

Doubling farmers' Income: government keeps MSP of all hitherto unannounced Kharif crops at least at one and half times of production cost

Ministry of Finance

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Finance minister announces raising institutional credit for agriculture sector to Rs.11 Lakh crore for 2018-19 from Rs.10 Lakh Crore in 2017-18

Rs. 500 Crore 'operation greens' announced to address price volatility of perishable commodities like potato, tomato and onion and benefit both producers and consumers

Rs.200 Crore allocated to support organized cultivation of highly specialized medicinal and aromatic plants and associated industry

22,000 rural Haats to be developed and upgraded into Gramin agricultural markets (grams) for farmers to directly sell to consumers and bulk purchasers

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Rs.2000 Crore fund to be set up for developing and upgrading agricultural marketing infrastructure in the 22000 grams and 585 APMCS

Doubling allocation for food processing sector to Rs.1400 Crore, government to promote establishment of specialized agro-processing financial institutions

Facility of Kisan credit cards extended to fisheries and animal husbandry farmers to help them meet their working capital needs; Rs.10,000 Crore funds announced cumulatively for infrastructure development in the two sectors

Rs.1290 Crore re-structured national bamboo mission announced to promote bamboo sector in a holistic manner

Special scheme to be implemented to support haryana, Punjab, Uttar Pradesh

and the Delhi to address air pollution and to subsidize machinery required for in-situ management of crop residue

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, while announcing the General Budget 2018-19 in Parliament today said that Prime Minister, Shri Narendra Modi gave a clarion call to double farmers' income by 2022 when India celebrates its 75th year of Independence. "Our emphasis is on generating higher incomes for farmers. We consider agriculture as an enterprise and want to help farmers produce more from the same land parcel at lesser cost and simultaneously realize higher prices for their produce", the Minister added while announcing a slew of new initiatives for the farm sector in Budget 2018-19.

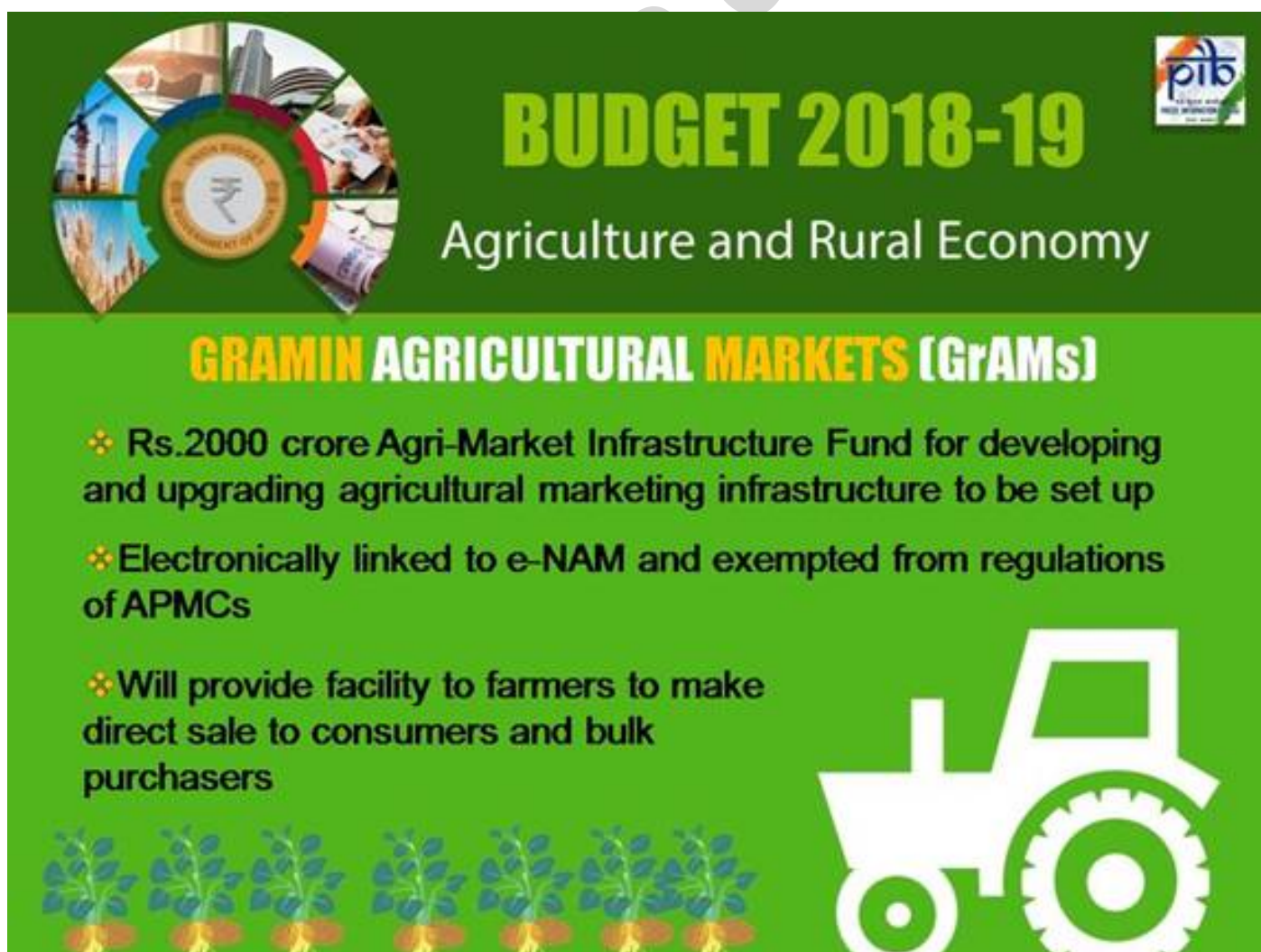
Shri Jaitley was pleased to announce that the Government has decided to keep **Minimum Support Price (MSP)** for all hitherto unannounced crops of Kharif at least at one and half times of their production cost. "This historic decision would prove an important step towards doubling the income of our farmers and NITI Ayog in consultation with Central and State Governments will put in place a fool proof mechanism so that farmers will get adequate price for their produce", the Minister said.

