

Sectoral suggestions by industry bodies to tackle Covid19

Sector: Agriculture

Relevant to Mahindra Agribusiness

FICCI suggestions to GoI

Agri marketing

- All APMC regulations should be suspended for 3 months to allow free sales of farm produce from the farm gate. Suggestions
- All stock limits should be suspended on staples such as cereals, pulses and oilseeds for 6 months. Bulk buyers like food companies, trading houses etc. should be allowed to hold stocks of staples up to any limit.
- Direct trades should be allowed on e-NAM platform freely from anywhere in the country, removing restriction of physically bringing produce to APMC.
- Extend trade finance at fixed rate not exceeding 8% to all eligible entities including FPOs, coops, SHGs etc. to enable buying from farmers and prevent distress sales.
- Given the extensive interaction and concentration of people in mandis, adequate steps must be taken to prevent the spread of coronavirus.

		4) NPA norms for Agri commodity/Agri processing and food processing/Agri logistics units to be relaxed for 3-6 months.
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Agri warehousing

Area of Impact	Likely implications	Recommendations
Closure / erratic operations of Mandis coinciding with peak arrivals of the Rabi crop	-Farmers' unable to market their crop -Fall in crop prices resulting in panic sales	1) Since CWC/SWC warehouses are already full due to high carryover stocks, FCI should immediately seek Private Warehouse Service provider support to procure, storage and manage MSP stocks. 2) Government to step up MSP procurement immediately.
Private trade affected due to liquidity tightness and uncertainty	- Absence of private buying would pressurize further prices	3) Special window of working capital lines to be provided to banks/NBFCs to lend at concessional interest rates to Agri-commodity traders, Agri processing and food processing units

NAFED/FCI/CCI storage capacity/handling constraints	- With stocks in govt warehouses at peak, the inability to make further procurement at MSP in Rabi could result in collapse of crop prices and impact on farm incomes	5) FCI/NAFED/CCI to utilize private Warehouse Service Provider capacity to store at commercial terms should be at par with CWC/SWC to debottleneck storage constraints
- Deterioration in quality of key Rabi crops like Wheat, Maize and Pulses due to extended storage	- Crops like Wheat, Maize, Pulses etc need fumigation every 45 days to protect from infestation. - Need to debottleneck fumigation capacity constraints in Pest Management/Fumigation Industry	6) Current process of issuing Accredited Fumigation Operator (AFO) licenses take 3-6 months by the Plant Protection Quarantine & Storage Dept. Further, license is valid only up to 100 kms of place of issue. 7) Process of license issue needs simplification with license validity for all AFO license holders with valid National Institute of Plant Health Management (NIPH) training certificates in their names. -100kms rule needs to be relaxed to ensure sufficient fumigation capacity

Ensuring supply of inputs for upcoming kharif season

- All States must classify seeds as essential items for manufacture and transportation during the lock down periods. Warehouses storing seeds should be given a green sticker for identification and should be allowed to operate without any hindrance. Any restriction may affect the availability of seeds at farmers doorstep before monsoon arrive.
- There should be opening of green lanes/special food lanes at national and state toll booths, Check posts and on highways where seed delivery vehicles can pass unhindered, along with other agriculture produce and food items, and are not

subjected to roadblocks. The special agricultural lanes will allow smooth passage of all vehicles carrying essential food commodities and agri inputs like seeds. Any restrictions on inter-state movements of other commodities and people should not affect movement of seeds. Several countries like Thailand, Philippines and China have also adopted similar measures in their effort to fight Covid- 19 virus.

- April and May are the most critical months for supply of seeds and crop protection products for timely sowing of Kharif crops like Rice, maize, soybean, jowar, bajra, cotton, pearl millet etc. If this cropping window is missed, there will be serious shortages in the rest of the year. It is suggested that the seed production and crop protection product manufacturing and supply should be treated as essential services and exempted from any shut down. The industry should be encouraged to take all precautions, to prevent any spread of Covid- 19 infections. Any closure would severely impact the supply of seeds and crop protection products to the farmers in coming kharif season
- Warehouses for seeds and crop protection products must be allowed to function unhindered to allow storage and movement of seeds & crop protection products.
- The applications for registration of crop protections products related to Kharif crop, particularly for Rice & Maize, pending before the Registration Committee (RC) in the Ministry of Agriculture, Cooperation and Farmers Welfare should be fast tracked so that manufacturing and supply lines could be put in place and strengthen well in time.
- State governments in close coordination with input industry associations must develop a supply chain logistics to ensure quality inputs. This will also help in avoiding spurious seeds.

General Recommendations

- Provide clear guidance to the enforcement authorities that “food” as mentioned in the notification, will include all food & beverage items along with ingredients and food services, so that their manufacturing, warehousing & transportation across the value chain including movement of the people involved in the process is allowed in the wider interest of the consumer.

- According to industry sources, demand for export is dropped by 10-15% to Asian countries. Exporters are penalised if they don't ship the goods in a particular time, relaxation of shipping time would be useful, in such scenario.
- Non-collateralised loans at low cost should be allowed in the short term to take care of salary payments. These loans can be given against confirmed purchase orders.
- Anyone trying to exploit the difficult time either by supplying spurious or substandard products or by profiteering should be dealt under Essential Services Maintenance Act and licence of that establish should be cancelled for 2 years wither it is shop, dealer or manufactures with other legal actions.
- MRP of the products should remain same as it was in the month of February. This is also the time to encourage good and reliable technologies because output will come in the month of August and September, at that time there will be huge demand in the world market.