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Major Boost to Agriculture Sector in Budget 2022

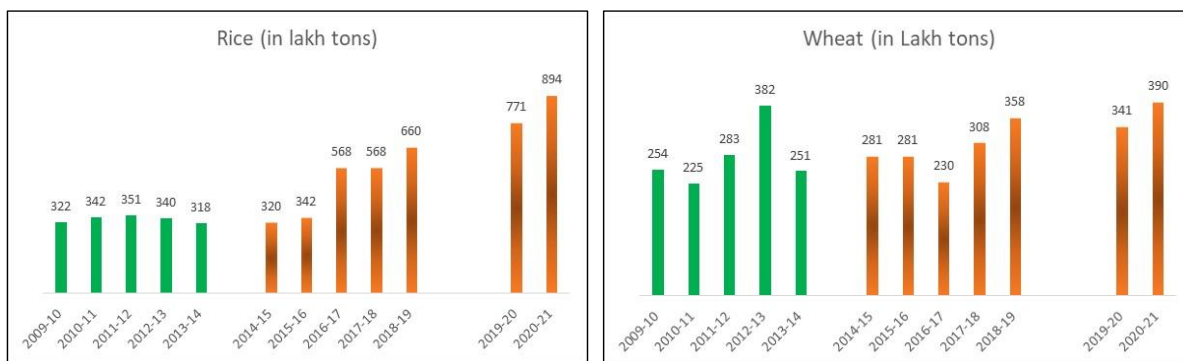
Slew of multi modal developments during Amrit Kaal to benefit farmers

(Ministry of Agriculture & Farmers Welfare)

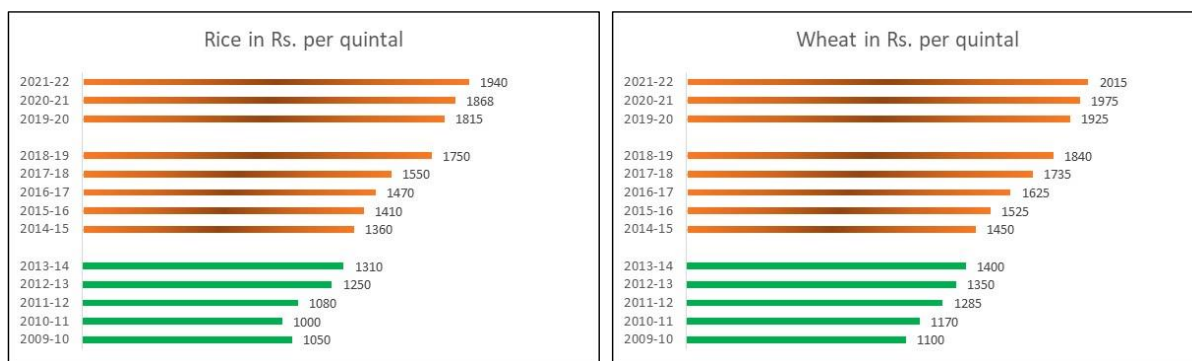
February 03, 2022

Procurement of Wheat/Paddy at Minimum Support Price (MSP)

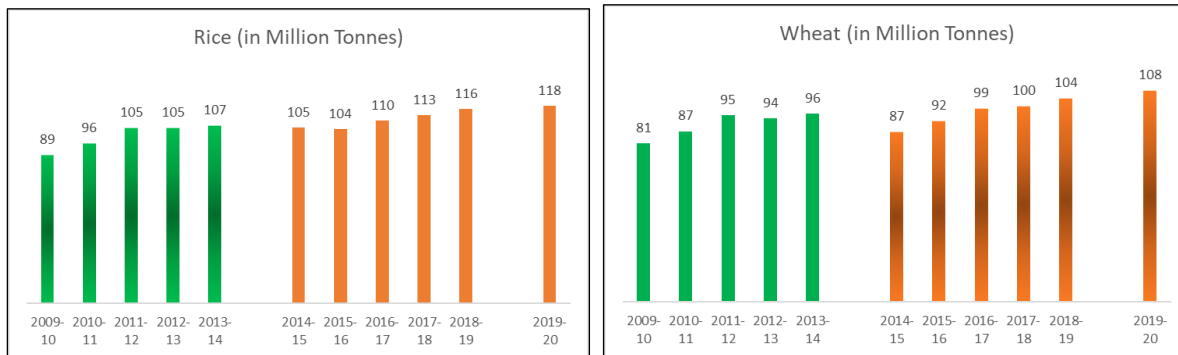
- 1208 lakh metric tonnes - Procurement of wheat in Rabi 2021-22 and the estimated procurement of paddy in Kharif 2021-22
- **Rs. 2.37 lakh crore direct payment of MSP value** to be credited in account of **163 lakh farmers**



