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Agritech, the Propeller of Farm Prosperity

The Budget makes clear that the government is keen to address the structural issues in agriculture rather than hand out short-term palliatives

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18 | FOLLOWING THE impasse over the farm laws that led to their withdrawal, it was widely expected that Finance Minister Nirmala Sitharaman would make a host of new proposals in the Union Budget to win them back again. In fact, the Budget makes clear that the government is keen to address the structural issues in agriculture (which the farm laws were meant to address) rather than hand out short-term palliatives. On many counts, the Union Budget 2022 scores on several fronts, especially in the area of capital expenditure, which has been increased by 35.4 per cent. This is expected to boost investments from corporates and generate more jobs as well. There is a realisation that agritech has to be the engine that propels those structural changes, leading to farm prosperity. A road map has been put forward to increase rural infrastructure and connectivity to support farmers for quicker market access. This has a direct bearing on the farmer's price realisations, particularly for perishable items.

In the Union Budget 2022, several measures have been announced that dovetail tech into the farm sector—a much needed intervention for productivity enhancement. The finance minister's thrust on a PPP model through the involvement of new-age players should be seen in that context. Extensive use of drones is one such example. The government has maintained its commitment to the MSP regime by earmarking a whopping ₹2.37 lakh crore to procure 120.8 million metric tonnes of wheat, paddy from 16.3 million farmers through direct payment into their accounts. This is a huge step and should assuage farmers who had doubts regarding the continuity of the procurement mechanism.

In the Economic Survey tabled in Parliament last month, it was pointed out that the pandemic has had the least impact on the agricultural sector, which is expected to grow a robust 3.9 per cent in 2021-22 compared with 3.6 per cent in the previous year. The survey also focusses on the direct correlation between capital investments in agriculture and its growth rate and, hence, emphasised higher public and private investment in the sector. True to the survey's objectives, the government has decided to float a fund with blended capital, raised under the co-investment model through NABARD. This is expected to finance start-ups for agriculture. Those who will come under this ambit will be farmer-producer organisations and those who will offer machinery to farmers on a rental basis. Apart from this, linking of bank and post office accounts, monetary support to promote agro forestry, plus ₹45,000-crore allocation for promoting scientific organic farming in North-Eastern states are welcome steps.

There are other measures from which the agriculture sector is expected to benefit, and this includes promoting the use of Kisan Drones for crop assessment, nutrient application, chemical spray, all resulting

in water saving and crop protection. It has through various incentive schemes made the purchase of agricultural drones, which cost around ₹8-10 lakh, nearly free for leading agri-research and agri-training institutes. Of course, on-ground monitoring of the efficiency of such measures is essential to derive full benefit.

It is also important for the government to focus on livestock and animal husbandry, which contributes around 25 per cent to the farm GDP, mostly by small farmers. The government has done well in incentivising shrimp aquaculture through duty reduction on certain inputs to promote its exports and this will lead to more jobs. There are other progressive measures in the Budget, which need to be highlighted. In particular, measures to

27 MW of solar power.

The government should also be complimented for increasing the allocation for Rashtriya Krishi Vikas Yojana nearly five times to ₹10,433 crore, which will allow states to raise farm productivity. This scheme has been revived and is perhaps one of the highlights of the Union Budget. The newly-formed Ministry of Cooperation has also opened its account with the Budget allocating ₹900 crore towards digitisation of around 63,000 primary agriculture cooperative societies. It will also provide financial support and offer technology to help them become economically viable entities. There has been a 25 per cent decrease in allocation towards the Mahatma Gandhi National Rural Employment Guarantee Act to about ₹73,000 crore. It is fair to assume that

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promote organic farming with focus on farmers' lands in the 5-km wide corridors along the Ganga are being initiated.

The government is finally pushing, rather fast-tracking, the Ken-Betwa river linking project with an allocation of ₹44,000 crore, which is expected to benefit 900,000 farmers. The project envisages transferring water from the Ken river to the Betwa river, both tributaries of the Yamuna. According to the Jal Shakti ministry, the project is expected to provide annual irrigation of 1.06 million hectares, supply drinking water to about 6 million people, and generate over 100 MW of hydro power and

resumption of normal economic activity in the country will reduce the need for labour to fall back on guarantee schemes. However, should the need arise, the government will make additional funds available for the vulnerable sections of society.

The one area of disappointment is inadequate focus and allocation to agriculture R&D. There have been no breakthroughs since many years, and unless that happens, farmers will continue to require doles. The government should partner with the private sector and support them financially for cutting-edge research, as productivity enhancement is the way forward. **BT**