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PRESS RELEASE BY P. CHENGAL REDDY, SECRETARY GENERAL,
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Mr. P. Chengal Reddy met with Mr. Anand Sharma, Union Minister for Commerce & Industry on 22nd December, 2011 at New Delhi & representing the Following issues:

CIFA wants FDI in retails to be implemented immediately preferable 31st December, 2011. Mr. Reddy explained that large numbers of farmers producing fruits, vegetables, spices, and special variety rice and wheat will be benefited by having backward linkage with the retails. The retailers will provide technical services to farmers including extension, seed supply and also grading and packing at the fields itself. CIFA believes that many products such as Benishan Mango, Sona Masoori Rice, Durram Wheat, and others will develop brand image and will be marketed abroad through the retail chains. The growing demand for organic consumers will be met by farmers groups. The retailers will provide assured profitable price to the farmers as they require continuous supply.

In regard to consumers they will get at 10%-15% less then the present small shops. This is because 4-5 middle man who are now taking away 40%-50% commission will be eliminated because the retailer will be purchasing the produce directly from the farmers fields. The consumers will be assured of quality, uniformity in texture and taste will be maintained because of the linkage.

The Minister assured that the GOI will not go back on implementing reforms specially allowing FDI in retail. He informed Mr. Reddy that the Commerce Ministry is in touch with various political parties including Chief Ministers and trying to convince them on the benefits of FDI in retail to the farmers.

In regard to CIFA request for allowing continuous export of rice the Minister informed Mr. Reddy that under OGL export of rice will be allowed without any hindrance. The Minister also informed that there are sufficient food grain stocks available with FCI and also the 2011 Khariff Crop is expected to give bumper production. This will also be procured by FCI.

In another related issue for giving special status to Sona Masoori / BPT rice to be exempted from procurement the Minister agreed to recommend the issue to Empowered Group of Ministers for consideration.

P. Chengal Reddy
Secretary General
CIFA