

**VAIKUNTH MEHTA NATIONAL INSTITUTE OF CO-OPERATIVE MANAGEMENT PUNE**

**Newspapers Article (26.3.2024)**

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# Centre may continue FCI's wheat, rice OMSS

**KEEPING TRADERS AT BAY.** Wheat likely to be offered to millers at ₹2,275/quintal, rice reserve price may be ₹3,100/quintal

**Prabhudatta Mishra**  
New Delhi

The government has indicated that it is ready with the open market sale scheme (OMSS) policy for the next fiscal in an apparent move to keep private traders off the wheat market and allow official procurement to meet the target of 37.3 million tonnes (mt). Wheat is likely to be sold at a minimum ₹2,275/quintal (same as the minimum support price) across the country through e-auction throughout the year.

Earlier this month, the Food Ministry conveyed its approval to the Food Corporation of India (FCI) on the policy for the sale of food grains (wheat and rice) stocks in excess of buffer stock norms under OMSS. However, the policy will be effective from April 1 next fiscal and will be valid till July 31. A review will be done in July based on the actual wheat procurement and the price will be fixed



**IMPOSING HURDLES.** The Ministry has stipulated that no sale will be undertaken during the procurement period (tentatively until June 30) in wheat-procuring States such as Punjab, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh

for remaining period of the next fiscal, Food Ministry sources said.

According to the policy, sale to private parties in open market through e-auction of wheat will be made at a pan-India reserve price of ₹2,275/quintal for under relaxed specification (URS) variety and ₹2,300/quintal

for fair and average quality (FAQ) type of all crop years.

The ministry has stipulated that no sale will be undertaken during the procurement period (tentatively until June 30) in wheat-procuring States such as Punjab, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh. The

ministry will also take a call when to start the e-auction and the quantity to be sold in each round, depending on the market rates of wheat, sources said.

#### MESSAGE TO MILLERS

"This is a clear message to flour millers of the southern region not to buy wheat in

this procurement season and get it from FCI at subsidised rate and save at least the transport and handling charges from Madhya Pradesh to their factory gate," said a leading flour miller of a northern State.

The Food Ministry has reportedly come up with an aggressive plan to achieve the wheat procurement target this year as the Centre's buffer stock, maintained by the Food Corporation of India (FCI), will likely drop below the mandatory norm of 7.66 mt as of April 1. This will be for the first time in 16 years that wheat stocks, which are currently at a 7-year low, will be below the buffer norms.

Uttar Pradesh, the largest producer of wheat, after fixing a target of procuring record 6 mt, has asked some 40 big traders, stockists and flour millers to stay away from market till the government procurement target is achieved. A district magistrate in UP even went a step ahead and sent a letter to Railways not to accept in-

dent from private sector for allocating rakes for the transport of wheat out of the State.

#### FIAT TO CO-OPS

Under OMSS, the Food Ministry has fixed the pan-India reserve price of rice at ₹3,100/quintal until July 31. In the north-east and other hilly States, rice will be sold at ₹3,400/quintal (including fortified rice). The government has barred private parties in surplus-producing States from buying rice from FCI when paddy procurement continues.

Under the retail sale scheme, the Food Ministry will allocate to semi-government and cooperative organisations wheat at ₹23/kg till July 31 and rice at ₹24/kg till June 30. The sale will be done only if these organisations agree to sell the atta (flour derived from wheat) and rice at the maximum retail price (MRP) fixed by the government. Currently, the MRP of atta is fixed at ₹27.50/kg and rice at ₹29/kg.

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# FCV tobacco prices up to a new high in Karnataka auctions

**Vishwanath Kulkarni**  
Bengaluru

Prices of tobacco at auctions in Karnataka continued to increase on robust demand from overseas markets. The average price for flue-cured virginia (FCV) tobacco at the auctions in Karnataka touched a new high of ₹257.46 per kg during the recently concluded 2023-24 season. Prices in the 2023-24 season were up by 13 per cent at ₹29.46 against ₹228.01 kg in the previous season.

