The Budget spells Green Shoots for Agri-Subsectors

Why in news?

There were no major announcements on agriculture or rural development in the Union Budget. However, a closer look at the Budget presents a different picture.

What are the contributions of agriculture and sub-sectors to the economy?

- Agriculture has registered a robust performance during the COVID-19 pandemic and has clocked decent growth rates of 4.3% and 3.6% during 2019-20 and 2020-21.
- Growth is projected to be about 3.9% in 2021-22.
- Within agriculture, livestock and fisheries are two subsectors that have shown an average annual growth rate of 8% or more in the last 5 years.
- These two subsectors roughly contribute about 33% of the gross value added in agriculture.
- Also, as per the Situation Assessment Survey 2019, more than 15% of income is derived from livestock subsector.

What are the budgetary allotments on key subsectors?

- **Livestock**- The allocation for livestock health and disease control has rightly been increased from Rs. 886 crore to Rs. 2,000 crore, a 126% increase.
- The allocation for the National Livestock Mission has also increased by more than Rs. 100 crore (42%).
- **Fisheries**- The Pradhan Mantri Matsya Sampada Yojana has received an increase of about Rs. 679 crore (57%).
- **Value addition**- The production-linked incentive scheme for food processing has received a huge increase, from Rs. 10 crore to Rs. 1,022 crore .
- Similarly the allocation for micro food processing, which can help in really small enterprises has increased by 125%.
- **Crop production**- The allocation for the Rashtriya Krishi Vikas Yojana (a programme to ensure holistic development of agriculture and allied

sectors) has been increased by Rs. 8,000 crore, a 400% increase.
- Various other programmes such as the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) (to improve farm productivity), Paramparagat Krishi Vikas Yojana (a programme to increase soil the production of healthy food through organic practices), etc. have been brought under the RKVY fold this year.
- **Agri-infrastructure**- The allocation for the Agriculture Infrastructure Fund (AIF) has been increased by 150%.
- The central sector scheme of Formation and Promotion of 10,000 Farmer Produce Organisations (FPOs) has also received an allocation of Rs. 500 crore (100% increase).

What sectors received reduced allocations?

- **Output price support**- The Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA) has received an allocation of just Rs. 1 crore.
- The allocation for the price support programme of pulses and oilseeds (the Market Intervention Scheme and Price Support Scheme, or MIS-PSS) has decreased by 58%.
- The allocation for price stabilisation fund meant to address extreme volatility in the prices of perishables has declined by 33%.
- **Subsidies**- The budgeted estimate of fertilizer subsidy has shown a decline of nearly 25%.
- Similarly, the food subsidy has shown a decline of nearly 28%.
- **Rural development**- Rural development programmes such as Pradhan Mantri Gram Sadak Yojana (connectivity to unconnected habitations), Pradhan Mantri Awas Yojana (housing for all in urban areas), and National Rural Livelihood Mission have received small increase in allocations.
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), a rural employment programme which has been instrumental in reducing rural distress during the pandemic has received lower allocation by about Rs. 25,000 crore (25% decrease).

What transformative steps were announced in the Union Budget for agri sector?

- Promotion of kisan drones and encouraging start-ups to improve value chains of farm produce are welcoming.
- The adoption of modern technology in agriculture strengthens the rural economy.
- It could also possibly encourage the younger generation to consider

agriculture as a career option.

- The thrust seems to be on important subsectors such as livestock, fisheries and food processing and also on improving infrastructure in the crop sector.
- The Budget is in the right direction for agriculture and now, implementation holds the key.

Reference

1. https://www.thehindu.com/todays-paper/tp-opinion/the-budget-spells-green-shoots-for-agri-subsectors/article65069456.ece

