014 has been given for consignments accompanied by the existing health certificate, provided that the certificate was signed before 30th July, 2014.

- **Iran, the largest buyer of the Indian aromatic rice, has hiked the import duty** to around 40 per cent from 22 per cent as a result of which Basmati shipments are likely to see a slowdown in the near-term.

DAIRY

- **The Cabinet Committee on Economic Affairs (CCEA)** has decided to withdraw the 5 per cent incentive offered on export of skimmed milk powder (SMP) to boost domestic supply and ease prices. In June 2012, the previous government had lifted the ban on SMP exports and included this product under Vishesh Krishi and Gram Udyog Yojana under which exporters were availing five per cent duty credit scrip on export value. The industry has a view that withdrawal of incentive will hardly have a impact on prices as there is not much exports of skimmed milk powder taking place.

SUGAR

- **As per DGFT notification, the quantity ceiling of 10,000 tonnes for export of organic sugar** has been removed till the time export of sugar is permitted freely. However export of organic sugar would be permitted subject to registration of quantity with DGFT and certification by Agricultural and Processed Food Products Export Development Authority (APEDA). The decision is expected to bring relief to the cash starved sugar sector which is facing trouble due to higher cost of production and lower selling prices in the wake of surplus output over the past few years.

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

