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## MP invites pvt players for wheat storage output

Business Standard

Mar 01, 2012

Anticipating another season of bounty in the state's wheat fields, the Madhya Pradesh government is inviting private partners this year in its bid to create more warehousing facilities. The state has targeted procuring 65 lakh tonnes of wheat this year -- an all-time high, which is 15 lakh tonnes more than its previous year's figure. As for production, the state has this year estimated 120 lakh tonnes, which will be another record. The procurement process has come under sharper scrutiny this time after the main opposition Congress party alleged last year that a few state officials had imported cheap wheat from neighbouring states to fetch more prices and, thus, pocket profit. As of now, the government has put on allocation a food credit limit of Rs 1,100 crore for procurement purpose.

Chief minister Shivraj Singh Chouhan has already announced a bonus of Rs 100 per quintal to the minimum support price, thereby capping floor price at Rs 1,385 per quintal. As of now, 4.5 lakh tonnes of wheat that was procured last year is still lying either in warehouses or in open covered caps. Thus, to attract private investors in the sector, the government plans to offer at least three months' business to each warehouse owner, provided they enter into a deal with the government before March 13 on a first-come-first-served basis. Minister for Food and Civil Supplies Paras Jain said on Wednesday that the government has a shortage of warehouse space. "But," he added, "we will manage it through placing 12 lakh tonnes (of wheat) in government warehouses and 30 lakh metric tonnes in joint-venture warehouses. Besides, 23 lakh tonnes of wheat will be kept in open under cap covers."

Jain noted that a lack of support from the Food Corporation of India (FCI), the central government agency, was leading to the rot of hundreds of tonnes of wheat. "We need approximately 25 lakh tonnes of wheat each year. Yes, FCI does not lift its allocated quota before monsoon." Those warehouse owners who are already registered with the Warehousing Development and Regulatory Authority and have obtained licenses will not be offered assured business. The government will join hands with them in an 80:20 space share ratio.

A scheme that FCI floated earlier did not click much in the state, though ten years of business is assured under the scheme. The Madhya Pradesh Warehousing and Logistics Corporation are creating 85,000-mt capacity godowns and the private players are creating godowns of 243,600-mt capacity. "To check fraud and import from other states at cheap rates," the minister said, "the government has registered as many as 13 lakh farmers so that they apply through our e-application system. Each farmer will be registered through an electronic system." He, however, did not speak about the way the system would function in places/cases where Internet facilities were absent. Jain said the authorities have asked officials to start wheat procurement despite a data transfer problem. "We we will have an alternate system to monitor the e-procurement system," he added. Farmers will be paid against their yield within seven days of delivery.

## Australia's wheat output seen down

March 04, 2012

Australia's wheat output is likely to slide more than 15 percent in 2012/13 from a record-large crop this year as lower global prices may prompt farmers to shift to other crops such as canola and barley. Wheat output is expected to fall to 25 million tonnes in the year to June 2013, down from an all-time high of 29.5 million tonnes which is estimated to have been produced this year, according to a Reuters survey of 10 analysts.

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Australia is typically the world's fourth largest wheat exporter, and sales are unlikely to diminish in 2012/13 as 25 million tonnes still constitutes a better-than-average crop, analysts said. But the amount of wheat farmers will want to plant is likely to fall, with global supply forecast to exceed record highs next year and weigh down prices. The benchmark US wheat futures has lost 1.2 percent so far in March, giving up more ground after finish lower last month due to plentiful supplies.

"We expect a pullback in Australia wheat plantings this year as canola plantings are likely to be the big winner this season because of the margins," said Paul Deane, a senior economist with ANZ. Adam Davis, a senior commodity analyst at Merricks Capital and who participated the survey, added: "Barley prices are slightly less than wheat but yield is much higher and therefore a better cereal crop from a gross margin perspective in the southern states where they don't grow much high protein wheat." The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) will announce its forecast on wheat and other crops next week.

Analysts said plentiful rains in the main crop growing regions boded well for wheat, barley and canola - crops that are planted in the season starting in April. World wheat stocks at the end of the 2011/12 season look set to eclipse the previous record set more than a decade ago, according to the International Grains Council (IGC), raising its forecast for production to an all-time high. The IGC, in a monthly update, increased its forecast for world wheat production by five million tonnes to a record 695 million, partly reflecting higher estimates for Kazakhstan, India and Australia. Global crop prices will retreat sharply this year as farmers around the world expand production to bring stability back to commodity markets and ease fears of food inflation, the US government has forecast. After two years of razor thin stocks, world crop supplies, led by wheat, are recovering.

## MP eyes to procure 65 lakh MT of wheat this season

**Times of India**

**Mar 4, 2012**

The Madhya Pradesh government is planning to procure over 65 lakh metric tonne of wheat on support price from the farmers this year as compared to last year's procurement figure of 50 lakh MT wheat, state Food and Civil Supplies commissioner Deepali Rastogi said. "The support price fixed by the centre for wheat is Rs 1,285 per tonne while the state pays Rs 1,385 per tonne to the farmers," she said.

Pointing out that more than 13 lakh farmers have been registered for online wheat procurement, Rastogi said there has been a quantum jump in the figures of farmers, who registered themselves, as compared to previous years. She said the state government was keen to ensure that all the farmers, who intend to sell wheat on support price through 2,317 centres, registered themselves at MP Online kiosks and Citizen Service centres of IT department.

This year's procurement season begins on March 15 to close on May 20. Listing the initiatives taken for streamlining the wheat procurement, Rastogi said first a data-base of farmers has been created. Alert in the form of SMS would be sent to all the registered farmers so that they could come to the procurement centres on a pre-fixed date for selling their produce, she said. All the registered farmers will be issued electronically generated receipts and the amount due to the farmers will be credited into their bank accounts within seven days of completion of the process. Admitting that storage of 65 lakh metric tonne of wheat was a major challenge being faced by the department, Rastogi said her department was planning to enter into agreement with private players in the warehouse segment. "We will provide three and half month business guarantee to the parties", she added.

State Warehousing and Logistics Corporation, a state undertaking, has a storage capacity of 12 lakh tonne. "We target to preserve another 30 lakh metric tonne of wheat through the proposed tie-ups," she added.

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**Business Standard**

**Mar 03, 2012**

The Food Corporation of India (FCI), the country's largest grain procurement agency, has adopted a number of measures to create space for the new wheat stocks in Punjab and Haryana, India's two leading producers of the foodgrain. Apart from direct supply of wheat from the procurement centres to consuming states like Maharashtra and Gujarat, the public sector agency has encouraged private investment in warehouses through the Private Entrepreneur Godown (PEG) Scheme. Under this scheme, FCI ensures full occupancy of warehouses until the investor achieves breakeven level. The scheme received good response in Haryana and Punjab as FCI estimates two million tonnes (mt) of new storage capacity will be created by March.

While investors in Punjab are building 1.2 mt of storage space, which would be handed over to FCI soon, in Haryana, too, 0.49 mt of new capacity is scheduled to be created by the end of this month. Currently, the two states have storage capacities of 20.5 mt and 2.7 mt, respectively, under FCI's supervision, in both covered godowns and open plinths.

Additionally, the grain procurement agency has also intensified direct milling of paddy, chiefly in order to create space for fresh wheat stocks. Instead of paddy storage, FCI plans to stock rice, which occupies one-third space compared to paddy. "The situation would be difficult for handling procured foodgrain during this season as Punjab and Haryana are estimated to reap a bumper crop this year. Various efforts are underway to tackle the situation," said an FCI official in Chandigarh. Foodgrain stocks in Punjab are estimated to be 1.4-1.5 mt higher than the mandatory buffer norm in the state as on April 1. Thanks to good paddy production in the state last year, the situation has turned even more serious. FCI's foodgrain management policy received all-round condemnation last year due to spoilage from water logging of nearly 100,000 tonnes of paddy stored in open plinth. The corporation is making efforts to avoid a repeat this year.

In an intensified milling effort, FCI has milled around 37.7 per cent of the total paddy procured as on March 1 this year, compared to 24.2 per cent milled until the same time last year. The agency has directly transported 0.75 million tonnes of wheat to various consuming destinations from procurement centres in Punjab. However, they maintain measures are underway to ensure adequate storage is available for wheat in the coming season. Besides faster transportation of stored foodgrain through rail and road, FCI officials maintain they are eyeing the space with rice millers, available after milling of paddy.

Since storage required for rice is almost one-third that of paddy, faster conversion of paddy to rice would ensure more space for storage of wheat. Till April, FCI plans to mill another 20 per cent of the stored paddy, thus, creating additional space for wheat. Offtake of existing stock has also improved. FCI officials in Haryana say the offtake for storage stock of paddy and rice has increased in the past few months. Compared to offtake of 1.09 tonnes of wheat and 0.03 tonnes of rice in February, the total offtake was 0.58 tonnes of wheat and 0.02 tonnes of rice in November. Similarly, in Punjab, 1.42 mt of stock till now has been liquidated as against an average of 1.2 million tonnes in the past three months preceding February.

While Punjab is eyeing production of 16.7 mt, wheat production targeted by Haryana is 11.8 mt. FCI is looking to procure 11.5 mt of wheat in Punjab this year, as against 10.95 mt procured last year. In Haryana, FCI officials maintain the target is seven mt. FCI officials estimate total inventory to be 2.2 mt on April 1, against 1.87 mt last year.

**Business Standard**

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"To check fraud and import from other states at cheap rates," the minister said, "the government has registered as many as 13 lakh farmers so that they apply through our e-application system. Each farmer will be registered through an electronic system." He, however, did not speak about the way the system would function in places/cases where Internet facilities were absent. Jain said the authorities have asked officials to start wheat procurement despite a data transfer problem. "We we will have an alternate system to monitor the e-procurement system," he added. Farmers will be paid against their yield within seven days of delivery.

## Structural Change in Agriculture Needed for Full Implementation of Proposed Food Security Act

It is estimated that there should be an additional production of about 70-75 million tonnes of food grains To effectively implement the proposed Food Security Act,. This would require revitalization of agriculture sector with larger investment to support agricultural research, development and extension services, development of water resources, infrastructure particularly power, storage and transportation and ensuring access to credit, crop insurances and remunerative prices to the farmers. Ministry of Agriculture has tentatively worked out an additional requirements of Rs. 1,15,660 crores for the purpose. Proposed National Food Security Act under Section 38 of chapter XIV read with schedule III focuses on the revitalization of agriculture.

This information was given by Shri Harish Rawat, Minister of State for Agriculture and Food Processing Industries in written reply to a question in the Lok Sabha today.

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## Scientists create salt-tolerant wheat

IANAS

Mar 12, 2012

Salty soil may no longer come in the way of planting wheat but could actually improve its yield by 25 per cent, a study reveals. Using 'non-GM' crop breeding techniques, scientists from the CSIRO Plant Industry have introduced a salt-tolerant gene into a commercial durum wheat, with spectacular results in field tests.

