



Indian Chamber of Commerce

## **PRESS RELEASE ON COVID-19**

### **ICC asks measures for Agriculture sector**

ICC applauds the great proactive steps taken by the Government to protect India from the impact of Covid19. The announcements by the Honourable Finance Minister with regard to extended time for compliances and to provide the food security to the needy, are very timely and speed at which these developments are unfolding are simply inspiring.

One of the biggest challenges in the times to come, will be of adequate food supplies and the well being of our people, ICC press release stated. Also with 69% of our country's population being engaged in agriculture, there well being depends on the viable farming.

- 1. Impact on and measures needed towards harvesting and storage of Rabi Crop:** The national lockdown has led to market closures and lack of transportation facilities. Farmers will be unable to send and sell their produce at the mandis and food processing centers. Both farmers and traders are uncertain about the status of the government procurement operations for the upcoming season. **ICC recommend the setting up of a taskforce which implements the APMC Act under government supervision and regulated trade takes place so that essential commodities are supplied at the right time at right price and hoarding and food inflation can be avoided.** As we all know, the supply of rice/wheat under Pradhan Mantri Gareeb Kalyan Anna Yojana would not be possible without adequate supplies of Agri produce. The supply and transportation of fruits and vegetables to the relevant markets needs to be exempted from the lockdown. ICC calls for a coordinated approach to help the agricultural community.
- 2. Impact and measures needed to support the Kharif crop:** In the context of the forthcoming Kharif crop, farmers will very critically require all the farm inputs timely. ICC has suggested all States should classify **all Agri Inputs** such as seeds, micro irrigation, farm equipments (Tractors, Combined Harvester, etc.), fertilizers and crop protection chemicals **as exempt from lockdown** for manufacture and transportation of essential food crops. ICC also recommended that Central and State Governments should also keep Agri inputs and seeds in essential category to ensure food security. **Warehouses storing Agri inputs and agriculture produce** should be given a greensticker for identification and should be allowed to operate without any hindrance. Any restriction may affect the availability of Agri inputs and seeds particularly. The industry should be encouraged to take all precautions, to prevent any spread of Covid-19 infections.
- 3. Livestock Industry:** Over 2 crore people depend upon livestock for their livelihood which contributes Rs. 1800 billion to Indian GDP. Livestock is also giving direct benefit to more than One Crore Maize and Soya agriculture farmers and providing market for soybean and maize farmers in India. The livestock sector contributes 4.11% GDP and 25.6% of total Agriculture GDP. Due to the recent outbreak of Coronavirus, the demand for chicken products has fallen, resulting into Poultry Birds being sold at around Rs. 30/- per Kg at the farm gate level. The cost of production of the poultry in India is~Rs.80 per kg. But it may be noted that at urban markets chicken is sold at Rs. 180/kg, meaning the supply chain needs to be streamlined to minimize the price discrepancy. Poultry demand slowdown will affect demand for commodities such as maize, soymeal, oilcakes. A

- 4. Impact and Measures for Cash flow and Payments from the Government:** The industry is expected to face existential crisis in meeting fixed costs, debts and other obligations. ICC would like to appeal to Government to help by insisting all State Governments to immediately release all dues to companies. Alternatively, ICC would suggest if it is possible to release these dues by the Government of India.
  
- 5. Continuity of the welfare/subsidy programs during the COVID19 lockdown period:** Each year, with the beginning of the financial year, the states roll out the programs based on the Ministry of Agriculture and Farmers Welfare (MoAFW) approval of the Annual Action Plan (AAP) from the state. Our request is that in the interest of continued progress of this life changing and flagship program, the states should be advised that all their programs be continued seamlessly from April itself given the needs for Kharif crops.