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ATMANIRBHAR KISAN

FM allows *mandis* to access Agri Infra Fund

Rural sector budget for 2021-22 pegged at ₹1.95 trillion

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New Delhi, 1 February

With thousands of farmers protesting at Delhi borders for the past few months, Finance Minister Nirmala Sitharaman tried to reassure them in her Budget speech.

She responded by laying down a statement on Prime Minister Narendra Modi government's track record on grain procurement compared to its predecessors, along with an announcement to allow Agricultural Produce Market Committees access to the ₹1-trillion Agriculture Infrastructure Fund (AIF).

In terms of allocation, though there

was little for the farm sector as the total budget for agriculture and allied sector was pegged at ₹1.48 trillion in 2021-22 (FY22), up just 2.02 per cent from the Revised Estimates (RE) for 2020-21 (FY21).

For AIF, too, the Budget has allocated a sum of ₹900 crore in FY22. The AIF guidelines provide for an interest subvention of 3 per cent per annum for a maximum loan limit of ₹2 crore to be repaid over seven years.

"Overall, it is a status quo Budget for the agriculture sector in general and the seed industry in particular," said Ram Kaundinya, director general of Federation of Seed Industry of India.

For the broader rural sector, the

SEEDS OF SUFFICIENCY

Allocation to some key farm and rural sector schemes	2019-20*	2020-21**	2020-21***	2021-22**	% chg#
MGNREGA	71,686.7	61,500	11,1500	73,000	-34.53
Rural roads	14,017.48	19,500	13,706.23	15,000	9.44
Pradhan Mantri Krishi Sinchai Yojana	8,199.9	11,126.51	7,954.16	11,588.49	45.69
PM-Kisan	48,713.84	75,000	6,5000	65,000	0
Pradhan Mantri Fasal Bima Yojana	12,639.22	15,695	15,306.55	16,000	4.53
Agriculture Infrastructure Fund	NA	NA	208	900	332.69

MGNREGA: Mahatma Gandhi National Rural Employment Act; *Actuals; **Budget Estimates (BE); ***Revised Estimates (RE); #Change is in relation to RE versus BE of 2021-22 Source: Budget papers

allocation was in fact down almost 10 per cent at ₹1.95 trillion from the RE, as funds for the Mahatma Gandhi National Rural Employment Act (MGNREGA) was slashed by over 30 per cent.

In FY21, the MGNREGA budget was

raised to ₹1.11 trillion, up from ₹61,500 crore in the Budget, as millions of returning migrant workers sought work under the scheme.

"This massive underestimation of the MGNREGA budget allocation will

only result in distress in vulnerable households," said Debmalya Nandy of NREGA Sangharsh Morcha.

Rural roads programme got an almost 10 per cent increase in allocation in the Budget Estimates (BE) of FY22, compared to the RE for FY21.

In a big move, which could have a major impact on the economic cost of grains purchased, stored, and distributed by the Food Corporation of India, the Centre allocated a whopping ₹4.23 trillion for food subsidy in FY21 — significantly higher than the BE of ₹1.8 trillion — to meet the enhanced requirement for distribution under the Pradhan Mantri Garib Kalyan Rozgar Abhiyan during Covid times.

For FY22, the allocation under food subsidy was kept at ₹2.43 trillion, thus, clearing all pending dues for loans taken from the National Small Savings Fund.