Researchers at the University of Adelaide's Waite Research Institute have led the effort to understand how the gene delivers salinity tolerance to the plants, the journal Nature Biotechnology reported. The research is the first of its kind in the world to fully describe the improvement in salt tolerance of an agricultural crop - from understanding the function of the salt-tolerant genes in the lab, to demonstrating increased grain yields in the field, according to a university statement.

CSIRO scientists Rana Munns, Matthew Gilliham Richard James and University of Adelaide student Bo Xu, co-authored the study. "This work is significant as salinity already affects over 20 percent of the world's agricultural soils, and salinity poses an increasing threat to food production due to climate change," Munns said.

Gilliham said: "With global population estimated to reach nine billion by 2050, and the demand for food expected to rise by 100 percent in this time, salt-tolerant crops will be an important tool to ensure future food security."

## Strategie Grains Cuts EU 2012-13 Grain Output To 288.3M Tons

Strategie Grains downwardly revised its estimate for the European Union's 2012-13 grain harvest by 1.1 million metric tons, to 288.3 million tons, due to a worrisome weather outlook, with the prospect of drought after severe cold weather in January and February. The influential analyst group also said it revised the bloc's soft wheat production down by 1.6 million tons to 131.1 million tons to reflect the area of destroyed winter wheat that will need to be replanted as result of freezing weather. This reduction mostly concerns France and Germany, with combined losses of 0.8 million tons, as well as the southeast EU countries, with losses of 0.8 million tons.

With corn areas set to increase as many destroyed winter cereal fields are replanted with the grain, Strategie Grains increased its corn output estimate by 2 million tons to 64.6 million tons. This increase mostly pertains to Romania and Bulgaria, central Europe and west Europe. The analyst revised barley production down by 1.2 million tons to 53.4 million tons, as winterkill in southeast EU countries caused 0.3 million tons of losses, while France and Germany's output fell 0.1 million tons each.

Meanwhile, Strategie Grains cut its projected yield in Spain by 0.5 million tons, due to the drought.

## Union Budget 2012-13 Highlights

Budget identifies five objectives relating to growth recovery, private investment, supply bottlenecks, malnutrition and governance matters

- GDP growth to be 7.6 per cent (+ 0.25 percent) during 2012-13
- Amendment to the FRBM Act proposed as part of Finance Bill. New concepts of "Effective Revenue Deficit" and "Medium Term Expenditure Framework" introduced
- Central subsidies to be kept under 2 per cent of GDP; to be further brought down to 1.75 per cent of GDP over the next 3 years.

- Proposed: Mobile based fertilizer management system; LPG transparency portal; scaling up and rolling out of Aadhar enabled payment for government schemes in at least 50 districts.
- Rs. 30,000 crore to be raised through disinvestment
- Efforts to reach broadbased consensus on FDI in multi-brand retail
- Rajiv Gandhi Equity Saving Scheme: to allow income tax deduction to retail investors on investing in equities
- Rs. 15,888 crore to be provided for capitalization of public sector banks and financial institutions
- A central "Know Your Customer" depository to be developed
- Swabhimaan: remaining habitations to be covered; to be extended to more habitations; ultra small branches to be set up in Swabhimaan habitations
- Investment in 12th Plan in infrastructure to go upto Rs. 50,00,000 crore; half of this is expected from private sector
- Tax Free Bonds of Rs. 60,000 crore to be allowed for financial infrastructure projects
- Allocation of Road Transport and Highways Ministry enhanced by 14 per cent to Rs. 25,360 crore
- Financial package of Rs. 3,884 crore for waiver of loans to handloom weavers and their cooperative societies; mega handloom clusters in Andhra, Jharkhand; weaver service centres in Mizoram, Nagaland and Jharkhand ; powerloom mega cluster in Maharashtra; Rs. 500 crore pilot schemes for geo-textiles in North-Eastern region
- Rs. 5,000 crore India Opportunities Venture Fund to help small enterprises
- Allocation to agriculture enhanced; RKVY gets Rs. 9,217 crore; BGREI gets Rs. 1,000 crore; Rs.2242 crore project to improve dairy productivity; Rs. 500 crore for coastal aquaculture
- Various other agricultural activities merged into 5 missions
- Target for agricultural credit raised to Rs. 5,75,000 crore
- Interest subvention for short-term crop loans to farmers at 7 per cent interest continues; additional 3 per cent for prompt paying farmers
- Rs. 200 crore for awards to incentivise agricultural research
- Provisions under rural housing fund increased to Rs. 4,000 crore from Rs. 3,000 crore
- Interest subvention of 1 percent on housing loans upto Rs. 15 lakh extended for one more year
- AIBP allocation raised by 13 per cent to Rs. 14,242 crore
- National Mission on Food Processing to be started in cooperation with State Governments
- Scheduled Caste Sub Plan allocation increases by 18 per cent to Rs. 37,113 crore; Tribal Sub Plan by 17.6 per cent to Rs. 21,710 crore
- Multi-sectoral programme to address maternal and child malnutrition in 200 high burden districts
- 58 per cent rise in allocation to ICDS, at Rs. 15,850 crore
- Rural drinking water and sanitation gets 27 per cent rise in allocation to Rs. 14,000 crore; PMGSY gets 20 per cent rise to Rs.

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24,000 crore

- Projects covering length of 8800 km to be awarded under NHDP against 7,300 km during 2011-12
- RTE-SSA gets Rs. 25,555 crore allocation, showing an increase of 21 per cent; 6000 schools to be set up at block level as model schools in the 12th Plan; Credit Guarantee Fund to be set up for better flow of credit to students
- National Urban Health Mission is being launched
- 34 per cent increase in allocation to National Rural Livelihood Mission, to Rs. 3915 crore
- Rs. 1000 crore allocated for National Skill Development Fund
- Bharat Livelihood Foundation to be established to support livelihood interventions particularly in tribal areas
- Widow pension and disability pension raised from Rs. 200 to Rs. 300 per month
- Grant on death of primary breadwinner of a BPL family in the age group 18-64 years doubled to Rs. 20,000
- Defence services get Rs. 193407 crore; any further requirement to be met
- 4000 residential quarters to be constructed for Central Armed Police Forces
- UID-Aadhar to get adequate funds for enrolment of 40 crore persons, in addition to the 20 crore persons already enrolled
- White Paper on Black Money to be laid in the current session of Parliament
- Tax proposals mark progress in the direction of movement towards DTC and GST
- Income tax exemption limit raised from Rs.1,80,000 to Rs.2,00,000; upper limit of 20 per cent tax slab raised from Rs.8 lakh to Rs.10 lakh
- Interest from savings bank accounts deductible upto Rs.10,000; deduction of upto Rs.5,000 for preventive health check-up
- Senior citizens without business income exempt from advance tax
- Investment linked deduction of capital expenditure enhanced for certain businesses; new sectors eligible for investment linked deduction
- Turnover limit for compulsory tax audit for SMEs raised from Rs.60 lakh to Rs.1 crore
- STT on cash delivery reduced by 20 per cent to 0.1%
- General Anti Avoidance Rule being introduced to counter aggressive tax avoidance
- A number of measures proposed to deter generation and use of unaccounted money
- All services to attract service tax except those in the negative list
- Central Excise and Service Tax being harmonized
- Standard rate of excise duty raised from 10 per cent to 12 per cent; service tax rates raised from 10 per cent to 12 per cent; no change in peak customs duty of 10 per cent on non-agricultural goods
- Relief in indirect taxes to sectors under stress; agriculture, infrastructure, mining, railways, roads, civil aviation, manufacturing, health and nutrition, and environment get duty relief
- Certain cigarettes and bidis attract higher excise duty; large cars attract higher customs duty

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- Excise imposed on unbranded jewellery also; measures to minimize impact on small artisans and goldsmiths; branded silver jewellery exempted from excise duty
- Net gain of Rs.41,440 crore due to taxation proposals
- Total expenditure budgeted at Rs. 14,90,925 crore; plan expenditure at Rs. 5,21,025 crore 18 per cent higher than 2011-12 budget; non plan expenditure at Rs. 9,69,900 crore
- Fiscal deficit targeted at 5.1 per cent of GDP, as against 5.9 per cent in revised estimates for 2011-12
- Central Government debt at 45.5 per cent of GDP as compared to Thirteenth Finance Commission target of 50.5 per cent
- Medium-term Expenditure Framework Statement to be introduced; will set forth 3-year rolling target for expenditure indicators

## Key Highlights of Union Budget 2012-13 Agriculture, Food and Nutrition

Intervene decisively to address the problem of malnutrition especially in the 200 high-burden districts; and

### Subsidies

21. Fiscal consolidation calls for efforts both to raise the tax-GDP ratio and to lower the expenditure. In this context, we need to take a close look at the growth of our revenue expenditure, particularly on subsidies. The major subsidies at the Centre are for food, fertilisers and petroleum products. Some subsidies at this juncture in our development are inevitable. But they become undesirable if they compromise the macroeconomic fundamentals of the economy, more so, when they don't reach the intended beneficiaries.

22. The Government has decided that from 2012-13 subsidies related to food and for administering the Food Security Act will be fully provided for. All other subsidies would be funded to the extent that they can be borne by the economy without any adverse implications. It would be my endeavour to restrict the expenditure on Central subsidies to under 2 per cent of GDP in 2012-13. Over the next three years, it would be further brought down to 1.75 per cent of GDP. Such a step is needed to improve the quality of public spending. Our effort now will be directed towards better targeting and leakage proof delivery of the subsidies.

### IV. Agriculture

74. Agriculture will continue to be a priority for the Government. The total plan outlay for the Department of Agriculture and Cooperation is being increased by 18 per cent from ` 17,123 crore in 2011-12 to ` 20,208 crore in 2012-13.

75. The outlay for Rashtriya Krishi Vikas Yojana (RKVY) is being increased from ` 7,860 crore in 2011-12 to ` 9,217 crore in 2012-13. I am happy to inform the House that the initiative of Bringing Green Revolution to Eastern India (BGREI) has resulted in a significant increase in production and productivity of paddy. States in eastern India have reported additional paddy production of seven million tonnes in Kharif 2011. I propose to increase the allocation for this scheme from ` 400 crore in 2011-12 to ` 1000 crore in 2012-13.

76. This year, under RKVY, I also propose to allocate ` 300 crore to Vidarbha Intensified Irrigation Development Programme. This Scheme seeks to bring in more farming areas under protective irrigation.

77. The Government intends to merge the remaining activities into a set of missions to address the needs of agricultural development in the Twelfth Five Year Plan. These Missions are:

(i) National Food Security Mission which aims to bridge the yield gap in respect of paddy, wheat, pulses, millet and fodder. The ongoing Integrated Development of Pulses Villages, Promotion of Nutri-cereals and Accelerated Fodder Development Programme

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would now become a part of this Mission;

(ii) National Mission on Sustainable Agriculture including Micro Irrigation is being taken up as a part of the National Action Plan on Climate Change. The Rainfed Area Development Programme will be merged with this;

(iii) National Mission on Oilseeds and Oil Palm aims to increase production and productivity of oil seeds and oil palm;

(iv) National Mission on Agricultural Extension and Technology focuses on adoption of appropriate technologies by farmers for improving productivity and efficiency in farm operations; and

(v) National Horticulture Mission aims at horticulture diversification. This will also include the initiative on saffron.

