

1. Government's 16-Point Agri Plan is Right, needs Quick Implementation

Context:

- The Recently Proposed budget for the agricultural sector will enhance the doubling of farmer's income.

Importance of Agriculture Sector in Indian Economy:

- One of the prescriptions for lifting the economy out of a slowdown is to put in place a strategy that leverages its latent strength.
- With almost 70% of the country's population living in rural areas and close to 50% directly or indirectly dependent on agriculture and allied activities, the improvement in the agricultural sector will have the multiplier effect on the economy.
- The budget has rightly strategized providing a definitive path through its 16 well thought out action points.

Proposed Action Plan for the Agricultural Sector:

1. **Blue Economy:** Raising fish production target to 200 lakh tonnes by 2022-23 along with 45,000 acres of aqua culture. Collectivisation through FPO for fishery would mean the benefits of growth will flow to the rural youth in coastal areas that can be brought into the FPO fold.
2. The goal of **Doubling Milk Processing Capacity** from 53.5 million MT to 108 million MT by 2025 will turn out to be another game changer. These are critical sectors that have the **potential to yield high Incremental Incomes in a short span of time.**
3. **Reforming Agri-Marketing:** For unleashing the spirit of the markets, private sector investment in the agriculture sector has been tried out for long. Since agriculture is a state subject, many of the progressive policies have received differential treatment by the states. Agriculture Marketing Reforms is one area where a lot of ground needs to be covered. This becomes all the more critical as today horticulture production has outstripped food grain production.
Marketing of fruits and vegetables (perishables) needs different treatment and approach. By incentivising state governments to implement the three model laws, GoI has again reiterated its firm intent in reforming agri-marketing.
4. **Kisan Rail and Krishi Udan** - apart from creating seamless national cold supply chain for perishables will aid in moving fast towards a unified market.

5. The proposal to **map and geo-tag the warehouses** will surely go a long way in spreading the scarce financial resources efficiently apart from creating marketing intelligence.
6. The SHG movement has shown that women can emerge as a very credible economic force in rural areas. With SHGs being called upon to run the **village storage scheme**, it will not only contribute in creation of holding capacity at the village level but will also catapult SHGs to take up remunerative income-generation activity.
7. Around 26.18 mn ha (2014-15) is under fallow land category, which hardly adds value to farmers' income. **The proposal to convert fallow land into grid-linked solarisation will add to Income.** This shall also add a multiplier effect as it would generate demand for solar panels as well as employment for rural youth since maintenance will also be required.
8. The allocations on **Pradhan Mantri Kishi Sinchai Yojana, PM Gram Sadak Yojana, PMAY and Jal Jeevan Mission (JJM)** have been substantially increased. The infra push for these schemes would generate multiplier effects in the short- and medium-term.
9. The agriculture credit target for the year 2020-21 has been set at `15 lakh crore, which should be able to cater to the requirements of the farm sector. Further, by covering **the eligible beneficiaries of PM-KISAN under the KCC scheme the agriculture credit system** will be further strengthened at the grass root level and lead to better utilisation of credit.
10. The allocation of **Rs. 75,000 crore under PM-Kisan** will also aid in increasing spending in the rural economy in the short-run.

Conclusion:

- The challenges that India faces today require clear vision and pathway. This budget from the perspective of spurring growth through the rural engine has all the right ingredients.
- Now, what is required is to put in place quickly a mechanism to implement these proposals in the shortest possible time.