



The agriculture sector in India has grown at an average annual rate of 4.6% in the last six years, partly because of good monsoon. But farming still remains one of the riskiest professions in India. That's what agricultural scientist M.S. Swaminathan believes. Often, a farmer braces up to poor returns and middlemen. The government, however, is trying to make farming sustainable.

# A digital push for agri but with less funds

Overall, the budget for the department of agriculture and farmer's welfare was cut from ₹1.24 tn in 2022-23 to ₹1.15 tn in 2023-24.

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**A** new digital infrastructure for farmers and an accelerator fund to encourage startups were among the major announcements in the budget.

The digital public infrastructure for agriculture will be built as an open-source public good which will enable farmer-centric solutions. The proposed digital agri-stack will aid farmers with better crop planning and help them access credit and insurance services. The digital infrastructure will also support the growth of agri-tech startups.

The budget also announced an accelerator fund for young entrepreneurs from rural areas to help them set up agriculture startups. "The fund will aim at bringing innovative and affordable solutions for challenges faced by farmers. It will also bring in modern technologies to transform agricultural practices, increase productivity and profitability," the finance minister said in her speech.

In 2021, the agriculture ministry had initiated an agri-stack pilot project aiming to collect granular farm level data to provide grow-

ers with a range of customized services—on what to plant, where to sell, plus information on market prices and credit linkages.

The digital initiatives will improve access to farm inputs and boost market intelligence, prompting growth of agri startups, said Karthik Jayaraman, co-founder and managing director of WayCool, a leading food and agri-tech platform. "The accelerator fund will encourage young entrepreneurs while bringing innovative and affordable solutions to address challenges faced by the farmers, especially in terms of enhancing profitability and access to modern technology," he said.

Despite the digital push, these new schemes did not see any budgetary allocation. Overall, the budget for the department of agriculture and farmer's welfare was slashed from ₹1.24 trillion in 2022-23 (budget estimate) to ₹1.15 trillion in 2023-24 (BE).

The total budgetary allocation for agriculture, including on the departments of research, animal husbandry and fisheries, was cut from ₹1.38 trillion in 2022-23 (BE) to ₹1.31 trillion in 2023-24 (BE). However, the budget for the fisheries sector was raised marginally from ₹2,118 crore (2022-23, BE) to ₹2,248 crore, while the livestock budget was

raised from ₹3,919 crore to ₹4,318 crore. The budget for agriculture research was raised from ₹8,514 crore in 2022-23 (BE) to ₹9,504 crore in 2023-24 (BE).

"It's heartening to see the government increase the budget for research but given that livestock and fisheries are prime drivers of farm sector growth, it is time they get their due share," said Avinash Kishore, fellow at the Delhi office of the International Food

**NEW DIGITAL** architecture to enable farmer-centric solutions, including credit and insurance services

**ACCELERATOR FUND** for rural entrepreneurs to help them set up agri startups

**ATMANIRBHAR CLEAN** Plant Program to ensure disease-free, quality planting material for crops

**PM-PRANAM** to nudge states to promote alternative nutrients and balanced use of chemical fertilizers

**TARGET TO** push 10 million farmers to shun chemical farming by setting up 10,000 bio-input resource centres

Policy Research Institute. "The basic problem in agriculture is the paucity of public capital investments. Subsidies (including on fertilizers) have grown phenomenally and the government is spending a chunk of the farm budget on cash transfer schemes. It's time to consider whether these funds can be used better," Kishore added.

The budget allocated ₹60,000 crore for PM Kisan which provides all farmers with an annual cash transfer of ₹6,000 in three instalments.

The budget promised to set up an Atmanirbhar Clean Plant Program to boost availability of disease-free, quality planting material for high value horticulture crops with a funding of ₹2,200 crore. The budget also announced a new scheme christened Prime Minister's Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth (PM-PRANAM) to incentivize states to promote alternative

fertilizers and balanced use of chemical fertilizers. In 2023-24, the Centre budgeted ₹1.31 trillion for urea subsidy and another ₹44,000 crore for phosphatic and potassic fertilizers, which is significantly lower than last year when international nutrient prices shot up following the Ukraine war.

Aiming to make India a global hub for millets, the budget promised to support Hyderabad-based Indian Institute of Millet Research as a Centre of Excellence for sharing best practices, research and technologies at the international level. India is currently the largest producer of millets growing at least ten varieties which are more nutritious than rice or wheat and are climate smart crops requiring less of water and fertilizers.

In addition, the budget also increased the agriculture credit disbursement target to ₹20 trillion from ₹18 trillion last year. It also promised to set up decentralized storage facilities for farmers and form more cooperatives in the fisheries and the dairy sectors.

It also announced a new sub-scheme of Prime Minister's Matsya Sampada Yojana with an investment of ₹6,000 crore to enable fishermen, fish vendors, and micro enterprises to improve value chain efficiencies and support market expansion.

To facilitate higher adoption of natural farming practices, the budget set a target to push ten million farmers to shun chemical farming by setting up 10,000 bio-input resource centres. It also revealed plans to create a pan-India micro-fertilizer and pesticide manufacturing network.

Farmer organizations criticized the budget strongly. "This year's budget reduced allocation for agriculture sector including on flagship schemes on crop insurance and PM Kisan cash transfer scheme. The budget speech did not even mention minimum support price while the documents showed that some of the previous price support schemes (such as PM-AASHA) have been abolished," said Kiran Vissa, a farm activist, at a joint press briefing by Jai Kisan Andolan and Rythu Swaraj Vedika. "While allocation for agriculture sector was slashed, new schemes (on digital infrastructure and a startup accelerator fund) were announced which does not involve any budgetary expenditure. The budget seems to be prioritizing agri-businesses over farmers," Vissa added.