### **National Mission for Protein Supplement**

78. Mission for Protein Supplement is being strengthened. To improve productivity in the dairy sector, a ` 2,242 crore project is being launched with World Bank assistance. To broaden the scope of production of fish to coastal aquaculture, apart from fresh water aquaculture, the outlay in 2012-13 is being stepped up to ` 500 crore. Suitable allocations are also being made for poultry, piggery and goat rearing.

### **Agricultural Research**

83. Food security and agricultural development in the coming decades would depend upon scientific and technological breakthroughs in raising productivity. We have to develop plant and seed varieties that yield more and can resist climate change. I propose to set aside a sum of ` 200 crore for incentivising research with rewards, both for institutions and the research team responsible for such scientific breakthroughs.

### **National Mission on Food Processing**

87. The food processing sector has been growing at an average rate of over 8 per cent over the past 5 years. In order to have a better outreach and to provide more flexibility to suit local needs, it has been decided that a new centrally sponsored scheme titled "National Mission on Food Processing" would be started, in cooperation with the State Governments in 2012-13.

88. The Government has taken steps to create additional foodgrain storage capacity in the country. Creation of 2 million tonnes of storage capacity in the form of modern silos has already been approved. Nearly 15 million tonnes capacity is being created under the Private Entrepreneur's Guarantee Scheme, of which 3 million tonnes of storage capacity will be added by the end of 2011-12 and 5 million would be added next year.

### **Food Security**

90. Our Government has taken definite steps to create food security at the household level by making food a legal entitlement for all targeted people, especially for the poor and vulnerable segments of our population. The National Food Security Bill, 2011 is before the Parliamentary Standing Committee.

91. To ensure that the objectives of the National Food Security Bill are effectively realised, a Public Distribution System Network is being created using the Aadhaar platform. A National Information Utility for the computerisation of PDS is being created. It will become operational by December 2012.

### **Multi-sectoral Nutrition Augmentation Programme**

92. Following the decision taken in the Prime Minister's National Council on India's Nutritional Challenges, a multi-sectoral programme to address maternal and child malnutrition in selected 200 high burden districts is being rolled out during 2012-13. It

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will harness synergies across nutrition, sanitation, drinking water, primary health care, women education, food security and **consumer protection schemes.**

93. In this context, Integrated Child Development Services (ICDS) scheme is being strengthened and re-structured. For 2012-13, an allocation of ` 15,850 crore has been made as against ` 10,000 crore in 2011-12. This amounts to an increase of over 58 per cent.

94. National Programme of Mid Day Meals in Schools has enhanced enrolment, retention, attendance, and also helped in improving nutrition levels among children. In 2012-13, I propose to allocate ` 11,937 crore for this scheme as against ` 10,380 crore in 2011-12.

95. Rajiv Gandhi Scheme for Empowerment of Adolescent Girls, SABLA, has been introduced last year with a view to address the nutritional needs and other educational and skill development initiatives for self development of adolescent girls in the age group of 11 to 18 years. For 2012-13, an allocation of ` 750 crore has been proposed for the scheme.

### Health and Nutrition

198. It is proposed to extend concessional basic customs duty of 5 per cent with full exemption from excise duty/CVD to six specified life-saving drugs/ vaccines. These are used for the treatment or prevention of ailments such as HIV-AIDS, renal cancer, etc.

199. Protein deficiency among women and children is one of the most common sources of malnutrition in India. I propose to reduce basic customs duty on Soya protein concentrate and isolated soya protein from 30 per cent or 15 per cent respectively to 10 per cent. Simultaneously, excise duty on all processed soya food products is being reduced to the merit rate of 6 per cent.

200. Consumption of iodised salt prevents iodine deficiency and related diseases. I propose to provide a concessional basic customs duty of 2.5 per cent along with reduced excise duty of 6 per cent on iodine.

201. Probiotics are a cost-effective means of combating bacterial infections. It is proposed to reduce the basic customs duty on this item from 10 per cent to 5 per cent.

## More funds needed for research to increase yield

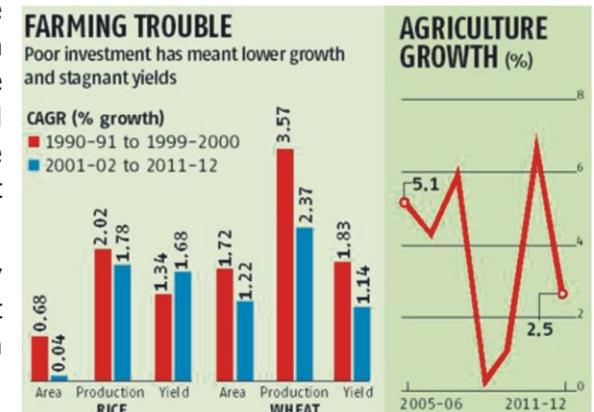
### Business Standard

As production of rice and wheat shows signs of stagnation, the Economic Survey 2011-12 has underlined the need for more investment in foodgrain research, through active support of the private sector. In the 1980s, yearly growth in area under wheat was marginal at 0.5 per cent but that in production and yield was about 3 per cent. However, from 2000-01 to 2011-12, while the area under wheat has grown 1.2 per cent yearly, growth rates of annual output and yield have dropped to 2.4 per cent and 1.1 per cent, respectively. In 2011-12, the country achieved a record 250.4 million tonnes of foodgrain output, up 1.65 per cent from last year, but the sown area dropped by 1 per cent, to 125.5 million hectares.

Making a strong pitch for public-private partnership (PPP) in agriculture, the Survey has recommended policies to allow private companies in supply chain management and in developing agricultural infrastructure, like mandis. "PPP models can be of help in ensuring faster development of infrastructure requirements in the sector," it said.

Investments were also identified as being key in reversing the trend of farm growth

Mar 16, 2012



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falling below the five-year Plan targets. The approach paper to the 12th five-year-Plan had pegged a target of four per cent average annual farm growth during 2012-17. Growth in the 11th Plan is expected to be around 3.3 per cent against the targeted four per cent. The fragmented nature of Indian farms being a biggest bottleneck in achieving large-scale output jump, the Survey suggested separate laws for pooling small holdings, for better economies of scale. "Land laws for leasing with sufficient safeguards should be considered," it said.

It also batted for foreign direct investment in multi-brand retail, which could be leveraged for developing post-harvest infrastructure. To address the availability of farm labour and high-capital investment, the Survey suggested using the flagship Mahatma Gandhi National Rural Employment Guarantee Scheme for works like water harvesting, watershed development and contour-bunding

## Economic Survey 2011-12: Give farmers their due for increasing production

**EconomicTimes**

**March 16, 2012**

The Economic Survey points out that foodgrain production in the country is at a record level (250 million tonnes), and so is cotton (34 million bales) and milk at 122 million tonnes. The food grain stocks with government agencies are at 55 million tonnes (likely to be more than 70 MT by June end), and food inflation is very much under control. Overall, agriculture GDP during the Eleventh Plan (2007-12) is likely to grow at 3.28% compared to 2.30% in the Tenth Plan, a significant jump by more than 42%, though still short of its target of 4%.

The issue is what triggered this jump? Is it good monsoon in four out of five years (except 2009-10) or a combination of benign Nature and government policies? Let me point out one or two key policies that have the potential to put Indian agriculture at 4% plus growth path. One of the key factors during the Eleventh Plan is unprecedented rise in investment in agriculture. In 2004-05, gross capital formation in agriculture was only 13.5% of agri-GDP, but by 2010-11, it went up to 20.1%. This is the fundamental change that hopefully will give Indian agriculture a higher growth trajectory and also resilience to weather shocks. But if the assumed capital-output ratio is 4:1 (as generally assumed in Planning documents), then why are we not getting 5% rate of growth in agri-GDP? The big roadblock that does not allow the potential of this sector to be tapped to its full seems to be on the marketing side. Let us start with the prime crop of Indian agriculture, namely rice.

First time, India has scored a century (102 million tonnes) in rice production. The biggest change has come from eastern India, starting from eastern UP, Bihar, Jharkhand, West Bengal, Assam, Odisha. But several farmers, who have produced a bumper harvest, are forced to sell paddy at 20-30% below the minimum support prices (MSP) as there is no effective marketing support mechanism. This was found by five missions sent by CACP to the field in January/February of 2012. So, when the policy planners feel happy at record production, farmers still feel disappointed. The reason is that in the last three years, paddy production costs have increased by more than 40%, while their MSP has gone up by just 20%, and if these farmers do not get even that MSP, there is surely something seriously wrong with our agri-system.

Will they remain incentivised to produce more next time is an open question. It is not just in paddy. Take the case of potatoes or onions, farmers have sold these crops at below their cost of production. So if they produce more, there is glut, and prices tumble, hitting back at farmers. In my recent visits to various states in India, I was struck when farmers questioned why should they produce more if it works towards lowering their income. This is surely not the way Indian agriculture can ride to a four percent plus growth path.

So, the first and foremost policy change that is needed is to shift gears from being "tonnage centric" to "farmer centric", and ensure

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that farmers do get remunerative prices for their produce. What we need is a "marketing revolution", where farmers get a higher price, and yet consumers pay a lower price, by changing archaic laws of marketing ( ECA, APMC, etc) and investing in value chains, inviting domestic and foreign investors alike. Are we ready to bite the bullet?

## FCI aims to procure 31 mt wheat this rabi

**Busienss standard**

**Mar 16, 2012**

The Food Corporation of India (FCI) started its wheat procurement operations on Thursday. Since new arrivals have hit the markets in Madhya Pradesh (MP), procurement was started from the state. When contacted, FCI Chairman Shiraz Hussain confirmed that in the current rabi season, FCI was targeting to procure 31 million tonnes (mt) of wheat. In the last rabi season, 28.35 mt of wheat was procured.

FCI is procuring wheat at the minimum support price (MSP) of Rs 1,285 a quintal. The MSP was Rs 1,120 last year. The MP government has declared an additional bonus of Rs 100 for procurement. However, with higher MSP and high railway freight, the cost burden for FCI will shoot up substantially. "Flour mill quality wheat is traded at Rs 1,280 a quintal in Delhi mandis, but since concessions for foodgrain will not be available in railway freight now due to the new freight rate notification, the overall cost will be much higher and the market price of wheat is not expected to fall from the current level," said Devendra Vora of a Navi Mumbai firm, Friendship Brokers. The country is expected to produce a record 88 million tonnes of wheat this rabi season. The government has allowed two mt of exports but according to industry estimates, till February-end only 800,000 tonnes of wheat has been exported. However, Vora said there has been a rise in demand from Indonesia and the two-mt target is likely to be achieved in the next one-two months.

