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**March, 2018**

**The YK Gist**

# BUDGET 2018

**RURAL  
INDIA**



### Preface

This is our 36<sup>th</sup> edition of Yojana Gist and 27<sup>th</sup> edition of Kurukshetra Gist, released for the month of **March 2018**. It is increasingly finding a place in the questions of both UPSC Prelims and Mains and therefore, we've come up with this initiative to equip you with knowledge that'll help you in your preparation for the CSE.

Every issue deals with a single topic comprehensively sharing views from a wide spectrum ranging from academicians to policy makers to scholars. The magazine is essential to build an in-depth understanding of various socio-economic issues.

From the exam point of view, however, not all articles are important. Some go into scholarly depths and others discuss agendas that are not relevant for your preparation. Added to this is the difficulty of going through a large volume of information, facts and analysis to finally extract their essence that may be useful for the exam.

We are not discouraging from reading the magazine itself. So, do not take this as a document which you take read, remember and reproduce in the examination. Its only purpose is to equip you with the right understanding. But, if you do not have enough time to go through the magazines, you can rely on the content provided here for it sums up the most essential points from all the articles.

You need not put hours and hours in reading and making its notes in pages. We believe, a smart study, rather than hard study, can improve your preparation levels.

**Think, learn, practice and keep improving! You know that's your success mantra ☺**

## Yojana and Kurukshetra- March 2018

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**Note- Kindly download the Mind Maps for YK Gist March 2018. It is in the Zip file format.**

### Key Focus of the Budget 2018-19: Strengthening Rural Economy

#### Doubling Farmer's Income

The government's initiative to increase farmers' incomes is welcome as it is central to dealing with the agrarian crisis in India. The focus is now on the "profitability" rather than simply the "productivity" aspect of farming.

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**Fostering Agricultural Growth**

- To raise Minimum Support Price (MSP) of Kharif crops by 1.5 times the cost of production
- To Allocate ₹500 crore for 'Operation Green' to promote FPOs, agri logistics and processing
- ₹ ₹10,000 crore for Fisheries & Aquaculture Infra Development Fund and Animal Husbandry Infra Fund
- To allocated ₹1,200 crore to launch a restructured National Bamboo Mission
- Agricultural credit target to be raised to ₹11 lakh crore
- 100% tax deduction to farmer producer companies with annual turnover of ₹100 crore for the period of 5 years

**f t y MyGovIndia** **www.transformingindia.mygov.in** **Date : 1st Feb, 2018**





**BUDGET 2018-19**  
Agriculture and Rural Economy



**BAMBOO IS 'GREEN GOLD'**

- ❖ Bamboo grown outside forest areas have been removed from the definition of trees
- ❖ Launch of Re-structured National Bamboo Mission
- ❖ An outlay of Rs. 1290 crore has been allocated to promote bamboo sector in a holistic manner



