

IPGA Webinar
Panel Discussion on
'Implications of Agri-Market
Reforms and Opportunities for
Stakeholders'

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Context Setting by Moderator

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Agriculture is important

- **India's GDP ~ \$ 2.7 Trillion; Agri share 15-16% or >\$ 400 Billion: but employs ~ 50% workforce**
- **Government committed to doubling farmers' income**
- **Amid medical, social, economic crisis and national lockdown, agriculture a Beacon of Hope for India**

Agriculture 'a Beacon of Hope'

- **Stimulus package: Path-breaking agri-market reforms announced;**
- **Will allow higher degrees of freedom for stakeholders; Promote post-harvest agri infra investment;**
- **When implemented fully, will be a game-changer for farm sector**

Stimulus Package + 3 major Agri-Marketing Reforms

- **Agri Infra Fund Rs One Lakh Crore (USD 14 Billion) (over 4 year period)**
- **Essential Commodities Act 1955 amendment (to keep specified food items out of purview)**
- **Barrier-free trade; Private markets; e-trading; One Nation - One Market;**
- **Contract farming: disintermediation; de-risk price volatility**

Agri Infra Fund and ECA Amendment Implications

- **PHM Infra: States and Centre to work in unison to identify projects**
- **ECA: will improve marketability of crops; help processors, exporters, traders to build inventory; *Caution fine print* – Predictability**
- **Larger stocks, greater price risks; hedging becomes critical**

Private markets: Implications

Enhanced marketing freedom for growers; Competition between APMC and private markets; Who will deliver better price benefit to growers? Who will FPOs favour? Will APMCs survive?

- No regulatory oversight for private market; Will MSP be enforced?**
- Data capture, collation, consolidation, dissemination**

Legal Framework for Contract Farming

- **Captive raw material sourcing; Pricing of tech services; Setting of crop price; FPOs need market intelligence to strike good deal; Forward prices on exchange good benchmark; Customised contracts like ‘On Call’ contract possible; Delivery based forward contract?**

Market Opportunities

- **Reforms open up huge market opportunities for trade and investment (domestic and foreign);
Produce more; Process more;
Trade more; Invest in infra; Invest in physical goods; Capture value;
Win-Win for all stakeholders**

Thank You.

Stay safe. Stay blessed

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