High procurement is expected to bring back storage and subsidy problems. The government has increased the credit limit for FCI to Rs 44,000 crore, but storage could be a big problem. According to data provided by the Economic Survey 2011-12 released on Thursday, "The stock position of foodgrain in the central pool as on February 1 was 55.2 mt, comprising 31.8 mt of rice and 23.4 mt of wheat." This is much higher compared to the minimum requirement of buffer stock of 25 mt for wheat and rice together. This year, once wheat procurement is over by June, the total stock of wheat and rice in the central pool is expected to cross 72 mt. Higher stock with the government poses a challenge to FCI operations, given the shortage of storage capacity.

FCI has a covered storage capacity of 30 million tonnes (owned and hired) as on February 1, while the state agencies have covered capacity of 15.35 mt which is being used for storage of central pool stock of foodgrain. The government has already approved creation of about 151 mt of storage capacity through private entrepreneurs and central and state warehousing corporations. This totals to 60 mt, about 12 mt short of requirement for storing estimated stock of 72 mt by June this year.

## Import food items regularly to check prices: Survey

**Press Trust of India**

**Mar 15, 2012**

To tackle supply constraints that push up food prices, the Economic Survey today suggested that the government should consider import of farm items in small quantities on a regular basis. "Given the compositional shift in the food basket of a common household and its impact on consumption demand, improved supply response is critical for ensuring price stability in food items," the Economic Survey 2011-12 said.

"As a strategy, regular imports of agricultural commodities in relatively smaller quantities with an upper ceiling on total quantity could be considered," it said. The upper ceiling on imports can be decided annually, relatively well in advance, it added. The Survey pointed out that there have been increases in the prices of protein rich food items because supply has not kept pace with demand. It said the country needs to step up efforts to increase production of milk and other dairy products, egg, poultry, fish and meat. The Survey also outlined others options to improve food supply including setting up special market for specific crops, improving mandi governance and promoting inter-state trade by eliminating multiple levies.

It also suggested that the government take perishables out of the ambit of the Agricultural Produce Markets Committees (APMC) Act. "The recent episodes of inflation in vegetables and fruits have exposed flaws in our supply chains. The government -regulated mandis sometimes prevent retailers from integrating their enterprises with those of farmers. In view of this, perishables have to be exempted from this regulation," the Survey observed. It also advocated that organised trade in agriculture should be encouraged and hoped that foreign direct investment (FDI) in multi-brand retail, once implemented, could help in improving agriculture commodities management in the country.

The Survey asked the government to step up creation of modern storage facilities for foodgrains. India's agricultural imports were \$17.5 billion, with a 1.2% share of world trade in agriculture in 2010, according to a WTO data

## The food security Bill needs to involve the private sector: Siraj Chaudhry

Mar 09, 2012

Cargill India, part of \$119-billion global agri-business behemoth Cargill Incorporated, has been part of the country's farm story for the last 25 years. Having seen almost all the transitions in Indian agriculture, the company now plans to venture into processing farm products and the sugar and animal feed businesses. Cargill was India's biggest buyer of wheat last year after state-run Food Corporation of India (FCI) and is also a big player in the branded edible oil market through brands like Sweekar, Nature Fresh and so on. In an exclusive interview Cargill India chairman Siraj Chaudhry tells Sanjeeb Mukherjee that UPA's much-talked about Food Security Act could impact the availability of grain for private traders unless the equilibrium between production and distribution is maintained. dited excerpts:

The government is coming up with a Food Security Act that will entail a significant increase in the amount of grain it procures from farmers every year. How do you think this will impact the private grain trade? Will it crowd out private trade and, if yes, to what extent do you think it will impact private traders of agricultural produce in India?

It is important for the government to ensure food security for its entire people. It is a tough call in a country like ours that requires policy along with efficiency in supply chain and the right infrastructure. The intent of the Bill is appreciated but we do run the risk of needing more grain over the years since we may not have high production every year. While the Bill has addressed the "what" of ensuring food security, we need to have broader engagement to discuss the "how" aspect by involving the private sector and other stakeholders. The Bill will impact free availability of grain for demand outside the ambit of food security. Therefore, to ensure we don't lose equilibrium, increased production and efficiency of distribution will be critical to sustain this noble but ambitious intent.

### Do you think the recent ban on cotton exports was warranted at this juncture?

I believe that not only cotton, but banning export or imports of any product (farm commodities in particular) distorts the market and is not in the interests of either farmers, industry or traders. Regarding the recent ban on cotton exports, I, like many others in the industry, do not have a clue to what has been the trigger and what the government wants to achieve through this. We in Cargill also

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export cotton but that is a very small portion of our total exports from India. Inherently, we are of the belief that any step that distorts the market harms everyone.

### **Do you think our crop forecasting needs to improve vastly to help better policy making?**

Well, forecasting has improved in the past three or four years and work is on to improve it further, but we are a long way from accurately doing so. Indeed, better forecasting of crop production, yield and estimates help in better planning for policy makers, export and import for traders and planting strategy for growers.

### **Do you think the government's flip-flop on farm trade, mainly grain and oilseeds, impacts the farm business in India? Do you think a more stable policy regime is needed in India for the good of both farmers and industry at large?**

Long-term planning and stable policy will provide serious industry players a roadmap for planning investment, which will complement the government's efforts. It will allow the agri- and food sector to deploy capital, technology and global best practices to give India the advantage of optimally utilising its natural resources. We have in the past few years attained self-sufficiency in wheat, rice, corn, cotton and sugar optimising distribution efficiencies and sustained improvement of productivity will allow farmers and consumers to reap the benefits of this.

### **Private traders are regularly blamed for the rise in food prices, whether it is for hoarding or futures trade. Do you think this is a valid complaint?**

We believe that market forces are stronger than one player or players to create distortions in food prices. Greater transparency in regulations and stability in policies and their compliance would be effective in preventing any significant distortion in the market.

### **In what way do you think that the private trader can partner with the government to improve the lot of farmers in India?**

For a country as large as India, partnership between the private sector and the public sector is necessary to meet the food requirement in the country and benefit all stakeholders whether it is the farmer, consumer, industry or the government. We believe that the government of India has the finest minds who understand well the paradox of managing farmer and consumer interest and the need for a balance between economic prudence and political obligations. However, the private sector has demonstrated significant skills in execution and trust-based partnerships to create solutions that are well thought-out and efficiently executed.

There can be several areas of collaboration extension services, farm services, water resources, pre- and post-harvest management and technology, supply chain, procurement and distribution system, and infrastructure. Besides, there can be collaboration for linking farmers' produce to domestic and global markets, augmenting government's distribution through grain banks and food banks, research and development and so on.

### **Cargill in India is now largely concentrated on edible oils in fact 60 per cent of its \$3.5 billion annual turnover from India comes from branded and bulk edible oils sale. How are you planning to grow your businesses in India?**

The big challenge in India is to grow alongside our customers and not compete with them. This is precisely the reason that though we are into fresh foods in many parts of the world, we wouldn't like to do that immediately in India. We plan to get into corn processing, also sugar and animal feed businesses for which we plan to use our recent global acquisition of Provimi.

### **How will Cargill's global buyouts like that of Provimi and AWB benefit its India operations?**

It's only in the past three or four years that we have tried to leverage our global buyouts for Indian markets. As part of that strategy, we plan to get into the animal feed business in big way through Provimi, which we acquired last year. Also, the acquisition of AWB

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Commodity Management Business from Agrium in Australia will help us improve our India operations as the buyout includes AWB's grain marketing and pool operations, international grain trading businesses, grain distribution and storage assets as well as other international operations.

Who are your biggest consumers in India and for what products? In India, our biggest customer is Parle for wheat, edible oils and flavour. We are also big suppliers to McDonald's and Pepsi in India

## Budget 2012: Agriculture sector gets a boost

**EconomicTimes**

**March 12, 2012**

The 2012-13 budget saw the government infusing investment in agriculture infrastructure including warehousing, terminal markets and testing laboratories. Welcoming the move the industry feels that efficiency in supply management which is still in nascent stage in the country will improve in the long run. "The announcement to boost investment in agriculture by including viability gap funding scheme in respect of terminal markets, agriculture marketing infrastructure and testing laboratories will encourage private sector investment to cover the huge deficit in the agriculture marketing infrastructure. Modernization of fruits and vegetable supply chain where there is over 25 %storage and handling losses is likely to get a boost," said National Collateral Management Services (NCMSL), MD, Sanjay Kaul.

The announcement will also step up agriculture grading and testing facilities which are presently non-existent across the country he said. Extension of interest subvention scheme and additional interest subsidy of 3% for timely repayment for post-harvest credit against negotiable warehouse has been a positive development according to the industry. "This will help in addressing the issue of distress sales by small and marginal farmers. However, the scheme should be made applicable to private sector banks as well," said National Bulk Handling Corporations, MD and CEO, Anil K. Choudhary.

He added, "substantial hike in outlay for warehousing under Rural Infrastructure Development Fund (RIDF) to Rs 5000 crore is a timely measure when the country is facing huge deficits in storage space." With rise in food grains production and the intended Food Security Act, this measure would help in higher credit flow for warehouse construction at affordable rates for intending investors said Mr Choudhary. "The Government's endeavor should therefore be to reduce the interest cost further for such a critical requirement. This could be done if the funds from RIDF are directly disbursed by NABARD to intending recipients to avoid inter-mediation cost of commercial Banks,"he said.

Ahmedabad headquartered Adani group which set up the modern food grain silos and handling facilities under exclusive BOO (Build, Own and Operate ) agreement with Food Corporation of India (FCI) across Punjab and Haryana is planning to increase its presence in the grain storage sector." "The creation of additional food grain storage capacity of 2 million tones in the country, apart from 15 million tonnes capacity to be created under the Private Entrepreneur's Guarantee Scheme, will ensure greater participation by the industry. Apart from bringing modern technology it will also stop distress selling of grains by farmers,"said Adani Wilmar, COO, Angshu Mallick.

However, warehousing companies felt that the announcement of an interest rate subvention for post harvest storage by small and marginal farmers was impracticable. "It is mainly the medium and large farmers which have agricultural surpluses and hence it will not give tangible relief to the farmer community. The scheme has also been unnecessarily restricted to negotiable warehouse receipts which are yet to take off in the country. The scheme is further limited to only public sector banks, even though private sector bank lending to the agriculture sector is quite high,"said Mr Kaul.

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## Foodgrain stock at 54.52 million tonnes as of March 1: FCI

PTI

Mar 7, 2012

Helped by a record output of wheat and rice, India's foodgrain stocks rose by 18 per cent to 54.52 million tonnes as on March 1, according to official data. The foodgrain stock with Food Corporation of India (FCI), India's nodal agency for foodgrain procurement and distribution, stood at 46.01 million tonnes in the year-ago period.

Wheat stocks rose to 21.25 million tonnes as of March 1, 2012 from 17.15 million tonnes in the same period of the previous year, while stocks of rice rose to 33.17 million tonnes from 28.72 million tonnes in the same period. Coarse grains stocks, however, declined by 28 per cent to 0.93 lakh tonnes as of March 1 this year from 1.29 lakh tonnes in the year-ago period.

