

Action Plan for Prosperity of Farmers

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The Union Budget 2020-21 proposes integration of farming, storage, financing, processing and marketing. The Finance Minister announced a 16-point action plan with a wide range of activities and measures critical to farmers' welfare. To check deteriorating soil health and maintain land fertility, the Government intends to encourage balanced use of all kinds of fertilizers including the traditional organic and other innovative fertilizers, and also proposes measures to ensure prosperity of farmers.

The Finance Minister Nirmala Sitharaman, in her budget speech, presented programmes and plans related to 'Agriculture, Irrigation and Rural Development' under the broad theme of 'Aspirational India'. This budget, in letter and spirit, aims to fulfill aspirations of crores of Indian farmers who are at the core of Indian economy and more importantly in national food security. The Government of India in 2016 made a strong commitment to double farmers' income by 2022, and as a follow-up initiated a plethora of new schemes to enhance income support, enhanced MSP, crop insurance, crop diversification, food processing and marketing, and a big impetus to livestock sector including fisheries. Moving ahead, this budget proposes integration of farming, storage,

financing, processing and marketing. The Finance Minister announced a 16-point action plan with a wide range of activities and measures critical to farmers' welfare.

Reforms and Resources

Recently, the Central Government enacted a number of reformative Acts to address agrarian distress through

different routes. For example, Model Agricultural Land Leasing Act, 2016 facilitates leasing of land to landless farmers under standard conditions. Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017 strives to remove barriers of inter-state boundaries for trade of agricultural produce and livestock; so that farmers may get best price for their commodities. Model Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018 was enacted with a view to integrate farmers with bulk purchasers (exporters, agro-industries, etc.) for better price realisation. However, some states are slow in implementation of these Acts. The Central Government now proposes to encourage such states with adequate support and help.



TOWARDS DOUBLING FARMERS' INCOME



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- ✓ Agricultural credit target of ₹ 15 lakh or by 2020-21. All eligible beneficiaries of PM-KISAN will be covered under the KCC scheme
- ✓ Financing on Negotiable Warehousing Receipts (e-NWR) to be integrated with e-NAM
- ✓ "Kisan Rail" and "Krishi Udan" to be launched by Indian Railways and Ministry of Civil Aviation respectively for a seamless national supply chain for perishables
- ✓ Viability gap funding for creation of efficient warehouses on PPP mode. Village Storage scheme proposed to be run by the SHGs to provide farmers a good holding capacity and reduce their logistics cost
- ✓ Supporting states which adopt a cluster basis, to focus on "one product one district" for better marketing and export in horticultural sector
- ✓ Incentivising State governments who undertake implementation of model laws already issued by the Central government

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Moving towards resource management, the Government is proposing comprehensive measures for 100 water stressed districts, so that water does not become a limiting factor in enhancing productivity of crops. Pradhan Mantri Krishi Sinchayee Yojana, launched in 2015, is already under operation to provide end-to-end solutions in irrigation supply chain. To increase water use efficiency at farm level, a dedicated Micro Irrigation Fund (Initial Corpus Rs. 5,000 crore) is facilitating states in expansion of its coverage area by providing financial support. 'Her Khet ko Pani' will soon be a ground reality.

To check deteriorating soil health and maintain land fertility, the Government intends to encourage balanced use of all kinds of fertilizers including the traditional organic and other innovative fertilizers. Currently, mainly due to subsidies, farmers are using chemical fertilizers excessively endangering soil health, human health and environment. Additionally, the Government pays large amounts in subsidies to fertilizer manufacturers that need to be curtailed. During 2018-19, it paid more than Rs. 73,400 crore as subsidy for different types of chemical fertilizers and city compost. Zero-budget natural farming, that

the Government announced in 2019, gets a positive mention in this budget also.

Farms, Farming and Energy

In the year 2019, the Government announced an innovative scheme, PM-KUSUM (Kisan Urja Suraksha evam Utthan Mahabhiyan) to value-add farmers (annadata) as energy providers

(urjadata). This scheme removed farmers' dependence on diesel and kerosene and linked their pump sets to solar energy. With promising results in hand, the Government now proposes to expand the scheme to support 20 lakh farmers for setting-up stand alone solar pumps. Scheme will also help another 15 lakh farmers solarise their grid connected pump sets. The FM also announced operationalisation of a related scheme to enable farmers to set-up solar power plants on their fallow/barren lands and sell it to the grid for additional income.

Integrated Farming Systems (IFS), that combine crops, livestock and subsidiary enterprise in a more

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productive and sustainable way, have emerged as one of the most effective measure to enhance farmers' income. But, most of the IFS models developed so far are inclined towards irrigated conditions. Hence, the Government's announcement to expand Integrated Farming Systems in rainfed areas is a welcome step. Multi-tier cropping, bee-keeping, solar pumps, solar energy production in non-cropping season will be added in IFS, said the Finance Minister.