Average prices of tobacco

in Karnataka, which plunged to a six-year low of ₹119.87 per kg during 2020-21, have been on an upward trend over the past four years, scaling new highs annually over the last two years, per the Tobacco Board data.

### SAME CROP SIZE

In Karnataka, the highest bid recorded during 2023-24 season touched a new high at ₹290 per kg against ₹271 the previous year, Tobacco Board officials said. FCV tobacco, mainly grown in the Mysuru region, has good export demand as it



**BLENDING GAINS.** FCV tobacco, mainly grown in the Mysuru region, has good export demand as it can be blended with any other tobacco in the world THE HINDU

can be blended with any other tobacco in the world and has less nicotine, less tar and less sugar.

The total estimated pro-

duction of tobacco in Karnataka during 2023-24 season stood at 82.85 million kgs against an authorised crop size of 100 million

kgs. Of the total production, the estimated production by authorised registered growers was 71.34 million kgs.

Excess production by registered growers was 3.02 million kgs and the unauthorised production by unregistered growers was estimated at 8.49 m kgs.

For the 2024-25 season, the Tobacco Board has fixed the crop size at 100 million kgs for Karnataka, similar to last years.

### COMPETING GINGER

“Growers who are happy with the last year’s record prices have already started

preparing the nurseries for production of seedlings, even as the pre-monsoon rains are yet to arrive in the key producing regions around Mysuru. The high prices of ginger in the region, a competing crop, is likely to attract the attention of a section of farmers in the forthcoming season,” said B V Javare Gowda, President of the Federation of Karnataka Virginia Tobacco Growers Association.

Gowda said the decline in global output mainly from African producers (mainly due to El Nino) is keeping the prices firm.

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# Farmers holding back mustard, chana crops for at least 3 months: Study

**Our Bureau**  
New Delhi

Mustard and gram (chana) farmers in Rajasthan and Madhya Pradesh prefer staggered sales now, which is contrary to popular perception that farmers dump their entire produce upon harvest, according to a study conducted by New Delhi-based Arcus Policy Research and commissioned by futures trading platform NCDEX. The decision on the timing of the sales is now based on farmers' own perception of prices and behaviour of the fellow farmers, the study said.

The survey respondents - 400 farmers - were selected on random sampling, from 32 villages in Madhya Pradesh and 82 in Rajasthan, the two top producers of gram and mustard. These two States together account for about 46 per cent of India's gram production and about 57 per cent of mustard output, the au-



thors said. Farmers stored crops for at least three months post-harvest, but offloaded most of it before the next harvest, the study said and mentioned the behaviours of farmers with regard to agriculture marketing.

## MARKETABLE SURPLUS

In case of mustard, about 34 per cent of the crop's marketable surplus was held back by farmers in Madhya Pradesh and the share was about 70 per cent in Rajasthan. In case of gram, 69 per cent of the marketable surplus was held back

by Madhya Pradesh farmers and about 77 per cent in Rajasthan.

Farmers in Rajasthan took greater risks by storing both mustard and gram crops for longer compared with farmers in Madhya Pradesh, it said. On an average, they stored gram for 102 days (more than three months after harvesting in March) in Madhya Pradesh and 114 days (close to four months post-harvest) in Rajasthan. Mustard crop was also held for about 107 days in Madhya Pradesh and 110 days in Rajasthan.

Though most of the farmers emptied their previous crop stocks before the onset of next harvest of gram/mustard, both grown in Rabi season, some medium and large farmers of gram however, found to carry forward their stocks into the next year. The authors have recommended adhocness in government policy actions must be reduced.

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## Amul to sell 'fresh milk' for the first time in US

**Avinash Nair**  
Ahmedabad

For the first time in its history of milk cooperatives in India, Amul's brand of "fresh milk" will be sold in the US.