As per government norms, the FCI should have a minimum of 21.2 million tonnes of wheat and rice available in its buffer stock as of October 1 every year. This includes 5 million tonnes of strategic reserves. The Centre has created a strategic reserve of 3 million tonnes of wheat and 2 million tonnes of rice over-and-above the normal buffer stock.

According to the second advance estimates by Agriculture Ministry, country's foodgrain production is pegged at 250.42 million tonnes in the 2011-12 crop year (July-June), which includes 102.75 million tonnes of rice and 88.31 million tonnes of wheat.

## Global Wheat Production May See New Record in 2012

Mar 8, 2012

FAO forecast that 2012 world wheat production will be the second highest on record at 690 million tonnes and also announced that international food prices rose one percent in February - the second increase in two months. FAO's quarterly Crop Prospects and Food Situation report forecast a 2012 wheat crop 10 million tonnes or 1.4 percent down from the record 2011 harvest but still well above the average of the past five years. Although plantings have increased or are forecast to increase in many countries this year in response to continuing strong prices, a return to normal yields is expected in areas where record highs were achieved last year, the report said. But it was still too early for a global forecast of 2012 cereal output, it added. Crop Prospects also noted a firming of international cereal prices in recent weeks due to tightening current wheat supplies and concerns over the impact of severe cold weather in Europe and the Commonwealth of Independent States.

Turning to the situation at regional level, the report said that adverse weather in West Africa caused a sharp drop in cereal and pasture production in large parts of the Sahel. This, combined with high food prices and civil strife, has led to high food insecurity and increased malnutrition in several countries, notably in Niger, Chad, Mauritania, Mali and Burkina Faso. In the Near East, food security has deteriorated in the Syrian Arab Republic and Yemen following civil conflict in the two countries. In Syria about 1.4 million people have become food insecure while thousands of families have been forced to flee their homes in Yemen.

In Eastern Africa, despite some improvement, the food situation of vulnerable groups remains precarious, especially in pastoral areas affected by earlier drought. The food security situation in the Sudan and South Sudan is of concern following poor harvests. For Southern Africa, overall crop prospects remain satisfactory despite dry spells and cyclones in some areas.

In Central America, dry weather reduced plantings of the 2012 secondary maize crop in Mexico. Elsewhere good maize harvests are expected despite recent losses due to torrential rains during the recently concluded second seasons. South America is experiencing a prolonged dry spell affected the 2012 maize crop in Argentina and Brazil but above-average outputs is still forecast due to increased plantings.

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The cereal import bill of Low-income food-deficit countries (LIFDCs) is expected to climb to a record level of \$ 33.35 billion in 2012, 4 percent above the 2010/11 estimate, mainly due to a decline in production and a rise in import requirements in the major importing countries. Meanwhile, FAO's Food Price Index, published separately, rose 1 percent, or 2.4 points from January to February. The Index climbed nearly two percent in January - its first increase in six months. The increase in the February Index was mostly driven by higher prices of sugar, oils and cereals while dairy prices fell slightly after a marked rise in January. At its current level, the Index was 10 percent below its peak in February 2011.

## Pakistan approves wheat barter deal with Iran

Reuter

March 19, 2012

**Pakistan has decided to export a million tonnes of wheat to Iran in a barter deal. Reuters Photo**

Pakistan has decided to export a million tonnes of wheat to Iran in a barter deal, an official in Islamabad said on Monday, as Western sanctions over Tehran's nuclear programme squeeze its ability to pay for food imports. Food shipments are not targeted under the sanctions, but Iranian companies have been cut off from much of the global banking system because of the financial measures against Tehran, making payments difficult and discouraging traders.

"The Pakistan government decided in a meeting on Saturday that it is going to export a million tonnes of wheat to Iran through the barter trade system," Tanveer Alam, a spokesman for the ministry of water and power, told Reuters. "A delegation will go there next week or in the beginning of April to work out what is possible." Iranian officials had asked for one million tonnes of wheat through barter during a visit to Pakistan last month.

Tehran has ordered a large part of its expected yearly requirement in the past month around two million tonnes of wheat from various sources paying premium prices to go around sanctions and prevent unrest. The barter deal with Pakistan is not final yet.

"The only decision so far is that we want to export a million tonnes of wheat. We would prefer to get fertilizer in return but have to see what is on the table," Alam said. "There is also a possibility of iron ore being part of the deal."

## Good harvest of wheat on cards

Express news service

Mar 18 2012

Agriculture experts are expecting a much better yield of wheat this year, thanks to the favourable climate but the cool weather in the month of March has also been a concern as it could delay the harvest as the grains need bright sunny days and warmer nights to ripen. Last year, the yield was 4,690 kg wheat per hectare and this year, if the weather conditions remain favourable, then the yield may increase to over 4,800 kg per hectare," said Dr Naresh Gulati, Deputy Director Agriculture Technology Management Agency (ATMA).

The high temperatures in the February and March months used to badly hit the wheat yield. But this year, the climate has been exceptionally good for wheat. During March, the day temperatures remained between 15 to 25 degree Celsius while the night temperature was between 6 to 12 degree Celsius in the various parts of the state. A little delay, Gulati said, in harvesting should not cause any concern. Another point of concern is the possibility of rains and hailstorm, said agriculture expert Dr Rajesh Raheja. "Mild rain will not do any damage the crop much but this time of the year is more prone to hailstorms, which can badly affect the crop at final stages," added Raheja

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## Highly Subsidized PDS Grains for the Targeted Population

For tackling the problem of hunger, starvation and malnutrition in the country and to ensure that people living below poverty line get adequate food grains, the Government has been providing food grains at highly subsidized prices to the targeted population through the State Governments/UT Administrations under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) such as Mid-Day Meal Scheme, Wheat Based Nutrition Programme, Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG), Annapurana, Emergency Feeding Programme and Village Grain Bank Scheme.

Though there have been requests for universal PDS, Government is not considering to introduce Universal Public Distribution System as the focus on poor will get diluted. It would require procurement of huge quantities of wheat and rice which would result in less availability of foodgrains in the market, leading to rise in open market prices. If the same quantity of foodgrains is distributed equally among all, then the scale of issue will have to be reduced. Further, in order to manage the level of food subsidy, the issue prices of rice and wheat may have to be increased substantially from the present Central Issue Prices (CIPs) which have not been revised during the last nine to eleven years. This may result in BPL and AAY families getting reduced scale.

This information was given by the Minister of State in the Ministry of Consumer Affairs, Food & Public Distribution, Prof. K.V. Thomas in written reply to a question in Lok Sabha today.

## Measures to Keep Prices of Wheat and Sugar Stable

Currently import of raw sugar is fully exempt from basic customs duty. This exemption is valid upto 31.03.2012. Major quantity of raw sugar was imported during the low production years of 2008-09 and 2009-10. As per Department of Revenue, 22.37 and 33.96 lac tons of raw sugar was imported during 2008-09 and 2009-10 sugar season, respectively.

In order to check inflation in the prices of wheat, 6.75 lac tons of wheat have been allocated to States/UTs for distribution to retail consumers for the period from October, 2011 to March, 2012 under Open Market Sale Scheme (OMSS). Similarly, 9 lac tons of wheat has been allocated for tender sale to bulk consumers through FCI and sale to small/Private Traders from FCI godowns under OMSS. 20,000 tons of wheat has been allocated to NCCF & 10,000 tons of wheat has been allocated to Kendriya Bhandar for distribution to retail consumers

The prices of wheat and sugar are stable in the domestic market.

The market prices of essential commodities including sugar and wheat depend upon a number of factors viz., production, stock, supply, demand, export, import, market sentiments etc. It is the endeavour of Government to control the domestic prices of sugar through the policy of regulated release mechanism and also that of wheat by appropriate market intervention.

This information was given by the Minister of State in the Ministry of Consumer Affairs, Food & Public Distribution, Prof. K.V. Thomas in written reply to a question in Lok Sabha today.

## Foodgrains Storage Capacity of 151 Lakh Tonnes to be Created in 19 States

To strengthen the functional areas, like Quality Control, Storage etc., the Government carried out the organizational restructuring of FCI in the year 2010. Further to reduce the storage under Cover and Plinth (CAP), the Government formulated a Scheme for

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construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs).

Under the scheme, the Food Corporation of India would now give a guarantee of ten years for assured hiring to the private entrepreneurs. A capacity of about 151 lakh tonnes is to be created in 19 states under the scheme through private entrepreneurs and Central and State Warehousing Corporations. Out of this tenders have been finalized for creation of storage capacity of about 89 lakh tonnes as on 15.02.2012 by the private entrepreneurs. CWC and SWCs are constructing 5.4 and 14.75 lakh tonnes respectively under the Scheme, out of which a capacity of about 5 lakh tonnes has already been completed by CWC/SWCs.

Various steps are taken by FCI to prevent damage to foodgrains. Prophylactic and curative measures are carried out regularly for the control of insects/pests. Effective rodent control measures are also undertaken. Regular quality checks are conducted to ensure proper preservation of foodgrains in storage. Adequate dunnage is provided for the foodgrain stocks stored in CAP. The dunnage material is cleaned and disinfected. To protect the CAP stocks from rain, sun, etc. each stack is covered with a polythene cover. The polythene covers are tied with nylon ropes. Wheat stocks stored in CAP by the State Govts./Agencies are subjected to joint inspection on a regular basis by officers of FCI and the concerned State Govts./Agencies. Stocks are generally issued on the principle of "First in First Out" (FIFO).

This information was given by the Minister of State in the Ministry of Consumer Affairs, Food & Public Distribution, Prof. K.V. Thomas in written reply to a question in Lok Sabha today.

## APEDA Provides Assistance for Processed Food Products Worth Rs. 24742 Crore

The Agricultural and Processed Foods Products Export Development Authority (APEDA) provides financial assistance under its various schemes for promotion of exports. It also participates in international trade fairs along with its member exporters. It carries out regular interaction with exporters, provides facilities for creation of infrastructure facilities and R&D support as and when required and disseminates market intelligence through website and Agri Trade Portal.

The Ministry of Food Processing Industries under its various plan schemes provides financial assistance for the development and modernization of food processing industries to make them more competitive in global markets.

This information was given by the Minister of State for Food Processing Industries, Dr. Charan Das Mahant in a written reply in the Lok Sabha today.

Export of processed food products during the last three years was:-

Year	Quantity in Metric Tonne	Value Rs. in lakhs
2008-09	4925584.96	1697868.81
2009-10	3441470.37	1550800.95
2010-11	4667511.68	2474233.27
2011-12 (April to July)	1715645.76	1130618.29

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## Government Committed to Provide Food Security to the People

The Government is committed to provide food security to the people. With the introduction of the historic legislation, "The National Food Security Bill" in the Lok Sabha, the nation has redeemed its pledge made to the people of this country. Delivering the key note address at the Food and Agri Business Conclave here today, this was stated by Prof. K.V. Thomas, Minister of Consumer Affairs, and Food & Public Distribution. He said that the proposed Bill, endowing a legal right up to 75 per cent of rural population and 50 per cent of urban population, provides for mandatory supply of foodgrains at subsidized rates. Every person belonging to 'priority' household shall be entitled to receive seven kilogram of foodgrains per month and every 'general' category person shall be entitled to not less than three kilograms of grains. The Bill provides for supply of rice at Rs. 3 per kg, wheat at Rs. 2 per kilogram and coarse cereals at Re. 1 per kg to 'priority' households. Prof Thomas added that Finance Minister, in his Budget Speech had assured that "from 2012-13, subsidies related to food and for administering the Food Security Act will be fully provided for."

