



MONTHLY POLICY TRACKER FOOD AND AGRICULTURE

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INVESTMENT IN AGRICULTURE

- **The Andhra Pradesh State Food Processing Development Council** is being established to aggressively promote the food processing industry. In addition District Food Processing Missions will be initiated.
- **The Government of Karnataka** has enhanced the existing credit limit on farm loans from commercial banks and Regional Rural Banks from Rs 50,000 to Rs 100,000. This decision is expected to benefit 2.18 lakh farmers.
- **“Framework for Public Private Partnership for Integrated Agricultural Development (PPPIAD)”**, has been issued by the Agriculture Ministry for public private partnership (PPP) in agriculture under the Rashtriya Krishi Vikas Yojana (RKVY).

The scheme envisages an average investment of rupees 1 lakh per farmer, with approximately 50% being provided by the government and the rest mobilized by private partners. Each project is expected to run between 3-5 years and cover a minimum of 10,000 farmers. A Results Framework Document (RFD) will be signed by the private partner with the state government, clearly defining outputs and verifiable indicators.

Small Farmers' Agribusiness Consortium (SFAC) will provide technical support and facilitation to states and corporates. Decisions on the type and number of projects to be supported under PPPIAD will be left entirely to the States.

- **Under the National Food Security Mission (NFSM)** the Centre has allocated over Rs 1,800 crore to states this year. The NFSM aims at raising the food grain production by 25MTs. Besides rice, wheat and pulses, NFSM proposes to cover coarse cereals and fodder crops during the 12th Five-year Plan.
- **Under the Accelerated Fodder Development Programme** Rs 45 crore has been released by the Center to enhance the availability of fodder in 5 states where Rajasthan received Rs 15 crore, while Andhra Pradesh and Maharashtra received Rs 10 crore each, and Gujarat and Haryana Rs 5 crores respectively.
- **A Diesel subsidy** of Rs 13 crores released by the Bihar Government is expected to bring relief to farmers. The State subsidy of Rs 20/litre is expected to boost irrigation of kharif crops, which has fallen due to uneven distribution of rains in some districts.

TRADE

Exports

- **Export of edible oil** in branded consumer packs is banned by the Ministry of Commerce & Industry through Notification No 9 (RE – 2012)/2009-2014. Earlier for the period 01.11.2011 to 31.10.2012 as per Para 4 of Notification No. 77 dated 28.09.2011, export of edible oils was permitted in branded consumer packs of upto 5 Kg, within a ceiling of 10,000 tons.

FOOD PROCESSING

- **The Mega Food Parks Scheme (MFPS)** of the MoFPI will continue during the 12th Five Year Plan Period (2012-2017) with a changed pattern of financial assistance. The new proposed framework could provide a capital grant at 50% of eligible cost in general areas and 75% in difficult and hilly areas subject to maximum of Rs 50 crore per project. The minimum land requirement will be 50 acres for Central Processing Centre (CPC) and 2 to 3 acres for Primary Processing Centre (PPC) and Collection Centers (CCs).

A Mini Food Park theme is also planned for small and medium sized processors. The Mini Food Park will require a minimum of 30 acres of land for CPC and may or may not have PPC and CCs. The capital grant will be at 35% of the eligible cost subject to a maximum of Rs 20 crore as upfront subsidy and Rs 6 crore as interest subvention in 3 years for general areas. While for Northeast, difficult and notified ITDP areas it will be Rs 20 crore as upfront subsidy and Rs 9 crore as interest subvention in 5 years.

FOOD SAFETY & STANDARDS REGULATION

- **The State of** Andhra Pradesh, Assam, Orissa and Jammu & Kashmir are likely to ban tobacco, nicotine and heavy metal containing products such as gutkha and pan masala under the Food Safety and Standards Regulations, 2011, soon. The ban is already imposed in the State of Maharashtra, Madhya Pradesh, Punjab, Kerala, Bihar, Rajasthan, Chhattisgarh, Jharkhand, Gujarat, Chandigarh, Haryana, Himachal Pradesh and Goa.
- **FSSAI has issued guidelines** regarding the harmonization of laboratory parameters for analysis of imported food samples in consultation with the Central Food Technological Research Institute (CFTRI), Mysore. FSSAI, in a communiqué via F. No. 06/QAS/2012 import issues/FSSAI, to all referral and authorized labs, has stated that imported food will now need clearance based on these guidelines.



- **FSSAI has issued an advisory notification** applying for product approval for new and existing proprietary food products before seeking a license to import or manufacture such foods. Product Approval is based on Categories as prescribed by FSSAI in Indian Food Codes dated 25/6/2012. For the Permitted variations of product under the same category, separate “Product Approval” need not be applied for. The applications from manufacturers and importers of products and ingredients are to be sent in the prescribed format along with specified documents and a fee of Rs 25,000 payable to FSSAI.

Provisional NOC (no objection certificate) would be issued for a year in case of existing license holders or importers of proprietary food products and ingredients and also for new products/ ingredients that had been proven safe for human consumption in other countries. However, products and ingredients that are absolutely new and never been used in any country and whose safety assessment had not been carried out yet would not be issued provisional NOC. The applications pertaining to such products and ingredients would be forwarded to the scientific panel concerned and the committee eventually.

Manufacturers of Traditional food & local cuisine & savouries like atta, suji, dal samosa etc need not to submit their applications for product approval as a proprietary food.

Once the process is completed, the FBO is required to submit the NOC along with their application for license to Central or the state licensing officer. License would then be issued to the manufacturer by the respective authority.

FARM MECHANIZATION

- **The State Cabinet**, Government of Karnataka, has decided to establish 500 service centers, at a cost of Rs. 10 lakh each, across the state to provide agricultural implements like tractors, tillers on rental basis to small and marginal agriculturists and promote mechanization in agriculture.

COMMODITY - SUGAR

- **Additional 4 Lakh tonnes of non-levy sugar** has been released for open market in the month of August 2012 by the Central Government. With the earlier release of 45 lakh ton in June and 2.66 lakh ton in July the total 51.66 lakh ton non-levy sugar will be available now.

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