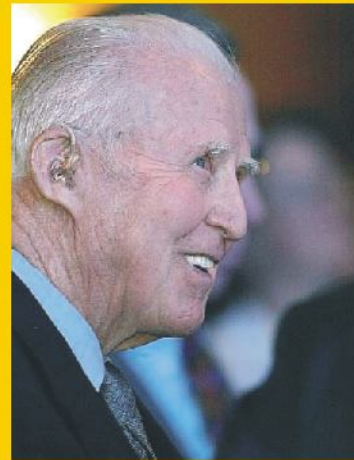




CII's Inaugural Newsletter "Farm-to-Fork" is dedicated to the memory of



Dr. Norman Borlaug

known as

'Father of the Green Revolution'

who died on 13th Sept. 2009

This is a Publication of
Confederation of Indian Industry
Agriculture & Food Processing Division

Amita Sarkar

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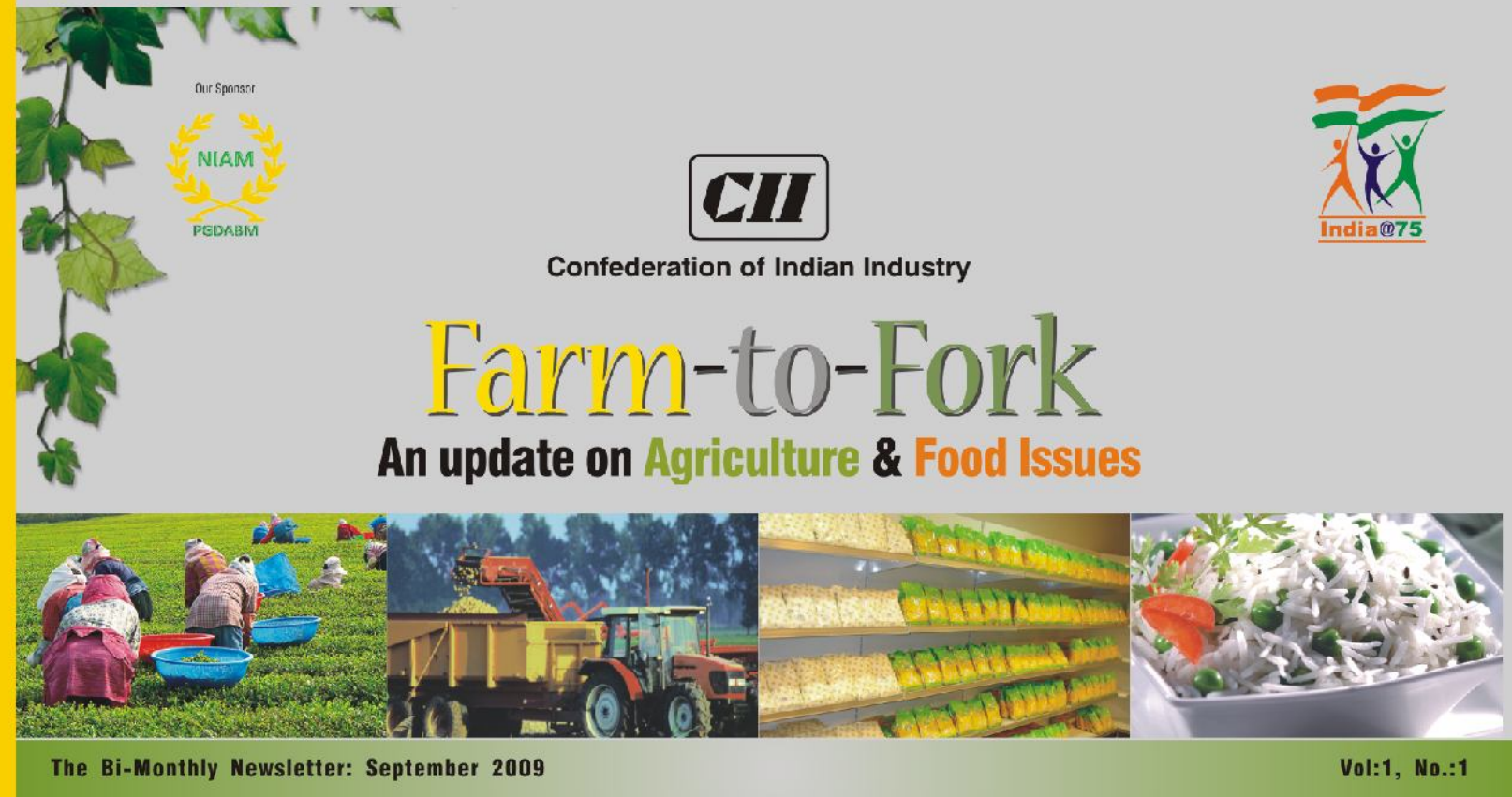


