

Budget 2022: Focussing Agriculture and Allied sectors

Maninder Singh¹ and Pranav Kumar²

¹MVSc Scholar, Division of Veterinary & Animal Husbandry Extension Education, Faculty of Veterinary Sciences & Animal Husbandry, R.S. Pura, Sher-e-Kashmir University of Agricultural Sciences & Technology of Jammu (SKUAST-Jammu), Jammu (UT of J&K)

²Senior Assistant Professor, Division of Veterinary & Animal Husbandry Extension Education, Faculty of Veterinary Sciences & Animal Husbandry, R.S. Pura, Sher-e-Kashmir University of Agricultural Sciences & Technology of Jammu (SKUAST-Jammu), Jammu (UT of J&K)

ARTICLE ID: 011

Introduction

Despite the unprecedented global pandemic, India, as a part of its economic recovery was able to successfully meet the increased global demands in the second half of 2020. The Indian agricultural sector was among the few segments that managed to remain robust even amidst the uncertainties of the pandemic (Fig:1). Keeping in mind that agriculture is a fundamental part of India's recovery process and a crucial sector of the Indian economy, the union budget 2022, indicates the government's resolve to further boost to the sector. The government looks at agriculture as a part of its growth pillar of "inclusive development".

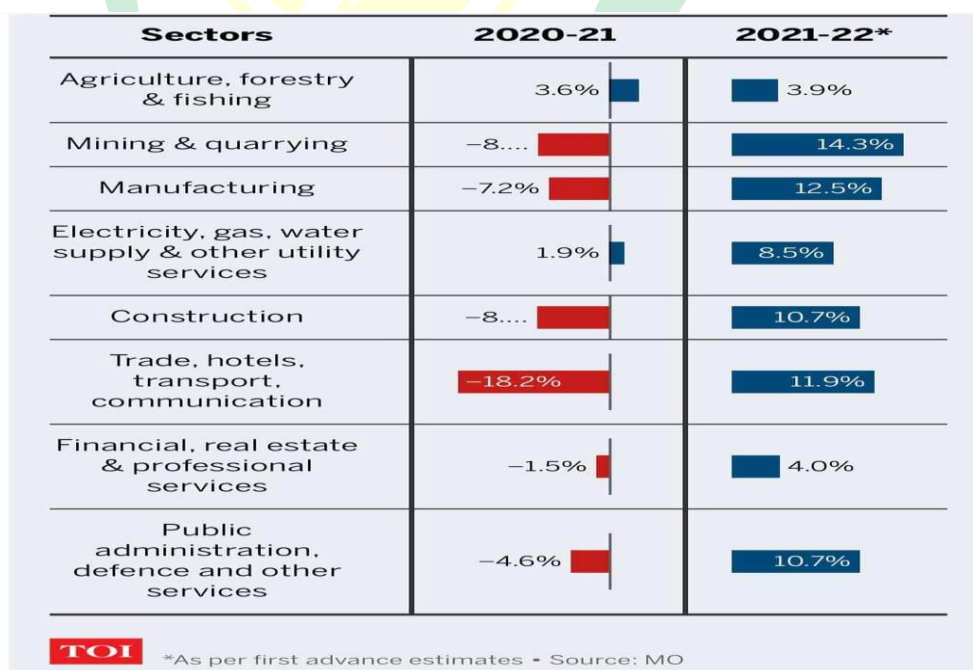


Fig1: Comparative growth of different sectors of Indian economy

The budget 2022 has offered tremendous support to agriculture with allocation of budget of more than 7lakh crores (Table 1 and Fig. 1)

Table 1: The budget 2022: support to agriculture

S. No.	Budget 2022	Allocated Budget (in crores)	% allocation
1	PM-KISAN	675000	95.12
2	Crop insurance	15500	2.18
3	Krishionnati Yojana	7183	1.01
4	Rashtriya Krishi Vikas Yojna	10433	1.47
5	Market intervention scheme	1500	0.21
	Total allocated budget	7,09,616	

