

Home > Business News > Budget 2023-24 Expectation: What Agriculture Sector Wants This Year



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Budget 2023-24 Expectation: What agriculture sector wants this year

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The Union Budget 2023-24 is going to be announced on 1 February by Finance Minister, Nirmala Sitharaman. Just like other industries, the agriculture sector is having big hopes from this year's budget. According to Urvi Shah, Research Analyst at SAMCO Securities, the global food grain crisis has revealed the importance of the Indian agrarian economy. She told Zee Business, "The sector is expected to be on the high-priority list of the finance minister in this Budget with allocation to irrigation, seed quality and availability, and agritech, among others," she said. The Investment Information and Credit Rating Agency of India (ICRA) expects the Indian government to focus on initiatives for improving crop realisations.

It also hopes the government will focus on increased budgetary allocation towards Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Along with this, ICRA is also hoping that the government pays attention to the initiatives for improving non-farm incomes like livestock farming and food processing.

Here are the expectations and recommendations of the agriculture sector for the Union Budget 2023-24:

Tax exemptions for players in the agriculture business

Sohan Lal Commodity Management Group is looking for some tax exemptions for businesses that add value to the agricultural supply chain. The SLCM Group provides warehousing services for agricultural commodities. Chief Executive Officer of SLCM Group, Sandeep Sabharwal, stated that one of their wish lists is the rationalisation of goods and services tax (GST).

Modernising operations in the agriculture space

As per a report by Deloitte India, the agriculture sector has the potential to generate a revenue of \$800 billion for India with an investment of over \$270 billion by 2031.

According to the report, the government needs to roll out policies for supporting technology adoption in order to modernise the agriculture space. The report also expects the government to incentivize agri-tech start-ups for improving the accessibility for small-holder farmers.

According to Anand Ramanathan, Partner at Deloitte India, there is a lot of focus on the supply side. He added that however, the focus should also be on getting the best price for the marketable surplus. He further said that technology can play a role in all parts of the value chain.

Benefits to agrochemical companies

The allocation in Union Budget 2023 will benefit the agrochemical companies as per experts. According to Urvi Shah, stocks of fertilizers and other agrochemical firms with exposure to urea and nitrogen are going to be among the main beneficiaries from the Budget allocation. Furthermore, allocation and subsidies will help get a higher crop yield.

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