The Gujarat Cooperative Milk Marketing Federation (GCMMF) — the umbrella body of milk cooperatives in Gujarat that markets and sells milk under the brand Amul — has tied up with the Michigan Milk Producers Association to sell "fresh milk" in the East Coast and Midwest markets of the US.

### GAMECHANGER

"We have been exporting milk products to the US market for the last 25 years. However, this will be the first time we will be selling fresh milk in the US under the Amul brand. We expect this to be a game-changer,"



Jayen Mehta, Managing Director, GCMMF

Jayen Mehta, Managing Director of GCMMF told *businessline*. "We announced our entry into the US market in presence of board members at the 108th annual general meeting of the Michigan Milk Producers Association a couple of days ago. They are a 108-year-old cooperative and among the top 10 cooperatives in the US. Our products will be supplementing their products," said Mehta who was present at the announcement on March 20.

The GCMMF official said the dairy plant of the Michigan Milk Producers Association in Ohio was strategically placed and Amul could access markets in Chicago, Dallas and other areas on the East Coast of the US. The US dairy cooperative serves members in Michigan, Ohio, Indiana and Wisconsin.

Amul will be launching its range of fresh milk in one-gallon (3.8 litres) and half-gallon (1.9 litres) packs under the Amul brand in the US. This includes Amul Gold containing 6 per cent milk fat, Amul Shakti with 4.5 per cent milk fat, Amul Taaza with 3 per cent milk fat and Amul Slim with 2 per cent milk fat. "These fresh milk products will have the same composition as they have in India," Mehta added. Amul exports milk products to over 50 countries across the globe. These products will

be available in leading Indian grocery stores throughout the East Coast and Midwest markets of the US.

"We have not yet decided on the amount of milk we will sell in the first year," Mehta added. Amul products including Cheese, Butter, Panter, Ghee, Ice cream, Beverages, chocolates, Gulab Jamun, Rosogolla, Mithaimate, Amulya, Frozen snacks, Shrikhand, Lassi and Buttermilk are already being exported into the US through distributors in New Jersey, New York and other places.

GCMMF is India's largest exporter of dairy products and has also been accorded a "trading house" status. Last year, GCMMF registered more than 20 percent growth in Exports and added Tanzania, Ghana, Mozambique, Haiti and Republic of Congo on the list of export markets.

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# NAB warns it may suspend Karnataka organic certification agency's accreditation

**Subramani Ra Mancombu**  
Chennai

The National Programme for Organic Production (NPOP) has given accreditation to four new certifying bodies (organisations), while removing curbs on Fair Cert Certifications allowing it to register new processors and traders.

According to source, on February 9, the National Accreditation Board (NAB) under NPOP has decided to restrict three agencies from making new registrations, while also not permitting Fair Cert to certify organic cotton.

The NAB has suspended the accreditation of two agencies, while, in a separate decision, blacklisted three organic exporters for a year

for not paying the penalty imposed on them for irregularities detected in their shipments to the European Union.

The accreditation body has severely criticised the Karnataka State Organic Certification Agency (KSOCA) and has warned that its accreditation will be suspended from May 1, 2024, if its compliance is not satisfactory, the sources said.

## WELCOME INITIATIVES

On the accreditation provided to four new agencies, the sources said a few decisions taken by NAB recently are welcome initiatives.

“The NAB has decided to give accreditation to four new agencies when it has suspended the accreditation for 14 others. This is welcome

since there will be more organisations involved in certifying organic products,” a source said.

A feature of permitting the four new certification bodies is that the NAB has given them accreditation zone-wise. “Agencies located in Bangalore or Mumbai which provide organic certification for farmers in far away places pass the cost to farmers. The accreditation of new companies and restricting them to specific regions is a good move and reduces certification costs,” the source said.