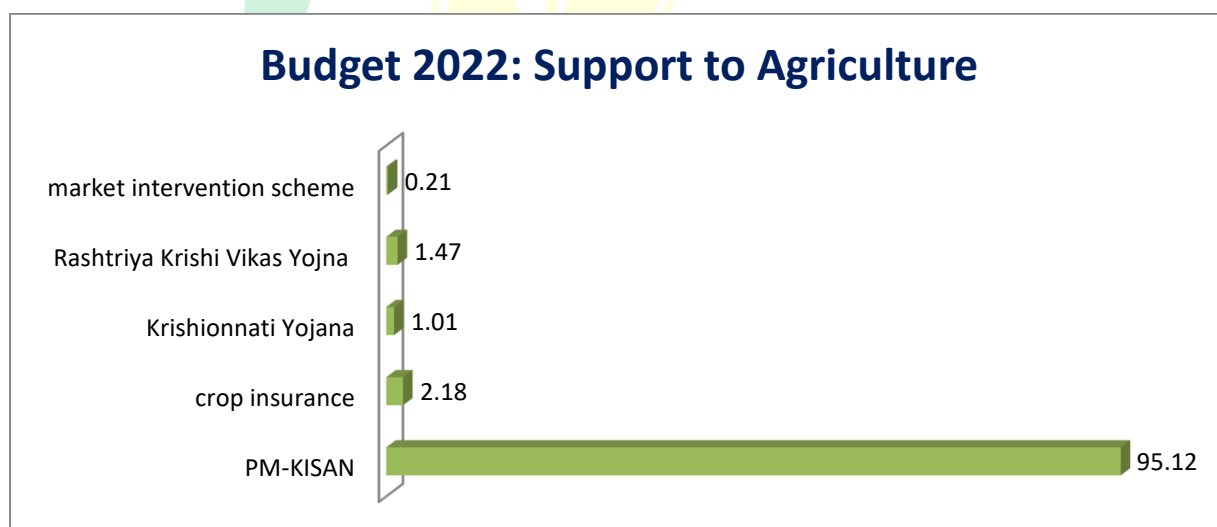


Fig 2: The budget 2022: support to agriculture

Highlights of budget 2022 for Agriculture and allied sectors

- ❖ **MSPs to be paid to 163 lakh farmers via DBT in 2021-22:** The FM Nirmala Sitharaman announces the Union Budget 2022-2023, focussing on the agriculture sector, which is the largest employment generating sector in the country. The budget mentions that the procurement of wheat in Rabi 2021-22 and the estimated procurement of paddy in Kharif 2021-22 will cover 1208 lakh metric tonnes of wheat and paddy from 163 lakh

farmers. This will lead to Rs. 2.37 lakh crore direct payment of minimum support price (MSP) value to their accounts.

- ❖ **Application of Kisan Drones in farming:** To drive a wave of technology in the agriculture and farming sector, the government will deploy 'Kisan Drones' for crop assessments, land records and spraying of insecticides and nutrients. This tech-based agricultural promotion will initiate ease in the sector.
- ❖ **Chemical Free Natural Farming:** Chemical-free natural farming will be promoted throughout the country, with a focus on farmers' lands in 5-km wide corridors along river Ganga, at the first stage. Along with this, support will be provided for post-harvest value addition, enhancing domestic consumption, and branding millet products nationally and internationally.
- ❖ **PPP Model in AGRI - SECTOR:** For delivery of digital and hi-tech services to farmers with the involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of the agri-value chain, a scheme in PPP mode will be launched.
- ❖ **Support for millet products:** As 2023 has been announced as the International year of Millets, the budget provided for post-harvest value addition, enhancing domestic consumption, and for branding millet products nationally and internationally.
- ❖ **Scheme for oilseed production:** The Finance Minister announced the implementation of a comprehensive scheme for boosting domestic oilseeds production. To reduce dependence on import of oilseeds, a rationalised and comprehensive scheme to increase domestic production of oilseeds will be implemented.
- ❖ **Start-up Fund for agriculture and rural enterprise:** To promote start-up ecosystem in agriculture, a fund with blended capital, raised under the co-investment model, will be facilitated through NABARD. The aim of the fund will be to "finance startups for agriculture & rural enterprise, relevant for farm produce value chain". The activities for these startups will include, inter alia, machinery for farmers on rental basis at farm level, and technology including IT-based support for FPOs.
- ❖ **Irrigation projects to be revamped to assure irrigation :** The Finance Minister said, "Implementation of the Ken-Betwa Link Project, at an estimated cost of ` 44,605 crore will be taken up". Its aim is to provide irrigation benefits to 9.08 lakh hectare of farmers'



lands. It will also provide “drinking water supply for 62 lakh people in addition to 103 MW of Hydro, and 27 MW of solar power”.

The Finance Minister suggested the states governments to revise syllabi of agricultural universities so as to meet the needs of natural, zero-budget and organic farming, modern-day agriculture, value addition and management.

For Livestock Sector

➤ **Increased budget of 20% in 2022-23 for Rashtriya Gokul Mission & National Program for Dairy Development:**

Rashtriya Gokul Mission (RGM) has been launched in December 2014 with an outlay of **Rs 2025 crore** for development and conservation of indigenous breeds through selective breeding in the breeding tract and genetic upgradation of nondescript bovine population. The scheme comprises of two components namely National Programme for Bovine Breeding (NPBB) and National Mission on Bovine Productivity (NMBP).

- The NPDD scheme aims to enhance quality of milk and milk products and increase share of organized milk procurement.
- These provisions in the budget will help increase the productivity of indigenous bovine population & quality milk production , benefitting about 8 crore dairy farmers .

➤ **60% enhancement in allocation of livestock health & disease control for 2022-23 over previous year:** This will ensure healthier livestock & healthier India through implementation of the one health mission.