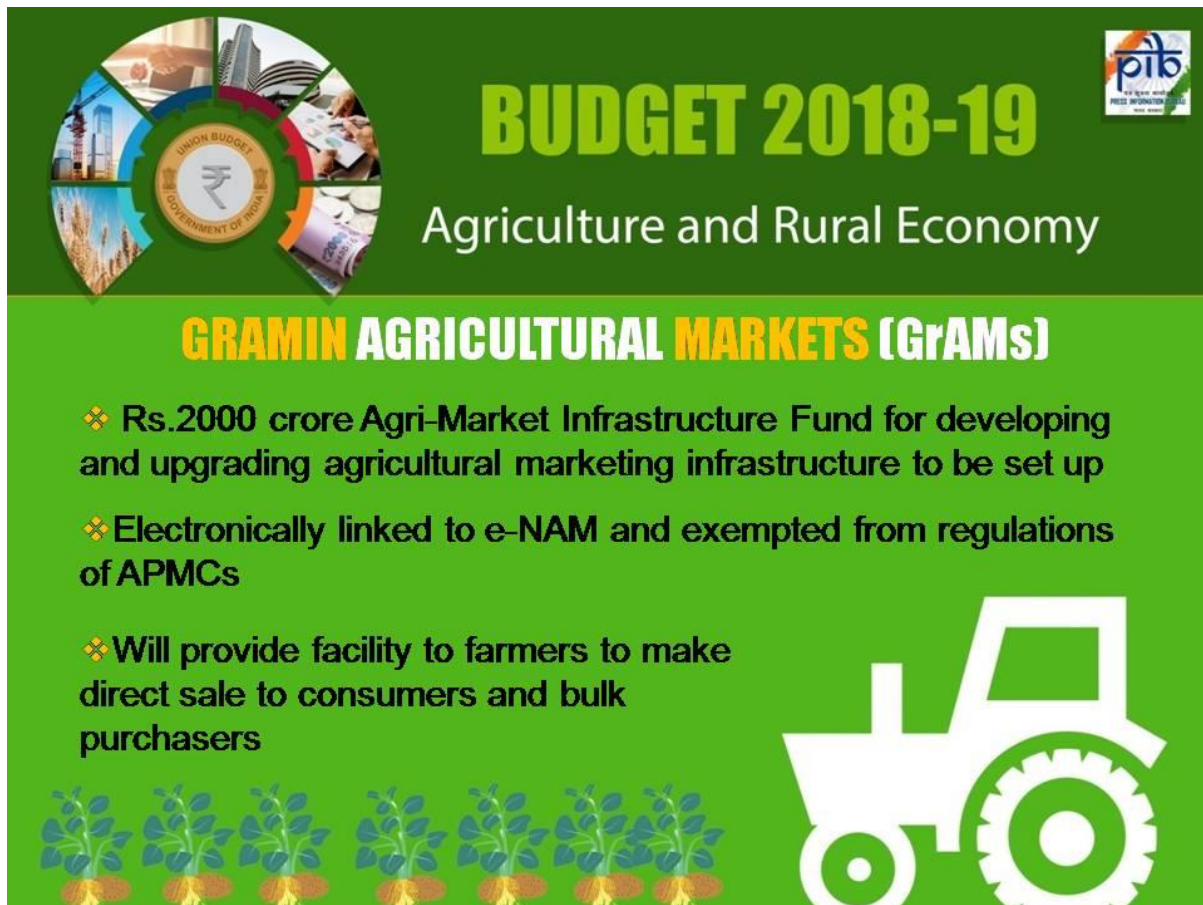
**BUDGET 2018-19**  
Agriculture and Rural Economy



**'OPERATION GREENS'**

- ❖ On the lines of "Operation Flood"; to address price volatility of perishable commodities like potato, tomato and onion
- ❖ Will promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management
- ❖ Allocation of Rs. 500 crore





The infographic is set against a green background. At the top left, a circular collage shows various rural and agricultural scenes, including a tractor, a person working in a field, and a market. In the center, a large yellow gear contains the Indian Rupee symbol (₹) and the text 'UNION BUDGET' and 'GOVERNMENT OF INDIA'. To the right of the gear, the text 'BUDGET 2018-19' is written in large, bold, yellow letters, and 'Agriculture and Rural Economy' is written in white below it. In the top right corner, there is a small logo for 'प्रोब' (ProB) with the tagline 'प्रोब प्रोब प्रोब' (ProB ProB ProB). Below the main title, the text 'GRAMIN AGRICULTURAL MARKETS (GrAMs)' is written in bold, yellow and white letters. Underneath this, there are three bullet points, each preceded by a yellow diamond symbol. At the bottom left, there is a row of seven small green plants with orange roots. At the bottom right, there is a large white silhouette of a tractor with a green gear on its rear wheel.

**BUDGET 2018-19**  
Agriculture and Rural Economy

**GRAMIN AGRICULTURAL MARKETS (GrAMs)**

- ❖ Rs.2000 crore Agri-Market Infrastructure Fund for developing and upgrading agricultural marketing infrastructure to be set up
- ❖ Electronically linked to e-NAM and exempted from regulations of APMCs
- ❖ Will provide facility to farmers to make direct sale to consumers and bulk purchasers



### Thrust to agricultural & food processing sector



Allocation of Ministry of Food Processing is being doubled from ₹715 crore in RE 2017-18 to ₹1400 crore in BE 2018-19



To set up state-of-the-art testing facilities in all the 42 Mega Food Parks



Organic farming by FPOs\* & VPOs\* in large clusters, preferably of 1000 hectares each, will be encouraged



Women Self Help Groups (SHGs) to be encouraged to take up organic agriculture in clusters under National Rural Livelihood Programme.

