

STIMULUS PACKAGE

**KEY HIGHLIGHTS OF 3rd TRANCHE OF
ECONOMIC STIMULUS ANNOUNCED
BY FM ON 15.05.2020**



Key Highlights of 3rd Tranche of Economic Stimulus Measures Announced By The Government Of India (GoI) On 15th May 2020

The Union Finance Minister addressing the nation on 15th May 2020, announced the 3rd Tranche of Relief Measures with focus on Agriculture and farmers.

A summary of Measures announced by the GoI are as under:

A. RELIEF MEASURES TO STRENGTHEN INFRASTRUCTURE, LOGISTICS AND CAPACITY BUILDING

Particulars	Measures of the Govt.	Impact
Agri Infrastructure Fund for farm-gate infrastructure for farmers	<ul style="list-style-type: none"> • Financing facility will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organisations, Agriculture entrepreneurs, Start-ups, etc.) • Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management Infrastructure. 	INR 1 trillion (\$13.3 billion approx.)
Scheme for Formalization of Micro Food Enterprises (MFE)	<ul style="list-style-type: none"> • Scheme will be launched to help 2 lakhs Unorganized MFEs in technical upgradation to attain FSSAI food standards and help in brand building and marketing. • This Scheme promotes vision of Hon. PM being <i>'Vocal for Local with Global outreach'</i> 	INR 100 billion (\$1.33 billion approx.)

	<ul style="list-style-type: none"> • To follow cluster based approach (e.g. Mango in UP, Kesar in J&K, Bamboo shoots in North-East, Chilli in Andhra Pradesh, Tapioca in Tamil Nadue etc.) • Expected outcomes: Improved health and safety standards, integration with retail markets, improved incomes, help in reaching untapped export market. 	
<p>Launch of Pradhan Mantri Matsya Sampada Yojana (PMMSY)</p>	<ul style="list-style-type: none"> • Launch of PMMSY for integrated, sustainable inclusive development of marine and inland fisheries. • INR 11,000 crores for activities in Marine, Inland fisheries and Aquaculture and INR 9,000 crores for infrastructure (Eg. Fishing Harbours, Cold Chain, Markets etc.) • Focus on Islands, Himalayan states and North-east and aspirational districts. • Expected benefits - Additional Fish production of 70 lakhs tonnes over 5 yrs, employment to over 55 lakhs persons, double exports to 1 lakh crores etc. 	<p>INR 200 billion (\$2.66 billion approx.)</p>
<p>National Animal Disease Control Programme</p>	<ul style="list-style-type: none"> • Launch of programme with an outlay of INR 13,343 crores to ensure 100% vaccination of cattle, buffalo, sheep, goat and pig population. 	<p>INR 133 billion (\$1.77 billion approx.)</p>

<p>Animal Husbandry Infrastructure Development Fund</p>	<ul style="list-style-type: none"> • Fund to be set up with corpus of INR 15000 Crore • Aim to provide private investment in Dairy Processing, value addition and cattle feed infrastructure • Incentives to be given for establishing plants for export of niche products. 	<p>INR 150 billion (\$2 billion approx.)</p>
<p>Promotion of Herbal Cultivation</p>	<ul style="list-style-type: none"> • 10,00,000 hectare land will be covered under Herbal cultivation in next two years with outlay of INR 4000 crore • National Medicinal Plants Board (NMPB) will bring 800 hectare area by developing a corridor of medicinal plants along the banks of Ganga. • Expected to generate INR 5000 crore income for farmers 	<p>INR 40,000 million (\$533 million approx.)</p>
<p>Beekeeping Initiatives</p>	<ul style="list-style-type: none"> • GoI will implement a scheme for infrastructure development related to Integrated Beekeeping Development Centres, Collection, Marketing and storage centres, Post-Harvest facilities, capacity building with thrust on women, development of quality nucleus stock and bee breeders etc. • Expected to lead to increase in income for 2 lakh beekeepers and quality honey to consumers. 	<p>INR 5,000 million (\$66 million approx.)</p>

<p>From TOP to TOTAL</p>	<ul style="list-style-type: none"> • Operation Green will be extended from Tomatoes, Onion and Potatoes (TOP) to ALL fruits and vegetables (TOTAL). • This scheme aimed to solve problem of distress sale of perishable fruits and veggies. • Scheme will provide 50% subsidy on transportation from surplus to deficient markets & 50% subsidy on storage, including cold storages. 	<p>INR 5,000 million (\$66 million approx.)</p>
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B. GOVERNANCE AND ADMINISTRATIVE REFORMS

<p>Amendments to Essential Commodities Act to enable better price realisation for farmers</p>	<ul style="list-style-type: none"> • GoI will amend Essential Commodities Act. • Deregulate agriculture food stuffs including cereals, edible oils, oilseeds, pulses, onions and potato. • Stock limit to be imposed under very exceptional circumstances like national calamities, famine with surge in prices. • No stock limit shall apply to processors or value chain participant, subject to their installed capacity or to any exporter subject to the export demand. 	<p>—</p>
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<p>Agriculture Marketing Reforms to provide marketing choices to farmers</p>	<p>A Central law will be formulated to provide-</p> <ul style="list-style-type: none"> • Adequate choices to farmer to sell produce at attractive price; • Barrier free Inter-State Trade; • Framework for e-trading of agricultural produce 	<p>—</p>
<p>Agriculture Produce Price and Quality Assurance</p>	<ul style="list-style-type: none"> • Facilitative legal framework will be created to enable farmers for engaging with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner. • Risk mitigation for farmers, assured returns and quality standardisation shall form integral part of the framework. 	<p>—</p>

For details, please refer the link below to Press release of Ministry of Finance dated 15th May 2020:

[Click Here](#)

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