Advocating for more measures to give the necessary boost for increase in agricultural production, the Food Minister said that an agricultural revolution, an ever-green one, can only be an all-encompassing one. India is a very big country. Our Eastern part, comprising States like Assam, West Bengal, Bihar, Jharkhand and Odisha are home to a vast majority of the poor, and, therefore, needs to get attention of our policies and programmes. Our recent initiative of bringing green revolution to the Eastern part of India has been a successful one with an excellent output of paddy production in 2011. The budget 2012-13 has sought to increase the allocation for this scheme from the last year's Rs.400 crore to Rs.1,000 crore this year. Another project called "Pulses Villages Project" that aimed at raising pulses production will continue this year too as it had succeeded in high yield of pulses. In addition, the budget has provided for additional allocation to irrigation and agricultural research, he added.

Prof. Thomas said that there is need for the youth getting into the business of agriculture. When young and educated youth come forward to become agriculturists, this will definitely result in a sea-change on how agriculture is viewed any more. He said that agriculture must become a coveted profession of the educated lot. We need to disseminate best farm technology practices and governance assistance available for the small farmers through media as in the end, it is the involvement and enthusiasm of the people at the grass root level that counts.

The minister said that to meet a long standing demand of farming community and of the agri-business sector, as part of broader agri-reforms, the Government has enacted the Warehousing Development and Regulation Act. The Act makes warehouse receipts negotiable and thereby empowers farmers to hedge their produce against market volatility and depressed prices during harvesting time by keeping their produce in warehouses registered under the Act and obtain a Negotiable Warehouse Receipt (NWR). The NWR can also be used to raise credit from banks at favorable terms. A Warehousing Development and Regulatory Authority (WDRA) has been set up under the Act to register warehouses and facilitate issue of NWRs. A large number of warehouses in both public and private sectors have got themselves registered under the Warehousing Development & Regulatory Act.

Highlighting the initiatives taken by his ministry to create more storage, the Food Minister said that to tackle the situation arising out of sudden spurt in procurement levels which was a result of increase in MSP during last three years, Government formulated a scheme for Construction of Godowns through private entrepreneurs under PPP mode in 2008. A capacity of about 150 lakh tonnes is being created under the scheme through private entrepreneurs and Central and State Warehousing Corporations, out of which 2 million tonnes will be in the form of modern silos. The PEG scheme is one of the most successful examples of Public-Private Partnership wherein such a huge infrastructure is being created by the Private Sector for government use in the form of storage facilities. The country will have an additional storage capacity of 8 million tonnes by March 2013, of which, 3 million tonnes will be ready for utilization by March this year. The minister said that the Government would expect banking institutions to come forward to extend credit facilities to entrepreneurs who may wish to create the storage infrastructure at places where they are not available but

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where they are needed the most.

Emphasizing need for second white revolution Prof. Thomas said that India scripted history fourteen years back by achieving the number one position in global milk production. But the momentum of milk production has slowed over the last decade with growth stagnating at about 5 percent per annum; which are signs that India may become a net importer of milk in years to come. He said that shortage of milk, dairy products and eggs is a principal contributor to food inflation. Hence it is crucial that dairying framework undergoes a paradigm shift of from being a "subsidiary" occupation to "mainstream" activity. This would mean high-tech dairying, better mechanization and automation of dairy farms and increased corporate participation in the production sector, he stressed.

## MP heading towards bumper wheat production: IARI

**PressTrust Of India**

**March 22, 2012**

Madhya Pradesh is expecting bumper production of wheat this year due to favourable weather conditions, an Indian Agricultural Research Institute (IARI) official has said. "Madhya Pradesh will be forging for massive wheat production to the tune of 11 to 12 million tonne this year as against 8 to 9 million tones last year. With better monsoon, followed by extended winter up to March, the bumper production at 11 to 12 million tonne is expected now," Dr AN Mishra, Head of Indian Agricultural Research Institute (Regional station) told reporters on the eve of institute's Diamond Jubilee year celebrations yesterday. Informing that wheat was sown in 4.5 million hectares in the state, Mishra said the production would also include rust and heat-resistant crop developed by IARI, besides high-yielding variety of wheat, known as "Malvi", named after Malwa region comprising Indore, Dhar, Ujjain.

Ten percent of the crop would be of Malvi variety, he said while seeking at least Rs 100 per quintal as incentive to farmers by the state in addition to the Minimum Support Price (MSP) of wheat fixed by the Central government. Last year, Malvi variety was not fully procured by the concerned state agencies hence the farmers did not make much sowing as expected, Mishra said. "Sowing of malvi variety which is used for variety of foods like pasta, noodles etc besides good quality roti, could be enhanced if the state government provides extra incentive or bonus on procurement," the IARI Head said.

Mishra further said the contract-farming of the very variety could also be invited at the national and international level to boost the crop production. Having a research projects funding of Rs 1 crore annually, IARI provides the parent PUSA of ICAR an income of Rs 70 lakh by selling breeder seed to farmers, Mishra claimed. On March 24, the green revolution expert Dr MS Swaminathan will address the audience to mark the diamond jubilee celebration of the institute, he added.

## Iran looks to import 3 million tonne Indian wheat

**EconomicTimes**

**March 22, 2014**

The Indian government has initiated the process of exporting wheat to Iran. The sanction-struck Asian neighbour has made enquiries to the Indian government for an import requirement of up to 3 million tonne. This is likely to be purchased by Iranian government agencies as well as private importers. Iranian firms such as Kengan Wheat Flour Factory, ALP Company and Magna Business Management have sent wheat import enquiries to the Indian government-run agency Agricultural and Processed Food Products Export Development Authority (APEDA) through the Indian embassy. "Two Indian firms have shown interest in shipping wheat to Iran. However, no export has taken place so far to the beleaguered country," said a senior APEDA official.

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A wheat production of 88.31 million tonne in 2012 is driving exports. The strong stock position of wheat in the central pool, at 23.4 million tonne, is also boosting export prospects. After opening wheat exports in last September, the country has shipped about 6 lakh tonne to countries like Bangladesh, UAE, Nepal, Thailand and other countries. Indian traders, however, are skeptical about payment for the exports after Iran defaulted on rice imports from India. But a payment mechanism recently set up by the two countries, which allows using the rupee for 45% of oil dues and to pay Indian exporters, has instilled some confidence in Indian exporters.

"More companies will come forward now to export wheat and other items to Iran if the new mechanism works well," said an Indian exporter. According to media reports, Iran is scaling up grain imports to hedge against the growing impact of sanctions and poor crops due to dry weather. It has been importing wheat from Russia, Australia and Pakistan in large quantities. In 2007-08, Iran imported around 8 million tonne of wheat when it had a poor harvest. Apart from wheat, Iran is also looking at importing sugar, IT products, machinery, metal products, iron, steel, minerals, clothes, fibre, tea, wood and automobiles from India

## Per capita availability of foodgrains dips in 2010: Govt

**PressTrust of India**

**Mar 19, 2012**

The availability of foodgrains per person per year had declined by 1.23% to 160.1 kg in 2010, Parliament was informed today.

The per capita availability of foodgrains (wheat, rice, cereals and pulses) per person annually stood at 162.1 kg in 2009. In a written reply in the Rajya Sabha, Food Minister KV Thomas said the per capita availability of foodgrains compares well with the normative per capita cereal requirement of the National Institute of Nutrition's at 157 kg per annum.

"The government has made a total allocation of 615.26 lakh tonnes of foodgrains during 2011-12 through the Public Distribution (PDS) system," he added. Apart from PDS, government has also allocated 123.69 lakh tonne foodgrains for Antyodaya Anna Yojna (AAY), Below Poverty Line (BPL) and Above Poverty Line (APL) families, including 23.69 lakh tonne for 174 poorest districts in 27 states/union territories, Thomas said.

To a separate query, the minister said that 212.55 lakh tonne wheat and 331.78 lakh tonne rice was available in the Central pool as of March 1, 2012. There has also been record procurement of wheat and rice during rabi and kharif marketing seasons 2009-10, 2010-11 and 2011-12, Thomas added. As of March 15, 2012, the procurement of wheat in the 2011-12 marketing year (April-March) was 283.35 lakh tonne, while that of rice stood at 276.04 lakh tonne in the 2011-12 marketing year (October-September), he noted.

On the issue of prices, Thomas said that the prices of wheat and rice are stable in the country. "The prices of sugar, major pulses and edible oils are either stable or have shown marginal increase," he added. To another question on insufficient arrangements for official procurement forcing farmers to sell their produce below minimum support price (MSP), Thomas said that no such reports have been received. For the procurement of paddy in the kharif marketing season, 26,148 purchasing centres have been set up, which include 416 centres of the Food Corporation of India (FCI) and 25,434 centres by the state governments. He added.

## Highly Subsidized PDS Grains for the Targeted Population

For tackling the problem of hunger, starvation and malnutrition in the country and to ensure that people living below poverty line get adequate food grains, the Government has been providing food grains at highly subsidized prices to the targeted population through the State Governments/UT Administrations under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes

(OWS) such as Mid-Day Meal Scheme, Wheat Based Nutrition Programme, Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG), Annapurana, Emergency Feeding Programme and Village Grain Bank Scheme.

Though there have been requests for universal PDS, Government is not considering to introduce Universal Public Distribution System as the focus on poor will get diluted. It would require procurement of huge quantities of wheat and rice which would result in less availability of foodgrains in the market, leading to rise in open market prices. If the same quantity of foodgrains is distributed equally among all, then the scale of issue will have to be reduced. Further, in order to manage the level of food subsidy, the issue prices of rice and wheat may have to be increased substantially from the present Central Issue Prices (CIPs) which have not been revised during the last nine to eleven years. This may result in BPL and AAY families getting reduced scale.

## No decision on direct procurement by FCI: Thomas

PressTrust Of India

March 20, 2012

The Centre today said no decision has been taken by the Food Corporation of India (FCI) to procure food grains directly from farmers in Punjab, Haryana and Rajasthan. "No such decision has been taken by FCI to procure food grains directly from farmers in these states," food minister KV

In Punjab, Haryana and Rajasthan procurement is made by state agencies through commission agents - arthias - in accordance with the statutory provisions of the relevant agricultural produce marketing acts of the states, he said.

In the lok sabha Akali Dal member Harsimrat Kaur Badal attacked the government for 'repeatedly' coming up with plans to procure food grains directly from the farmer and make cheque payments.

"Are the 500 inspectors in a position to do the job of 22,000 arthias in a more effective and efficient manner?" Badal asked and added that farmers were not getting MSP for their produce.

