

CONSORTIUM OF INDIAN FARMERS ASSOCIATIONS (CIFA)

Secretary General
P. Chengal Reddy



President
Satnam Singh Behru

Date: 30.11.2011

To
Dr. Manmohan Singh,
Honorable Prime Minister, Government of India,
Room No. 148 B,
South Block, Raisina Hill,
New Delhi – 110 001

Respected Prime Minister,

Sub: Farmers Support FDI in Retail.

On behalf of 600 million farmers of India we convey our gratitude and grateful thanks to you and your cabinet colleagues for allowing FDI in retail/agriculture.

FDI will be a trend setter for future networking of farmers as producer groups. It will enable the farmers to get backward integration and forward linkage. The organized producer farmers groups will be able to produce the required quantity and quality produce as per the consumers' specifications.

Retail will eliminate middlemen and will be a win win situation for farmers and industry and also to the consumers.

We request that under your leadership, other liberalization process in agriculture sector be initiated.

We will be immensely grateful if you immediately steps to decontrol sugar sector by removing levy, release mechanism, exports and from Essential Commodities Act.

Please allow export of cotton and also allow excess quantity of now available in wheat and rice which are beyond the needs of PDS and buffer stocks. Farmers fully support UPA decision on FDI in retail.

Thanking you once again.

Yours sincerely,

(P. CHENGAL REDDY)
Secretary General

"Food security first - Farmers welfare must"

8/32, South Patel Nagar, New Delhi - 110 008.
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P. Chengal Reddy



President

Satnam Singh Behru

Date: 02.12.2011

To

Shri Nitin Gadkari ji, President,
Bharatiya Janata Party,
11, Ashok Road,
New Delhi-110001

Email: nitingadkari@email.com

Tel: 011-23005700; 011-23329520; 011-23711325

Fax: 011-23005787

Respected Shri. Nitin Gadkari ji,

Sub: Appeal to change your stand on FDI in Agriculture.

The stand taken by BJP to oppose FDI has come as a shock to the 600 million farmers. FDI is part of liberalization process. BJP as a leader of NDA has supported almost all issues of liberalization process. Even in 2003, on more than one occasion BJP has clarified that it is in favour of FDI in retail. It is highly surprising as to **why BJP now is against FDI in Agriculture?**

The decision by UPA to allow FDI in agriculture is extremely critical for the farm sector to achieve 4% growth which is critical for our Economy including food security. In the past few years the production of many commodities especially fruits, vegetables, cotton, rice, wheat and sugar is in abundance. However, the biggest problem came from lack of marketing facilities and also other restrictive policies.

The recent Crop Holiday phenomenon in Andhra Pradesh now spreading across the country is directly responsible for failure of marketing systems.

CIFA is supporting FDI for the following reasons.

Farmers incur the following expenditure in marketing including Expenditure from Field to market yards 3% - 5%, Commission to agent (Adthiya) at market yard : 8%-12%, Wastage deducted by Commission agent (Adthiya): 10%

In the existing marketing system the following deficiencies are visible. Farmers do not know the market prices as they are usually manipulated by the Adthiyas through cartels. They are cheated in weighing and price. The commission agent (Adthiya) does not provide any extension services. In many states the market yards are controlled by adthiyas.

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The benefits to farmers due to linkage with retail and processing industry are evident in Dairy - Sugar - Tobacco - Seed production, ITC E. Choupal, Mango supply to Coco Cola by FFA in AP and vegetable supply to exporters in Hyderabad, Bengaluru, Delhi, Pune etc.

As of now, Agriculture Technology management Agency (ATMA) a Government of India Program is implemented in every district of India. ATMA has established few lakhs of producer groups called CIGs (Commodity Interest Groups) and helped them in improving productivity and quality. The CIGs require market connectivity and the retailers will be a good partner to these Producer Groups.

The Retailers will help in establishing backward linkage by providing quality inputs, extension services and packing facilities. They will also get the produce graded at the farm gate which will enable farmers to get branding and traceability.

Producer groups will be able to get assured price as they have to enter into agreement with the retailers for continuous supply.

In liberalized agriculture economy, Farmers will have multiple choices for marketing through Retailers, Processing industry, Exporters, Online trading, Local retailers, Establishing Farmers companies etc.

CIFA is of the view that large retails will be established only in mega cities covering perhaps 10%-15% of the population. We believe that the Kirana shops in the 5 lakhs villages of India cannot be replaced by large scale retails.

It is essential to have competition amongst Indian and foreign retailers to increase competitiveness, better price and services to farmers and consumers.

Farmers are unhappy that the political parties and the urban based intellectuals are opposing agricultural reforms including FDI in Agriculture. We humbly request you that BJP should kindly change the stand and support FDI which will help 600 million producer farmers and also is advantageous to 1200 million consumers.

Looking forward to your kind support to the farm sector.

Yours sincerely,

P. Chengal Reddy

(P. CHENGAL REDDY)
Secretary General