## NON-COMPLIANCE

The four new organisations are GSCI Pvt Ltd for the west zone, Agroland Services Pvt Ltd and Krushi Certification Pvt Ltd for the north zone and Cert India Pvt Ltd for crop production, processing

and handling. The accreditation body has suspended the accreditation under NPOP of Reliable Organic Certification Organisation and another agency for non-compliance in the certification programme. It warned that the accreditation will be terminated if the firms do not comply within a year.

The NAB said, in the case of KSOCA, it has decided to issue a warning letter and address the “serious non-compliance” in its certification within two months. It has asked the State organic certification agency to rework and strengthen its sanctions catalogue, which will be a deterrent on certifying agencies and operators. The accreditation body refused to waive a ₹1.5-lakh penalty imposed by its sub-committee for non-compliance.

Indian Express 26-3-2024 Pg No 12

**EXPLAINED ECONOMICS**

# Pak's basmati seed 'piracy'

Scientists and industry stakeholders have flagged the 'illegal cultivation' of Indian Agricultural Research Institute's improved basmati rice varieties in Pakistan. Why is this a problem – and what can India do?

**HARISH DAMODARAN**  
NEW DELHI, MARCH 25

SCIENTISTS AT the Indian Agricultural Research Institute (IARI) and exporters have flagged the "illegal" cultivation of IARI's improved basmati rice varieties in Pakistan. The issue came to the fore after the emergence of promotional YouTube videos, featuring recently released IARI varieties, by Pakistani seed firms in places such as Multan, Bahawalnagar and Hafizabad.

**How are India's basmati exports doing?**

Quite well. India's overall merchandise exports dipped by 5% from \$372.1 bn in April-January 2022-23 to \$353.6 bn in April-January 2023-24, and agricultural produce exports by 9.7% from \$43.4 bn to \$39.2 bn for the same period. But this period saw basmati exports jump 20.2% in dollar value, and 12.3% in quantity terms.

If trends hold, the fiscal year ending March 2024 could see basmati shipments of almost 50 lakh tonnes (lt), valued at \$5.5 bn (Rs 45,550 cr). These would be all-time-highs.

Table 1 shows basmati exports booming even as export of non-basmati rice has slid. The current fiscal may end with non-basmati rice exports of just under 110 lt worth \$4.4 bn, way below the record 178 lt and \$6.4 bn achieved in 2022-23. This shouldn't surprise, as the Centre has banned exports of all white non-basmati rice. Only parboiled non-basmati shipments are being permitted – that too is subjected to a 20% duty.

**So what is the 'threat' from Pakistan?**

The 'threat' relates to the alleged seed piracy and unlawful cultivation in Pakistan of improved high-yielding varieties of basmati developed by IARI. The New Delhi-based institute's varieties covered nearly 89% of India's estimated 2.1 mn hectares under the aromatic cereal crop in the 2023 season (Table 2). Known by the Pusa Basmati (PB) label, these varieties have more than 90% share of the country's \$5-5.5 bn annual basmati exports.

**What makes IARI-bred varieties special?**

Traditional tall basmati varieties – Taraori (HBC-19), Dehraduni (Type-3), CSR-30, and Basmati-370 – produced barely 10 quintals of paddy (rice with husk) per acre over 155-160 days from nursery-sowing to harvesting. IARI varieties, which have shorter plant

**TABLE 1:**  
**INDIA'S RICE EXPORTS**  
(Quantity in lakh tonnes; Value in \$ million)

	NON-BASMATI		BASMATI	
	Quantity	Value	Quantity	Value
2013-14	71.48	2925.13	37.54	4864.89
2014-15	82.26	3319.81	37.02	4518.25
2015-16	63.74	2307.72	40.45	3477.35
2016-17	68.13	2553.79	40.00	3222.35
2017-18	86.33	3558.11	40.52	4165
2018-19	75.34	2999.51	44.15	4712.62
2019-20	50.36	2024.66	44.55	4371.93
2020-21	130.88	4796.02	46.32	4018.65
2021-22	172.61	6123.94	39.48	3540.22
2022-23	177.87	6355.75	45.61	4787.5
2022-23*	145.66	5165.16	36.56	3815.92
2023-24*	91.27	3681.19	41.05	4586.46



Note: Figures are for April-March; \*April-January. Source: Department of Commerce.

