



Budget 2019-20: Allocation for agriculture ministry raised by around 2.5 times

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NEW DELHI, 1 February 2019: Agriculture continues to be the main driver of the rural economy. Our hard-working farmers, supported by pro-farmer policies of our Government in the past four and half years, have produced agriculture commodities in record quantities. Declining prices of agricultural commodities in the international market and fall in food inflation in India since 2017-18, relative to non-food sector, have however, reduced the returns from farming.

Small and fragmented land holding on account of repeated divisions has also contributed in decline in the income of the farmer family. Hence, there is a need for providing structured income support to the poor land-holder farmer families in the country for procuring inputs such as seeds, fertilizers, equipment, labour etc. and to meet other needs. Such support will help them in avoiding indebtedness as well and falling into clutches of money lenders.

To provide an assured income support to the small and marginal farmers, Government is launching a historic programme namely “Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)”. Under this programme, vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of Rs 6,000 per year. This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal installments of Rs 2,000 each. This programme will be funded by Government of India.

Around 12 crore small and marginal farmer families are expected to benefit from this. The programme would be made effective from 1st December 2018 and the first installment for the period upto 31st March 2019 would be paid during this year itself. This programme will entail an annual expenditure of Rs 75,000 crore.

The Budgetary allocation of the Agriculture and Farmers’ Welfare Ministry has been raised by around 2.5 times from Rs 58,358 crore in 2018-19 to Rs 1,41,174.37 crore in 2019-20. Comparing five year period, during UPA government (2009-14), it was Rs 1,21,082 crore and during Modi government (2014-19), it is an increase of 74.5% to Rs 2,11,694 crore. In fact, the budgetary allocation of Rs 1,41,174.37 crore in 2019-20 is 16.6% more than Rs 1,21,082 crore during UPA (2009-14).

Micro Irrigation Fund – Rs 5000 crore

Dairy Processing & Infrastructure Development Fund (DIDF) – Rs 10,881 crore

Agri-Market Infrastructure Fund – Rs 2000 crore

Fisheries and Aquaculture Infrastructure Development Fund (FIDF) – Rs 7522.48 crore

Animal Husbandry Infrastructure Development Fund (AHIDF) – Rs 2477.52 crore

Rashtriya Gokul Mission has been started for the first time in the country by Modi Government to promote the country's cattle and buffaloes, to preserve their genetic resources in scientific and holistic form and for continuous growth in the productivity of Indian bovine. Considering its importance, Rs 250 crore allocations for it in Budget 2018-19 have been raised to Rs 750 crore. The 'Rashtriya Kamdhenu Aayog' has been established to upscale sustainable genetic up-gradation of cow resources and to enhance production and productivity of cows. The Aayog will also look after effective implementation of laws and welfare schemes for cows. Besides advising Gaushala and gausadan involved in protecting cows, the body will also help in coordination between livestock farmers and cooperatives, FPOs, dairy entrepreneurs etc.

India is the second largest fish producing nation in the world accounting for 6.3% of global production. The fisheries sector contributes 1% to GDP and provides livelihood to about 1.45 crore people at the primary level. The sector registered an average annual growth of more than 7% in recent years and the total production during 2017-18 was 12.61 million tonnes. During 2017-18, the revenue from exports was estimated at Rs 45,106.89 crores, which shows an average annual growth rate of approximately 11.31% in recent years. To provide sustained and focused attention towards development of this sector, Government has decided to create a separate Department of Fisheries.

Through Kisan Credit Card, the government provides institutional credit at cheap rates to farmers. This not only helps in increasing agricultural production but also productivity. In the interest subvention scheme, farmers are given short-term loan up to Rs 3 lakh per annum by banks on timely payment of loan at the rate of 4%. In the last Budget, our Government announced the facility of extension of Kisan Credit Card scheme (KCC) to Animal Husbandry and Fisheries farmers. 2% interest subvention to the farmers pursuing the activities of animal husbandry and fisheries, who avail loan through Kisan Credit Card will be provided. Further, in case of timely repayment of loan, they will also get an additional 3% interest subvention.

Presently, the crop loans are rescheduled for such affected farmers and they get benefit of interest subvention of 2% only for the first year of the rescheduled loan. Now, all farmers affected by severe natural calamities, where assistance is provided from National Disaster Relief Fund (NDRF), will be provided the benefit of interest subvention of 2% and prompt repayment incentive of 3% for the entire period of reschedulement of their loans. To ensure provision of easy and concessional credit and to bring all farmers under KCC fold, Government has decided to initiate a comprehensive drive with a simplified application form.