➤ **Overall increase in budget of livestock sector by more than 40%for 2022-23 and enhanced allocation for central sector schemes by more than 48 %:** It shows the commitment of the present government for the growth of livestock & dairy farmers.

➤ **Incentivising Digital banking, digital payments & fintech innovations:** It will have a ripple effect in the livestock sector through greater transparency by streamlining payments during milk procurement & other services rendered by livestock farmers.

➤ **Reduced Alternate Minimum tax & surcharge reduction for cooperative societies:** This will benefit thousands of dairy cooperatives in India, translating into higher income for 8 crore dairy farmers.

- **Incentives for chemical-free natural farming:** It will play a major role in enhancing quality of livestock feed and fodder; this will in turn increase productivity of cattle and livestock.

The above incentivised budget for agriculture and allied sectors has been on anvil since Budget 2020 which initiated eight liquidity measures amounting to more than Rs 1.60 lakh crores for various activities (Table2 and fig 3).

Table 2: Budget 2020: Eight liquidity measures and their respective allocation

S. No.	Budget 2020 Eight liquidity measures	Allocated Budget (in crores)	% allocation
1	Strengthening infrastructure projects at farm gate and aggregation points	100000	61.22
2	Pradhan Mantri Matsya Sampada Yojana	20000	12.24
3	National Animal Disease Control Programme	13343	8.17
4	Animal Husbandry Infrastructure Development Fund	15000	9.18
5	Promotion of Herbal Cultivation	4000	2.45
6	Beekeeping initiatives	500	0.31
7	TOP to TOTAL scheme (to repair broken supply chains)	500	0.31
8	Formalisation of Micro Food Enterprises	10000	6.12
	Total budget	1,63,343	

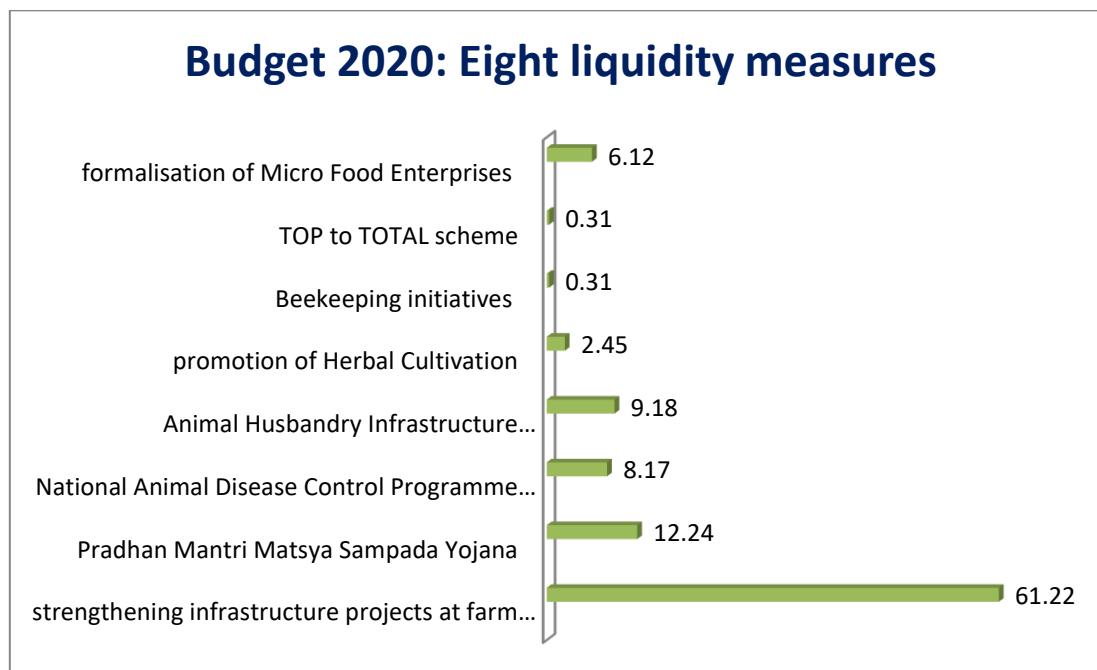


Fig 3: Budget 2020: Eight liquidity measures and their respective allocation

There is no doubt that the government has shown a clear and positive intent at backing the agriculture and allied sectors. In its vision to take natural farming forward, the government has also announced the launch of a one its kind 'Natural Farming Corridor', a five-kilometre wide corridor along river Ganga. With the growth of global demand for organic products the shift to an all organic and natural form of farming would prove to be very beneficial for India. Not only this, the shift to natural farming can also help in controlling the levels of chemical fertilizers being released in the river Ganga, thus also being beneficial on an ecological front. Thus, modern Agricultural Technologies and Natural Farming would be the drivers that would enable the government to meet its commitment of doubling farmers' income.