

June 10th 2020

Dr J.L.N. Sastry
CEO - NMPB
New Delhi

Sir,

We would like to present our credentials and seek to work with you in the larger interest of the industry and India.

1. **Introduction to AHNMI:** Association of Herbal and Nutraceutical Manufacturers of India. The association is newly formed and comprises of natural extracts manufacturers that make use of India's Bio diversity in natural plant materials and create a promising futuristic products for export and domestic markets. Products are used in Preventive and wellness products that help human beings and pets deal with prevention of illnesses, anti-aging solutions and maintain general wellness. This industry is growing at a phenomenal pace and comprises of alternative medicine, Ayurveda products, pure natural extracts, and many other plant based outcomes. Globally the industry is growing at 8-10% pa and is valued at \$150 billion. Indian industry is valued at \$3-4 billion. In AHNMI's view is a target of scaling India's share to at least \$25 billion in the next 7-10 years. We will do it through a combination of IP and clinically validated plant based ingredients to finished formulations being exported from India. Competing with the Chinese, India already has a significant advantage at being recognised as a cleaner, safer and more reliable partner in the supply chain.

By applying a set of forward thinking tools to the development of this industry, we understand this is an achievable target. We need support of the GOI at various levels in partnering with us and making us an integral part of the development of this industry. Our ask is minimal, we do not seek subsidies, nor do we seek GST reduction. We seek a seat at the policy table to jointly work with all Government agencies in cleaning up the red tape and blockages that come due to contradictions between policy guidelines, laws and expectations from various orders. Some example of these are:

- National Bio Diversity act
- The Patents act
- Lack of HSN codes for this industry
- Recognition of Nutraceuticals as an industry
- FSSAI and AYUSH conflicts



2. **Rs.4000 Cr. promised to the medicinal plants board:** We are extremely happy that this expectation has been fulfilled. However, the methodology of making this available is not known nor published yet. We would however like to recommend a few measures that we believe could help.
- a. Please involve us in the decision making, representing the Nutraceutical extracts industry along with AYUSH associations in the selection of crops to develop in India.
 - b. Use this money as a fund for investment in a market driven model for development NOT as a cash subsidy
 - c. The funds should be made available to farmers who grow crops with a buyback contract from member cos of our type of associations.
 - d. Funds should be as loans for seed purchase, irrigation, plant protection kits, equipment, crop insurance, drying and post-harvest processing if any.
 - e. These should be routed directly to farmers and we can suggest an NGO to work with us and the Govt. to administer this process using a Govt. approved bank.
 - f. The money can be brought back to the Govt / NGO at the end of the season or the contract could be such that the cos payments can be used to deduct loan instalments back to the NGO and to Govt. fund to be reused in the next crop cycle.
 - g. A portion of the fund should be invested in setting up a seed and science development lab at an appropriate location in Public Private Partnership. This can be a centre of excellence in development of herbal/botanical/medicinal plants under the MPB (Medicinal Plants Board) and could in the longer term have spokes in various parts of India addressing very specific crops as desired by the industry. GOI should provide a soft loan and corporates should take membership in the centre to fund research of commercial crop improvement programs. The loans should be repayable over 5/7 years.

Sir, the Nutraceuticals sector is capable of becoming a Rs.25-30,000 Cr industry in next 5 years. It uses a variety of medicinal plants and the industry has the experience of cultivating through contract farming. We would like to collaborate with you and grow,

Sincerely,



Sanjaya Mariwala
President – AHNMI

Contact details: Telephone +91-99877-90004, e-mail: sanjaya@ahnmi.in

