

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**OUR AIM IS TO MOVE TOWARDS NATIONAL COMMON MARKET FOR
AGRICULTURAL COMMODITIES AND IMPROVE THE SUPPLY CHAIN: FM**

New Delhi, January 16, 2015
Pausha 26, 1936

The Union Finance Minister Shri Arun Jaitley said that our aim is to move towards National Common Market for agricultural commodities and improve the supply chain. He said that with the cooperation of States, we propose to move ahead on GST and APMC reforms. The Finance Minister Shri Jaitley was making the Opening Remarks during his Pre Budget Consultative Meeting with the representatives of Agriculture Groups here today.

The Finance Minister Shri Jaitley informed that the Government has taken a number of measures/policy decisions in last few months to make the agriculture sector more vibrant including setting-up of 'Warehouse Infrastructure Fund' and 'Long Term Rural Credit Fund', of about Rs. 5000 crore each; and setting-up of special fund of Rs. 2000 crore under NABARD, which was announced in the Union Budget for 2014-15 to provide affordable credit to agro-processing units, setting-up of food parks and cold chain projects. He said that the Revised Kisan Credit Card (KCC) Scheme has been re-launched where in the cards have been converted into ATM enabled debit card with facilities of one-time documentation, built-in cost escalation in the limit and any number of drawls with the limit etc. Shri Jaitley further said that other initiatives include setting-up of Agriculture Universities in Andhra Pradesh (AP) & Rajasthan, scheme to issue soil health card to every farmer, establishing National Adaptation Fund for climate change, providing finance to five (5) lakh joint farming groups of Bhoomi Heen Kisan, establishing Price Stabilization Fund, and Kisan TV channel among others.

The Finance Minister Shri Jaitley said that as per estimates of GDP for the second quarter, (July-September) of 2014-15, the growth in the agriculture and allied sector was 3.2 per cent. He said that following the below normal monsoon, the production of total kharif foodgrains is estimated to be 120.27 million tons during 2014-15 as compared to 129.32 million tons in 2013-14 and 117.18 million tons in 2012-13. He further said that although rainfall deficit was worst felt in Haryana, Punjab and Uttar Pradesh, the impact on production was limited, as most of the crops in these States are grown under irrigated conditions. He said that allied sectors of agriculture have also shown a good performance.

The Finance Minister Shri Jaitley said that exports have shown a 3.1% growth rate (up to November 2014) and growth rate of imports was 4.4% during the same period. He said that as per the provisions figures available, as against the farm credit target of Rs. 8,00,000 crore for the year 2014-15, an amount of **Rs. 3,70,828.60 crore has been disbursed till 30th September, 2014.**

The meeting was attended among others by Shri Jayant Sinha, Minister of State for Finance, Shri Rajiv Mehrishi, Finance Secretary, Shri Ashish Bahuguna, Agriculture Secretary, Dr. Arvind Subramanian, Chief Economic Adviser, and Shri R.K.Jha, Additional Secretary (Expenditure). The representatives of the Agriculture sector present during the meeting included Shri Crispino Lobo, Managing Trustee, WOTR, Dr. Dinesh,

Chief Executive, National Cooperative Union of India, Shri Vijayan Rajes, President, United Planters Association of South India, Shri Gulshan John, Chairperson, All India Spices Exporter Forum, Dr. Baldev Singh Dhillon, Vice Chancellor, PAU, Shri Tushar Shah, Principal Scientist, International Water Management Institute, Shri S. Ayyappan, Secretary (DARE) & DG, ICAR, Shri Keshab Das, GIDR, Dr. Ashok Vishandass, Chairman, CACP, Dr. K.V. Prabhu, Joint Director (Research, IARI, Shri Devesh Roy, IFPRI, Shri Ajay Vir Jakhar, Chairman, Bharat Krishak Samaj, Shri Harish Damodaran, Indian Express, Shri Rakesh Kapur, MD, IFFCO, Shri A. Vellayan, Chairman, Coromandel Int Ltd, Shri Satish Chander, DG, Fertilizer Association of India, Dr. Y. Sivaji, Chairman, Kisan Foundation and Shri Ram Pal, Kisan Mahapanchayat among others.

Many suggestions were received from the representatives of Agriculture sector. Major suggestions include fixation of remuneration prices for agriculture crops, incentives to encourage agriculture research, education and extension activities including investments in technological innovations and advancement in agriculture research; and impetus to micro irrigation financing, R&D support to Pradhan Mnatri Krishi Sanchai Yojana and strengthening of existing irrigation facilities among others.

Other suggestions include that Government come out with dependable and creditable export and import policies that safeguard farmer's interest, decentralization of food grain procurement, Minimum Support Price (MSP) to include cost of production and profitability for farmers and be linked to the index of inflation. Some other suggestions include taxation of foreign dividends at reduced rates with multi-state cooperatives, extension of investment allowance to cooperative societies in the manufacturing sector, flexibility of the automatic approval route be extended to multi state cooperative societies at par with corporate and LLP's under different FEMA regulations.

Some other suggestions include greater emphasis on agriculture research and education, allowance to agriculture research, extension and education be raised from the current level of around 0.8% of agriculture GDP to at least 1.5 percent, giving Indian Agriculture Institute the status of 'Institute of National Importance', check on mushroom growth on universities and colleges imparting higher education in agriculture including under distance learning mode; higher allocation for agricultural diversification, exempting livestock sector from income tax, incentives for natural resources conservation and farm mechanization, promoting value edition to enable crop diversification and acceleration, strengthening of agro machinery service sectors and clear policy for genetically modified crops and compensation to farmers in border areas among others. It was also suggested that ICAR laboratories whenever releasing new varieties of different crops from time to time should also inform about the cost of production and productivity along with that. Other suggestions include higher allocations to ICAR, restructuring of ICAR and strengthening of agriculture extension services, setting-up of seed processing and soil fertility measure plants at Panchayat level, eco friendly grain storage at farm levels and serious efforts on part of the Government to bring industry and agriculture closer to each other among others.