(Figure 1: Procurement of food grains by the Government YoY)



(Figure 2: MSP per quintal YoY)



(Figure 3: Production of Food Grains YoY)

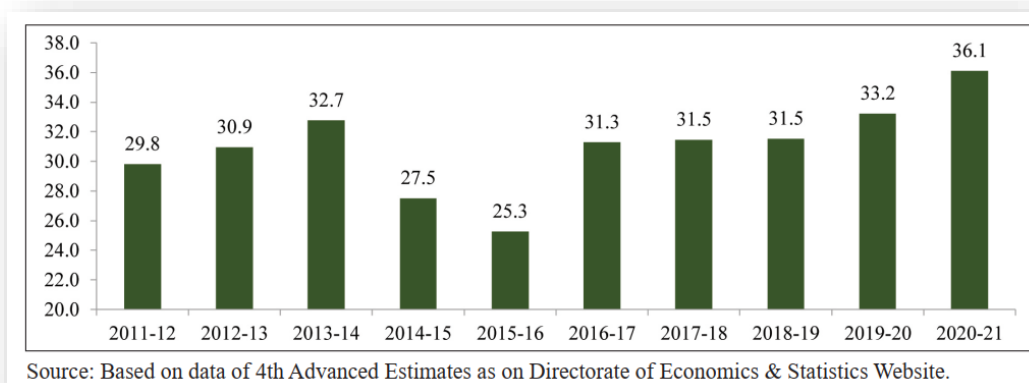
PM Kisan gets higher funding



New Initiatives

- **Chemical-free Natural Farming** to be promoted throughout the country, with a focus on farmers' lands in 5-km wide corridors along river Ganga, at the first stage
- 2023 announced as **International Year of Millets**: Support will be provided for post-harvest value addition, enhancing domestic consumption, and for branding millet products nationally and internationally
- A rationalized and comprehensive **scheme to increase domestic production of oilseeds** to be implemented to reduce dependence on imports.

Trend in production of oilseeds in million tonnes is given below:

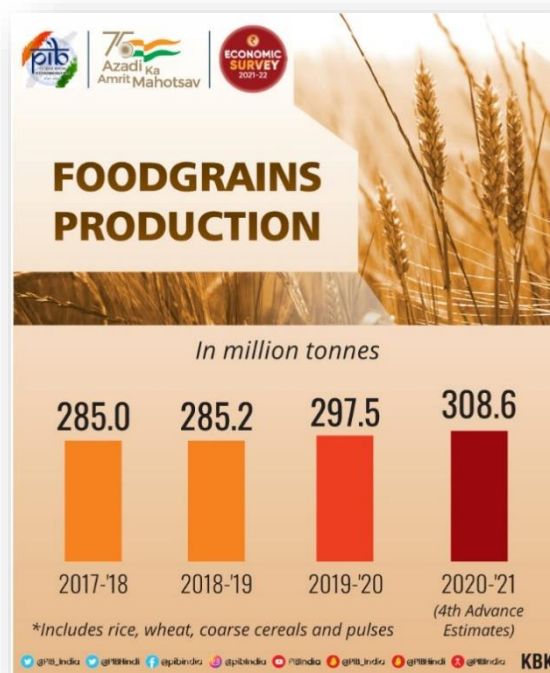


Comprehensive Package for Fruits & Vegetables:

- For farmers to adopt suitable varieties of fruits and vegetables, and to use appropriate production and harvesting techniques, government to provide a comprehensive package with participation of state governments

Technology & Innovation

- Scheme for delivery of **digital and hi-tech services to farmers** with involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of agri-value chain will be launched in PPP mode
- Use of '**Kisan Drones**' to be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients
- Startups to be promoted to facilitate '**Drone Shakti**' through varied applications and for **Drone-As-A-Service (DrAAS)**. In select ITIs, in all states, the required courses for skilling to be started



Capacity Building

- States to be encouraged to **revise syllabi of agricultural universities** to meet the needs of natural, zero-budget and organic farming, modern-day agriculture, value addition and management
- **Fund for Agriculture / Rural Enterprise Start Ups:** A fund with blended capital, raised under the co-investment model to be facilitated through NABARD. This is to finance startups for agriculture & rural enterprise, relevant for farm produce value chain. The activities for these startups will include, inter alia, support for FPOs, machinery for farmers on rental basis at farm level, and technology including IT-based support.

