

Agriculture in Budget 2024-25 - A step towards Atmanirbhar Bharat for creating balance between welfare and growth

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The Economic survey 2023-24 was tabled in the parliament a day before the Union Budget 2024-25 was announced. It signified some highlighting points like how the country has bounced back and broadly caught up with the pre-COVID growth trends. Alongside indicating the enhanced growth at more than 7 percent in coming years, the Survey underlined the importance of policy reconstruction to address regional disparity and create employment in the country. It emphasized on the need to create approximately 7.85 million jobs in non-farm sectors to the economy with improving agri-entrepreneurial system to ensure that value addition to primary production is done for boosting the farmers' income. The Survey also expressed its concern on the low productivity levels, the impact of climate change, fragmented land holdings and inadequate marketing infrastructure which may affect agricultural performance and increase stress on the country's monsoon dependence. The survey demanded improved access to high quality inputs and better extension services, focused attention to enhance investment and productivity in the crop, livestock, animal husbandry and fisheries, precise use of power and fertilizer subsidies and rising farmers produce and productivity.

Similarly, according to the Economic Survey 2022-23, 65 percent of India's population lives in the rural areas and agriculture is the main source of livelihood for 47 percent of the population. In rural India, illiteracy, caste issue, gender discrimination, limited access of farmers to the market, shortage of grain storage, dominance of middlemen, lack of financial awareness, etc. are persisting, and non-availability of health infrastructure, drinking water, communication system, electricity, etc. are making this situation worse. Today, farmers are not able to earn enough income for their livelihood from farming.

The situation of pseudo employment also persists, i.e. the work which can be done by one person is done by many people together. The supply of raw materials for many industries like sugar, rice, jute, various consumer goods, etc. is not being done

effortlessly, since there is a lack of basic infrastructure in villages and the number of industries units are less.

Largely, the rural population is dependent on agriculture for their livelihood and their income is low due to less profit in agriculture. In the financial year 2011-12, the agriculture sector contributed about 18.10 percent to the gross domestic product (GDP) which decreased to about 15 percent in the financial year 2022-23. It is expected to decrease further on account of increasing urbanization and industrialization. The contribution of agriculture to GDP can increase only when sustainable development is ensured in the rural India.

In India, farming is still dependent on monsoon. Equal irrigation facilities are not available across the country. At the same time, the crops of farmers are sometimes ruined by floods and sometimes by drought. In such a situation, the importance of crop insurance is very critical as it works as a lifesaver for farmers in difficult times. The bank gets the farmer's crops insured who have taken Kisan Credit Card (KCC) from the bank, but those who have not taken loan from the bank have to get their crops insured themselves. To ensure that farmers do not face financial problems in time of crisis, the Government has made a provision of Rs. 14,000/- crore in the crop insurance scheme.

The Budget for the year 2024-2025 is the action plan of the outline of the roadmap towards India's development in the next five years. It has laid the strongest possible foundation for an Atmanirbhar and Viksit Bharat. The budget has been presented with the mantra of sabka saath, sabka vikas and sabka vishwas and the whole nation approach of sabka prayas. It focuses on upliftment of four major players that is Garib (poor), Mahilayen (women), Yuva (youth) and Annadata (Farmer). In this budget, the momentous task of addressing multiple areas such as rural demand, infrastructure development, manufacturing, technology upgradation, among others, has been done to build levers for sustainable growth for the Indian economy underpinned by an overall focus on boosting consumption and spending. With the nine priority

areas identified by the Government, it sets to activate the vision by providing a balanced and strategic roadmap for a Viksit Bharat. This budget, with its clear focus on seeding resilience in agriculture, trade and industry, job creation, manufacturing, energy, sustainable and inclusive HRD, innovation, infrastructure development and tax reforms, emphasizes the clear vision the Government has on aiding the economy by driving inclusive growth and boosting consumption in the long term.

The review of trend in expenditure indicates that 2024-25 budget allocation for agriculture and allied activities registered 202 percent and 20.63 percent increase over the actual expenditure registered in the year 2016-17. If the review of 2024-25 budget is done with respect to 2023-24 it will indicate that priority has been given to Skill Development and Entrepreneurship, Animal Husbandry, Dairying and Fisheries, followed by Agriculture and Farmers Welfare, Rural Development, Women and Child Development, Agriculture Research and Education and Micro, Small and Medium Enterprises in that order. Animal Husbandry, Dairying and Fisheries, Agriculture and Farmers Welfare, Rural Development and Agriculture Research and Education Department recorded 27.10 percent, 4.91 percent, 3.79 and 0.65 percent rise over previous year's allocation. The major growth engines of rural economy are increased investment in rural areas, improved buyers demand and equitable job creation in rural areas. But the real challenge before the country lies in meeting the field level implementation flaws and enhance resource absorption capacity of all concerned Departments and Ministries. Allocation of more funds to various important rural sectors during the currency of the financial year caused a large positive difference between Budget Estimate and Revised Estimate of Budget 2023-24. Rural Development and Agriculture and Farmers Welfare witnessed Rs. 20,021 crore and Rs. 6,997 crore hikes, respectively, in the 2024-25 resource allocation over the Budget Estimates of 2023-24.

