

# **LANDMARK REFORMS IN INDIAN AGRICULTURE**

**OPENING UP OF AGRI MARKETS**

# INDIA HAS A STRONG ADVANTAGE IN THE AGRI SECTOR

- **Agri contributes to ~15% of GDP & livelihood for >50% of population**
- **World's largest producer of spices, pulses, milk, tea, cashew, jute, bananas, jackfruits, etc.**
- **Second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds**
- **Fourth largest producer of agrochemicals**
- **Largest livestock population of around 535.8 million (31%) of world's livestock**
- **Largest land area under irrigation**
- **Top five net exporters in the world**

# 3 NEW ORDINANCES ANNOUNCED TO CREATE A FREE & EFFICIENT AGRI ECOSYSTEM



The Essential Commodities (Amendment) Ordinance 2020

Remove restrictions on stocking food produce

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Farmers' Produce Trade and Commerce Ordinance 2020

To end the monopoly of the APMC and allow anyone to **freely purchase and sell agricultural produce** giving farmer **Multiple market options** (inter and intra state) **Farmer Agreement on Price Assurance and farm services**


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Provide **legal framework for agreements between farmers and buyers** including processors, wholesalers, large retailers, etc.

# EXPECTED TO HAVE SIGNIFICANT BENEFIT ACROSS ALL STAKE HOLDERS


## The Essential Commodities (Amendment)

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- Stability of market prices for consumers
  - Uplift in investment in storage facilities, cold storages etc.
  - Better price realization for farmers

## Farmers' Produce Trade and Commerce (Promotion & Facilitation)

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- Farmers to have more choice in selling their produce
  - More transparency and better provision of services in marketplaces
  - Increase in inter-state movement and price for farmer
  - More private players expected to enter and set up e-trading platforms

## Farmers (Empowerment & Protection) Agreement on Price Assurance and farm services

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- Direct contract between buyer and seller, no conflict with APMC
  - Fair price and faster payment, consistent income for farmers
  - Crop intelligence support - traceability, quality control
  - Farmer to have access to modern technology and better inputs

# EXPECTED TO HAVE SIGNIFICANT BENEFIT ACROSS ALL STAKE HOLDERS



Farmer / FPOs

- Best price realization basis harvest quality



Logistics players

- Sufficient infra and value added



Warehousing

- Real-time access to demand via platform
- Open market driven by process efficiency



Credit providers

- Transparent access with predictable demand



Insurance providers

- Open tenders / empanelment opportunities



Retailers and end consumers

- Access to integrated seller and buyer base via platform

- Agri specific insurance products
- Reduced crop wastage compensation

- Reduced prices by elimination of middleman

# STRENGTHENED BY SEVERAL ENABLING SCHEMES PLANNED BY GOVT.



## Agri Infra fund

- Financing facility of \$ 14 Bn for PACs, FPOs , Agri - entrepreneurs, start-ups
- PHM infra project: cold chains, community assets, etc.



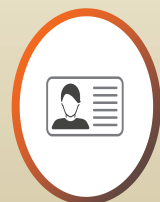
## Scheme for 10,000 FPOs

- **Form 10,000 FPOs and support each FPO for 5 years**
- Implementation by central and state agencies with DAC&FW



## Digital and smart agriculture

- Digital Agri-stack built on the foundation of Farmers Database
- Key enabler for online marketplaces and smart Agri



## Additional credit boost through KCC

- \$ 28 Bn of concessional credit
- Special drive will include 25 million farmers who do not, at the moment, have the KCC

# FARMER'S PRODUCE TRADE AND COMMERCE (PROMOTION AND FACILITATION) ORDINANCE, 2020

## Background:

- There were restrictions for selling agri-produce outside the notified Agricultural Produce Market Committee (APMC).
- The farmers could sell the produce only to registered licensees of the State Governments.
- Barriers exist in free flow of agriculture produce between various States owing to the prevalence of various APMC legislations enacted by the State Governments.

## Significance/Benefits of Ordinance:

- It will create an ecosystem where the farmers and traders (& exporters) would enjoy freedom of choice of sale and purchase of agri-produce.
- It will also promote barrier-free inter-state and intra-state trade and commerce outside the physical premises of markets notified under State agricultural produce marketing legislations.
- The ordinance also proposes an electronic trading in transaction platform for ensuring a seamless trade electronically.
- It also proposes to set up a separate dispute resolution mechanism for the farmers.

**CONTD.....**

**FARMER'S PRODUCE TRADE AND COMMERCE  
(PROMOTION AND FACILITATION) ORDINANCE, 2020**

- **It will open more choices for the farmers, reduce marketing costs for the farmers and help them in getting better prices.**
- **It will also help farmers of regions with surplus produce to reach a larger market for purchase of goods by traders particularly when they are operating in multiple States.**
- **It will save mandi Charges.**
- **It is expected to pave the way for creating One India, One Agriculture Market in the country.**
- **Exporters will be more competitive price wise.**



**THANK YOU**