

Info Capsule

THE UNION FINANCE MINISTER SHRI ARUN JAITLEY STARTS HIS PRE-BUDGET CONSULTATIONS WITH STAKEHOLDERS¹

Holds His First Pre-Budget Consultation Meeting With The Representatives Of Different Agriculture Groups; Stresses On The Need To Conserve Water, Incentivize Agro Processing And Promote Balanced Use Of Fertilizers In Order To Ensure Higher Agriculture Productivity

The Union Minister of Finance and Corporate Affairs Shri Arun Jaitley said that there is a need to conserve water, incentivize agro processing and promote balanced use of fertilizers in order to ensure higher agriculture productivity. The Finance Minister said that in order to achieve the goal of doubling the farmer's income by 2022, there is need for better storage and marketing facilities for the farmers' produce so that they get better prices for their produce. The Finance Minister, Shri Arun Jaitley was making his Opening Remarks at his First Pre-Budget Consultative Committee Meeting with the representatives of different Agriculture Groups.

Along with the Union Finance Minister Shri Jaitley, the Pre-Budget Consultative Meeting with the representatives of Agriculture Groups was also attended by both the Ministers of State for Finance Shri Radhakrishnan P and Shri Shiv Patap Shukla; Shri Ramesh Chand, Member, Niti Ayog, Dr. Hasmukh Adhia, Finance Secretary, Shri A.N. Jha, Secretary, Expenditure, Shri Subhash Chandra Garg, Secretary (Economic Affairs), Shri Shobhana K. Pattanayak, Secretary, Ministry of Agriculture, Shri Trilochan Mahapatra, Secretary, DARE and DG (ICAR), Shri Devendra Choudhry, Secretary, Department of Animal Husbandry and Dairy Farming, Ministry of Agriculture, Dr. Arvind Subramanian, Chief Economic Adviser (CEA) and Shri Vijay Pal Sharma, Chairman, Commission for Agriculture Cost and Prices among others. The representatives of the different Agriculture Groups present during the meeting included Shri Raju Shetti, M.P. (Lok Sabha) and President, Swabhimani Paksha, Shri Ashok Gulati, Chair Professor (Agri.), ICRIER, Shri Bojja Dashratha Rami Reddy, Secretary General, Consortium of Indian Farmers Association, Dr. Baldev Singh Dhillon, Vice-Chancellor, Punjab Agricultural University, Shri Siraj Chaudhary, Chairman & MD, Cargill India Pvt. Ltd., Shri Tushar Shah, Principal Scientist, International Water Management Institute, Shri R. Parthasarathy, Director, Gujarat Institute of Development Research (GIDR), Dr. K.V. Prabhu, Joint Director (Research), Indian Agricultural Research Institute (IARI), Dr. P.K. Joshi, International Food Policy Research Institute (IFPRI), Shri Ajay Vir Jakhar, Chairman, Bharat Krishak Samaj, Mr. Crispino Lobo, Managing Trustee, Watershed Organisation Trust (WOTR), Dr. Satya Narayana, Chief Executive, National Cooperative Union of India (NCUI), Shri T. Jayaraman, President, United Planters Association of South India, Shri Rajiv Palicha, Chairman, All India Spices Exporter Forum, Shri Rakesh Kapur, MD & CEO, IFFCO, Dr. Y. Sivaji, Honorary Chairman, Kisan Foundation, Shri Mukul Maaheshwary, Maaheshwary Agriculture Farm, Shri Madan Diwan, A.P. Rajewadi, Tal Khandal Satara, and Shri Shardul Sheth, CEO Agrostar among others.

Many suggestions were received from the representatives of different Agriculture Groups. It was suggested that for decades, India has constantly pursued 'Food Policy' and Budget 2018-19 is an opportunity to shift to 'Farmers' Policy'. There is need to reduce pressure on the land

¹ Available at: <http://pib.gov.in/newsite/erelease.aspx>

by creating off-farm jobs. To ensure the delivery of remunerative prices to farmers, the 'Price Deficiency Payment Mechanism' must be implemented immediately for those crops where procurement cannot be ensured. Other suggestions included that the Centre should declare an 'Agriculture Debt Relief Package' for the entire country which is used with matching contributions from the State Governments. It was suggested to double the number of farmers receiving loans upto Rs. 2.00 lakhs at the interest rate of 1% only and link Aadhar to such loan accounts to avoid duplication and also greater emphasis on Agro Forestry for income generation.

