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## Budget reactions. Agri stakeholders say new policy initiatives to spur sectoral growth

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The Agri credit target has been increased to ₹20 lakh crore from ₹18.5 lakh crore in the current fiscal.

BY OUR BUREAU

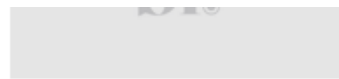
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Agri sector stakeholders feel the new initiatives and the policy decisions announced by the Finance Minister Nirmala Sitharaman in the Union Budget 2023-24 will bolster agriculture sector growth.



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Budget has little good news for agriculture sector

Balram Yadav, Managing Director, **Godrej Agrovet Ltd** said "Picking up the strings from the last year's budget, the Union Budget 2023-24 is a step forward in leveraging technology for improved agriculture in India. Educating farmers on the new-age technology and realigning crop planning based on climatic conditions is a necessity and the digital open infrastructure will play critical role – improving access to farm inputs as well as intelligence. With our country's startups playing a critical role in building innovative and affordable solutions for farmers, enhanced collaboration within the eco-system will go a long way in enhancing farmers productivity and profitability. With India emerging as a net exporter of agriculture and allied products, this budget can be termed as tech-focused-inclusivet one for Indian farmers – the one which focuses on supply and input sides to enable farmers get better price for their produce."

D Narain, President, Bayer South Asia and Global Head of Smallholder Farming, said, "This year's budget clearly identifies 7 priority areas that will not only lead to rapid economic growth in the country. The budget's focus on millets, growing rural credit, promoting micro-entrepreneurship, and rural infrastructure highlights the importance of agriculture in driving our economy. The announcement on setting up an Agri focused accelerator fund and to build an open-source digital infrastructure, will accelerate technology adoption in the agriculture sector."

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Ravi Annavarapu, President, Food Machinery Corporation (FMC) India said “This budget will promote R&D, innovation, and digitisation of agriculture apart from promoting disruption through the startup ecosystem. We see this supportive of precision agriculture and make farming more sustainable. What would further help will be providing tax incentives for R&D and extension services to corporates. The government focus on natural farming, which will be served better if it can layout clear guidelines for introducing global biological or microbial technologies for the farmers to manage the potential crop loss due to pests and promoting Integrated Pest Management. Agriculture loses more than ₹2 lakh crore worth of crops to biotic pressures. Government will do well to align the regulatory system to expedite introduction of newer technologies in agriculture.”

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Sandeep Sabharwal, Group CEO, Sohan Lal Commodity Management Pvt. Ltd, said “The proposal to decentralise storage will go a long way in controlling the post-harvest losses and also it will be an enabler as well as a catalyst for increasing farmers returns specially when it is coupled with 10,000 Farmers producer organisation (FPO) program, Operation Greens and eNWR (electronic negotiable warehouse receipts). This step is aligned to the goal of doubling farmers' income.”

Welcoming various measures announced for agri sector, Atul Chaturvedi, Executive Chairman, Shree Renuka Sugars Ltd, said “For sugar and edible oil sector this budget is a non-event as the FM has not tinkered with duties. Edible Oil refining industry was demanding restrictions on Refined Palmolen imports in line with Prime Ministers clarion call of 'Make in India'. Nothing has been announced on that

front.” No announcement of road map for National Mission on Oilseeds and Oil Palm (NMOOP) is a bit of a dampener for the vegetable oil sector as our edible oil security continues to be heavily compromised, Chaturvedi added.

Meenesh Shah, Chairman, said “National Dairy Development Board’s (NDDB) welcomed Government’s historic move to set agricultural credit target at ₹20 lakh crore with a focus on Animal Husbandry, Dairy & Fisheries. The first budget of Amrit Kaal spelt out the Government’s commitment to accelerate growth in livestock and dairy sector through a cooperative based economic development model. As compared to the last year, there is an increase in the budgetary allocation for Animal Husbandry and Dairying by about 40 per cent to ₹4,327.8 crore, which is a welcome step considering the importance of the sector in national economy. The setting up of a multipurpose cooperative society including dairy cooperative societies in uncovered panchayats and villages in the next 5 years will help in providing market access to the farmers, improve profitability and bring viability of such cooperatives.

