

# Budget 2023: Hits and misses in the agriculture sector

The budget was a mixed bag for agriculture, with emphasis on tech-related proposals and higher credit for farmers, but the absence of some expected tax breaks.

**SANDEEP SABHARWAL** | FEBRUARY 08, 2023 / 11:30 AM IST



The overall budgetary allocation for the agriculture ministry was increased to an estimated Rs 1.25 lakh crore for FY24 financial year, including Rs 60,000 crore for the government's ambitious PM-KISAN scheme.

Small farmers will benefit from the budget, the ministry said, adding that emphasis has been laid on promoting the agriculture sector through technology. A look at what the budget offered:

## The Hits

### Technology Push

**Budget 2023** was largely along the lines expected by industry players. The emphasis on technology adoption in agriculture was announced at the right time, with the creation of Centres of Excellence for Artificial Intelligence.

Mutual fund investments are subject to market risks. Read all scheme-related documents carefully.

**WATCH**

RBI MONETARY POLICY GOVERNOR'S ADDRESS **LIVE**

LIVE: RBI monetary policy: Governor Shaktikanta Das' address | RBI rate hike | MPC

**2/3 BHK Flats Starting @₹89L\***

Signature Global City 81

**MUST LISTEN** Activate Window Go to Settings to activate



India-emerging markets swap trade: When will FII's stop selling? | Market Minutes

DAILY WEEKDAYS

## RELATED STORIES



**RBI MPC: FY24 GDP growth seen at 6.4%, says Governor Shaktikanta Das**



**Inbound travelers can now use UPI, says RBI Governor Shaktikanta Das**



**RBI Policy | Consumer price inflation likely to hover on 5.3% in FY24**

Leading industry players will partner in conducting interdisciplinary research and developing cutting-edge applications and scalable problem solutions in various areas including agriculture.

This is a welcome step to leapfrog to the next level with focus on 'Industry 4.0'.

### Agri Credit

The proposed increase in the agricultural credit target to Rs 20 lakh crore is a welcome step for the farm sector.

The proposal to decentralise storage will go a long way in controlling post-harvest losses and will be an enabler and catalyst in increasing farmers' returns,

especially when coupled with Operation Greens to promote farmer producers organisations, agri-logistics, processing facilities, and professional management, and eNWR (electronic negotiable warehouse receipts).

Further, a provision for a higher limit of Rs 2 lakh per member for cash deposits to and loans in cash by Primary Agricultural Cooperative Societies and Primary Cooperative Agriculture and Rural Development Banks will provide leeway to farmers. These steps are aligned with the goal of doubling farmers' incomes.

### Agriculture Accelerator Fund

The setting up of an Agriculture Accelerator Fund aimed at encouraging startups by young entrepreneurs in rural areas is another remarkable step for the farm sector.

The fund will be set up with the objective of bringing innovative and affordable solutions for challenges faced by farmers by enabling modern technologies to transform agricultural practices, increase productivity and profitability.

### Digital Public Infrastructure for Agriculture

The plan to build digital public infrastructure for agriculture as an open source, open standard and interoperable public good is a notable step. This will be a game-changer that will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance.

This will also help in crop estimation, market intelligence, and support for growth of the agri-tech industry and startups, which is a much-needed step.

### The Misses

#### Tax Incentives/Benefits

Much-needed tax incentives to encourage investments by agri-tech players in new-age technology applications such as Internet of Things, artificial intelligence, machine learning, and blockchain are missing in this budget.

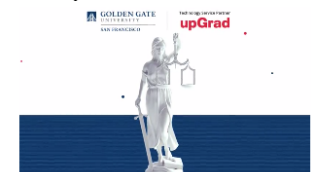
Such initiatives would have motivated existing and new entrants in the agri-tech space to make further investments to reap the benefits of new-age technologies.

The budget should have considered offering tax benefits to the agri-NBFC sector, which would have helped the sector to flourish and help the government achieve its goal of doubling farmer incomes. It is expected that the finance ministry will consider this proposal subsequently.

#### GST exclusion in storage space

## You May Like

Sponsored Links



**Master of Laws (LL.M) | Online**

Golden Gate University

Learn More



**The Refugee Community That Knows No Divide**

Our Better World

Learn More



**Are You a Stock Investor? Try This AI-based Stock Portfolio Today!**

JARVIS Invest - Investing Powered By AI

Learn More



**India: Why Is Everyone Excited Over This Rs.1999 Smartwatch**

BlazeFit

Learn More

by Taboola

Activate Windows

The exclusion of goods and services tax on lease rentals that go as inputs to agri warehousing services was expected in this budget because it becomes a cost to service providers which gets passed on to consumers. Industry players have been advocating for this for a long time and hope the finance ministry will consider this proposal on a priority basis.

The author is Group Chief Executive Officer, Sohan Lal Commodity Management Pvt. Ltd. (SLCM Group)



Checkout Budget Highlights 2023

---

**SANDEEP SABHARWAL**

---

TAGS: #agriculture #Budget 2023 #Economy

FIRST PUBLISHED: FEB 8, 2023 11:29 AM