Choudhary Charan Singh

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The Bi-Monthly Newsletter: September 2009

Vol:1, No.:1

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Preface



Mr. Chandrajit Banerjee
Director General, CII

It gives me immense pleasure to present to you CII's Newsletter "Farm to Fork" dedicated to the issues prevailing across the entire spectrum of Agriculture and Food Sector.

Agriculture is the 'Growth Engine' for the Indian economy and CII envisions "Making India as a Food Factory to the World", by making this sector competitive and export oriented.

Through this newsletter, CII shall make an effort to bring out regular updates on the issues of Agriculture and Food Industry in order to establish a transparent mechanism of information sharing with all the

stakeholders about the ongoing developments especially with respect to policy and technology in India and abroad.

We keenly look forward to your feedback and ideas to make this attempt more fruitful and beneficial for your businesses.

Chandrajit Banerjee
Chandrajit Banerjee

Minister's Message



Shri Sharad Pawar
Union Minister for Agriculture
Govt. of India

It gives me pleasure to know that CII is publishing a bi-monthly newsletter "Farm to Fork" to provide an update on the latest developments in Agriculture and Food sector. I am happy about the consistent efforts and endeavors of CII in engaging private industry in the activities of the Agriculture sector.

Today the Agriculture sector in India is at a very crucial stage. There is an unprecedented degradation of land and ground water resources, further compounded by deteriorating soil health in most parts of the country. There is also a deceleration in the rate of growth of total food productivity. This trend needs to be reversed and agricultural productivity to be doubled to meet the growing demand for food and feed.

It is also a matter of great concern that losses due to inadequate post harvest handling are enormous. Storage, transportation, processing, value addition and marketing of farm produce need to be improved to increase household food, nutritional and livelihood security.

Thus the sector today needs to move to a higher growth trajectory to ensure Food Security and requires Indian Government & Industry to proactively intensify their engagement in the entire value chain of the sector.

I congratulate CII for its new initiative and am very hopeful that this newsletter on Agriculture and Food industry will prove to be a ready reckoner for the various stakeholders and will go a long way in strengthening agriculture economy by efficient dissemination of the desired information.

Sharad Pawar
(Sharad Pawar)

Chairman's Vision



Mr. Rakesh Bharat Mittal
Chairman
CII National Council on Agriculture

Sustainable Agriculture: Need of Indian Economy

Although India's remarkable economic growth in recent years has been fueled by the booming services and industrial sector, agriculture continues to remain the mainstay of the economy from employment and livelihood perspective. The contribution of Agriculture to Indian GDP has gone down considerably in the last few years, but this sector continues to be the largest sector in the country employing 58% of the population. The Agriculture growth momentum of the country cannot be sustained in the long run without a thrust on inclusiveness and sustainability.

Slow down in production and rapid growth in demand caused by economic development and population growth has contributed to tightening of balances of grains and oilseeds. The situation is further worsened as the pressure of urbanization compels converting agricultural land to non agricultural use. The fragmentation of agricultural land in India

coupled with high level of heterogeneity in the conditions of different farmers increases the cost and the complexity demanding customized solutions at micro levels.

Sustainability in the farm sector, therefore, is a big challenge needing a concerted rejuvenation strategy for Indian Agriculture by maintaining soil fertility and creating awareness of water management. The key question, therefore, is how to strengthen the forces that will facilitate Indian Agriculture to transit towards higher value addition and leverage its competitive advantages.