Storage, Transport, and Trade

Creation of storage facilities for agricultural produce is a major driver for growth of agriculture sector. With consistent efforts, India has an estimated capacity of 162 million metric tonnes of agri-warehousing, cold-storage, reefer van facilities, etc. But, for making optimum and efficient use of these facilities, now National Bank for Agriculture and Rural Development (NABARD) will undertake an exercise to map and geo-tag them. The Government has announced further creation and expansion of warehousing facilities by roping in Food Corporation of India, Central Warehousing Corporation and other stakeholders. 'Our Government will provide Viability Gap Funding for setting-up such efficient warehouses at the block/taluk level. This can be achieved, where states can facilitate with land and are on a PPP mode', said Finance Minister. To support these warehouses at farm level, a village storage scheme is proposed that will be run by SHGs. This will enable farmers to hold their agricultural produce for better returns with low logistics cost.

In agricultural marketing, quick and safe transport of perishable items under refrigerated conditions had always been a challenge. Various measures have been taken to strengthen the accessibility and network of refrigerated vans, but a dedicated rail was a cherished dream. In the Budget 2020-21, the Government has announced to build

a seamless national cold supply chain for perishables (including milk, meat, and fish) by collaborating with Indian Railways through PPP arrangement. A dedicated 'Kisan Rail' will be launched and refrigerated coaches in Express and freight trains will also be added. This move needs quick action as India incurs huge losses in perishable commodities as compared to global norms. The Ministry of Civil Aviation will launch 'Krishi Udaan' on national and international routes to help improve value realisation especially in northeast and far flung tribal districts.

The Government is keen to explore business potential of horticulture sector (fruits, vegetables, flowers, spices, etc.) by providing marketing and export support. In this regard, the Government has recently initiated a comprehensive 'Agriculture Export Policy' that aims to double the agricultural exports and integrate Indian farmers and agricultural products with the global value chains. The budget also proposes to support states which will focus on 'one product, one district' based on cluster approach. To expand the marketing of organic agri-products, the government has also announced strengthening of portal 'Javikkheti' which is an online national organic product market.

Livestock for Livelihood

Income from livestock has become an important secondary source of earning for millions of rural families engaged in dairy, animal husbandry, and fisheries sector. With recent promotional measures, the livestock sector has grown at a compound annual growth rate of 7.9% during last five years. 'National Animal Disease Control Programme (NADCP) for eradicating Foot and Mouth Disease and Brucellosis in cattle' was launched in 2019 with a financial outlay of Rs.13,343 crore for five years (2019 to 2024). Emphasis has been laid on this programme in the budget with inclusion to eliminate PPR disease in sheep and goat by 2025. Proposal to increase coverage to Artificial Insemination from the present 30% to 70% will help genetic improvement of breeds for better productivity. Using the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) for developing fodder farms will increase the much desired availability of green fodder in villages. Target of doubling milk processing capacity from 53.5 million tonnes to 108 million tonnes by 2025 is a welcome move being appreciated by dairy industries across the country. This will also help increase income of dairy farmers.

Blue economy is a sunrise sector being supported and promoted by the Government of India. The FM announced to put in place a framework for development, management and conservation of marine fishery resources. Recent initiatives in their regard have enabled fish production in India to register an average annual

growth rate of more than 7% in recent years. Fisheries sector is now one of the major contributors of foreign exchange earnings with India being one of the leading seafood exporting nations in the world. The FM proposed to raise fish production to 200 lakh tonnes (current production nearly 140 lakh tonnes) by 2022-23 and also committed to promote cultivation of algae and sea-weed along with the novel practice of cage-culture. The Government hopes to raise fishery exports to Rs. 1 lakh crore by 2024-25, and proposes to involve youth in fishery extension through 3477 'Sagar Mitras' and 500 Fish Farmers Producer Organisations. This will add to job and livelihood opportunities for youth in coastal areas. Targeting the poverty alleviation in rural areas, the expansion of SHGs, under the ambitious 'Deen Dayal Antyodaya Yojana' is also expected. So far, 58 lakh SHGs have been mobilised under the scheme.

Credits and Allocations

Financing on Negotiable Warehousing Receipts that has recently crossed Rs. 6,000 crore is proposed to be integrated with e-National Agriculture Market (e-NAM) to bring in more expansion in the interest of farmers. The Government is all set to make agriculture credit more accessible and transparent. Agriculture credit target for 2020-21 has been set at Rs. 15 lakh crore which was Rs. 13.50 lakh crore during the last fiscal. The NABARD re-finance scheme will be further expanded and all eligible beneficiaries of PM-KISAN will be covered under Kisan Credit Scheme.

The Finance Minister proposed to allocate Rs. 1.60 lakh crore for agriculture, irrigation and allied activities for the year 2020-21 whereas, Rs. 1.23 lakh crore is allocated for activities under Rural Development and Panchayati Raj. Through this budget, the Government aims to make farming more competitive and profitable to ensure prosperity of farmers and is on the right path to meet its target of doubling farmers' income by 2022. □

HAR KHET KO PANI

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- PM KUSUM launched to cover 20 lakh farmers for standalone solar pumps and further 15 Lakh for grid connected pumps
- Comprehensive measures for one hundred water stressed districts
- Scheme to enable farmers to set up solar power generation capacity on their fallow/barren lands and to sell it to the grid