The Union Budget 2024-25 has tried to keep up the pace of efforts having been made by the Government in last 10 years to uplift the living standard of rural and agrarian communities by fulfilling their basic needs of roads, electricity, housing and jobs. The allocation for the rural sector as a whole in this budget is Rs. 6.2 trillion, which is about

13 percent of the total national budget of Rs. 48.2 trillion. Budget 2024-25 has asserted Government's promise of farmer-led sustainable agrarian growth and envisaged sustained efforts to achieve productivity and resilience in agriculture. It has made provision of Rs. 1.52 lakh crore for agriculture and allied sector. Of this, amount of Rs. 1.27 lakh crore has been allocated to the Ministry of Agriculture, which is 2.7 percent of the total financial expenditure of the Central Government. The important aspect of the allocation is that it has been done with the prime objective to pursue welfare and employment generation. The food and fertilizer subsidy programmes along with the Mahatma Gandhi National Rural Employment Guarantee Act comprise two-third of the allocations. While Pradhan Mantri Garib Kalyan Yojana has been extended for five years, covering more than 80 crore people, the budget direction was to carry out a comprehensive review of agriculture research focusing on productivity enhancement and development of climate resilient varieties. Budget allocation in major schemes indicates that Rashtriya Krishi Vikas Yojana has got 21.85 percent more resources in 2024-25 than 2023-24. Similarly, Pradhan Mantri Matsya Sampada Yojana for fishery farmers and Krishionnati Yojana for agri-farmers have witnessed 56.80 percent and 16.76 percent hikes as compared to last year budget allocation.

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) was launched during 2015-16 to ensure assured and quality irrigation. This is as an integrated irrigation initiative, covering various components like Accelerated Irrigation Benefits Programme, Command Area Development and Water Management, Har Khet ko Pani, Per Drop More Crop and Watershed Development. The Budget 2024-25 has earmarked Rs. 9,339 crores to PMKSY which is 32.82 percent more than the 2023-24 allocation. 54 percent of the agricultural land in India is unirrigated. The PMKSY initiative calls for planned and integrated development of irrigation infrastructure in the rural areas.

Agriculture being the backbone of the rural life and economy, the Government has conducted a comprehensive review of the agricultural research package to focus on increasing yields. The significance of agri-research has increased multi-fold in the wake of increasing climatic distortions over the past few

years. Climate change will alter the distribution of pests, plant diseases and weeds, which can reduce crop yields, including staple crops such as wheat, soyabeans and corn. Warmer temperatures mean more metabolism and more reproductive cycles for insect populations. Taking into account the challenges that climate change will bring in the coming days, 109 new high-yielding and climate-resistant species of 32 agricultural and horticulture crops would be provided for farmers. Through this budget the Government plans to bring 1 crore farmers across the country into organic farming in the next two years, supported by certification. The Government plans to set 10,000 bio-input resource centres to facilitate this process.

The Government has been aspiring to make India self-sufficient in the production of pulses and oilseeds since long. With the budget the Government has pledged to improve the production, storage, and marketing facilities for oil seeds including mustard, peanut, sesame, soyabean and sunflower. The innovative Nammo Drone Didi scheme, which has given rural women incredible opportunities to earn and grow has got more share in the budget. India is one of the biggest exporters of shrimp worldwide with 8.09 billion dollars' worth of seafood exported in 2022-2023. Previously, there was 5-30 percent custom taxes on input used in the production of shrimp and feed fish, including krill meal, fish lipid oil, crude fish oil, and algal flour. Now, these will be zero. The finance minister declared that funding will be made available for the establishment of a network of nucleus breeding centres for shrimp broodstocks in an effort to increase shrimp production and export.

The foundation of India's economy, the agriculture sector has long struggled with problems like low productivity and unstable markets. The agriculture sector employs 48 percent of the workforce and accounts to only 18 percent of India's gross value added which is far less than industry and service sector. In this context the Government is taking initiative to create Digital Public Infrastructure (DPI) in order to get over the predominant obstacles and bring in a new era of agricultural prosperity. According to this infrastructure a digital crop survey of kharif crops will be done and more than 6 crores will be registered. Agri Stack, an open-source digital

infrastructure, aims to advance Indian agriculture and increase farmers income by making data more accessible to stakeholders. DPI Agriculture aims to provide a comprehensive set of services to farmers through a common digital platform. The platform claims to provide farmers with data-driven insights on everything from market prices and financing options to weather forecasting and soil health information.

The Government also announced a National Cooperation Policy for systematic, orderly and all-round development of the co-operative sector. Rapid growth of the rural economy and creation of employment opportunities on a large scale is the main objective of the policy. The government has proposed to bring a radical change in the Kisan Credit Card system. Jan Samarth Kisan Credit Card will be launched in five states, increasing the use of technology in the sector. The continued emphasis on rural infrastructure and social schemes indicates that country's push towards ensuring inclusive growth in rural areas. The Budget 2024-25 has rightly coined the importance of agriculture and rural growth and has accordingly suggested investments in various key areas comprising of farm as well as non-farm activities. Effective implementation of large budgeted agriculture and rural development programmes need to guarantee adequate entrepreneurship, training and orientation towards skill-driven self-employment ventures. Keeping in view of huge share of investments in diverse fields, efforts need to be made to re-orient and facilitate enabling atmosphere for rural manufacturing revolution, job creation, poverty reduction and skill up-gradation in rural areas. Through a judicious mix of policy measures, resource allocation, and institutional reforms, the Union Budget 2024-25 strives to face the challenges and cash on the opportunities that are present. Which will help India as a nation to carry out transformative journey towards inclusive growth and prosperity.

References

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