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INVESTMENT IN AGRICULTURE

- The Reserve Bank of India has issued revised guidelines to Priority Sector Lending on July 20, 2012 post recommendations submitted by the M.V. Nair Committee. The target for agriculture lending is unchanged at 18 percent with sub targets of 13.5 percent for direct lending and 4.5 percent for indirect lending.
- The Asian Development Bank and Government of India have signed a 67.6 million dollar loan that will help improve physical and institutional links to support agriculture in the state of Bihar. Public-private partnerships (PPPs) to design, build, finance and operate integrated value chains are a key component of the project.

The loan is the first tranche of a \$170 million multi tranche financing facility under the agribusiness Infrastructure Development Investment Program that will also spur related private sector investments in selected regions of Bihar and Maharashtra.

TRADE

Exports

- Ministry of Commerce & Industry, Department of Commerce wide Notification No. 6 (RE-2012) /2009-2014 has removed the Minimum Export Price (MEP) of Basmati rice.

Imports

- Ministry of Commerce & Industry wide Notification No.04 (RE – 2012)/2009-2014 has extended prohibition on import of milk and milk products (including chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient) from China till 23.6.2013 or until further orders, whichever is earlier.

FOOD PROCESSING

- Further to the centrally sponsored scheme, the 'National Mission on Food Processing' announced in budget 2012-13, Ministry of Food Processing Industries (MoFPI) has moved a Cabinet note for setting up this mission in cooperation with the state governments. Under the mission, the state governments will set up food processing units on a large scale with technological and logistical support from the Centre. In turn the Centre will provide assistance to the states for technological up-gradation, skill development, promotional activities and setting up of non-horticultural cold storages.

FOOD SAFETY & STANDARDS REGULATION

- FSSAI has issued an advisory extending the time period for seeking conversions/ renewal of existing licenses / registrations by another six months with effect from August 5, 2012.

COMMODITY - SUGAR

- To make available an additional non-levy sugar quantity of about 2.66 lakh MT for sale, by August 2012, the Government has decided to convert levy sugar stock for the sugar seasons 2008-09 and 2009-10 into non-levy sugar.

The government has also amended the sale conditions for the release of quarterly non-levy quota for July to September 2012. Anybody found selling less than prescribed monthly quantities would face conversion of unsold non-levy quantity into levy sugar.

- To ensure a guaranteed price to the cane growers the Cabinet Committee on Economic Affairs has approved the Fair and Remunerative Price of sugarcane payable by sugar mills for 2012-13 sugar season to be fixed at Rs.170 per quintal linked to a basic recovery rate of 9.5 percent subject to a premium of Rs.1.79 per quintal for every 0.1 percentage point increase in recovery above that level. This will be uniformly applicable all over the country.

OTHERS

- A proposal for reimbursing freight, for the distribution of decontrolled phosphatic and potassic fertilizers, under the Nutrient-Based Subsidy (NBS) scheme for the period from Jan 2011 to end March 2012 has been approved by Government.

Earlier freight reimbursements were restricted to the rail freight depriving farmers of remote areas of soil nutrients or they had to pay a higher price. The move will ensure movement of fertilisers to all parts of the country and will also ensure equitable prices of Phosphatic and Potassic (P&K) fertilisers across all the regions.

- The Spice Board of India in association with the IFFCO Kissan Sanchar Ltd. has launched "Tamil Nadu Spices Community" to connect spices' farmers on mobile tele-network for direct interface. The Board is planning to link spices' farmers in every state and will take it to Kerala, Karnataka, Sikkim, North-Eastern States, Rajasthan, Gujarat and Madhya Pradesh.

- Harnessing Opportunities for Productivity Enhancement (HOPE): This programme led by ICRISAT, in close partnership with several state and national institutions on sorghum in India, is working wonders in Marathwada and Western Maharashtra regions.

Initial assessments indicate grain yields rose by 40 percent and fodder yields by 20 percent on average over the past three seasons (2010-2012) due to improved varieties and/ crop management practices; and improved market linkages. Net farmer incomes have increased by 50 percent to an average of 78 dollars (US) per hectare of sorghum grown.

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