**TABLE 2:**  
**AREA PLANTED UNDER DIFFERENT BASMATI VARIETIES IN 2023 KHARIF SEASON**  
(In thousand hectares)

	PB-1121	PB-1509	PB-1	Traditional varieties*	Total Area**
	PB-1718	PB-1692	PB-6		
Punjab	469.64	198.61	144.34	-	812.39
Haryana	478.15	196.44	99.95	13.51	787.6
Uttar Pradesh	25.68	249.79	6.27	-	461.74
Jammu & Kashmir	4.76	-	-	41.85	46.61
Uttarakhand	12.72	5.37	-	1.23	19.35
Himachal Pradesh	-	6.37	-	1.25	7.62
<b>Total</b>	<b>990.95</b>	<b>656.58</b>	<b>250.56</b>	<b>57.84</b>	<b>2135.31</b>

Note: \*CSR-30, HBC-19 and Basmati-370; \*\*Includes Sharbati and Sugandha. Source: Agricultural and Processed Food Products Export Development Authority.

heights, yield more grain in fewer days.

The first IARI variety, PB-1, released for commercial cultivation in 1989, yielded 25-26 quintals/acre and matured in 135-140 days. PB-1121, released in 2003, yielded less (20-21 quintals), took longer (140-145 days), but was of better quality – the average kernel length of 8 mm elongated to 21.5 mm on cooking.

This was followed by PB-6 (a cross of PB-

1 and PB-1121, released in 2010) and PB-1509 (2013). PB-1509 yielded as much as the PB-1 variety, but had a seed-to-grain duration of just 115-120 days.

PB-1121 appeared in Pakistan in 2013, as the "PK-1121 Aromatic" variety, which was marketed as "Kainat 1121 Basmati". Thereafter, IARI's PB-1509 was registered as "Kissan Basmati" in 2016. In recent YouTube videos Pakistani seed companies and so-called agro

consultants have been seen discussing new IARI varieties, including PB-1847, PB-1885 and PB-1886, which were notified under India's Seeds Act in January 2022.

**Is this concerning?**

On the face of it, not really. Pakistan's basmati exports – 5.95 lt, valued at \$650.42 mn in the July 2022- June 2023 financial year – are a fraction of India's.

However, India has multiple reasons to be concerned. Basmati is grown only in India and Pakistan. Pakistan predominantly exports Super Basmati, a high-yielding variety similar to IARI's PB-1, bred by the Rice Research Institute near Lahore. This variety, released in 1996, has helped Pakistan gain a 66-70% share in the EU-UK market for brown (unpolished/ husked) basmati rice.

While India is a clear market leader in West Asia, this has largely to do with consumer preference there for parboiled basmati. This rice – where paddy is soaked in water and partially boiled in the husk before milling – has harder grains, and is less susceptible to breakage on cooking. But with Pakistani mills too, adopting parboiling technology – and its farmers planting superior IARI basmati varieties – there could be challenges. A weak Pakistani currency (Rs 278 to the US dollar, against India's Rs 83) adds to its competitive advantage.

**What should India do?**

India enacted the Protection of Plant Varieties and Farmers' Rights Act in 2001. The IARI-bred improved basmati varieties are registered under this Act, which allows only Indian farmers to sow, save, re-sow, exchange, or share the seed/grain produced from them. However, even they cannot violate the rights of the breeder – in this case, IARI – by selling the seeds of the protected varieties in branded form.

