

## News Brief

5 Sept – 11 Sept 2020

### Government Aid and Policies

[The government is planning to review crop planting across the country to align agricultural planning with changes in climate and rainfall patterns.](#) Government defined twenty Agro- Ecological Regions (AERs) will be compressed into seven zones for better coordination and implementation of central schemes. The plan for each zone will revolve around diversification of crops with relation to climate change, farm mechanisation, adoption of agro-forestry systems including medicinal plants with integration of animal husbandry in arid region, and scientific interventions.

[Central Board of Indirect Taxes and Customs \(CBIC\) will be rolling out the Faceless Assessment of Cargo program at an all India level in all ports of import and for all imported goods by October 31, 2020.](#) With this program, bills of entry will be automatically assigned to assessing officers in locations different than the customs station or port, and the processing will be done without any direct interaction between the importer and customs authorities. The first phase of the program was launched for certain commodities in June 2020 in the southern ports of Chennai and Bengaluru and was later extended to Delhi and Mumbai. It was launched as part of the next generation reforms called 'Turant Customs' which are aimed at speedy clearance of goods at air and sea ports to improve the ease of doing business in India and to make the customs administration more modern, efficient, and professional.

[The government has launched the EUR 2.3 billion flagship scheme - Pradhan Mantri Matsya Sampada Yojana \(PMMSY\) to boost production and exports in the fisheries sector as part of Aatmanirbhar Bharat or Self Reliant India.](#) The investment of EUR 2.3 billion under PMMSY is the highest ever in the fisheries sector. Out of this, an investment of about EUR 1.4 billion is proposed for beneficiary-oriented activities in marine, inland fisheries and aquaculture and about EUR 884 million investment for fisheries infrastructure. The PMMSY aims at enhancing fish production by an additional 7 million tonne by 2024-25, increasing fisheries export earnings to EUR 11.5 billion by 2024-25. The central government also launched several initiatives in the fisheries and animal husbandry sectors in Bihar. A mobile application, e-Gopala, was launched which will provide solutions to farmers on livestock related issues. A Semen Station with state-of-the-art facilities in Purnea with an investment of Rs 84.27 crore was also inaugurated.

[The Maharashtra government has approved an agro-tourism policy aimed at rural development and empowering farmers through tourism.](#) Under this policy, registered agro tourism centres will be set up and farmers and agriculture institutions who will set up the centres will be able to avail loans from banks. The centres will be set up in farm area of one to two hectares and will have accommodation rooms, kitchen and area to serve food. This policy will help in creating market for agriculture produce, encouraging agriculture allied business and providing employment opportunities in rural areas. It would also provide platform to showcase folk art and culture as well as agriculture to tourists.

### Sugar

[India's sugar exports will rise 50% to a record of over 5.7 million tonnes in the season ending in September, helped by the depreciated rupee, global demand and lower output from rival suppliers.](#) The

government's decision to extend subsidy of EUR 718 million for export of 6 million tonnes sugar also encouraged mills to ship excess sugar. Exports are likely to be in the same range in the next season (October 2020-September 2021) also, as a production of 32.5 million tonnes of sugar is expected with a surplus of 6-6.5 million tonnes. The carryover stock of 1 million tonnes will further raise need for exports.

[Meanwhile, the food ministry has sought EUR 642 million to clear export subsidy dues of sugar mills. The government gives a subsidy of EUR 120 for the export of every tonne of sugar.](#) With exports estimated at 5.7 million tonnes, but only EUR 69 million has been disbursed in subsidies so far. The ministry would also need additional EUR 287 million to settle buffer stock subsidy and interest subvention on soft loans given to millers. The government reimburses sugar mills EUR 19 for carrying buffer stock of 4 million tonnes. The government also provides soft loans to the extent of EUR 905 – 1208 million to the sugar industry where it bears the interest subvention cost at 7-10% to the extent of EUR 63 million to EUR 121 million for one year.

### **Trade**

[India's farm produce exports, excluding buffalo meat and marine products, rose 23% from April to June compared to the corresponding period last year, despite the pandemic and nationwide lockdowns.](#) The exports grew by EUR 552 million, from EUR 2.38 billion in Q1 2019-20 to EUR 2.93 billion in Q1 2020-21. Basmati rice accounted for a third of the exports at EUR 985 million but recorded a minor decline compared to the same period last year. It was the export of non-Basmati rice and sugar (refined and raw) that contributed to EUR 522.5 million (over 95%) in total increase of agri commodities export. Meanwhile, according to the trade figures publishes by the Ministry of Commerce, animal products' exports have decreased by around 25% in Q1 2020-21 compared to the same period last year.

### **Other News**

[CARE Ratings agency has reported that favourable monsoon, record kharif crop sowing and high reservoir levels are positive for the agriculture sector and would spur rural incomes that could push up rural demand in the next quarter which has a lot of festivals coming up.](#) The report by the agency said that the Indian economy is banking on the farm sector to grow by 3.5-4% across all quarters to prop up GDP growth.

[Packaged consumer goods companies are increasing their spending on rural India on a higher consumer demand in rural markets.](#) According to Britannia Industries, a biscuits and dairy giant, the rural market is now growing at three times the pace of urban market on account of an increased government aid, reverse migration and good monsoon. The company has increased the supply of low unit price packs of both premium and value portfolios. Marico, manufacturer of Saffola edible oils and Parachute hair-care products, is also investing heavily on rural markets this year. Companies like Dabur, Pepsi Co and ITC are working on enhancing their portfolio and distribution network in the rural market as well.

[India's biggest dairy cooperative, Amul, is planning to launch its own branded honey.](#) In July 2020, India's first NABL accredited honey testing facility was launched at National Dairy Development Board in Gujarat. With this testing facility in proximity, Amul is planning to leverage its existing network of milk producer members in the State to promote beekeeping and produce honey, while ensuring good quality.

[Organic India's food processing unit in Barabanki Uttar Pradesh was inaugurated on 9<sup>th</sup> September 2020.](#) Organic India is known for its organically grown tulsi (holy basil) teas, which are sold in India, the US, Canada, and the UK. The newly launched unit has been set up with a total cost of EUR 6.2 million, with a grant in aid of EUR 550,156 provided by the Ministry of Food Processing Industries. With a processing capacity of 3 tonnes per day, the unit will process agro produce worth EUR 40 million. Tulsi green tea, sweet lemon green tea, lemon ginger green tea, pomegranate green tea, sweet rose, tulsi masala will be manufactured in this unit. The promoters of the unit have been urged to experiment and invest further into new innovative products in the organic segment of food processing sector.