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Aatmanirbhar Bharat Abhiyan: Implications in Indian Agribusiness

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COVID-19 pandemic has postulated a new set of reforms to fortify Indian economy. One such step announced by the Indian Government is Aatmanirbhar Bharat Abhiyan, aimed at making India a self-reliant nation. Indian Economy is primarily based on agriculture, where more than half of its population directly or indirectly depends on agriculture and allied sectors. India must aim to be self-reliant and self-sustainable in this sector well, not only in production but also in technology adoption and modernization. Agriculture, which accounts for 17 per cent of the GDP, could soften the blow on India's shrinking economy if it gets due consideration of the government. For this, we need to increase the adoption and usage of agricultural technologies in the field level.

Over the last 10 years (2008-09 to 2018-19) India has been a net exporter of farm produce. In fact, in 2018, the Government has come up with a new agricultural export policy aimed at doubling farm exports by 2022 in line with doubling farmers' income. However, in 2019-20, the agricultural exports were just $36 billion and the agri-trade surplus was $11.2 billion. The net agri-trade surplus has been falling over a period of time, making it difficult to achieve doubling of farmers' income and doubling of agriculture exports by 2022. Considering the scenario, the Government has come up with some schemes and policy changes to boost the agriculture sector. The major schemes are discussed here:

- **Agri-Infrastructure Fund:**

A fund of Rs. 1 lakh crore will be created for agricultural infrastructure development projects at farm gate and centers of aggregation (FPOs/ Cooperatives). Farm gate refers to the market where buyers, purchase products from the farmers directly.

- **Concessional Credit Boost to farmers:**

Institutional credit facilities to the farmers will be extended at concessional rates through Kisan Credit Cards. This scheme approximately covers 2.5 crore farmers with concessional credit worth Rs. 2 lakh crore.

- **Emergency working capital for farmers:**

An additional fund of Rs 30,000 crore will be released as emergency working capital for farmers. It is meant for meeting their crop loans requirements, which will be disbursed through NABARD to Rural Cooperative Banks and Regional Rural Banks. The allocation of funds is expected to benefit 3 crore small and marginal farmers. This disbursal is addition to the financial support of Rs 90,000 crore that will be provided by NABARD to RCBs and RRBs to meet the crop loan demand this year.

- **Animal Husbandry Infrastructure Development:**

With the objective of supporting private investment in dairy processing, value addition, and cattle feed infrastructure, an Animal Husbandry Infrastructure Development Fund of Rs 15,000 crore will be framed. For establishing plants for export of niche dairy products, incentives will also be given under the scheme.

- **Support to the fishermen:**

The Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be launched for integrated, sustainable, and inclusive development of marine and inland fisheries. Under this scheme, Rs 11,000 crore will be spent on activities in Marine, Inland fisheries and Aquaculture. An amount of Rs 9,000 crore will be spend for developing marketing infrastructure in the forms such as fishing harbours, cold chain, markets.

- **Agricultural marketing reforms:** A central law will be formulated to provide:
  - (i) Sufficient choices to farmers to sell out their produce at remunerative prices.
  - (ii) Barrier free inter-state trade.
  - (iii) Framework for e-trading of agricultural produce.

Presently, the farmers are forced to sell their produce to the licensees in Agricultural Produce Market Committees. The proposed amendments seek to enable free flow of agricultural produce and establish a smooth supply chain providing options of better price realization to farmers.

- **Amendments to the Essential Commodities Act:**

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The Essential Commodities Act, 1955 authorizes the central and state governments in controlling the production, supply and distribution of listed commodities to meet unforeseen circumstances in the country. The commodities covered under the Act are edible oil and seeds, pulses, sugarcane and its products, and paddy. The Act will be amended to deregulate commodities including cereals, edible oils, oilseeds, pulses, onions and potato. This is expected to allow better price realization for farmers by attracting investments and enabling competition in the sector. No stock limit will be applied to processors or value chain participants, considering their installed capacity, or to any exporter subject to the export demand. Stock limit will be imposed under some exceptional circumstances such as war, with surge in prices.

- **Agriculture Produce Pricing and Quality Assurance:**

Government aims to come up with a legal framework to enable farmers to operate with processors, aggregators, large retailers, and exporters in a transparent and fair manner. Risk mitigation for farmers, assured returns, and quality standardization are advantageous of such a policy. This helps the farmers to predict the price of crops at the time of sowing. It may also facilitate in bringing private sector investment in the sector.

- **Employment push using CAMPA funds:**

The government will approve plans worth Rs. 6,000 crores under the Compensatory Afforestation Management and Planning Authority (CAMPA) to facilitate job creation for tribals. Funds under CAMPA will be used for (i) Forest management, soil and moisture conservation works; (ii) Artificial regeneration, assisted natural regeneration; (iii) Afforestation and plantation works, including in urban areas; (iv) Forest protection, forest and wildlife related infrastructure development, and wildlife protection and management. Currently, the CAMPA funds are being used for protection of forest and wildlife management. As the majority of the country's population are dependent on agriculture for living, the sector must attain self-reliance. A specific long-term strategy is need of the hour with commodity wise plans that factor in comparative advantages, market, production, productivity, processing and consumption. Strictly speaking, India can't be an economic superpower without becoming self-reliant in agriculture sector. The successful implementation of the aforementioned changes in the existing polices and new schemes have the power to achieve this aim of becoming self-reliant.