Moreover, the IARI varieties are notified under the Seeds Act, 1996, which allows their cultivation only in the officially demarcated Geographical Indication (GI) area of basmati rice within India. This covers seven states: Punjab, Haryana, Himachal Pradesh, Delhi, Uttarakhand, Uttar Pradesh (west) and two districts of J&K (Jammu and Kathua).

The sale of seeds and cultivation of the above varieties in Pakistan would arguably qualify as an IPR violation, which India can raise in relevant bilateral fora and at the World Trade Organisation (WTO).

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# Large-scale zero-budget farming may hit crop output

Financial Express 26-3-2024 / 1 No. 2

**The study calls for rigorous assessment of farm practices**

**SANDIP DAS**  
New Delhi, March 25

**LARGE-SCALE ADOPTION** OF traditional farming practices such as Zero Budget Natural Farming (ZBNF), which is currently being promoted, may impact the production of major crops such as rice and wheat, a joint study by Nabard and Indian Council for Research on International Economic Relations (Icrier) stated.

A study titled 'ZBNF: implications for sustainability, profitability, and food security', stated that the need for long-term experimentation before advocating ZBNF as a national-level agricultural practice.

"A rigorous assessment and Indian Council for Agricultural Research (Icar) approved protocol are essential before declaring ZBNF as a nationwide agricultural practice, as its consequences remain ambiguous," it stated.

ZBNF aims to promote sustain-

## AT A GLANCE

■ The study is jointly conducted Nabard and Icrier

■ The study notes a decline of

**59%**  
in wheat production and

**32%**  
in basmati or coarse rice under ZBNF compared to integrated crop management

able agriculture by reducing the use of fertilisers and pesticides and rejuvenating soil health.

Citing a three-year field experiment by the Indian Institute of Farming Systems Research, affiliated with Icar, the study notes a decline of 59% in wheat production and 32% in basmati or coarse rice under ZBNF compared to integrated crop management.



■ It depicts an unfavorable picture of crop productivity after the ZBNF adoption

■ The ZBNF adoption may raise concerns for the national food security

■ The Zero Budget Natural Farming aims to promote sustainable agriculture by reducing the use of fertilisers and pesticides

■ The study recommends that the National Centre of Organic Farming could play a vital role in developing a scientifically valid protocol for ZBNF

The study has noted that productivity is an important determinant of food security, however, "the Icar study depicts an unfavorable picture of crop productivity after the ZBNF adoption, raising concerns for the national food security."

Currently, Bhartiya Prakritik Krishi Padhati, a sub-scheme of Paramparagat Krishi Vikas Yojana,

is being implemented by the ministry of agriculture and farmers welfare since 2020-21, focussing on promoting indigenous practices including ZBNF.

The study recommends that the National Centre of Organic Farming, affiliated with the agriculture ministry, could play a vital role in developing a scientifically valid protocol for ZBNF.

While acknowledging the success of organic farming in niche markets, the study warns that a complete switch to organic approaches could hamper national food production. "Resilient supply chain networks for farm inputs required in natural farming are prerequisite to transitioning towards it," it noted.

To address soil quality deterior-

ation due to excessive use of highly subsidised urea, the study suggests providing direct benefit transfers of ₹5000 to ₹10,000 per hectare to farmers for purchasing fertilisers at market prices.

"The transfer of subsidy directly into the bank accounts of farmers will allow the farmers to have freedom of choosing a farming practice and thereby making subsidy farming-practice neutral and crop-neutral," the study has stated.

Many elements of ZBNF, such as Beejamrit (seed-microbial coating), Jeewamrit (soil-microbial enhancer), Waaphasa (soil-aeration), and Achadana (Mulching), are already practiced under conservation agriculture.

Finance minister Nirmala Sitharaman, in several budget speeches, has expressed intentions to replicate ZBNF nationwide.

"We shall go back to basics on one count: Zero Budget Farming. We need to replicate this innovative model through which in a few States farmers are already being trained in this practice," Sitharaman stated in her budget speech for 2019-20.