

# BIG BOOST FOR AGRI DIGITAL INFRA, COOPERATIVES, ORGANIC FARMING

Rural housing gets huge fund outlay for completion of projects ahead of 2024 elections

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Union Finance Minister Nirmala Sitharaman's last full Budget before the Lok Sabha elections in 2024 had a big focus on completing 29.5 million rural houses, apart from announcements on digitising agriculture, pushing organic and natural farming, and boosting the activities of cooperatives.

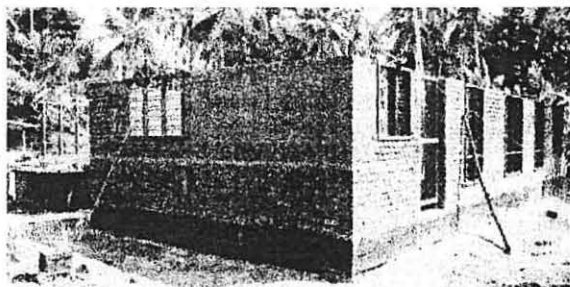
However, commentators said they would do little to boost demand in the rural sector, which has been languishing since the start of the fiscal year due to high inflation.

The allocation for the rural jobs scheme (Mahatma Gandhi National Rural Employment Guarantee Act, or MGNREGA) was slashed by 33 per cent in Budget Estimates (BE) of 2023-24 (FY24), against the Revised Estimates (RE) of 2022-23 (FY23) and it was also almost 18 per cent down from the BE of FY23.

However, the official explanation is that being a demand-driven scheme, the MGNREGA Budget is always increased by the end of the fiscal year.

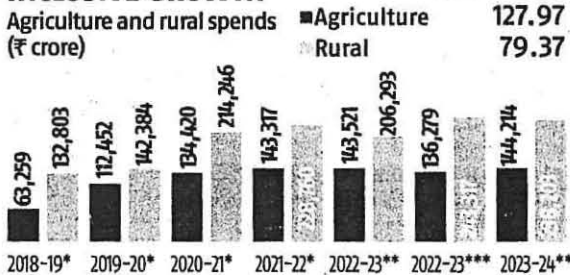
"Merely ₹60,000 crore has been allocated for the MGNREGA in FY24, which will effectively mean that around 100 million active job card-holding families have the provision to work on an average of 20 days this year, against their entitlement of 100 days. There are 170 million registered workers in MGNREGA... This is pathetic and shocking," said Debmalya Nandy, member, NREGA Sangharsh Morcha.

For the nascent Ministry of Cooperation, headed by Home Minister Amit Shah, the Budget did have a lot of positives. These included extending the benefit of a low 15 per cent tax



## INCLUSIVE GROWTH

Agriculture and rural spends (₹ crore)



Agriculture sector budget includes PM Kisan disbursements \*Actuals \*\*Budget Estimates (BE) \*\*\*Revised Estimates #Percentage increase between 2018-19 and 2023-24 (BE) Source: Budget papers

rate to manufacturing cooperatives that start business before March 2024, which is on the lines of the one given to companies, apart from allowing sugar cooperatives to show cane payment made to farmers before 2016-17 as business expenditure. The latter, according to some sources, will straightaway lead to a benefit of around ₹10,000 crore to sugar cooperatives, a sizeable chunk of whom are in Maharashtra,

where the BJP is the ruling party.

In terms of sectoral allocation, the documents show for agriculture and allied activities, the Budget allocated ₹1.44 trillion, which was 5.9 per cent more than the RE of FY23. And for the rural sector, the Budget allocated ₹2.38 trillion, which was 2.1 per cent less than the RE of FY23.

Meanwhile, under the rural housing scheme

## THE MAIN DRIVERS

11% Hike in farm credit target to ₹20 trillion for FY24, with focus on animal husbandry, dairy, fisheries

₹6,000 crore Targeted investment of sub-scheme under PM Matsya Sampada Yojana to boost the seafood industry, improve post-harvest management and marketing, and help expand markets for fishermen and SME vendors

₹2,000 crore Outlay for Atmanirbhar Clean Plant Programme to produce high-quality and disease-free material for horticulture crops

10 million Farmers to adopt natural farming in the next 3 years; boosting yield of long-staple cotton

PM PRANAM To incentivise states and UTs to promote alternative fertilisers and balanced use of chemical fertilisers

## 'Shree Anna' and the Year of Millets

Millets got a new name and fresh push in Union Budget, with Finance Minister Nirmala Sitharaman coining the term 'Shree Anna' (loosely translated as Holy Grain) for them. In terms of announcements, the finance minister said that the Indian Institute of Millets Research, based in Hyderabad, will be converted into a Centre of Excellence, making it eligible for sharing best practices, research, and technologies at the international level. The Budget push is part of a series of measures that the Centre has been taking since 2023 to mark the International Year of Millets. "We are the largest producer and the second largest exporter of 'Shree Anna' in the world. We grow several types of 'Shree Anna' such as jowar, ragi, bajra, kuttu, ramdana, kangni, kutki, kodo, cheena, and sama. I acknowledge with pride the huge service done by small farmers," Sitharaman said in her Budget Speech.

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called the PMAY-G (Pradhan Mantri Awas Yojana-Grameen), of the targeted 29.5 million houses to be built by March 2024, till December 15, 25 million were sanctioned and 21.1 million have been constructed.

The Budget allocated for the rural housing scheme around ₹55,000 crore, which is among the highest in recent years, while the urban component of the scheme got ₹25,103 crore, the documents show. The BE for rural housing in FY23 was just ₹20,000 crore.