As a primary measure, the Government announced raising **institutional credit for agriculture** sector to Rs.11 lakh crore for the year 2018-19 from Rs.10 lakh crore in 2017-18. Taking Government's vision ahead, the Finance Minister, in Budget 2018-19, announced the launching of **'Operation Greens'** to address price volatility of perishable commodities like potatoes, tomatoes and onions, at an outlay of Rs. 500 crore. 'Operation Greens', on the lines of 'Operation Flood', shall promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management in the sector. Also, Shri Jaitley announced **100% deduction in respect of profits to Farmer Producer Companies (FPCs)**, having turnover up to Rs. 100 crore, for a period of 5 years from FY 2018-19, in order to encourage professionalism in post harvest value addition in agriculture.



Further, Shri Jaitley informed that the Government has promoted organic farming in a big way. **Organic farming** by Farmer Producer Organizations (FPOs) and Village Producers' Organizations (VPOs) in large clusters, preferably of 1000 hectares each, will be encouraged. Women Self Help Groups (SHGs) will also be encouraged to take up organic agriculture in clusters under National Rural Livelihood Programme. Also, a sum of Rs.200 crore have been allocated to support organized cultivation of highly specialized **medicinal and aromatic plants** and aid small and cottage industries that manufacture perfumes, essential oils and other associated products, the Minister added.

Announcing the development and upgradation of existing 22,000 rural haats into **Gramin Agricultural Markets (GrAMs)**, the Finance Minister said that more than 86% of farmers in India are small and marginal who are not always in a position to directly transact at APMCs and other wholesale markets. In these GrAMs, physical infrastructure will be strengthened using MGNREGA and other Government Schemes and would be electronically linked to e-NAM and exempted from regulations of APMCs. This would provide farmers facility to make direct sale to consumers and bulk purchasers, the Minister added.



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GRAMIN AGRICULTURAL MARKETS (GrAMs)

- ❖ Rs.2000 crore Agri-Market Infrastructure Fund for developing and upgrading agricultural marketing infrastructure to be set up
- ❖ Electronically linked to e-NAM and exempted from regulations of APMCs
- ❖ Will provide facility to farmers to make direct sale to consumers and bulk purchasers

Shri Jaitley said that in the last Budget, the Government had announced strengthening of e-NAM and to expand coverage of e-NAM to 585 APMCs. Out of that, 470 APMCs have been connected

to e-NAM network and rest will be connected by March, 2018. Further, an **Agri-Market Infrastructure Fund** with a corpus of Rs.2000 crore will be set up for developing and upgrading agricultural marketing infrastructure in the 22000 Grameen Agricultural Markets (GrAMs) and 585 APMCs, the Minister informed.

Announcing **doubling of allocation for Ministry of Food Processing** from Rs.715 crore in RE 2017-18 to Rs.1400 crore in BE 2018-19, Shri Jaitley said that the Prime Minister Krishi Sampada Yojana is our flagship programme for boosting investment in food processing and the sector is growing at an average rate of 8% per annum. With the increased allocation for the sector, the Government will promote establishment of specialized agro-processing financial institutions in this sector and to set up state-of-the-art testing facilities in all the forty two Mega Food Parks, the Minister added.

Announcing a major step to help small and marginal farmers in **fisheries and animal husbandry sector** to meet their working capital needs, the Finance Minister extended the facility of Kisan Credit Cards (KCC) to the sector. This would give benefit of crop loan and interest subvention, so far available to agriculture sector only under KCC, for rearing of cattle, buffalo, goat, sheep poultry and fisheries. Further, the Finance Minister also announced setting up of a **Fisheries and Aquaculture Infrastructure Development Fund (FAIDF)** for fisheries sector and an **Animal Husbandry Infrastructure Development Fund (AHIDF)** for financing infrastructure requirement of animal husbandry sector. Total Corpus of these two new Funds would be Rs.10,000 crore.

Calling Bamboo as 'Green Gold', Shri Jaitley announced the launch of the Rs.1290-crore **Re-structured National Bamboo Mission**, which is based on a cluster based approach to address the complete bamboo value chain and promote bamboo sector in a holistic manner. With a focus on linking bamboo growers with consumers; creation of facilities for collection, aggregation, processing, marketing, MSMEs, skill building and brand building, this announcement would contribute in generating additional income for farmers, employment opportunities for skilled and unskilled youth especially in rural areas.



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BAMBOO IS 'GREEN GOLD'

- ❖ Bamboo grown outside forest areas have been removed from the definition of trees
- ❖ Launch of Re-structured National Bamboo Mission
- ❖ An outlay of Rs. 1290 crore has been allocated to promote bamboo sector in a holistic manner

As a measure to tackle the challenge of **air pollution in the Delhi-NCR region**, Shri Jaitley said that a special Scheme will be implemented to support the efforts of the governments of Haryana, Punjab, Uttar Pradesh and the NCT of Delhi to address air pollution and to subsidize machinery required for in-situ management of crop residue.

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