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

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).

Farmers Agreement on Price Assurance and Farm services

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)
- 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)
- 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
- 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 STAKEHOLDERS

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Benefits</th>
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<tbody>
<tr>
<td>Farmer / FPOs</td>
<td>• Best price realization basis harvest quality</td>
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<td>• Sufficient infra and value added services</td>
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<td>Logistics players</td>
<td>• Real-time access to demand via platform</td>
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<td>• Open market driven by process efficiency</td>
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<td>Warehousing</td>
<td>• Transparent access with predictable demand</td>
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<td>• Open tenders / empanelment opportunities</td>
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<td>Credit providers</td>
<td>• Access to integrated seller and buyer base via platform</td>
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<td>Insurance providers</td>
<td>• Agri specific insurance products</td>
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<td>• Reduced crop wastage compensation</td>
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<td>Retailers and end consumers</td>
<td>• Reduced prices by elimination of middleman</td>
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STRENGTHENED BY SEVERAL ENABLING SCHEMES PLANNED BY GOVT.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Agri Infra fund</strong></td>
<td>Financing facility of $14 Bn for PACs, FPOs, Agri-entrepreneurs, start-ups</td>
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<td>PHM infra project: cold chains, community assets, etc.</td>
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<td><strong>Scheme for 10,000 FPOs</strong></td>
<td><strong>Form 10,000 FPOs and support each FPO for 5 years</strong></td>
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<td><strong>Digital and smart agriculture</strong></td>
<td>Digital Agri-stack built on the foundation of Farmers Database</td>
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<td>Key enabler for online marketplaces and smart Agri</td>
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<td><strong>Additional credit boost through KCC</strong></td>
<td>$28 Bn of concessional credit</td>
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<td>Special drive will include 25 million farmers who do not, at the moment, have the KCC</td>
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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