I believe that in the given situation, the Government and the private sector have to play specified and complimentary roles in the Agriculture sector. While there will be a large range of areas like watershed, rural roads, rural electrification, large irrigation schemes, breakthrough agricultural research, large scale extension and setting up of rural market infrastructure which will continue to remain in the domain of the Government sector. Government incentives in these areas will induce private sector investments, which will be critical for the growth of sustainable high value Agriculture.

The private sector also has to play an important role in attaining an inclusive and sustainable growth in Agriculture by way of: • Adding value through processing and reaching out to global consumers • Improving convenience and choice to the consumer through modern retail for both fresh & processed food • Bringing superior inputs along with information and knowledge services to the farmers' doorstep by leveraging the developments in information & communication technology • Superior risk management solutions, especially through weather insurance, commodity derivative markets and contract farming • By making investments along the entire agricultural value chain.

To promote private investment in Agriculture and agribusiness Government should make / amend necessary policy changes both at the State and Central level. The Government alone will not be able to implement the value addition strategies in a market led scenario. The corporate sector necessarily has to play a complementary role to the government's initiatives in this sector to enable widespread scaling up of value chains.

Global Highlights



Mr. Dan Glickman
Former Secretary
US Department of Agriculture

Indo-US Cooperation in Agriculture: Opportunities & Challenges

Agriculture in the country today is going through a major phase of transformation from a traditional farming to an open technically designed farming model which is opening alternatives for farmers and attracting participation from the private sector in a major way. These trends clearly point, the need for a more market aligned

production, to ensure all round inclusive growth of India. This can be facilitated by greater cooperation with US by using their expertise in addressing new and upcoming challenges and opportunities of the modern day agriculture.

Farming conditions in the two countries are very different. In US, farming is dominated by very large farms and large landholdings unlike in India where land fragmentation is a major issue of concern. Secondly, the private sector plays a very limited role in actual farming in India, unlike in US. This is exactly where the role of the private sector in the Indian context becomes extremely important. Some of the key areas in the agriculture sector, where a larger co-operation between the two countries can be built, are:

- US has major strength in Agri Biotechnology. The key opportunities for Indo-US collaboration in the area of

Biotechnology lies in financing of innovative business models based upon high-value research, increased R&D with focus on identified crops, capacity building and human resources development for facilitating technology transfers and adoption.

- USAID through many State Governments has been working to improve linkages between farmers and markets. There is an enormous opportunity for Indo-US cooperation in the entire area of agriculture marketing, especially technology transfers in post harvest management, including storage, handling, processing and transportation.
- Syndicates can be formed between the US and Indian private sector as well as the US and Indian Agri-universities.
- There could be study missions to create exposure on requirements of training technology, hygiene practices, testing facilities, product quality and safety parameters for meeting export requirements of Meat, Fruits and Vegetables and Dairy Products.
- US companies can bring their technical know how and latest developments in food processing technologies to facilitate the Indian Food Sector in upgrading their systems and achieving global competitiveness.

The sustained efforts in developing a thriving Agribusiness in India will eventually lead to the opening up of a completely new frontier of economic development.

Special Feature

Drought and its likely impact

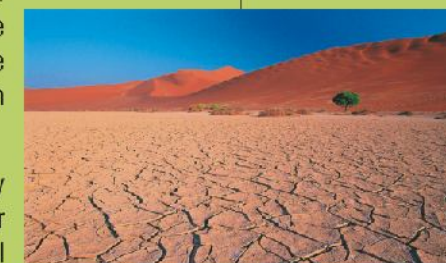
With each passing day, everyone in the country is trying to guess, how much damage this year's kharif production is going to impact India and how much pressure it will exert on the prices. The Prime Minister is worried due to delayed monsoon and sowing of kharif, but he assures the nation that there are ample stocks of foodgrains available to be released that would meet the needs of the country for the next 12-13 months.

