

Agriculture Minister exhorts corporate sector to add value to maize produce

Sees big role for FICCI in setting up corn-based industry in PPP mode

NEW DELHI, 26 May 2016: Shri Radha Mohan Singh, Union Minister for Agriculture & Farmers' Welfare, today exhorted the corporate sector to step in and add value to the maize produce to enhance farm incomes and reap sustainable dividends for itself.

Inaugurating the **India Maize Summit, 2016, organized by the Federation of Indian Chambers of Commerce and Industry (FICCI) and National Commodity and Derivatives Exchange (NCDEX),** Mr. Singh said in spite of 12% below average rainfall in 2014-15, the worst ever drought in last five years, maize production stood at 24.17 million tonnes. Maize production declined by just 0.37% as compared to 4.9% reduction in total food grain production. This signifies the resilience of the maize system against climatic variability.

Maize is primarily used for feed (64%) followed by human food (16%), industrial starch and beverage (19%) and seed (1%). Thus, maize has attained an important position as industrial crop because 83% of its produce is used in starch and feed industries.

The Minister said that in view of the increasing demand of specialty corn (baby corn, sweet corn), FICCI can play an important role in further strengthening the public-private partnership by encouraging the establishment of corn-based industry.

He said maize is a very suitable crop for supply of green fodder to dairy industry. The cultivars of baby corn are most suitable for the development of stage. FICCI, he said, could take initiative for the promotion of silage industry in various states of the country.

Mr. Singh said that in order to explore high uses of maize, the maize based industry need to be promoted in a big way. Special incentives need to be given for the cultivation of specialty corn like, baby corn, popcorn, sweet corn, multigrain flour etc. The QPM (Quality Protein Maize) provides nutrient security to even remote areas and special efforts/programmes are needed to give emphasis to QPM in the country and special incentives to be provided to private sector so that they may provide improved seed to remote areas like north eastern region.

On the occasion, the Minister released a **FICCI-Synergy Technofin Knowledge Paper** which provides insights, recent trends and emerging challenges facing the maize industry.

In his special address, **Mr. Ashok M.R. Dalwai, Additional Secretary, Ministry of Agriculture & Farmers Welfare, Government of India,** said that there was a need for a demand-driven approach to increase crop productivity and move from low value crop to high value crop. He added that adopting single-hybrid crops could immensely benefit the sector.

Mr. Dalwai said that Indian diet lacks nutritional value and maize could be a great supplement. He suggested that emphasis should be laid on producing Quality Protein Maize and added that industry should work towards value addition to maize as it was a versatile crop with varied uses. Crop geometry should be adopted keeping farmers'

interest in mind to match global standards.

Mr. Sarat Mulukutla, Chief Commercial Segment, NCDEX, said that it was important to build market linkages and give the farmer a choice of markets. Encouraging farmer participation in regulated markets was one such way. NCDEX undertakes extensive training and capacity building programs for various Farmer Producer Companies, Resource organisations and NGOs, across the country to educate and build marketing skills amongst farmers.

He said that the technology platform created by NCDEX has enabled integration of markets across geographies and ensured wider participation. There has been a significant improvement in the warehousing infrastructure in the country, empowering maize farmers with 'waiting power', which leads to better price realization.

Dr. A Didar Singh, Secretary General, FICCI, said that there was a need to enhance the productivity of maize while increasing the income of the framers. The state governments along with various stakeholders were making a conscious effort towards this end. He added that the government was cognizant of the needs of the maize sector and the Maize Summit was an effort to bring to fore the global and domestic scenario of maize and issues confronting the maize supply chain.

According to the knowledge paper, India is traditionally a major exporter of maize to Southeast Asia but the fall in its production from record 24.26 million tonnes in 2013-14 to 21 million tonnes in 2015-16 has forced India to ban its export and prepare to import corn for the first time in 16 years to help ensure its availability in the domestic market. To combat this situation, emphasis should be on increased yield per unit area and augmented productivity levels to help buffer production against acreage fluctuations and vagaries of weather.

Driven by structural changes in agriculture and food consumption patterns, maize is bound to hold its share as an important cereal crop in future. Besides its export potential and diversified uses, maize cultivation offers solutions for sustainable intensification of agriculture. By cultivating maize, farmers can protect the worsening quality of soil, save 90 per cent of water and 70 per cent of power as compared to paddy and earn far more than they are earning through paddy and wheat.

Domestic utilization of maize in India is high and net surplus available for exports is less. Stock to consumption ratio in India is low. Production fluctuation, largely because of rainfed cultivation of the crop in large pockets, has not encouraged steady exports from the country. India exports maize in small quantities to South East Asia, Bangladesh and Nepal. Major importers of maize, e.g. the EU, Japan, Mexico and South Korea depend on the USA, Brazil, Argentina and Ukraine for supply. Ukraine and Argentina are the emerging players in maize trade with impressive growth rates in productivity and production.

The paper states that while area under maize will fluctuate as a resultant of demand, policies and agro climatic conditions, emphasis should be on increased yield per unit area. Increase productivity can help buffer production against acreage fluctuations and vagaries of weather.

While several potential HYVs and hybrids have been released, awareness and adoption is a challenge. Seed replacement ratio for maize in India is 60-65%, though it is much higher for hybrids. Promoting cultivars apposite to different end uses and agro climatic conditions is another challenge.

Post-harvest processes in India are not scientific and conventional methods of storage and handling influence quality

and price realized by farmers. High moisture content in stored grains affects the market value of grains. Initiatives to set up maize drying units, e.g. in Punjab, is a laudable effort in post-harvest management. Maize value chain in India can thus be strengthened with adoption of appropriate cultivars, scientific crop management and improved post-harvest handling, the knowledge paper notes.

The session was moderated by **Mr. Vinay Mathur, Deputy Secretary General, FICCI**, who also delivered the vote of thanks.

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