



Agritech Sector Seeks Tax Sops, Subsidised Credit

Execs say govt measures could help expedite investment in agriculture, enable farmers to protect crops from climate change

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Kolkata: Agritech sector executives called for tax sops and subsidised credit from the government in the upcoming Union budget, arguing that the measures would help expedite private sector investment in agriculture and enable farmers to protect their crops from the effects of climate change.

RUN UP TO THE BUDGET



Prioritising effective warehouse management and expanding finance availability will also aid farmers in safeguarding their harvest from external threats, they said.

Shortcomings in post-harvest infrastructure are often critical factors in determining how much food is lost in the supply chain. A lack of

processing equipment, driers, cold chain facilities and storage often leads to the unnecessary loss of produce, said the executives.

"It is anticipated that the Union budget would significantly emphasise private sector investment. The government might relax regulations to make investing easier for the private sector," said Ashok Prasad, CEO of Unnati, a fintech-based agri-platform.

The agritech sector is key to India's agriculture sector's efforts to compete globally, said industry executives, and the landscape is ripe for innovation as the pandemic has accelerated digital adaptation among farmers at an unprecedented rate.

"The budget should allot tax breaks and extend monetary incentives such as subsidised credit facilities and interest rate subvention to agritech enterprises," said Amith Agarwal, CEO, Agribazar.

Aquaculture farming, an integral part of the rural economy, has been adversely impacted by



higher production costs due to increased input costs, making Indian exports less competitive.

"Although aquaculture carries high production risks, unlike agriculture farmers, fish and shrimp farmers are yet to get subsidies on insurance premiums," said Aquaconnect CEO

Rajamanohar Somasundaram. "Lack of subsidy on insurance premiums demotivates farmers from availing any risk mitigation for their crops, as this adds up the production cost significantly. Government support on premiums will help farmers to a great extent to mitigate production risks."

India is the second largest producer of horticultural crops after China. Yet, it does not have a significant presence in the international market, especially in the premium category.

"By incentivising private investment and channelising agritech investments through government-led initiatives, the industry can propel growth and the economy," said Tarun Arora, director, IG International.

"The same can be replicated for cold storage and cold chain logistics as well. Increased funds for agri logistics infrastructure development, better connectivity, hassle-free access to the market and fewer holdups, and power and fuel subsidies are required."