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Budget 2021 | Centre unveils plan to strengthen APMC, higher farm credit

The Agriculture and Farmers' Welfare Ministry has got 5.63 per cent increase budgetary allocation

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Finance Minister Nirmala Sitharaman.Credit: PTI Photo

Assuaging farmers' fears of APMCs shutting down, Finance Minister Nirmala Sitharaman on Monday allowed such markets to access resources from the Agriculture Infrastructure Fund.

Presenting her third union budget, Sitharaman also announced the extension of Operation Greens, focused on organised marketing of tomatoes, onions and potatoes, to 22 more perishable products.

"The Agriculture Infrastructure Fund would be made available to APMCs (Agricultural Produce Marketing Committee) for augmenting their infrastructure," the minister said seeking to allay fears that the new farm laws would sound the death knell for APMC markets.

Last year, the government had announced the Rs 1 lakh crore to the Agriculture Infrastructure Fund to finance projects at subsidised rates for development of post-harvest infrastructure facilities.

She also announced an Agriculture Infrastructure Development Cess (AIDC) on certain items such as petrol, diesel, gold and imported agricultural products, to fund post-harvest infrastructure.

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The Agriculture and Farmers' Welfare Ministry has got 5.63 per cent increase budgetary allocation at Rs 1,31,531 crore for 2021-22, while Rs 8,513.62 crore has been earmarked for the Department of Agricultural Research and Education.

Among the key central schemes, a major allocation of Rs 65,000 crore has been made for PM-KISAN, under which the government provides Rs 6,000 to each beneficiary in three equal installments to registered farmers.

"I have enhanced the agricultural credit target to Rs 16.5 lakh crores in FY22. We will focus on ensuring increased credit flows to animal husbandry, dairy, and fisheries," Sitharaman said. The minister said around 1.68 crore farmers were registered with e-National Agriculture Market (eNAM) and the value of the produce traded on the platform was Rs 1.14 lakh crores.

"Keeping in view the transparency and competitiveness that e-NAM has brought into the agricultural market, 1,000 more mandis will be integrated with e-NAM," Sitharaman said.

"The setting up of 1,000 mandis integrated with e-NAM and the change in MSP regime will ensure increased credit flows, increase farmer's sustainability and help agriculture business value chain in a big way," Malini Saba, founder and chairman of Saba Group said.

Sitharaman also hiked the allocation for formation and promotion of 10,000 farmer producer organisations (FPOs) from Rs 250 crore to Rs 700 crore.

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