Yet, the Finance Minister is concerned and says, Kharif production is down by 15-20% from last year, thus creating a sort of panic amongst the general population. But on the other hand, the Agriculture Minister prefers to adopt a wait and watch policy. Projecting a positive situation on just arriving monsoon and catching up of sowing in certain parts, he has indicated that the government was open to imports as and when the need arises. Apart from Sugar, he is confident on the cultivation of other crops in the country.

As an economic analyst, if we dispassionately analyze the situation from June to September 2008-09, then cumulative deficiency in the rainfall is to the tune of 15 - 20% below LPA (Long Period Average) till first week of September. Similar was the situation when India was worst hit with the drought situation in 1987 and 2002 with cumulative rainfall at -19% below LPA.

First thing to be noted is that damage to the crops does not depend just on cumulative deficiency of rainfall but also on its spread across regions and its timing. In '87 the decline in the production of kharif foodgrains was about -9% as against -22% in the drought year of '02. But, due to very good production years in the past, the 1987 and 2002 drought did not impact the country to a larger extent and the consumers sailed through the situation because of the available buffer stocks.

Similar is the situation today, the government is banking on the grain stock of more than 50 million tonnes. So, the problem of food security is



not as much on the consumer front. Nevertheless, considering the rainfall pattern this year, if we try to understand the impact on different kharif crops, then it does not seem as worse as it has been portrayed in some quarters. In the current year, deficient monsoon is in Northwest part of India, with cumulative rainfall at -40% below the LPA.

But, luckily this region is well irrigated zone for the crops of the season. Bread basket of India, Punjab despite deficient rainfall has a good standing crop this year. Eastern UP and Bihar are the states mostly affected by the deficient rainfall. But the opportunity is not yet lost, government should gear up for the upcoming Rabi production for the season. If we consider the overall paddy production for the year as a whole, then fall is expected to be down by 7%-8%.

In the other crop segment- production of oilseeds will decline because of the fall in the groundnut area especially in Andhra Pradesh and Gujarat. This would lead to enhanced imports of edible oils. On the other hand, Pulses have gained acreage from last year and expected to provide relief over the existing high prices. With increase in the cultivation area in cotton across Gujarat, Maharashtra and Rajasthan, it is expected to have good crop ahead with chances of higher exports in the segment.

In Sugar, with expected fall in production and depleting stocks, sugar prices in the domestic as well as global markets have already flared up. It won't be a surprise if Sugar price rises to Rs.40/kg in the coming festive season. The government may have to step in and work towards providing huge subsidies to control the price of Sugar, else the government will face the wrath of the consumers.



Dr. Ashok Gulati, Director (Asia)
International Food Policy
Research Institute

Kharif Foodgrains Production (million tonnes)*

Year	Production	decline (%)	Year	Production	decline (%)
1985-86	85.25		2000-01	102.09	
1986-87	82.20		2001-02	112.07	
1987-88 -drought	74.56	-9.3%	2002-03 -drought	87.22	-22%

*Source: Ministry of Agriculture

Do You Know

New Appointment

- Mr. Amrit Lal Meena, Joint Secretary, Ministry of Food Processing Industries - Incharge of Dairy Sector, Mega Food Parks, Cold chain, Fisheries and Internal Planning & Coordination.

Current Facts

- The Government approved increasing Minimum Support Price (MSP) by Rs 100 each for common grade paddy to Rs 950 and super grade paddy at Rs 980 per quintal.

- The Cabinet has approved Increasing Support Price for tur (arhar) to Rs 2,300 per 100 kg from Rs 2,000 earlier. For moong the increase is pegged at Rs 2,760 per 100 kg from Rs 2,520 per 100 kg. For sesame, the support price is raised to Rs 2,850 from Rs 2,750 per 100 kg.
- Rice production in the country could decline by 10 million tonnes this year because of the drought.
- Sugar production in the current sugar season has declined from 26.3 million tonnes to about 15 million tonnes as against the domestic requirement of 22.5-23 million tones.

