

Policy Initiatives - Government of India

1. Following important announcements have been made in Union Budget 2020-21 for agriculture and farmers' welfare:

- i.** For the year 2020-21, the target set for agriculture credit is Rs.15.00 lakh crore.
- ii.** Comprehensive measures for 100 water-stressed districts proposed.
- iii.** The government allocated Rs.2.83 lakh crore for agriculture and allied activities, irrigation and rural development.
- iv.** Government transfer Rs. 5,125 crore under PM Kisan Scheme to farmers amid covid-19 Relief Package.
- v. Blue Economy**
 - a. Fisheries exports worth Rs. 1 lakh Cr by 2024-25.
 - b. 200 lakh tonnes of fish production by 2022-23.
 - c. 3,477 Sagar Mithras and 500 Fish Farmer Producer Organisations.
- vi. Kisan Rail**
 - a. Kisan Rail to be setup by Indian Railways through PPP.
 - b. To build a seamless national cold supply chain for perishables (milk, meat, fish, etc).
 - c. Express and Freight trains to have refrigerated coaches.
- vii. Krishi Udan**
 - a. Krishi Udaan to be launched by the Ministry of Civil Aviation.
 - b. Both international and national routes to be covered.
- viii. Measures for organic, natural, and integrated farming**
 - a. Organic products market to be strengthened through Jaivik Kheti Portal.
 - b. Integrated Farming Systems in rain-fed areas to be expanded.
 - c. Zero-Budget Natural Farming to be included.
 - d. Multi-tier cropping, bee-keeping, solar pumps, solar energy production in non-cropping season to be added.
- ix. Expansion of PM-KUSUM**
 - a. Target of 20 lakh farmers for setting up stand-alone solar pumps.
 - b. Another 15 lakh farmers to be helped to solarise their grid-connected pump sets.
 - c. Scheme to enable farmers to set up solar power generation capacity on their fallow/barren lands and to sell it to the grid.
- x. Village Storage Scheme**
 - a. Will be run by the SHGs to provide farmers a good holding capacity and reduce their logistics cost.
 - b. NABARD to map and geo-tag agri-warehouses, cold storages, reefer van facilities, etc.

- c. Viability Gap Funding for setting up such efficient warehouses at the block/taluk level.
- d. Food Corporation of India (FCI) and Central Warehousing Corporation (CWC) to undertake such warehouse building.
- e. Financing on Negotiable Warehousing Receipts (e-NWR) to be integrated with e-NAM.

xi. State governments who undertake implementation of model laws (issued by the Central government) to be encouraged.

- a. Model Agricultural Land Leasing Act, 2016.
- b. Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017.
- c. Model Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018.

xii. Livestock – Doubling of milk processing capacity to 108 MMT from 53.5 MMT by 2025.

2. Measures initiated by Govt. of India to mitigate farmers' distress during COVID-19

The worldwide outbreak of Covid-19 has not only posed severe threat to human health but also to the economy and disrupted agriculture supply chain in both, urban and rural areas. The immediate challenge that Covid-19 has posed to agricultural sector and various mitigative measures initiated in the country to ensure a sustainable food system are described as under:

- i. The Government of India has announced the payment of first instalment of PM-Kisan Yojana payment to farmers @ Rs. 2,000 upfront to farmers, benefitting over 8.7 crore Indian farmers.
- ii. GoI has also announced that the wages under MGNREGS will be raised from Rs. 182 to Rs. 202 per day.
- iii. The Reserve Bank of India (RBI) has announced a moratorium on agricultural term loans (including crop loans) till August 31, 2020. The extension of the six-month moratorium on repayment of term loans means that borrowers would not have to pay the loan EMI instalments during the moratorium period.
- iv. The Indian Railways has been roped in to ease transport logistics of agricultural produce.

3. Govt. of India Package for Agriculture and Allied Sectors

- i. An Agri Infrastructure Fund of Rs.1 lakh crores for creation of farm-gate infrastructure for farmers, Primary Agricultural Cooperative Credit Societies, Farmers' Producer Organisations (FPOs), agriculture entrepreneurs, start-ups, etc. has been announced.
- ii. A Central Sector scheme of Rs. 10,000 crore for the formalisation of Micro Food Enterprises (MFE) under 'Vocal for Local with Global outreach' vision of Hon'ble Prime Minister, has been initiated. This will help 2 lakh MFEs attain technical up-gradation, FSSAI food standards, build brands and marketing
- iii. The government will also provide Rs 20,000 crore for fishermen through the Pradhan Mantri Matsya Sampada Yojana for the development of marine and

- inland fisheries. Of this, Rs 11,000 crore will be earmarked for activities in marine, inland fisheries and aquaculture while Rs 9,000 crore for infrastructure creation such as fishing harbours, cold chain and markets.
- iv. Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crore has been envisaged to support private investment in dairy processing, value addition and cattle feed infrastructure.
 - v. In order to promote herbal cultivation in about 10 lakh hectares of area, a fund of Rs. 4,000 crore has been earmarked to help the farmers generate additional income. Along the bank of Ganga, a corridor of medicinal plants will be developed over 800 hectares' area.
 - vi. Rs 500 crore has been earmarked for beekeeping initiatives, helping 2 lakh beekeepers.
 - vii. The government extended the 'Operation Greens' from tomato, onion and potato to cover all fruits and vegetables by providing an additional fund of Rs 500 crore. This money would go into providing subsidy on transportation from surplus to deficient markets as well as on storages including cold storages.
 - viii. The Government of India has brought three ordinances aimed at strengthening marketing ecosystem for farmers by removing restrictions and bringing in enabling measures.

4. New Definition of MSMEs

- i. **Micro Enterprise**
where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees
- ii. **Small Enterprise**
where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees
- iii. **Medium Enterprise**
where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

5. Rs.3 lakh Crore Collateral-free Loans for Businesses, MSMEs

- i. Emergency Credit Line to MSMEs from Banks & NBFCs upto 20% of entire outstanding credit as on 29.02.2020
- ii. Borrowers with upto Rs. 25 crore outstanding & Rs. 100 crore turnover to be eligible
- iii. 45 lakh units to resume business activity & safeguard jobs; scheme can be availed till 31 October 2020
- iv. Loans to have 4 year tenor with moratorium of 12 months on Principal repayment
- v. Interest to be capped. No guarantee fee, no fresh collateral. 100% credit guarantee cover to Banks & NBFCs on principal & interest.

6. “One-Product One-District Initiative” for better marketing and export in the Horticulture sector

The Hon’ble Union Finance Minister, while presenting the budget for 2020-21 announced the ‘One-Product One-District’ initiative ‘for better marketing and export of horticulture crops’ and to foster coordinated development for enhancement of income of farmers. In order to enhance mobility and access to market, special rail and flight services for transportation of farm produce will also be initiated. These initiatives are expected to contribute towards doubling of farmers' income by 2022