Confederation of Indian Industry

FACE
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INVESTMENT IN AGRICULTURE

- **The Reserve Bank has expanded the priority sector lending in agriculture, and small and medium enterprises** to widen the scope loans to these sectors. The following will be eligible for direct finance under priority sector upto an aggregate limit of Rs 2 crore per borrower/unit.
  - ✓ Corporates, including farmer producer companies, partnership firms and co-operatives of farmers in dairy, fishery, animal husbandry, poultry, bee-keeping, and sericulture
  - ✓ MSME's providing services
- **The Government of Maharashtra** has permitted farmers to store cleaned, graded and packed non-perishable produce in 168 government godowns and private accredited godowns at nominal fees of Rs. 25 per bale per month. Key highlights of the scheme include;
  - ✓ Bank loans at lower interest to enable farmers to wait for right price to sell their produce
  - ✓ Godowns to be linked to banks and commodities markets for future trading
  - ✓ Farmers can now sell produce online
- **A National Transparency Portal for Public Distribution System** has been launched by Ministry of Consumer affairs. This portal will provide all PDS related information through a single platform in the public domain. Information relating to Fair Price Shops (FPSs), ration cards attached to the FPSs, FCI and State storage godowns with capacity utilization and data on Central Pool stocks along with the monthly allocation orders, State-specific commodity sale prices and more will be available for public view.
- **Modified direct cash subsidy for urea** has been approved by the Cabinet Committee on Economic Affairs (CCEA). The payment of fertiliser subsidy to companies will be based on the receipt of fertilisers. The acknowledgement of receipts will be tracked on an ICT-enabled mobile Fertiliser Monitoring System (mFMS) and the fertiliser Monitoring System (FMS).

TRADE

EXPORTS

- **Ban on Export of edible oil** is extended via Notification No 24 (RE–2012)/2009-2014 from the Ministry of Commerce & Industry. This extended ban will not apply to exemptions granted for (a) export of Castor Oil (b) export of coconut oil through Cochin Port (c) deemed export of edible oils (as input raw material) from DTA to 100% EOUs for production of non-edible goods to be exported (d) export of oil produced out of minor forest produce even if edible, ITC(HS) Code 15159010, 15159020, 15159030, 15159040, 15179010 and 15219020.

  In addition, export of edible oils in branded consumer packs of upto 5 Kgs with ceiling of 20,000 tons that was permitted for the 12 months for the period ending on 30.09.2013 can take place only through Custom EDI Ports. Export of fish oil will also continue to be free as per Notification No. 60 dated 20.11.2008.

IMPORTS

- **The Government has decided to provide a Rs 20 subsidy on the import of pulses** to state governments. Imported pulses will also be supplied at reasonable prices to BPL populations through the PDS. Designated import agencies will directly enter into contract with the states / UTs for the supply of imported pulses. **State/UT governments will monitor and ensure that the distribution strategy** reaches the targeted population. The scheme will be in operation till March 31, 2013. Any decisions on its continuation will be taken early next year.

FOOD SAFETY & STANDARDS REGULATION

- **As per the order issued regarding amendments in FSS** Licensing and Registration of Food Businesses Regulation 2011, the time for obtaining this license is extended until February 4, 2013. However importers will have to apply for license before December 4, 2012 failing which imports will not be allowed from December 5, 2012.
- **The Union Health Ministry will amend Item No. 1 of the Schedule K of the Drugs and Cosmetics Rules (D&C Rules)** to control marketing of vitamin preparations as food supplements and also to ensure that drug substances manufactured for non-medicinal use be with the permission of the concerned licensing authority, as per the D&C Rules.

COMMODITY

SUGAR

- **Recommending complete decontrol of the sugar industry** the Rangarajan committee, set up to examine issues related to sugar decontrol, has asked the government to remove levy sugar obligation (sugar for ration shops) and do away with the regulated release mechanism besides freeing up export and import of the commodity's.
- **The free sugar export policy will continue till** September 2013 as the output is expected to be higher than domestic demand.

PULSES

- **Output of major crops, both food and non-food, is expected to decline by about 2.3 per cent** in 2012-13 according to CMIE. The report projects a fall of 4.6 per cent in kharif foodgrain production in 2012-13.The coarse cereals are the worst affected by the irregularities in rainfall and their production is projected to decrease by 7.9 per cent to 38.5 million tonnes in 2012-13. Production of pulses is estimated to fall by 1.3 per cent to 16.9 million tonnes in 2012-13 mainly due to decline in production of pulses other than gram and tur.

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