



## **Aatmanirbhar Bharat Abhiyan Economic Package 2.0 (Part 3)**

***Overall Welfare and Stimulus amounts to 10% of India's GDP***

# Economy Package 2.0

The third part of the economic relief package announcements today was to protect the livelihoods of the people while simultaneously propelling the economy. The measures were to strengthen India's agriculture and animal husbandry and support those who work in these sectors. This was in keeping with the message of the Prime Minister for attaining self-sufficiency and working towards establishing a greater international presence as the world recovers from the pandemic. We await additional announcements in the coming days, to complete the picture of Economic Package 2.0. Here is the summary of Day 3:

## Strengthening of Infra & Capacity Building

- **Strengthening the Farm Gate Infrastructure** – Fund of INR1 lakh crore for cold chains, grain storage and allied works. To benefit the FPOs, Startups, Aggregators etc.
- **Micro Fund Enterprises** – INR10,000 crore for boosting local products for global gains. It will benefit around 2 lakh enterprises. This scheme will help the unorganized MFEs in technical upgradation for meeting FSSAI standards.
- **Pradhan Mantri Matsya Sampda Yojna (PMMSY)** - Expected to provide employment to 55 lakh people. The scheme will have a total outlay of INR20,000 crore. Will lead to integrated, sustainable, inclusive development of marine and inland fisheries, plug critical gaps in fisheries value chain. Double exports to Rs 1 lakh crore.
- **A National Animal disease control programme** for food and mouth disease and Brucellosis launched with a total outlay of INR13,343 crore. Will Provide 100% vaccination of all cattle (nearly 53 crore animals).
- **Animal Husbandry Infra Development Fund** – INR15,000 crore fund for Dairy Infra. Aims to support Pvt. Investments in cattle feed investments.
- **Promotion of Herbal Cultivation (INR4,000 Crore)** – Expected to generate INR 5,000 crore income for farmers. 10,00,000 hectares of land to be covered in the next two years. National Medicinal Plants Board will be the implementation agency.
- **Bee Keeping Initiatives (INR500 Crore)** – To benefit 2 lakh beekeepers. This will help in fighting the problem of disappearing bee population, reducing dependence on imports for wax, which is used in various industries.
- **Top to Total (INR500 Crore)** – It will be for a period of 6 months as a Pilot. The existing scheme (Operation Greens) is extended beyond the current crops of tomatoes, onions and potatoes. 50 % subsidy to be provided for transportation and 50% subsidy for storage.

## Government and Administrative Reforms

- **Amendment to Essential Commodities** – Deregulation of Potato, Onions, Cereals and oil seeds, No stock limit will be applied to value chain participants, food processors & exporters. Exceptions will only be invoked in case of emergencies.
- **Additional Choice to farmers:** Central Law to be brought in to allow farmers to sell produce at an attractive prices, to remove inter-state barriers and provisions for e-sale of products.
- **Central Mechanism for Predictable Price** – Bolstering the standard mechanism for farmers to get a predictable quantity or price for the sale of produce, prior to sowing of crops. A legal framework will be introduced to allow farmers to engage with food processors, aggregators, etc.

## Our Take on today's announcements

In today's announcements more than the liquidity and fiscal stimulus the key focus was the institutional reforms proposed to strengthen the rural sector.

- The announcements add urgency to the plans of the Government of India, by creating institutional reforms for the agriculture sector, giving more power to the farmers
- The proposals address the value chain of agriculture from sowing of crops to harvest and logistics facilitation through storage, cold chains and other infrastructure, preventing wastage and allowing quality produce to reach the market
- Major boost to the blue revolution with assistance provided to fishermen
- Cluster-based approach announced for Micro Fund Enterprises is aligned to developing a self-reliant India
- The push towards demand-based farming is welcome step to develop a robust agri market in India



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