Infrastructure Development

- Implementation of the **Ken-Betwa Link Project**, at an estimated cost of Rs. 44,605 crores to be taken up
- This is aimed at providing:
 - Irrigation benefits to 9.08 lakh hectare of farmers' lands
 - Drinking water supply for 62 lakh people
 - 103 MW of Hydro
 - 27 MW of solar power

- Allocations of Rs. 4,300 crores in RE 2021-22 and Rs. 1,400 crores in 2022-23 made for this project.
- Draft **DPRs of five river links**, namely Damanganga-Pinjal, Par-Tapi- Narmada, Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery finalized.
- Centre to provide support for implementation after a consensus is reached among the beneficiary states

BharatNet Project – Optical Fibre for all Villages

- To ensure that all villages and their residents have the same access to e-services, communication facilities, and digital resources as urban areas and their residents.
- Contracts for laying optical fibre in all villages, including remote areas, to be awarded under the Bharatnet project through PPP in 2022-23. Completion expected by 2025.

Act East Policy

- A new scheme, **Prime Minister's Development Initiative for North- East, PM-DevINE**, to be implemented through the North-Eastern Council to:
 - fund infrastructure, in the spirit of PM GatiShakti, and social development projects based on felt needs of the North-East
 - enable livelihood activities for youth and women, filling the gaps in various sectors. It will not be a substitute for existing central or state schemes.
- Initial allocation of Rs. 1500 crores to be made and the initial list of projects to include:
 - NECTAR Livelihood Improvement Project (Multi-State) – Rs. 67 Crores
 - Promoting Scientific Organic Agriculture in North East Indian (Multi-State) – Rs. 45 Crores

Land Resource Management

- Efficient use of land resources is a strong imperative. States to be encouraged to adopt **Unique Land Parcel Identification Number** to facilitate IT-based management of records. The facility for transliteration of land records across any of the Schedule VIII languages also to be rolled out.
- The adoption or linkage with National Generic Document Registration System (NGDRS) with the '**One-Nation One-Registration Software**' to be promoted as an option for uniform process for registration and 'anywhere registration' of deeds & documents.

Key Takeaways from Economic Survey 2021-22

- The agriculture sector experienced buoyant growth in past two years, accounting for a sizeable 18.8% (2021-22) in Gross Value Added (GVA) of the country registering a growth of 3.6% in 2020-21 and 3.9% in 2021-22.
- Minimum Support Price (MSP) policy is being used to promote crop diversification.
- Net receipts from crop production have increased by 22.6% in the latest Situation Assessment Survey (SAS) compared to SAS Report of 2014.
- Allied sectors including animal husbandry, dairying and fisheries are steadily emerging to be high growth sectors and major drivers of overall growth in agriculture sector.
- The Livestock sector has grown at a CAGR of 8.15% over the last five years ending 2019-20. It has been a stable source of income across groups of agricultural households accounting for about 15% of their average monthly income.
- Government facilitates food processing through various measures of infrastructure development, subsidized transportation and support for formalization of micro food enterprises.
- India runs one of the largest food management programmes in the world.
- Government has further extended the coverage of food security network through schemes like PM Garib Kalyan Yojana (PMGKY).

AGRICULTURE AND FOOD PROCESSING
RESILIENT GROWTH DESPITE PANDEMIC

UNION BUDGET 2022-23

- Record Foodgrains Production and Enhanced procurement
- 2.37 lakh crore** direct payment of MSP to **163 lakh farmers**
- Promoting chemical free natural farming
- Promoting post harvest value addition, consumption and branding of millet products
- Delivery of Digital and Hi-Tech services to farmers in PPP mode
- Use of **Kisan Drones** to aid farmers
- Launching fund with blended capital to finance agriculture start ups
- Ken Betwa Link Project to **benefit 9.1 lakh hectare farm land**

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Source:

- Union Minister of Finance's Budget Speech. ([Video Link](#) / [Text Link](#))
- [Union Budget 2022-23: Post-Budget Conference by Union Finance Minister Nirmala Sitharaman](#)
- [SUMMARY OF UNION BUDGET 2022-23](#)

- [HIGHLIGHTS OF THE UNION BUDGET 2022-23](#)
- [webupdateDecember2021.pdf \(dfpd.gov.in\)](#)
- [English MSP 2021.pdf \(dacnet.nic.in\)](#)
- [FirstEstimate2020-21.pdf \(agricoop.nic.in\)](#)
- [Reserve Bank of India - Publications \(rbi.org.in\)](#)

Further Reading:

- [Union Budget 2022](#)
- [Economic Survey 2021-22](#)
- [The Drone Rules, 2021](#)
- [Direct Benefit Transfer](#)
- [National Agriculture Market \(eNAM\)](#)
- [Pradhan Mantri Krishi Sinchayee Yojana](#)
- [One Nation, One Market](#)
- [Pradhan Mantri Fasal Bima Yojana \(PMFBY\)](#)
- [Pradhan Mantri Kisan SAMPADA Yojana \(PMKSY\)](#)
- [Union Agriculture and Farmers Welfare Minister Shri Narendra Singh Tomar's reaction on Budget 2022.](#)

AG/PPD/AKP