



Green shoots for agri-subsectors

 [sanskritias.com/current-affairs/green-shoots-for-agri-subsectors](https://www.youtube.com/watch?v=sanskritias.com/current-affairs/green-shoots-for-agri-subsectors)



(Mains GS 3 : Government Budgeting & Food Processing and Related Industries in India.)

Context:

The Budget 2022-23 unveiled several steps aimed at boosting farmers' income and improving the viability of agriculture as a remunerative economic activity by emphasizing more on capital expenditure.

key subsectors

- The budgetary allocations for agriculture must be seen from the perspective of agricultural growth and farmers' income as the government chose to focus more on capital expenditure.
- 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.
- Within agriculture, livestock and fisheries are two subsectors that have shown an average annual growth rate of 8% or more in the last five years.
- These two sub sectors roughly contribute about 33% of the gross value added in agriculture and as per the Situation Assessment Survey 2019, more than 15% of income is derived from livestock subsector.
- Thus, from a growth perspective as well as the viewpoint of farmers' income, livestock and fisheries are important.

Decent allocations:

- The allocation for livestock health and disease control has rightly been increased from ₹886 crore to ₹2,000 crore, a 126% increase and the allocation for the National Livestock Mission has also increased by more than ₹100 crore (42%).
- Similarly, the Pradhan Mantri Matsya Sampada Yojana, a flagship programme of fisheries, has received an increase of about ₹679 crore (57%).
- Further the value addition in agriculture has also got increased attention as the production-linked incentive scheme for food processing has received a huge increase, from ₹10 crore to ₹1,022 crore (a 10,000% jump).
- Similarly the allocation for micro food processing, which can help in really small enterprises such as pickle and jaggery making, has increased by 125% to ₹900 crore.

Development programmes:

- Within the crop sub sector major changes in allocations have been made. In keeping with the broad thrust on capital expenditure in the Budget, the allocation for the Rashtriya Krishi Vikas Yojana, or RKVY (a programme to “ensuring holistic development of agriculture and allied sectors”) has been increased by a whopping ₹8,000 crore, a 400% increase.
- The RKVY programme provides a lot of flexibility to States to devise and implement their own agricultural development programmes.
- However, various other programmes such as the Pradhan Mantri Krishi Sinchayee Yojana (to improve farm productivity) and the Paramparagat Krishi Vikas Yojana (a programme to “increase soil fertility and also the production of healthy food through organic practices” among other things), etc. have been brought under the RKVY fold this year.
- Continuing the focus on agri-infrastructure, the allocation for the Agriculture Infrastructure Fund (AIF) has been increased by 150% to ₹500 crore.
- The central sector scheme called the “Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs) has also received an allocation of ₹500 crore (100% increase).

Declined allocation:

The allocations for output price support is little unclear at present as the Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA), which is the flagship programme to provide enhanced Minimum Support Price (MSP) of 50% above the cost of production to farmers (started with a lot of expectation in 2018), has received an allocation of just ₹1 crore.

- The conceivable reason for this could be the impending formation of the committee to address the issue of MSPs, which was announced by the Prime Minister while announcing the repeal of the farm laws.

- 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% to ₹1,500 crore.
- The allocation for price stabilisation fund, meant to address extreme volatility in the prices of perishables, has declined by ₹750 crore (33%).
- The budgeted estimate of fertilizer subsidy has shown a decline of nearly ₹35,000 crore (25%) and the food subsidy has shown a decline of nearly ₹79,000 crore (28%).

Welcome steps:

- The budget announced the measures to promote kisan drones and encourage start-ups to improve value chains of farm produce.
- The idea is to deliver digital and hi-tech services to farmers, which would enable them to cut costs, find new markets and gain competitiveness in the global markets.
- The adoption of modern technology in agriculture should not only help reinvigorate the rural economy but could also possibly encourage the younger generation to consider agriculture as a career option.

Conclusion:

Although there were no big ticket announcements on agriculture and rural development, the thrust seems to be on important sub sectors such as livestock, fisheries, food processing and on improving infrastructure and technology in the crop sector so that in the long term agriculture becomes sustainable.