

Centre proposes natural farming, support for agriculture startups in Budget 2022

FM Sitharaman proposed to raise the allocation for the Ministry of Agriculture and Farmers' Welfare for 2022-23 to Rs 1,32,513 crore



Anirban Bhaumik, DHNS, New Delhi, FEB 01 2022,

The Centre on Tuesday proposed to promote natural farming along the river Ganga, apart from supporting startups in the agriculture sector and using “Kisan Drones” for crop assessment, digitisation of land records, spraying of insecticides and nutrients.

Finance Minister Nirmala Sitharaman did not announce any major sop for the agriculture sector – notwithstanding speculation that the government could use the Budget to placate and woo the farmers to minimise the political cost of the agitation against the now-withdrawn farm laws.



“The procurement of wheat in Rabi 2021-22 and the estimated procurement of paddy in Kharif 2021- 22 will cover 1,208 lakh metric tonnes of wheat and paddy from 163 lakh farmers, and Rs 2.37 lakh crore direct payment of MSP (Minimum Support Price) value to their accounts,” Sitharaman said, presenting the Union Budget for the next financial year in the Lok Sabha.

She, however, did not make any comment on the constitution of a committee to look into the demands by the farmers for a legal guarantee of the MSP for crops. Prime Minister Narendra Modi’s government had promised to set up the committee after it had withdrawn the three farm laws late last year in order to pacify the agitating farmers.

The Finance Minister proposed to raise the allocation for the Ministry of Agriculture and Farmers' Welfare for 2022-23 to Rs 1,32,513 crore – raising it by 4.5% from Rs 1,26,807 crore in the Revised Estimate of 2021-22. The allocation for the Ministry of Fisheries, Animal Husbandry and Dairying has been enhanced by 44% to Rs 6,407.31 crore. She also proposed to enhance the allocation for the Ministry of Food Processing Industries to Rs 2,941.99 crore for the next financial year.

She proposed that the NABARD would set up a fund with blended capital, raised under the co investment model, 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.

Sitharaman announced in her Budget speech in the Lok Sabha that the government would promote chemical-free natural farming throughout the country, with a focus on farmers' lands in 5-km wide corridors along the river Ganga at the first stage. She said that a rationalised and comprehensive scheme to increase domestic production of oilseeds would be implemented to reduce dependence on import of oilseeds. With 2023 being declared as the International Year of Millets, support will be provided for post-harvest value addition, enhancing domestic consumption, and for branding millet products nationally and internationally, said the Finance Minister.

Source: <https://www.deccanherald.com/business/union-budget/centre-proposes-natural-farming-support-for-agriculture-startups-in-budget-2022-1077145.html>