



Ministry of Finance

## Finance Minister announces measures to strengthen Agriculture Infrastructure Logistics, Capacity Building, Governance and Administrative Reforms for Agriculture, Fisheries and Food Processing Sectors

- Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers
- Rs 10,000 crore scheme for formalisation of Micro Food Enterprises (MFE)
  - Rs 20,000 crore for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)
- National Animal Disease Control Programme
- Setting up of Animal Husbandry Infrastructure Development Fund - Rs. 15,000 crore
- Promotion of Herbal Cultivation : outlay of Rs 4,000 crore
  - Beekeeping initiatives –Rs 500 crore
  - From 'TOP' to TOTAL – Rs 500 crore
- Measures for Governance and Administrative

# Reforms for Agriculture Sector

- o Amendments to Essential Commodities Act to enable better price realisation for farmers
- o Agriculture Marketing Reforms to provide marketing choices to farmers
- o Agriculture Produce Price and Quality Assurance

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Hon'ble Prime Minister Shri Narendra Modi announced a Special economic and comprehensive package of Rs 20 lakh crore - equivalent to 10% of India's GDP on 12<sup>th</sup> May 2020. He gave a clarion call for आत्मनिर्भर भारत अभियान or Self-Reliant India Movement. He also outlined five pillars of Atmanirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman today in her press conference announced the 3<sup>rd</sup> Tranche of measures to strengthen Infrastructure Logistics, Capacity Building, Governance and Administrative Reforms for Agriculture, Fisheries and Food Processing Sectors.

Giving details, Smt. Sitharaman said that out of these 11 measures, 8 measures are for improving agricultural infrastructure and 3 measures are for administrative and governance reforms, including removing restrictions on sale and stock limits of farm produce.

In her opening remarks, the Union Finance Minister said that two significant Agriculture-related measures were also announced yesterday to support farmers, **Rs 30,000 crore as Additional Emergency Working Capital facility through NABARD** to enable RRBs and Cooperative Banks extending farm loans for Rabi post-harvest and Kharif expenses. And second was a mission-mode drive to enable **Rs 2 lakh crore credit boost to the farm sector by covering 2.5 crore PM-KISAN beneficiaries** under Kisan Credit Card Scheme by December 2020.

Outlining what the Government has done over the last 2 months, the Finance Minister said that during lockdown period **Minimum Support Price (MSP) purchases of amount more than Rs 74,300 crore, PM KISAN fund Transfer of Rs 18,700 crore and PM Fasal Bima Yojana claim payment of Rs 6,400 crore have been made.**

Further, during Lockdown, Demand of Milk reduced by 20-25%. Accordingly, 560 Lakh litre per day (LLPD) were procured by cooperatives against daily sale of 360 LLPD. **Total 111 crore litres of milk extra procured ensuring payment of Rs 4,100 crore.**

Further, a new scheme to provide interest subvention @2% per annum to dairy cooperatives for 2020-21 has been launched, also providing additional 2% p.a interest subvention on prompt payment/interest servicing. This scheme will unlock Rs 5,000 crore additional liquidity, benefitting 2 crore farmers.

**For fisheries Sector, all 4 COVID related announcements made on 24<sup>th</sup> March for fisheries have been implemented.** Further, Registration of 242 Registered Shrimp hatcheries and Nauplii Rearing Hatcheries expiring on 31.03.2020 extended for 3 months and Operations of Marine Capture Fisheries and Aquaculture relaxed to cover Inland Fisheries.

**Smt. Sitharaman said that the announcements made today will provide long-term and sustained impact on lives of farmers, fishermen, food processing micro enterprises.**

**The Finance Minister announced the following measures to strengthen Infrastructure Logistics and Capacity Building for Agriculture, Fisheries and Food Processing Sectors: —**

**1. Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers**

Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.). Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure. Fund will be created immediately.

**2. Rs 10,000 crore scheme for Formalisation of Micro Food Enterprises (MFE)**

A Scheme promoting vision of Prime Minister Shri Narendra Modi: ‘**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 SC/ST 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.

**3. Rs 20,000 crore for fisherman through Pradhan Mantri Matsya Sampada Yojana (PMMSY)**

The Government will launch the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries. Rs 11,000 crore for activities in Marine, Inland fisheries and Aquaculture and Rs. 9000 crore for Infrastructure - Fishing Harbours, Cold chain, Markets etc shall be provided. Cage Culture, Seaweed farming, Ornamental Fisheries as well as New Fishing Vessels, Traceability, Laboratory Network etc. will be key activities. There will be provisions of Ban Period Support to fishermen (during the period fishing is not permitted), Personal & Boat Insurance. This will lead to Additional Fish Production of 70 lakh tones over 5 years, Employment to over 55 lakh persons and double the exports to Rs 1,00,000 crore. The focus will be 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 Rs. 13,343 crore 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. Till date, 1.5 crore cows & buffaloes tagged and vaccinated.

**5. Animal Husbandry Infrastructure Development Fund - Rs. 15,000 crore**

An Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crore 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. Promotion of Herbal Cultivation: Outlay of Rs. 4,000 crore**

The National Medicinal Plants Board (NMPB) has supported 2.25 lakh hectare area under cultivation of medicinal plants. 10,00,000 hectare will be covered under Herbal cultivation in next two years with outlay of Rs. 4,000 crore. This will lead to Rs. 5,000 crore income generation 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. Beekeeping initiatives – Rs 500 crore**

Government will implement a scheme for:

- a. Infrastructure development related to Integrated Beekeeping Development Centres, Collection, Marketing and Storage Centres, Post Harvest & value Addition facilities etc;
- b. Implementation of standards & Developing traceability system
- c. Capacity building with thrust on women;
- d. Development of quality nucleus stock and bee breeders.

This will lead to increase in income for 2 lakh beekeepers and quality honey to consumers.

#### **8. From ‘TOP’ to TOTAL - Rs 500 crore**

**“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 realisation to farmers, reduced wastages, affordability of products for consumers.**

**During the press conference, the Union Finance Minister also announced following measures for Governance and Administrative Reforms for Agriculture Sector:-**

##### **1. Amendments to Essential Commodities Act to enable better price realisation 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.

##### **2. 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;
- a framework for e-trading of agriculture produce.

### **3. Agriculture Produce Pricing and Quality Assurance:**

The Government will finalise 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 standardisation shall form integral part of the framework.

RM/KMN

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