CII- Agriculture & Food : A Retrospect

CEOs Interactive Session with Mr. Subodh Kant Sahai, Union Minister of Food Processing Industries



Mr. Piniz Khambatta, Immediate Past Chairman, CII National Committee on Food Processing
Mr. Ajit Kumar, Joint Secretary, MoFPI, Mr. Subodh Kant Sahai, Union Minister for Food Processing Industries
Mr. Chandrajit Banerjee, Director General, CII, Mr. S. Sivakumar, Chief Executive, Agri. Businesses, ITC Ltd.

CII organized a CEOs Interactive Session with Mr. Subodh Kant Sahai, Union Minister of Food Processing Industries on 12th June 2009 in New Delhi. The objective of this session was to brainstorm on strategies towards positioning India as the Food Factory of the World, which could result in increased investment and exponential growth of the sector and would also create more employment.

CII has requested for broad banded definition of the sector to remove, anomalies and other taxation issues, abolishing of FBT, setting up of incubation centers across the country, viability gap funding and venture capital for infrastructure projects, funding for promotion of Indian processed food globally.

2nd Food Technology Summit 2009: "Innovative Approaches and Technical Solutions for Sustained Profitability"

CII in partnership with Ministry of Food Processing Industries organized the 2nd Food Technology Summit "Innovative Approaches and Technical Solutions for Sustained Profitability" on 22-23rd June 2009 in New Delhi. The summit created a tripartite platform for bringing about solution providers, user industries and institution/ academics for focused discussion and sharing of knowledge, experience, insights as well as B2B forum in the area of post harvest technologies, byproduct utilization, packaging solutions, quality assurance and capacity building.



Mr. V. Gokul Das, Chairman, CII Task Force on Food Technology, Dr. V. Prakash, Director, CFTRI
Mr. Subodh Kant Sahai, Union Minister for Food Processing Industries
Mr. Gautham Mukkavilli, Chairman, CII National Committee on Food Processing & Food Regulatory Affairs

CII submits 10-point agenda for policy intervention to Mr. Sharad Pawar, Union Minister of Agriculture



Ms. Amba Sarkar, Sr. Director & Head, Agriculture & Food Processing, CII, Mr. Gokul Patil, Chairman, Global AgriSystems Pvt. Ltd., Mr. Ashok Gulati, Director (Asia), IFPRI,
Mr. S.K. Singh, Chairman & MD, PFI Industries Ltd., Mr. Rajesh Bhatia Mittal, Chairman, CII National Council on Agriculture,
Mr. Sharad Pawar, Union Minister for Agriculture,
Mr. T. Nanda Kumar, Secretary, Ministry of Agriculture, Mr. Hardeep Singh, Chairman, Amalgamated Flour Mills Pvt. Ltd.,
Mr. Vivek Bharat, Executive Director (Agriculture), PepsiCo India Holdings Pvt. Ltd.

CII presented a "10 Point Agenda for Policy Intervention - Wealth Creation in the Farm Sector of India" to Union Minister of Agriculture, Mr. Sharad Pawar on 31st August 2009. The recommendations aim towards creating wealth in the Indian farm sector by empowering the rural population and creating economic capacities at village level.

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Current Facts

- The Government approved increasing Minimum Support Price (MSP) by Rs 100 each for common grade paddy to Rs 950 and super grade paddy at Rs 980 per quintal.

CII submits Model Land Leasing Act to Dr C P Joshi, Union Minister for Rural Development

CII submitted a 'Model Land Leasing Act' to Dr C P Joshi, Union Minister for Rural Development on 3rd September 2009. This Act aimed at enabling Private sector involvement in Agriculture to access and use larger land areas, which is extremely critical for achieving economies of scale in agriculture by application of modern technologies on farms.