Thomas said the state governments of Punjab and Haryana have to find out a genuine mechanism to ensure farmers got the MSP.

## In stitching a complex oil-for-food deal, India sets about placating Iran

Mar 21, 2012

India is finally plunging into the oil politics of the Gulf and West Asia. It sent a team of senior officials from the commerce ministry to Iran around a fortnight earlier, to clinch an oil-for-food deal. And, is beginning to woo the Sunni oil kingdoms in the region, led by none other than Saudi Arabia. Arvind Mehta, joint secretary in the ministry of commerce and as many as 70 members of the government-backed Federation of Indian Export Organisations (FIEO) met their counterparts in Teheran in an attempt to clinch a \$1 billion deal to sell rice, wheat, tea and pharmaceuticals to Iran, so as to partially offset India's huge purchases of Iranian crude, of \$12 bn annually.

At 12 per cent, Iran is only second to Saudi Arabia, India's largest source of its energy needs. It is why the wooing of Saudi Arabia is also in substantial flow in Delhi these days. And, major plans are afoot in Delhi to also receive the Emir of Qatar, Hamad bin Khalifa Al-Thani, whose country is already a large source of oil and gas, as well as the fellow-sheikhs of Oman and the United Arab Emirates.

**Energy reality:** This dexterous diplomacy, in which the ministry of external affairs (MEA) has allowed the commerce ministry to

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take the lead in tackling extremely sensitive issues relating to India's energy needs, comes as quite a surprise. Clearly, ceding space to the commerce ministry also means the MEA is creating for itself essential room for deniability. But it also means that irrespective of the struggle for the top foreign affairs profile between commerce minister Anand Sharma and external affairs minister S M Krishna, several parts of the government are at last working in tandem on cracking India's energy conundrum.

Last month's visit by defence minister A K Antony to Saudi Arabia followed a January decision by India to lift the 6.5 per cent anti-dumping duty on the export of polypropylene from there. Polypropylene is used in the manufacture of plastics and had become a thorn in the flesh of the growing India-Saudi relationship. None other than Prime Minister Manmohan Singh had been requested to remove the duty when he went visiting the Saudis about a year before. The decision to send a team to Iran last week has been cloaked in considerable secrecy and came about after several rounds of both heart and hand-wringing, in which all parts of the establishment argued about what was to be done.

Government sources say there were two realities to be dealt with. First, energy-hungry India needed to continue to purchase Iranian crude, even as all efforts were made to reduce exposure to Iran and look for alternative sources of fuel, for example from Saudi Arabia. Second, it would take at least a few years for India (and, especially, the Mangalore Refinery & Petrochemicals Ltd) to completely wean itself off Iran's sweet and light crude.

India certainly did not want to be seen to be the only country breaking the US-led sanctions against Iran, especially as the Americans had become an important political and economic partner for Delhi. The only via media, the government decided, was to increase Indian exports to Iran which would be exempt from US sanctions, besides allocating about 45 per cent of the oil trade to a rupee-Iranian rial mechanism.

During the Teheran visit, Iran's deputy foreign minister for western Asia affairs, Ahmad Sobhani, was quoted by state television as confirming this decision, after he had met the Indian team. "At the moment, we have around \$12 billion worth of trade with India. Some part of this will be directly in rupees and this will be beneficial for both countries," Sobhani said. By replacing the dollar with the rupee, many middle channels in the India-Iran trade will be removed, he added.

The visiting Indian team agreed that over the next few years, bilateral trade with Iran could touch \$25 billion yearly.

The FIEO team, consisting of private businessmen with hardly any or no dealings with the US, were said to be interested in the commodity deals with Iran, because government backing meant considerably reduced risk. It was also reported that the Iranian Bank Parsian would be allowed to open an office in Mumbai and India's UCO Bank would be the lead Indian one doing business with Iran.

**US vexation :** Government sources admitted India's Iranian connection was hardly going to go down well with the Americans, but said the country had little alternative. "India is hardly the sanction-buster it is being made out to be in the US," said the sources. Certainly, the Americans are not impressed. Nicholas Burns, former US under secretary of state for political affairs, who was involved in the negotiations for the Indo-US nuclear deal, put it succinctly: "India's decision to walk out of step with the international community on Iran isn't just a slap in the face for the US it raises questions about its ability to lead," he said in an article in the Diplomat, a leading US current affairs magazine. "It represents a real setback in the attempt by the last three American presidents to establish a close and strategic partnership with successive Indian governments... There's a larger point here about India's role in the world. For all the talk about India rising to become a global power, its government doesn't always act like one."

Still, various parts of the Indian establishment are being told to keep a low profile even as they continue to carry out their Iranian dealings. Commerce Secretary Rahul Khullar was at the receiving end of considerable US ire last month because of his comments that India had no option but to continue to deal with Iran, and visiting Foreign Secretary Ranjan Mathai is believed to have got an

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earful from US Congress members.

On its part, Delhi is continuing to engage with the US, hoping it would understand that the quality of its interaction with Iran was need-based, as well as limited. The India-US military exercises in the Thar desert began in early March as scheduled, and will go on for two weeks. India will point to the fact that it had twice voted against Iran at the International Atomic Energy Agency during negotiations with the US on the Indo-US nuclear deal. And, that it takes very seriously the attack against the Israeli diplomat at the hands of alleged Iranian extremists.

**Saudi lever :** As for the wooing of the Saudi kingdom and other Arab states in West Asia, none other than Reliance Industries' Mukesh Ambani, who has large stakes in the petrochemical products business, including polypropylene, is said to have been persuaded to see the light of day when countervailing duties were lifted against Saudi Arabia in January 2012. In fact, the Saudi assistant petroleum minister, Prince Abdul Aziz bin Salman, capped his January visit to Delhi by reportedly meeting Ambani secretly on his way home, via Mumbai. In return, the Saudi prince is believed to have assured India that the kingdom could well enhance its oil sales to India from the coming financial year itself

## Food security law to be in force by year-end: Thomas

**Hindu Business Line**

**March 23, 2012**

The much anticipated food security law would be implemented by the year-end, the Union Food Minister, Mr K.V. Thomas, said on Wednesday. The law will endow legal rights to poor Indians to obtain foodgrains at subsidised rates. The Government will endeavour to enact the Food Security Bill into law in the next session of Parliament, Mr Thomas told newsmen on the sidelines of 2nd YES Bank-Hindu Business Line Food and Agri Business Conclave in the Capital. The latest edition of this conclave focused on supply chain issues and how foodgrains can be delivered at low wastage and low intermediation cost to customers.

At present, the Centre's food subsidy bill is around Rs 1,09,000 crore. Once the law is implemented, the total subsidy component will go up to Rs 1,12,000 crore. So, if the Centre were to implement the proposed Food Security Bill, the additional commitment will be Rs 3,000-4,000 crore. A country like India has the capacity to bear this additional commitment, Mr Thomas said. The National Food Security Bill 2011 was introduced in the Lok Sabha in December 2011. Under the proposed Bill, every person belonging to 'priority' household would be entitled to receive 7 kg of foodgrains per month.

Every 'general' category person would be entitled to not less than 3 kg of grains. The Bill provides for supply of rice at Rs 3/kg, wheat at Rs 2/kg and coarse cereals at Re 1/kg to these households. Mr Siraj Hussain, Chairman and Managing Director, Food Corporation of India, stressed the need to rationalise the taxation structure to change the skewed procurement. He said in certain States, 99 per cent of market arrivals were procured by the Government, while in many others, the Government was not effective. This has to change, he said. Mr D. Sampathkumar, Editor, The Hindu Business Line, said that were a number of success stories in Indian agriculture. There was need to revel in such stories so that one is not captivated by the doom and gloom predicted for Indian agriculture, he added. While India has been very good in envisaging large schemes and projects, he pointed out that it somehow seems to have failed in last mile connectivity. If India addresses this problem in agriculture, it would certainly help bring about a second green revolution, he said.



## Wheat harvesting may get delayed: Expert

PressTrust Of India

March 23, 2012

Wheat harvesting in Punjab and Haryana is likely to get delayed by up to ten days with mercury ruling low against normal temperature in several parts of the northern region. "The wheat harvesting is likely to get delayed by seven to ten days because of low temperature prevailing in the northern region as the crop is still not mature," Karnal-based wheat research project director Indu Sharma said on Thursday. Minimum and maximum temperature are ruling low by two to five degrees compared to normal temperatures in Punjab and Haryana.

Crop harvesting normally starts in the first week of April while it reaches peak during second and third week of the month. "Under the present circumstances, the peak period of crop harvesting may be between fourth week of April and first week of May," she said. Wheat procurement for the rabi season 2012-13 starts from April 1. However, she said, low temperature was conducive for late sown crop as it helps in grain formation. "Sudden rise in mercury at this stage will hit the grain formation of late sown crop which is also not desirable," she said. The wheat expert also pointed out that the rain and or high velocity wind could hit the prospects of bumper crop. "Rain or high velocity winds are not desirable which can damage early sown and timely sown crop in both states," she said.

## Dry spell, low storage raise Kharif sowing worry

Kharif sowing could be in for a tough time this year, on two counts. One, the storage position in major reservoirs across the country is lower than it was last year. Two, the country has been going through a prolonged dry spell since October. "No need to press the panic button, yet. But the Agriculture Ministry has to be on guard," said Dr Ashok Gulati, Chairman, Commission for Agricultural Costs and Prices.

**Storage position :** According to the Central Water Commission, the live storage in the 82 important reservoirs as on March 22 is 53.726 billion cubic metres. This is 35 per cent of the storage capacity at full reservoir level, and 16 per cent less than it was this time last year. However, vis-à-vis the last ten years' average, it is 19 per cent higher. The Central Water Commission said the storage position in 62 reservoirs is around 80 per cent of the normal storage level. According to the India Meteorological Department, rainfall was 57 per cent deficient during March 1-21. While post-monsoon rainfall between October and December was 48 per cent below normal, January-March rainfall was just 5 per cent lower than normal. More important, since January about 25 meteorological sub-divisions have had deficient rainfall.

This is an area of concern, as it could affect soil moisture that is key for kharif sowing. Already, meteorologists in Europe and Japan have predicted bleak prospects for the monsoon this year. "Even if the monsoon were to fail, there is no cause for concern since we have ample foodgrain stocks in reserve," said Dr Gulati. Most farmers may hesitate to begin sowing in view of the poor soil moisture. "The percentage of rainfall may see a wide difference from area to area. But the absolute amount of rainfall is low," said the CACP Chairman.

**Kharif contribution:** According to agriculture experts, the Meteorological Department should come out with its prediction immediately. The Department usually comes out with its monsoon projections in April. "I think people in the Agriculture Department will be tracking the development on a weekly basis," said Dr Gulati. Kharif contributes 50 per cent of the total food production annually and 65 per cent of the oilseeds output. Any monsoon failure, therefore, can lead to inflation, besides affecting the rural economy. Rice is a key kharif crop among foodgrains with over 70 per cent of the total output produced during the period. Among oilseeds, soyabean is the major crop, followed by groundnut.