FPO\*- Farmer Producer Organization VPO\*- Village Producers' Organization




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### Expanding eNAM Coverage for Farmers' Welfare





**eNAM**

To allocated corpus fund of ₹2,000 crore for agricultural market infrastructure




Farmer will be able to sell directly to consumers and bulk purchasers


To connect 585 APMCs\* to eNAM by March 2018

GrAMs will be strengthened by MNREGA and other Govt. schemes

To develop and upgrade 22000 Grameen Agricultural Markets (GrAMs)

APMCs\* - Agricultural Produce Market Committees

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### **To make Doubling Farmers Income a reality**

#### ***Institutional and Governance Reforms***

- Replacing open-ended subsidies with direct benefit transfers for fertilisers and seeds would not just help target the right end-users and plug pilferages in the system, but also promote more efficient and judicious application of these inputs.
- Agriculture in India is a state subject. Past experience shows that no agricultural development on the ground is possible without meaningful interventions by state governments. There is a need to bring them on board on the above institutional and governance reforms, which will align their policies to a broad framework and yet allow for adoption of state/region-specific strategies.

#### ***Climate-smart agri-technologies***

- Adaptation and mitigation strategies to address climate change challenges have to be at the fore-front of any agricultural policy agenda today.
- Research, too, has to be designed to suit local crop ecology and promote sustainable farm management in terms of soil, water and energy use. Fortunately, a large gene pool is available in many crop species, which allows for breeding and developing new varieties/hybrids tolerant to multiple stresses, both biotic and abiotic.
- The rationale of climate-smart-agriculture (CSA) has to be appreciated by decision-makers and stakeholders at all levels.
- DFI by 2022 is not achievable, without making farmers resilient to climate change impacts and promoting CSA practices that sustainably increase their productivity and incomes.

#### ***Food and Nutrition Security***

- There can be no inclusive growth without nutrition security that would entail a shift in focus from calorie intake towards delivering nutrition. The DFI initiative offers an opportunity to align even farm policies in that direction.

- Neglected crops such as pulses and millets are fortunately now receiving attention, not only because of their high protein and nutrition-dense characteristics, but also for their climate resilience and low carbon and water foot-prints.
- Moreover, consumer demand and dietary patterns are slowly changing, creating a potential market for growers of these “smart crops”.
- The government should move from a “cereal-centric” policy focused on subsidised procurement and distribution of rice and wheat to a diversified mix of nutritious millets and legumes.
- **National Nutrition Mission:** Procurement operations/buffer stocking of pulses, inclusion of millet-based food products in mid-day-meals programmes and additional incentives beyond support prices for growers of these crops in some states have sent positive signals that align farm policies to strategies for combating hunger and malnutrition.

### ***Stable Farm Export Policy***

- India ranks second in overall agricultural production, next only to China. But the country’s export basket hardly reflects its huge crop diversity and potential to generate a significant farm trade surplus. Without an open and stable farm export policy, there’s no predictability for farmers to access global markets and obtain the best possible prices for their produce.
- Movement to high-value crops (in protected cultivation, wherever possible), developing and exploiting the market for organic produce, creating farm export clusters, complying with international food-safety requirements, and doing away with multiple authorities for monitoring/regulating agricultural trade are the need of the hour. It calls for an aggressive agricultural trade policy.

### ***An integrated value-chain approach***

- Farmers must be integrated into modern value chains that can raise their incomes and also minimise the risks arising from middlemen and markets.
- There should be integration of post-harvest, marketing and processing infrastructures, adding value and quality to the raw produce of farmers.

- Also, technologies suited to respective agro-ecologies need to be put in place here and demonstrated to growers whose produce can be aggregated through FPOs/FPCs.

### ***Digital Agriculture as backbone for modern farming***

- Use of ICT has been successfully tested for timely delivery of cropping, weather and price information to farmers. While information on markets leads to better price discovery and enables producers to capture a higher proportion of the marketable value, delivery of advisory services through digital and social media platforms can take care of the inadequacies of traditional farm extension delivery systems.
- All these digital agriculture initiatives require a robust data infrastructure, which, when integrated with Aadhaar, will also make for a monitoring and evaluation system to track farmer incomes and implementation of various government programmes and subsidy-linked schemes. Private agri-business agencies should also be made meaningful partners in this endeavour.

### **Connecting the Dots:**

1. Gain in productivity, reduction in cost of cultivation and remunerative prices can help in doubling farmers' income (DFI) by 2022. Analyse.
2. The vision of doubling agricultural income in the next five years can't be achieved only through farm activities. It requires an integrated approach that clubs livestock rearing, other non-farm activities and the cooperative model into the income package of farmers. Analyse.

