

## **Policy actions of the Government of India during July- September, 2013 concerning India Agriculture**

**1. Government notifies sugar import duty hike to 15% from 10%.** On July 9, 2013, Central Board of Excise and Customs (CBEC), has issued a notification on hiking the duty of both raw and white (refined) sugar from present 10 per cent to 15 per cent. The move would make the sweetener costlier at the retail level but help industry clear Rs 9,000 crore cane arrears to farmers. (Source: News paper reports)

**2. Interest Subvention Scheme for providing short-term crop loan to farmers at interest rate of 7 per cent per annum.** The Union Cabinet has approved on 2<sup>nd</sup> August 2013 the continuation of the interest subvention scheme to provide short-term crop loans to farmers in order to ensure the availability of crop loans at affordable rates to farmers for loans upto Rs. 3 lakh at the rate of 7 percent per annum. The scheme is applicable on all short-term crop loans borrowed from Public Sector Banks (PSBs), Private Sector Banks, Cooperative Banks and Regional Rural Banks (RRBs) and also to NABARD for refinance to RRBs and Cooperative Banks. An additional subvention of 3 percent is being provided to those farmers who repay their loans on time. Thus, the effective rate of interest for such farmers will be 4 percent per annum. (Source: Ministry of Agriculture, press release dated 2.8.13)

**3. Export of 20 lakh tonnes of wheat from the Central Pool Stocks of Food Corporation of India.** The Cabinet Committee on Economic Affairs on 8<sup>th</sup> August 2013 approved the export of 20 lakh tonnes of wheat from central pool stock of Food Corporation of India during the current financial year subject to a floor price of US\$ 300 per metric tonne through the Central Public Sector Undertakings (CPSUs) viz. STC, MMTC and PEC. Similar procedure will be followed for this export as was done earlier for export of 45 lakh tonne of wheat. These exports are to be completed by 31-03-2014. This would make available space for storage of fresh food grains in the godowns of FCI and thereby helping in proper management of food grain stocks. (Source: Ministry of Consumer Affairs, Food & Public Distribution, press release dated 8.8.13)

**4. Scheme of Integrated cold chain, Value addition and Preservation infrastructure.** The Government has approved on 8<sup>th</sup> August, 2013 the implementation of the scheme of integrated cold chain, value addition and preservation infrastructure during 12th Plan which aims to provide for integrated cold chain and preservation facilities without any break, from the farm gate to the consumer. This would help to reduce the wastage, enhance shelf-life, value addition and employment generation. The extent of wastage of perishable products have been estimated in the range from 6-18% due to lack of post-harvest infrastructural facilities. (Source: Ministry of Food Processing Industries, press release dated 8.8.13)

**5. Food and Nutritional Security.** The Government has notified on September 10, 2013 The National Food Security Act, 2013. The Act provides for legal entitlement for food and nutritional security in human life cycle approach and provides for

subsidized food grains to approximately two thirds of India's 1.2 billion people. Under the provisions of the Act, Seventy five percent of rural and 50 percent of the urban population is entitled to five kg food grains per month at Rs 3, Rs 2, Re 1 per kg for rice, wheat and coarse grains, respectively. Pregnant women, lactating mothers, and certain categories of children are eligible for daily free meals. (Source: Ministry of Consumer Affairs, Food & Public Distribution, notification dated 10.9.13)

**6. Continuation of ongoing Centrally Sponsored Scheme of National Food Security Mission during 12th Plan period.** The Government gave its approval on 20<sup>th</sup> September, 2013 for continuation of the ongoing Centrally Sponsored Scheme of National Food Security Mission (NFSM) during 12<sup>th</sup> Five Year Plan. This would help in increasing additional foodgrains production of 25 million tonnes consisting of 10 million tonnes of rice, 8 million tonnes of wheat, 4 million tonnes of pulses and 3 million tonnes of coarse cereals by 2016-17. The Mission's main focus will be on cropping systems instead of individual crops and inclusion of coarse cereals through development of Farmer-Producer Organizations (FPOs), creating value chains and providing market linkages. (Source: Ministry of Agriculture, press release dated 20.9.13)