Mr. Sall Singh, Chairman, M.C. PI Industries Ltd.,
Dr. C. P. Joshi, Union Minister of Rural Development &
Mr. Rakesh Bharat Mittal, Chairman, CII National Council on Agriculture

Indo-US Cooperation in Agriculture



Dr. Rajhu Mirchandani, Chairman, Aris Agri. Ltd.,
Dr. Ashok Gulati, Chairman, CII National Task Force on Food Security and Director in Asia (IFPRI)
Mr. Tarun Das, Chief Mentor, CII

Round Table Discussion on Indo-US Cooperation in Agriculture: Opportunities and Challenges

With a keen intention to broaden the Indo-U.S collaborative agenda in agriculture and taking forward the Agriculture knowledge Initiative (AKI) with renewed focus, CII organized a round table discussion on Indo -US Cooperation in Agriculture on 16th July 2009 in New Delhi.

CII suggested greater academic institutional collaborations in the field of high value agriculture and sharing the best practices of U.S private sector in raising the productivity through higher value commodities dairy products, marine products, livestock, fruits, vegetables and spices.

Interactive Session with Mr. Dan Glickman, Former Secretary, USDA

CII organized an interactive session with Mr. Dan Glickman, Former Secretary, USDA on 7th September 2009 at New Delhi.

The Agriculture Department in US administered numerous farm and conservation programmes and modernized food safety regulations and had also focused extensively on improving nation's diet and nutrition for fighting hunger under the leadership of Mr. Dan Glickman.

Mr. Glickman highlighted that India and US can collaborate in the field of Agriculture in the following areas:

- Emergency food assistance along with consumer driven agriculture
- Spreading awareness about new technologies such as Gene Revolution, BT technology, Genetically Modified crops etc. amongst farmers and consumers
- Harmonizing Indian food regulatory and safety standards with International standards especially CODEX for trade expansion between India and US



Mr. Rakesh Bharat Mittal, Chairman, CII National Council on Agriculture,
Dr. Dan Glickman, Former Secretary, USDA &
Mr. V. Shankar, Vice President, CII National Council on Agriculture

New Researches

- Increased intakes of chocolate may decrease the risk of a heart attack, according to a joint US-Swedish study. Eating chocolate two or more times per week was associated with a 66 per cent reduction in cardiac mortality, while less frequent consumption was also associated with smaller decreased risks, say the researchers in the Journal of Internal Medicine.
- Natural pesticides made of spices e.g. Rosemary, Thyme, Clove, and Mint are now becoming organic agriculture's key weapons against insect pests, highlighted by a study presented at the American Chemical Society's 238th National Meeting, scientists in Canada. They represent a relatively new class of natural insecticides that show an environmentally friendly alternative to conventional pesticides while also posing less risk to human and animal health.



CII Council /Task Forces

Name of Council / Task Forces	Name of Chairman
Agriculture Council	Mr Rakesh Bharti Mittal, Vice Chairman & MD, Bharti Enterprises Ltd.
Task Force on Agri Inputs	Mr Salil Singhal, Chairman & MD, P I Industries Ltd.
Task Force on Agri Marketing	Mr Gokul Patnaik, Chairman, Global Agrisystems Pvt. Ltd.
Task Force on Cold Chain	Mr Daljit Mirchandani, Chairman, Ingersoll-Rand (India) Ltd.
Task Force on Dairy	Mr M K Jalan, Chairman, Keventer Biotech Ltd.
Task Force on Food Security	Dr Ashok Gulati, Director (Asia), IFPRI
Task Force on Horticulture	Mr S Sivakumar, Chief Executive (Agri Businesses), ITC Ltd.
Food Processing and Food Regulatory Affairs	Mr Gautham Mukkavalli, CEO - India Foods & President - India Region, PepsiCo India Holdings Pvt. Ltd.
Task Force on Food Regulatory Affairs	Dr S Jindal, Managing Director, Excelsior Foods and Chemical Ltd.
Task Force on Food Technology	Mr V Gokul Das, CEO, HRS Process Systems Pvt. Ltd.
Task Force on Processed Food Advantage India	Mr Piruz Khambatta, Chairman & MD, Rasna Pvt. Ltd.