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The setting up of 500 new “waste to wealth” plants under GOBARDhan (Galvanizing Organic Bio-Agro Resources Dhan) will play a crucial role in realising this vision. An investment of ₹10,000 crore towards establishing 200 compressed biogas (CBG) plants, and 300 community or cluster-based plants will boost the use of clean energy, reduce carbon footprint and enhance farmers’ income. The 5 per cent CBG mandate as proposed in the budget for organizations involved in marketing natural and bio gas, would provide much needed impetus to promotion of green energy.” He also lauded the initiative to facilitate one crore farmers to adopt natural farming by setting up 10,000 Bio-Input Resource Centres. This will create a robust national level distribution network that will help in furthering the initiative of NDDB in

promoting and marketing slurry-based bio fertilizers. Like new manufacturing companies, the extension of benefit of paying tax at a concessional rate of 15 per cent to new cooperatives will promote setting up of new cooperatives and will also support attaining the financial viability during initial phase.

Sanjiv Kanwar, Managing Director, Yara South Asia said "The Union Budget 2023 is strongly focused on promoting innovation, research, digitisation and technology in agriculture, a step in the right direction. In fact, the government has also announced skilling initiatives for the development of technologies like drones, which will bring in sustainable agricultural practices, optimizing input resource efficiency in farming. The development of digital infrastructure for agriculture as an open source will enable inclusive farmer-centric solutions through improved access to farm inputs. The Government's focus on regenerative farming will help India move towards reduction in carbon emissions from agriculture."

Agricultural and Processed Food Products Export Development Authority (APEDA) chairman M Angamuthu said this is a path breaking announcement wherein Indian Millet Products will be benchmarked globally. "We will get an excellent platform to promote Indian Millets in at least 50 plus countries. We have identified good products range, which are competitive and quality one's. APEDA will use this budget provisions to factor export by engaging FPOs, women entrepreneurs, start-ups and transformative changes are on unveil."

Ramesh Doraiswami, Managing Director & CEO, National Bulk Handling Corporation (NBHC) said "The budget proposes a continued focus on the key areas of improving farmgate infrastructure and promoting the use of technology to improve farm incomes. The creation of Digital Public Infrastructure for Agriculture is commendable as it will be an open

source of information services for crop planning and health, improved access to farm inputs, credit, and insurance & market intelligence, which today are not available readily to farmers thereby limiting their income. The announcement of the Agriculture Accelerator Fund to promote rural entrepreneurship focussed on agriculture is another welcome step.

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Rajesh Srivastava, Chairman, Prowess Advisors and Executive Chairman, Rabo Equity Advisors, said, "Forming up of the Agriculture accelerator fund and computerisation of 63,000 primary agricultural credit societies (PACs) with an investment of ₹2,516 crore are all extremely encouraging steps towards improving the state of the agri-startups in rural areas. Setting up massive decentralised storage capacity would also be highly beneficial to farmers. The reduction of Alternate Minimum Tax rate for co-operative societies to 15 per cent and the decrease in surcharge on co-operative societies to 7 per cent from 12 per cent are all commendable decision."

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Ravindra Agrawal, Chairman, KisanKraft Limited said "We applaud government's continued focus on fiscal discipline, and improvement of infrastructure through capex increase. Agriculture credit increase would help the farmers. However, we are disappointed that there were no promises to fix the inverted tax/duty structure hurting domestic farm machinery manufacturing. Government should fix these policy issues to support farm machinery manufacturers to compete against imports and to increase our exports. Government must incentivise R&D, especially for seeds."

Shekar Sivasubramanian, CEO, Wadhvani AI, said "The Government of India is embracing Artificial Intelligence (AI) technology to bring about positive

change and improve the livelihoods of farmers nationwide through public-private partnerships, extension services, and market linkages. The use of AI and other digital technologies will play a key role in bringing about sustainable growth and greater prosperity for all in the agriculture sector and other sections of the population.”

Sanjay Gupta, MD and CEO, National Commodities Management Services Limited (NCML) said “The announcement to establish an agriculture accelerator fund will help in the funding requirements of agritech start-ups by young entrepreneurs in rural areas is a positive move. It will help in providing innovative solutions to the problems faced by the farmers.

Rajesh Aggarwal, Managing Director, Insecticides India Ltd said “By announcing various measures including investment of ₹2516 crore for computerisation of 63,000 primary agriculture credit societies, the government has made an agri push for a better tomorrow. These steps will help the farmers to go to the next level of farming.

