

# President's Message

## Friends,

"Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous and they are tied to their country and wedded to its liberty and interests by the most lasting bands."

This saying corroborates very well with the universal truth that agriculture is the heart of the Indian land and the sector plays a vital role in India's economy, contributing around 15-16 percent to GDP. Over 58 percent of the rural households depend on agriculture as their principal means of livelihood. Agricultural exports constitute over 10 percent of the country's exports and the fourth-largest exported principal commodity.

Given the enormity of the influence agriculture has on the lives of Indian people, it becomes imperative that the government emphasizes on developing and propelling it. I appreciate the recent reforms that have been fast tracked to increase the sector's productivity including agriculture extension programs, technologies associated with food processing, agri-warehousing, cold chain, supply chain, dairy, fisheries, horticulture, agricultural mechanization, irrigation, integrated farming systems, as well as research and international cooperation. These policy initiatives in the last three years led to record food grain production of 275.68 million tons in the year 2016-17.

Towards these efforts, doubling the farmers' income has become the latest slogan and the government's move by announcing a MSP to farmers to the tune of 1.5X of the cost of production will enhance rural prosperity and ensure that farmers get a fair price for their crop.

The Commerce Ministry has identified 50 districts across the country that will be developed as export clusters for various agriculture produces.

The government is making pan-India efforts to connect local village mandis to wholesale market and with the world market. Twenty-two thousand rural haats in the country will be upgraded by building the requisite infrastructure and are being integrated with APMC and e-NAM platforms.

Further, as it is well known, food processing is a way of life in India, practiced for ages and has emerged as high growth and high profit sector due to its immense potential. India's food including grocery industry is one of the largest in the world, with the retail sector contributing 70 percent of the sales. Enormous investment opportunities exist for



the retailers in the Indian market due to its huge consumer market. The food processing sector attracted FDI of US\$ 8 billion in the period 2000-2017.

For increasing the capacity of food processing sector, the Ministry of Food Processing Industries has committed US\$ 936.38 billion as investments for building 42 Mega Food Parks and 500 Cold Chain Projects in the country. 100 percent FDI in marketing of food products and in food product e-commerce has been assured under the automatic route.

It is indeed heartening that agricultural related sectors have been given the requisite boost by the setting up of fisheries and aqua culture infra fund as well as animal husbandry infra fund with an outlay of Rs 10,000 crore as a part of the scheme for developing Agro-Marine Processing clusters. This fund will help enhance livelihood creation, by initiating various measures for farmers' employment.

I also commend the tax incentives to promote post-harvest agricultural activities by providing 100 percent deduction to companies registered as Farmer Producer Companies with an annual turnover of up to Rs 100 crores for a period of five years from fiscal year 2018-19.

To promote self-reliant skill development and train youths to gain self-employment, the Ministry of Agriculture and Farmers' Welfare and the Ministry of Skill Development and Entrepreneurship have signed a MoU to conduct training programmes for agriculture and allied sectors.

I further accolade the new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors in order to boost innovation and entrepreneurship in agriculture. Also, the Pradhan Mantri Krishi

Sinchayee Yojana with an investment of US\$ 7.7 billion aimed at development of irrigation sources for providing a permanent solution from drought is a commendable effort.

I foresee, the agriculture sector in India shall be able to generate better momentum in the next few years as well as the growing use of genetically modified crops will improve yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming years due to concerted efforts of scientists to get early-maturing varieties of pulses.

However, the massive debt burden due to unreach of institutional credit to marginal farmers not owning farm land, is an exigent problem. A credit guarantee fund needs to be set up that would encourage banks to extend loans to landless farmers and address the shortcomings of the 'Pradhan Mantri Fasal Bima Yojana'.

Alongside, food wastage is a major challenge that needs to be addressed as it leads to non-uniform distribution of fruits and vegetables amongst the population, price fluctuations and difficulty in ensuring food security.

I recommend the corporate sector leads an important role as the catalyst in driving the agriculture sector. Indian corporates can open up new vistas of global opportunities which would in turn benefit our country and its people. Agriculture must be developed as a private enterprise so that it attracts more youth.

In March, PHD Chamber organized its annual flagship event, Ambassadors' Meet, an annual Reception-cum-Informal Get-Together with the Ambassadors / High Commissioners/ Economic and Commercial Counselors and Senior Diplomats of various countries in India. Respecting the integrity and inclusivity of the nation, the meet was graced by three senior Ministers of the state of Jammu & Kashmir which was the focus area of the meet. With more than 100 MoUs with foreign chambers, I am positive we will play a vital role in further strengthening bilateral and commercial relations with our foreign counterparts.

I agree that for New India to become a reality, "You need to Reform, Perform and Transform". With this, I rest my pen with the thought, "I believe in the future of agriculture, with a faith born not of words but of deeds." This of course would surely fulfill Prime Minister Narendra Modi's dream of commencing the journey from a 'Positive India' towards a 'Progressive India'.