Other suggestions included to create a small group of 5-6 experts who can monitor on monthly basis the agriculture production data of different crops and global market conditions or to do advance planning rather than the Government reacting suddenly to an adverse situation. There is also need to give more focus on dairy, fruit and vegetable items which has potential to grow 3-4 times more and thereby can help in achieving the goal of doubling of the farmers' income by 2022. It was suggested that there is need to start 'Operation Veggies' and focus should be given to TOP – Tomato, Onion and Potato as there is maximum volatility in their prices. Another suggestion included to give more thrust to warehouses, cold storages at the local level and give boost to agro processing facilities in order to optimally manage the increased production of agriculture produce, especially of perishable items. It was also suggested to have an Integrated Transport System so that farmers can send/take their produce to the far off market places where they can get better prices of their produce and in turn, help in containing their prices. It was also suggested that on the lines of other subsidies, food and fertilizers subsidy should also be given through DBT mechanism to avoid pilferage.

It was suggested that there should be more flexibility in farmer related policies such as 'Pradhan Mantri Fasal Bima Yojana', electronic trading facilities and allow States to have their own policies as one Uniform policy cannot work in all the States. It was suggested to increase the prices of urea and decrease the price of PMK which will save money for both the farmers as well as the Government.

Another suggestion was made to give more focus to piggery, bee keeping, honey production, mushroom production and fisheries etc. It was also suggested to give more focus to Animal Husbandry Department as it has more potential to increase farmers' income. It was suggested to give more focus to Research and Development (R&D) in Agriculture sector and increase investment manifold in this sector to deal with various agriculture issues. There is also need to give more thrust on the adoption of new technologies in Agriculture and encourage innovations and 'Out of the Box Thinking' to deal with the issue of food security and ecology at large.

It was also suggested to give various tax reliefs to the plantation companies for the expenses incurred by them to provide welfare facilities to their workers under the Plantation Labour Act 1951. Similarly, considering the variations in the Agriculture Income Tax (A.I.T.) from State to State, Rules 7A, 7B and 8 and the Income Tax Rules may provide for rebate against the liability of tax under C.I.T. to the extent of additional amount paid on account of higher A.I.T. Similarly the Government was asked to initiate schemes to promote mechanization of farming, Agriculture universities to be made accountable for improving productivity and production in their hinterland and play pivotal in transferring knowledge from research lab to field among other.

It was suggested that 'one shoe fits all' policy may not be suitable but differentiated and flexible policies for different agro ecologies, based on available land and water resources, population and dependency on agriculture to be promoted to accelerate growth of the agriculture sector. R&D in agriculture inputs may be given financial grant under Rashtriya Krishi Vikas Yojana. There is need to infuse sufficient funds for incentivizing/subsidizing national resource conservation technologies like micro-irrigation and water recharge etc. The Government may consider subsidizing machinery to facilitate crop residue management and to tackle the Stubble Burning problem especially in North West India.

It was suggested to initiate Transportation Cost Subvention Scheme for horticulture produce farmers, and direct subsidy under DBT scheme on horticulture seeds/planting materials. It was suggested to set-up 'Agricultural Inputs Regulatory Authority of India' in order to regulate quality standards and pricing of agriculture inputs like seeds, pesticides, insecticides, herbicides, bio-fertilizers and bio-chemicals etc. in order to save farmers from financial exploitation and sub-standard inputs. Infrastructure development and cold storage chain facilities are especially needed for horticulture crops to save them from rotting and decaying and consequently preventing their price rise. It was also suggested among others to ensure direct payments to farmers against supply of agriculture produce to Government agencies rather than through market mediators.

Team ICSI

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