



आत्मनिर्भर भारत
SELF – RELIANT INDIA
PART -3

Measures announced by The Finance minister of India | May 15, 2020

Preface

In continuation to the nation's fight against COVID-19 pandemic , the Finance Minister on May 15, 2020 announced the third tranche of measures to strengthen Infrastructure Logistics, Capacity Building, Governance and Administrative Reforms for Agriculture, Fisheries and Food Processing Sectors.

The Finance Minister's announcements made on May 15, 2020 are aimed to provide long-term and sustained impact on lives of farmers, fishermen, food processing micro enterprises.

During the press conference Finance Minister also announced measures for Governance and Administrative Reforms for Agriculture Sector

1. Agri Infrastructure Fund for farm-gate infrastructure for farmers to the tune of INR 1 lakh crore (~ USD 13.33 billion):

- Immediate financing facility of INR 1 lakh crore (~ USD 13.33 billion) will be provided for funding the Agriculture Infrastructure Projects at farm-gate and aggregation points such as Primary Agricultural Co-operative Societies, Farmers Producers Organisation, Agricultural Entrepreneurs, Start-ups etc.
- Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure.

2. INR 10,000 crore (1.33 billion) scheme for Formalisation of Micro Food Enterprises (MFE):

- A Scheme promoting the vision of Hon. Prime Minister of India ‘Vocal for Local with Global outreach’ will be launched to help 2 lakh MFEs who need technical upgradation to attain FSSAI food standards, build brands and marketing.
- Existing micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives to be supported.
- The focus will be on women and Scheduled Caste /Scheduled Tribes owned units and those in Aspirational districts and a Cluster based approach (e.g. Mango in UP, Tomato in Karnataka, Chilli in Andhra Pradesh, Orange in Maharashtra etc.) will be followed.
- The expected outcomes from the scheme is Improved health and Safety standards, integration with the retail markets and improved incomes. And it is also expected that it will also help MFEs in reaching untapped export markets in view of improved health consciousness.

3. INR 20,000 crore (~ USD 2.67 billion) for fisherman through Pradhan Mantri Matsya Sampada Yojana (PMMSY):

- The Government will be launching the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries.
- Of the above INR 20,000 crores, INR 11,000 crores (~ USD 1.47 billion) will be allocated towards activities in Marine, Inland fisheries and Aquaculture and INR 9,000 crores (~ USD 1.20 billion) will be allocated towards Infrastructure for Fishing Harbour, Cold Chains, Markets etc.
- Cage Culture, Seaweed farming, Ornamental Fisheries as well as New Fishing Vessels, Traceability, Laboratory Network etc. will be key activities.
- Provisions of Ban Period Support to fishermen (during the period fishing is not permitted), Personal & Boat Insurance.
- This scheme is expected to have an Additional Fish Production of 70 lakh tones over 5 years, Employment to over 55 lakh persons and double the exports to INR 1 lakh crore (~ USD 13.33 billion).
- The focus will be mainly on Islands, Himalayan States, North-east and Aspirational Districts.

4. National Animal Disease Control Programme:

National Animal Disease Control Programme for Foot and Mouth Disease (FMD) and Brucellosis launched with total outlay of INR. 13,343 crore (~ USD 1.78 billion) to ensure 100% vaccination of cattle, buffalo, sheep, goat and pig population (total 53 crore animals) for Foot and Mouth Disease (FMD) and for brucellosis.

5. Setting up of INR 15,000 crores (~ USD 2 billion) Animal Husbandry Infrastructure Development Fund:

Animal Husbandry Infrastructure Development Fund will be set up with an aim to support private investment in Dairy Processing, value addition and cattle feed infrastructure. Incentives will be given for establishing plants for export of niche products.

6. Outlay of INR 4000 crores (~ USD 533 million) towards promotion of herbal cultivation:

- The National Medicinal Plants Board (NMPB) has supported 2.25 lakh hectare area under cultivation of medicinal plants. With an outlay of INR 4000 crores, it is expected that 10,00,000 hectare will be covered under Herbal cultivation in next two years.
- This is expected to generate INR 5,000 crore (~ USD 667 million) income for farmers.
- There will be network of regional Mandis for Medicinal Plants.
- NMPB will bring 800-hectare area by developing a corridor of medicinal plants along the banks of Ganga.

7. Outlay of INR 500 crore (~ USD 67 million) towards Beekeeping Initiatives:

Government will implement a scheme for:

- Infrastructure development related to Integrated Beekeeping Development Centres, Collection, Marketing and Storage Centres, Post Harvest & value Addition facilities etc;
- Implementation of standards & Developing traceability system
- Capacity building with thrust on women;
- Development of quality nucleus stock and bee breeders.
- This is expected to increased income for 2 lakh beekeepers and quality honey to consumers.

8. Outlay of INR 500 crore (~ USD 67 million) towards TOP (Tomatoes, Onions and Potatoes) to TOTAL (All Fruits and Vegetables):

“Operation Greens” run by Ministry of Food Processing Industries (MOFPI) will be extended from tomatoes, onion and potatoes to ALL fruit and vegetables. The Scheme would provide 50% subsidy on transportation from surplus to deficient markets, 50% subsidy on storage, including cold storages and will be launched as pilot for the next 6 months and will be extended and expanded. This will lead to better price realization to farmers, reduced wastages, affordability of products for consumers.

9. Amendments to Essential Commodities Act to enable better price realization for farmers:

The Government will amend Essential Commodities Act. Agriculture food stuffs including cereals, edible oils, oilseeds, pulses, onions and potato shall be deregulated. Stock limit will be imposed under very exceptional circumstances like national calamities, famine with surge in prices. Further, No such stock limit shall apply to processors or value chain participant, subject to their installed capacity or to any exporter subject to the export demand.

10. Agriculture Marketing Reforms to provide marketing choices to farmers:

A Central law will be formulated to provide adequate choices to the farmer to sell their produce at remunerative price, barrier free Inter-State Trade and a framework for e-trading of agriculture produce.

11. Agriculture Produce Pricing and Quality Assurance:

The Government will finalize a facilitative legal framework to enable farmers to engage with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner. Risk mitigation for farmers, assured returns and quality standardization shall form integral part of the framework.



Key Contacts:

Paresh Daga
Senior Partner
paresh@manian-rao.com

R Srikanth
Senior Partner
srikanth@manian-rao.com

Ravindra C
Partner
ravindra@manian-rao.com

Pallavi V Rao
Partner
pallavi@manian-rao.com

Offices:

Bangalore:

#361, 1st Floor, 7th Cross,
Jayanagar 1st Block.
Bangalore – 560011
Phone: +9180 – 26569500/501

Chennai:

4, Easwaran Koil Street
Old Pallavaram,
Chennai – 60017
Phone: +91 44 22641404

Madurai:

110, First Floor
Old No 85, 4th Street
Harvey Nagar, Arasaradi
Madurai – 625016
Phone: +91 452 2343630