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Maninder Singh, Founder & CEO, CEF Group said with farmer-centric solutions, “This budget is also providing a large space for private players to grow in the agri-industry. The government’s Atmanirbhar Clean Plant Programme is a visionary step as it will promote the private sector to establish plants in line with the ‘Make in India’ campaign. The focus of the agriculture accelerator fund will be on bringing innovative solutions that can reduce the challenges faced by farmers. The government’s focus is to build digital infrastructure so that the demand and supply in the agriculture sector are balanced and less impacted. Natural farming is also among the vision of the government’s budget this year.

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Anil Kumar SG, Founder & CEO, Samunnati said “The Budget takes a holistic multi-pronged perspective to address some of the chronic challenges including infrastructure, technology and inclusion. For example, agri credit target of ₹20 lakh crore, Agriculture Accelerator Fund to agri-startups and entrepreneurs to bring the much needed support to the start-up ecosystem, and creating decentralised storage infrastructure are significant steps that will certainly have multiplier effect on the agri sector.

Mayank Tiwari, Founder and CEO, ReshaMandi said “Creating a special accelerator fund for agriculture is a step towards turning agri-tech into a sunrise sector for investments. Further, the government’s decision to relax taxation for start-ups for up to 10 years, coupled with the setting up of bio hubs in rural areas, will greatly ease the proces. Our efforts to improve the supply-chain network for all our stakeholders in the natural fibre ecosystem supply chain receives a major boost from the decision to support collaborative projects between farmers, states, and businesses to provide input supply extension services and market connections.”

Devendra Gupta, Co-Founder & CEO, Ecozen Solutions, said “For agriculture, schemes that enable access to technology, development of market linkage infrastructure, financing, and energy transition, will lead to improved productivity, food loss reduction, increased farmer incomes, and balances the sector’s climate impact.

Prasanna Rao, MD & Co-founder, Arya.ag said “The Budget has adequate measures to make the farmers future-ready with the help of Public Private Partnerships (PPP). A heavy impetus to PPPs will help India become a global hub in agriculture. The accelerator fund will encourage more start-ups to penetrate presence in the rural areas. The Budget includes sufficient funding to establish an effective

market linkage programme, which will significantly contribute to the development of a profitable agricultural ecosystem in the country. On the other hand, the news of a proposal to create a vast decentralised storage capacity will aid farmers in keeping their harvest fresh and selling it at a reasonable price.”

Varun Khurana, Founder & CEO of Otipy said “Setting up an agri accelerator fund for agri start-ups will accelerate the pace of innovation in a sector which is India’s biggest in the context of the employment it generates. The Government’s commitment to set up digital public infrastructure for agriculture will help the agritech start-ups to connect with more farmers and in turn enable them to realize better value for their produce .

Abhishek Jain, Fellow & Director, Powering Livelihoods, CEEW said “India loses between 5-15 per cent of its fruits and vegetables before they reach our plates. The focus of the Budget on improving decentralised storage facilities for the farmers is the need of the hour. Decentralised renewable energy-powered solutions such as solar cold storages or even waste biomass-powered cold storages could significantly help in bridging the cold storage gaps at the farm gates.”

Pramod Chaudhari, Executive Chairman, Praj Industries said “While laying strong emphasis on energy transition, the FM has made several provisions that will bolster the nation’s bio-economy and the agritech sector in particular. The 5 per cent CBG mandate for entities marketing natural gas in India and ₹10,000 crore provision for setting up 200 CBG plants will accelerate India’s net zero journey while creating jobs in rural India.”

Rajamanohar Somasundaram, CEO and Founder Aquaconnect said “The government’s emphasis on

‘Make AI in India & Make AI work for India’ reflects a clear determination to leverage the power of Artificial Intelligence for maximum impact across various sectors. The integration of AI with satellite remote sensing in Aquaculture holds immense potential for boosting production efficiency, optimizing feed usage, and logistics, and importantly, decarbonizing the seafood value chain by quantifying emissions and implementing counter measures to drive sustainability and accelerate our efforts towards net zero goals.”

Amith Agarwal, Co-founder and CEO, agribazaar said “The Budget 2023 sets the foundation for the ‘Amrit Kaal’ of India’s agriculture sector. Multiple initiatives announced by the government will contribute to the all-round progress and small farmer prosperity. The government proposal to adopt a cluster-based value chain approach through public-private partnerships, which will create pathways for last-mile linkages farmers to store their produce and earn remunerative prices. It will also open more opportunities for private-sector investments in agri-infrastructure.

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