

Govt says 16 states adopt 3 latest ordinances on farm sector reforms

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NEW DELHI – A total of 16 states have adopted the three ordinances on farm reforms approved by the Cabinet early this month, Farm Secretary Sanjay Aggarwal said today.

"Sixteen states have issued circulars adopting these ordinances for implementation. But these ordinances are such that they don't need to require any of the circular by the state governments. They are self-contained and are applicable from the day they are implemented," Aggarwal said during a webinar on 'Landmark Reforms in Indian Agriculture and Investment Opportunities Arising in Agri Enterprises'.

These ordinances are part of the trade and commerce concurrent list, Aggarwal said. Others states are also expected to come on board and adopt these reforms, which are aimed at transforming agriculture and raising farmers' income.

The Union Cabinet had, on Jun 3, approved three ordinances—amendment to the Essential Commodities Act, and two central laws on inter-state trade of farm produce, and contract farming.

A special drive has been launched to provide an additional credit boost to farmers through Kisan Credit Cards by including 25 mln farmers who do not have these cards at the moment, the secretary said. This is planned to be done this year.

The government also aims to form 10,000 farmers producer organisations and support them for the next five years for their growth, Aggarwal said.

He also spoke about the government's aim to reduce reliance on imports of edible oils into the country by increasing production of oilseeds. Edible oil is the third-largest imported commodity in India after crude and gold, and exerts a 750-bln-rupee burden on the exchequer.

The country potentially has 1.5 mln ha to plant oil palm oilseed, which is used to produce palm oil, the largest imported and consumed edible oil, Aggarwal said. The government is looking for private partnership in planting oil palm.

The Centre has earmarked the country's eastern coastal, north-eastern, and coastal regions as fit for planting oil palm trees as weather conditions are favourable. The scheme is aimed at boosting both the acreage and yield of oil palm.

Currently, production of palm oil in India is around 200,000 tn a year, well below the country's requirement of around 9 mln tn.

India is the largest importer of palm oil and typically buys 8-9 mln tn of the edible oil every year from markets abroad. Palm oil accounts for over 60% of the country's total edible oil imports. End

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