

FM - Press Conference – III: STIMULUS FOR AGRICULTURE & RURAL REFORMS

The 3rd Press Conference addressed by the Finance Minister laid stress on the uplifting measures at the grass root level in the supply chain. In these times where supply chains have been severely affected, the farmers and rural population have had to face the most difficult times. In order to provide some respite to their existing situation and with a foresight to strengthen this sector, the following reforms have been announced:

A INFRASTRUCTURE/ LOGISTICS FOR EASING AGRICULTURAL OPERATIONS

1. AGRICULTURE INFRASTRUCTURE FUND - ₹1 LAKH CRORE BOOST

- ✓ Funding at Farm gate and aggregation points (FPOs/ Primary Agricultural Co-operative Society) for strengthening farm gate infrastructure
- ✓ Step to develop post harvest management infrastructure

2. MICRO FOOD ENTERPRISES - ₹10,000 CRORE FUNDING

- ✓ Cluster based Scheme to facilitate global reach by local farmers
- ✓ Focus on Health & wellness, herbal, nutritional, organic products, women centric produce which is likely to benefit 2 lakh Micro Food Enterprises
- ✓ Bid to promote Vocal for Local initiative
- ✓ Cluster will be formed on basis of strengths of each state/ region – For e.g. Makhana in Bihar, Bamboo in North-east, Turmeric in Telangana (Turmeric is rich In India and turmeric latte is famous outside – the government aims at exploiting such opportunities)
- ✓ Can also have Van Sampada for states which are rich in forestry

3. LOGISTICS CAPACITY UNDER PMMSY - ₹20,000 CRORE ALLOCATED

- ✓ 55 lakh people expected to get employment under this scheme
- ✓ ₹11,000 crore allocated for marine, inland fisheries and ₹9,000 crore for infrastructure facilities
- ✓ Expected to contribute ₹1 lakh crores to Indian exports
- ✓ Expected to improve infrastructure like new fishing vessels, harbours and allocation of funds for insurance of persons and boats, etc.

4. NATIONAL ANIMAL DISEASE PROGRAM ANNOUNCED

- ✓ Program being initiated to attend to the needs of animal keepers who are not able to deliver quality produce due to Foot and Mouth Disease (FMD) in animals
- ✓ Program will ensure 100% vaccination for cattle, buffalo, sheep and pigs
- ✓ Tagging of 1.5 crores animals done to enable their traceability

5. DAIRY INFRASTRUCTURE – ALLOCATION OF ₹15,000 CRORES

- ✓ Encourage private investments in this sector
- ✓ Monetary support for Cattle feed infrastructure and establishing Animal Husbandry Infrastructure Development Funds
- ✓ Incentives for establishment of plants for exports of niche products

6. ₹4,000 CRORE FOR HERBAL CULTIVATION

- ✓ Will help generate income of ₹5,000 crores for farmers engaged in such cultivation
- ✓ National Medicinal Plant Board to undertake 800 hectares of areas in the corridors of river Ganga for growing of herbal and medical plants

7. BEE KEEPING INITIATIVE - ₹500 CRORES ALLOCATED

- ✓ Scheme to facilitate development of Bee Keeping infrastructure like Beekeeping Development Centres Collection, Marketing and Storage Centres Post Harvest value Addition facilities, etc.
- ✓ Expected to benefit around 2 lakh beekeepers
- ✓ Will help reduce dependence on import of beehive products such as wax
- ✓ Will benefit the rural population by increasing Job opportunities

8. “TOP” TO TOTAL SCHEME – ₹500 CRORES ALLOCATED

- ✓ Supply chain has been disrupted for farmers due to COVID outbreak
- ✓ Farmers are facing hardships to sell their produce of TOP - Tomatoes, Onions and Potatoes and cities are unable to get access to these basic vegetables
- ✓ Reduction in price of perishable fruits and vegetables at the farm level due to distress sale needs to be prevented
- ✓ Scheme to allow for 50% subsidy on transportation from surplus to deficient markets and 50% on storage
- ✓ Pilot extended for next 6 months

B GOVERNANCE & ADMINISTRATIVE REFORMS

1. AMENDMENTS TO ESSENTIAL COMMODITIES ACT

- ✓ Exists from 1955 when it was enacted in days of scarcity
- ✓ Agricultural food items including cereals, edible oils, oilseeds, pulses, onions and potato to be deregulated
- ✓ No stock limit shall apply to processors/ value chain participants subject to their installed capacity

2. AGRICULTURE MARKET REFORMS

- ✓ At present the farmers are bound to sell their produce only to licensees in APMCs
- ✓ To provide the farmers with and option to sell their produce to whoever they want, a Central law will be brought into force:
 - To remove barriers for inter – state trade
 - Framework to enable e-trading of his produce by farmer
 - Farmers should get adequate choice to sell produce at attractive price

3. LEGAL FRAMEWORK FOR STANDARD MECHANISM

- ✓ Farmers do not have a standard mechanism which can get them predictable price at the time of sowing
- ✓ To eliminate the element of uncertainty regarding their produce, legal framework will be brought into force to enable farmers to engage with processors/ large retailers/ aggregators/ exporters, etc. in fair and transparent manner
- ✓ Framework to focus upon Risk mitigation for farmers, assured returns and quality standardisation
- ✓ By engaging with larger retailer, farmers can benefit from better technology and better-quality seeds from aggregators

OUR VIEW

Responding to the need of the hour, the government’s third press release focusses on the agriculture sector. These steps gives out an essence that the road towards Self – Reliant India begins at grass root levels where farmers form the core part of it. The steps announced indicate the intention of the Government to facilitate easier reach of farmer’s produce to bigger markets, which will not only enable better income for them but also instill confidence in their activities.

Measures to improve infrastructure in agricultural sector is also a welcome step. These measures are expected to not only strengthen the existing system but also aimed at providing job opportunities to the rural population.

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