### Skill Development & Employment for Rural Youth

*Key Points:*

**Target of lending increased to:** Rs. 3 lakh crore under MUDRA

**Govt. to contribute 12% of the wages of the new employees in the EPF** for all the sectors for the next 3 years

**National Apprenticeship Scheme** with stipend support launched to give training to 50 lakh youth

**Tax Rate reduced to 25% for MSMEs** with turnover up to Rs. 250 crore

**Govt. to announce measures** for addressing NPAs & stressed accounts of MSMEs

### Deendayal Antayodaya Yojana (DAY-NRLM)

Deen Dayal Antyodaya Yojana (DAY) with an aim to uplift the urban poor folks by enhancing sustainable livelihood opportunities through skill development. Keeping in view the objective of Make in India, Skill Development is essential for socio economic betterment. Deen Dayal Antyodaya Yojana was launched under the Ministry of Housing and Urban Poverty Alleviation (HUPA). Government of India has provisioned Rs.500 crore for the scheme.

- The scheme is integration of the National Urban Livelihoods Mission (NULM) and National Rural Livelihoods Mission (NRLM).



### Deen Dayal Upadhyay –Grameen Kaushalya Yojana (DDU-GKY)

**Aim:** A placement Linked Skill Development scheme which seeks to build the skills of the poor rural youth and place them in relatively higher wage employment sectors of the economy.

- Provides support for establishing Rural Self Employment Training Institutes (RSETIs) in each district of the country in collaboration with the Banks and the State Governments to provide training to the rural youth from the poor households to take-up economic activities.

### Start-Up Village Entrepreneurship programme (SVEP)

**Aim:** To develop institutional credit-entrepreneurship linkage among the local entrepreneurs

### Mahila Kisan Sahshaktikaran Pariyojana (MKSP), as a sub scheme under DAY-NRLM

**Aim:** Promoting agriculture based livelihoods of rural women by strengthening community institutions of poor women farmers to promote sustainable agriculture.

MKSP focuses on agriculture, non-timber forest produce and livestock interventions. It provides three kinds of services to the farmers, namely:

- Extension services
- Training capacity building and handholding services
- Facilitation for convergence with other line department to access the benefit from other schemes/ programmes

### SARAS Aajeevika Mela

An endeavour of DAY-NRLM to provide to the rural women (huge socio-economic transformation) producers a national platform and an opportunity to showcase their products, and seek buyers, either individuals or bulk buyers for sale nationally / internationally.

### Rural Living

Around two-thirds of India's population is in rural areas and a large proportion of this population lives in abject poverty. According to the ICE 360° Household Survey conducted in 2016, of the bottom 20% of India's income quintile, 89% live in rural areas.

There is an urgent need to improve the economic scenario in rural India to have a sustainable and robust growth model for the country as a whole.

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**Livelihood Opportunities for Rural India**

**Rs.14.34 Lakh Crore to be spent for creation of livelihood and infrastructure in rural areas**

**This will create employment of 321 crore person days**

**& construction of**

- 3.17 lakh kilometers of rural roads**
- 51 lakh new rural houses**
- 1.88 crore toilets**

Loans to SHGs will increase to ₹75,000 crore by March, 2019 from ₹42,500 crore in 2016-17

Allocation of National Rural Livelihood Mission increased to ₹5750 crore

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The poster features a green header with the text 'BUDGET 2018-19 Health' in large white letters. To the left is a circular graphic with a central Indian Rupee symbol and the text 'UNION BUDGET' and 'GOVERNMENT OF INDIA'. The background of the poster is light blue. Below the header, the title 'Galvanizing Organic Bio-Agro Resources Dhan [GOBAR-DHAN]' is written in bold red letters. Two bullet points are listed: 'For management and conversion of cattle dung and solid waste in farms to compost, fertilizer, bio-gas and bio-CNG' and 'To make our villages open defecation free and aimed at improving the life of our villagers'. A red cross with a white heart and pulse line is on the right.

**BUDGET 2018-19**  
**Health**

**Galvanizing Organic Bio-Agro Resources Dhan  
[GOBAR-DHAN]**

- ❑ For management and conversion of cattle dung and solid waste in farms to compost, fertilizer, bio-gas and bio-CNG
- ❑ To make our villages open defecation free and aimed at improving the life of our villagers

**Must Read:** [Role of construction sector in addressing rural distress](#) + [YK Gist, Feb,2018](#)

**Connecting the Dots:**

1. Around two-thirds of India's population is in rural areas and a large proportion of this population lives in abject poverty. Improving rural income thus must be a priority for the government. Suggest measures to do so.
2. The rural education is in dismal state as per the latest ASER survey. This will have grim consequences on overall education in India. It's time the existing system is overhauled. Discuss.



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