Forthcoming CII Events

Seminar/Conference	Dates
Agrimarketing Summit 2009	October 2009
World Food Day Celebrations	15th -16th October: All across India
Food Pro	29th Oct - 1st Nov 2009, Chennai
USIBC Delegation to Delhi and Chennai	October / November 2009
Krishi Vikas	06 - 08 Nov 2009, CII Western Region
3rd International Food Regulatory Summit	November 2009
Cold Chain Summit 2009	December 2009
2nd Processed Food Advantage India	January 2010

Business Opportunities

INTERNATIONAL

Trinidad & Tobago

Ministry of Agriculture, Land & Marine Resources, Government of Trinidad & Tobago invites prominent foreign investors, Agro companies to undertake the development, management and operation of commercial agricultural farms in Trinidad and Tobago through investments / Joint ventures.

There is also a possibility for a farmer's delegation to visit Trinidad in order to assess possibility of India's cooperation in the field of agriculture.

Date of Issue: 20th April 2009, Contact: Ministry of Agriculture, Deptt. of Agriculture & Cooperation, Technical Cell

Mongolia

Opportunity for leasing the Agricultural land in Mongolia to Indian Agriculturists / companies for commercial farming. The representatives of interested farming companies may visit Mongolia for an on spot assessment of the opportunity in the sector. The mission will extend all support and assistance in this regard.

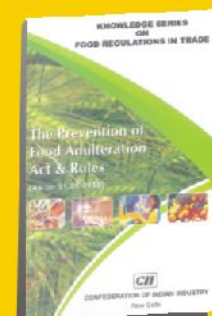
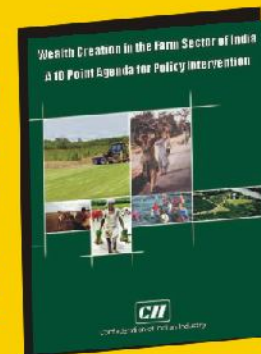
Date of Issue: 10th August, 2009, Contact: Ministry of Agriculture, Deptt. of Agriculture & Cooperation



CII Agri & Food Publications

10 Point Agenda for Policy Intervention - Wealth Creation in the Farm Sector of India

1.Policy for Raising Productivity by Strengthening the Input Side 2.Policy for Linking Agriculture to Markets & Creating an Enabling Regulatory Environment 3.Policy for Marketing and Supply Chain Management 4.Policy for Private Investment in Agriculture and Agri Focused Infrastructure 5.Policy for Fiscal Incentives to Private Sector 6.Policy for Land Consolidation for Agriculture 7.Policy Related to Food Security for Long Term Competitiveness 8.Policy Related to Goods Service Tax (GST) 9.Policy Related to Agri exports 10.Policy Related to Dairy



Prevention of Food Adulteration Act & Rules

A compendium of Rules and Regulations under the PFA Act on food sector.

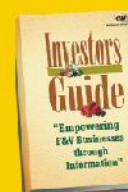
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Notifications

- **GSR No. 597 (E)** dated 22nd August 2009 has imposed a stock limit of sugar for 15 days for the person, establishments or industrial units having consumption of or more than 10 quintals of sugar per month as a raw material.
- **GSR No. 640 (E)** dated 7th September 2009: This notification has extended the date of implementation of the notification GSR 597(E) by 7 days, i.e. GSR 597(E) will now come into effect from 19th September 2009.
- **Advisory No.1(17)/98-SPY.D.II** dated 8th September 2009 by the Ministry of Consumer Affairs And Public Distribution issued over GSR 597(E) and GSR 640 (E).
- **GSR No. 608 (E)*** dated 28th August 2009. This draft notification has introduced a new item A.15.03 Iron fortified iodized salt (double fortified salt) along with its specifications in Appendix B of PFA rules after item A.15.02
- **Advisory no.P15017/6/2009-PH (F)/FSSAI*** dated 17th August 2009 issued by FSSAI to all Food (Health) Authorities of States / UTs to make changes in the B.R. Reading/ Refractive Index of olive oil under the item no. A.17.07 of Appendix B of PFA rules and to advise the States /UTs for not sanctioning prosecutions against the olive oil samples conforming to all parameters except B.R. Reading / Refractive Index of the PFA issued vide notification GSR 731(E) dated 21.12.2005.

*Detailed notifications available on www.mohfw.nic.in/pfa.htm