



# Agriculture to grow more than 4 percent as Government announces a slew of pro-farmer measures in General Budget 2017-18

## Farm credit fixed at a record level of Rs 10 lakh crores; Irrigation fund hiked to Rs 40, 000 crores

## Finance Minister announced setting-up of a Dairy Processing and Infrastructure Development Fund with a corpus of Rs 8,000 crores to augment farm income

Posted On: 01 FEB 2017 1:04PM by PIB Delhi

Government says, with a better monsoon, agriculture is expected to grow at 4.1% in the current year i.e.2016-17 as the total area sown under kharif and rabi seasons are higher than the previous year. Presenting his Fourth Budget in Parliament today, the Union Finance Minister Shri Arun Jaitley said that adequate credit would be made available to the farmers in time and the target for agricultural credit in 2017-18 has been fixed at a record level of 10 lakh crores. He said that special efforts would be taken to ensure adequate flow of credit to the under serviced areas, the Eastern States and Jammu & Kashmir. The farmers will also benefit from 60 days' interest waiver announced by the Prime Minister in respect of their loans from the cooperative credit structure.

The Finance Minister Shri Jaitley said that about 40% of the small and marginal farmers avail credit from the cooperative structure and the Government is committed to support NABARD for computerisation and integration of all 63,000 functional Primary Agriculture Credit Societies (PACS) with the Core Banking System of District Central Cooperative Banks. This will be done in 3 years at an estimated cost of Rs 1,900 crores, with financial participation from the State Governments to ensure seamless flow of credit to small and marginal farmers.

Elaborating on other pro-farmer measures, the Finance Minister said that a Long Term Irrigation Fund has already been set-up in NABARD and the Prime Minister has announced an addition of Rs 20,000 crores to its corpus which will take the fund to Rs 40,000 crores.

The coverage of Fasal Bima Yojana will be increased from 30% of cropped area in 2016-17 to 40% in 2017-18 and 50% in 2018-19. The Finance Minister Shri Jaitley said that the Budget provision of `Rs. 5,500 crores for this Yojana in BE 2016-17 was increased to Rs. 13,240 crores in RE 2016-17 to settle the arrear claims. For 2017-18, a sum of Rs 9,000 crores will be provided and the sum insured under this Yojana has more than doubled from Rs 69,000 crores in Kharif 2015 to Rs 1,41,625 crores in Kharif 2016.

Referring to his last year's Budget Speech, where the Finance Minister had focused on 'income security' of farmers to double their income in 5 years, Shri Jaitley said, that the Government will take more steps and enable the farmers to increase their production and productivity and to deal with post-harvest challenges. The coverage of National Agricultural Market (e-NAM) will be expanded from the current 250 markets to 585 APMCs. Moreover, assistance up to a ceiling of Rs 75 lakhs will be provided to every e-NAM market for establishment of cleaning, grading and packaging facilities.

Admitting that Dairy is an important source of additional income for the farmers, the Finance Minister Shri Jaitley announced that a Dairy Processing and Infrastructure Development Fund would be set-up in NABARD with a corpus of Rs 8,000 crores over 3 years. He said that issuance of Soil Health Cards has gathered momentum, even as the Government has decided to set-up new mini labs in Krishi Vigyan Kendras (KVKs) and ensure 100% coverage of all 648 KVKs in the country.

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(Release ID: 1481555) Visitor Counter : 29