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## India Aims to Achieve Higher Production of Wheat

India is the second largest producer of wheat in the world aims at achieving higher production and productivity of wheat in the years to come to meet the growing demand of food grains. It has estimated record harvest of 86.87 million tonnes during 2010-11 and a record production of 88.31 million tonne during 2011-12 as per 2nd advance estimates.

India has strong wheat research and development network to develop technologies suitable for different regions of the country. The technologies developed by Wheat Research Network are being promoted through various Centrally sponsored schemes and State sector programmes. Country has developed collaborations with international organizations under CGIAR system such as CIMMYT Mexico, ICARDA, Syria and ACIAR Australia. The technology developed by these organizations and tested in Indian conditions are adopted subject to their suitability to Indian condition. Some of the high yielding genotypes developed in CIMMYT, Mexico were found suitable in Indian condition and were released for cultivation in India.

This information was given by Shri Sharad Pawar, Minister of Agriculture and Food Processing Industries in written reply to a question in the Rajya Sabha today.

## Measures to Promote and Develop Co-Operative Sector in the Country

Government has taken various steps to promote and develop the co-operative sector in the country. These include inter-alia, framing of national policy on co-operatives, enactment of Multi-state Co-operative Societies Act, 2002, enactment of the Constitution (Ninety Seventh Amendment) Act, 2011, implementation of recommendation of Prof. Vaidyanathan Committee for revival of short term cooperative credit structure, constitution of high powered committee on co-operatives etc. Besides, the Government is implementing two plan schemes namely the Central Sector Scheme for Cooperative Education & Training through the National Cooperative Union of India (NCUI) and National Council for Cooperative Training (NCCT) and the Central Sector Scheme for assistance to National Cooperative Development Corporation (NCDC) Programmes for development of cooperatives.

The main objectives of the Central Sector Scheme for Cooperative Education & Training are to create awareness about cooperatives amongst the general public, training to the employees working in the cooperative societies and to apprise the members and non-officials of cooperatives about their rights and duties.

The objective of the Restructured Central Sector Scheme for assistance to NCDC programmes for Development of Cooperatives is development of agriculture and rural development through cooperatives. The scheme has three main components namely i) marketing, processing, storage programmes in cooperatives under the least developed States, ii) share capital participation in growers' / weavers' cooperative spinning mills and iii) integrated cooperative development projects in selected districts. Under the scheme, the subsidy is provided by the Government and loan component is provided by NCDC from its own sources.

## Scheme for Training of Agriculture Students to Establish Agri-Clinics and Agri-Business Centres

Government has launched a scheme 'Establishment of Agriclinc and Agri-business Centres'. The Scheme aims to:

(i) Provide gainful self-employment opportunities to unemployed agricultural graduates, agricultural diploma holders,

intermediate in agriculture and biological science graduates with PG in agri-related courses;

- (ii) Support agricultural development; and
  - (iii) Supplement efforts of public extension by necessarily providing extension services to the farmers as per local needs of farmers.
- Since inception of the scheme, 27,894 candidates have been trained and 9,949 of them have established agri-ventures up to February, 2012.

### **Salient features of the scheme:**

- (i) The National Institute of Agricultural Extension Management (MANAGE) is the Implementing Agency for training component of the Scheme. Two months' free residential training is imparted to the selected eligible candidates on Agri-Entrepreneurship Development followed by one-year handholding support after completion of training, through Nodal Training Institutes.
- (ii) The Scheme has a provision of credit support (start up loan) upto ` 20 lakhs for individual projects and ` 100 lakhs for a group project.
- (iii) There is a provision of credit linked back-ended composite subsidy on the bank loan availed by trained candidates under the Scheme. The subsidy is 44% in respect of women, SC/ST & all categories of candidates from North-Eastern and Hill States; and 36% in respect of all other categories
- (iv) National Bank for Agriculture and Rural Development (NABARD) is the Implementing Agency for disbursement of subsidy and monitoring the credit support to agri-clinics and agribusiness centres through the banks.

## **CAG: APL wheat diverted to atta-dal scheme**

**PressTrust Of India**

**March 29, 2012**

The much-publicised Atta-Dal Scheme (ADS) of the Punjab government has come in for questioning by the government auditor CAG. In its latest audit report, the Comptroller and Auditor General of India said as much as 5.52 lakh tonnes of wheat worth Rs 648.69 crore (for the period of 2007-08, 2008-09 and 2009-10) meant for the Centre's Above Poverty Line (APL) scheme was diverted to ADS by Punjab's food and civil supplies department. The SAD-BJP government had launched the ADS in March 2007 to provide 35 kg of wheat and 4 kg of dal (pulses) to poor families at subsidised rate of Rs 4 per kg of wheat and Rs 20 per kg of dal.

However, the quantum of wheat and dal was reduced to 25 kg and 2.5 kg per family, respectively, in 2009, the report said.

"In violation of (Centre's) instructions, director food and civil supplies & consumer affairs (DFSC), Punjab intimated district controllers/ Punjab State Civil Supplies Corporation Ltd (PUNSUP) to divert the wheat allocated by the Government of India for the Above Poverty Line families to ADS," the auditor observed. According to the Centre's public distribution system order 2001, the state government should not divert the allocations made by the central government for the distribution of commodities such as rice, wheat, sugar etc.

Further, Food Corporation of India also instructed state authorities that the allocated quantities of foodgrains from the central pool may not be diverted to any other scheme. The report further observed that the Punjab government did not seek the approval of the Centre before diverting wheat meant for APL to ADS. Punjab Congress chief Amarinder Singh has said the ADS was one of the factors for the victory of SAD-BJP combine in the recent assembly elections.

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## Parle to launch new snacks, targets 25% market

PressTrust Of India

March 28, 2012

Biscuits manufacturer Parle Products, which entered the snacks business four years ago, will launch five new 'Namkeen' products within a year to garner 25% of the Rs. 8,000 crore market. "We will launch various products in all the categories under snacks like traditional 'namkeen' and wafers to increase our market share to 20-25% within the next two years," B Krishna Rao, group product manager of Parle products, told the news agency here.

The company has got positive response after the test phase launch of the new products in Chhattisgarh, Madhya Pradesh and Maharashtra this month. "We are taking lessons from these test launches. There are some distribution related issues. The competition is also not easy. But the response has been fairly good. By the end of 2012-13 we will launch it nationally," he said. At present, the Mumbai-based company has a small market share of 85 in the snacks segment which is dominated by big players like PepsiCo Frito-Lay, ITC and Haldiram's. It has 'Full Toss' to compete with PepsiCo-owned brand Kurkure and also has a presence in the wafers market.

"In the traditional 'namkeen' market we will soon have products like 'bhujia', mixtures and 'moong daal'," Krishna Rao said, admitting that the biggest hurdle for one of the oldest players in the biscuit market in the country was penetrating the distribution cycle in the snacks market. "The snacks market is largely driven by a strong distribution market. If you look at other players in the market, they also don't spend heavily on advertising," he said. Asked about the health food and snacks market, which include nutritional biscuits, breakfast cereals and health snacks, he said the market was not yet ready for it. "Across categories health food has not been accepted by consumers. It's too early now to invest in this segment," he said. According to him, it was very difficult for any manufacturer to provide taste as well as health in one product. "If you focus more on health benefits then you have to compromise on taste. But for Indians everything boils down to taste," he said.

Parle already has two products in this category - Actifit Digestive Marie and Actifit Sugarfree Cream Cracker biscuits. With a 40% share in the biscuit market and a 15% share in the confectionery market in India, Parle has grown to become a multi-million dollar company

## 34 MBA graduates hired to monitor public distribution system

Times of India

March 31, 2012

The government has hired 34 MBA graduates, including eight women, with experience in insurance, navy, pharmacy and banks to oversee functioning of fair price shops and effective functioning of the public distribution system (PDS) in the state. The newly-formed Rajasthan State Food and Civil Supplies Corporation would depute the recruits selected through an entrance examination in all districts of the state. They would be called district managers and monitor the system from manufacturing to distribution point.

"We have taken this step in our bid to bring professionalism in the public delivery system. The government has decided to include non-PDS items like tea, spices, soaps and fortified flours in ration shops. The managers will look after this complex job and are expected to bring efficiency in the system," said food, civil supplies and consumer affairs department principal secretary J C Mohanty. The recruits are currently undergoing training at Jaipur's state institute of agriculture management. "The group includes freshers as well as those with some work experience. Some of them were earlier working with banks..." said course coordinator S P Paliwal.

Ruchi Agarwal, one of the recruits who worked as a pharmacist in a government hospital after her MBA, is excited about her new job.

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"We were recruited in January and were sent to field training for two months. It is indeed a challenging job," she said. Agarwal said they had been asked to monitor and market PDS shops besides an image makeover of the system perceived to be inefficient and corrupt. The recruits are being trained to manage logistics with minimum diversion of products besides quality checking. Naresh Dhaania, another recruit who was in the navy for 15 years, said, "Transparency is the biggest thing needed.

## Haryana bans wheat imports from other States

**Hindu Business Line**

**March 31, 2012**

Haryana has banned the import of wheat from neighbouring States for the rabi marketing season starting April 1. The ban follows hopes of a bumper production and fears of inadequate storage capacity. One of the reasons for the ban is that the farmers from Uttar Pradesh bring wheat to markets in Haryana to avail of the minimum support price (MSP) since the MSP operation in Uttar Pradesh has been tardy in the last couple of years. Also, some traders buy wheat in Uttar Pradesh at a price lower than MSP and then sell it in Haryana at MSP.

Haryana and Punjab contribute nearly 90 per cent of wheat to buffer stocks. However, the current ban is due to huge carry-forward stocks in warehouses. The situation could have been better if this season's stocks had have been lifted on right time, said experts.

**Mixed response :** The Bhartiya Kissan Union has strongly criticised the move, saying that it is a strange decision as farmers are free to deliver their produce anywhere in this country. Such kind of decisions may harm the relations among states, said Mr Sewa Singh Arya, State President of BKU. A few farmer leaders and Mr Subhash Chander former president of Karnal Aadhti Association, have welcomed the decision.

It is a right step as it will benefit local farmers, they said. Commission agents have been directed not to purchase produce from the farmers of neighbouring States. Apart from this, the State is planning to set up check-posts in lieu of the multiple gates in different parts of Karnal district to stop arrivals, said Ms Neelam Pradeep Kasni, Deputy Commissioner, Karnal.

**MSP for wheat :** The Centre has fixed the MSP for wheat this year at Rs 1,285 a quintal against Rs 1,120 last year. About 70 lakh tonnes of wheat are likely be procured in Haryana, during the marketing season and 371 purchase centres will be opened to ensure smooth procurement.

A numbe of measures have been adopted to create space for the new wheat stocks. Officials have been directed to ensure adequate space for new stocks by placing old stocks somewhere else. Arrangement has also been made with the Reserve Bank of India to ensure timely payment to the farmers.

## END OF THE MONTHLY NEWS