



India Union Budget 2023-24

Point of view

#UnionBudget2023 | #KPMGBudgetLive



Agriculture

Implications for the sector

Digital agriculture

- Digital public infrastructure for agriculture is expected to provide better access to information for farmers right from crop planning to marketing
- Agriculture Accelerator Fund for young entrepreneurs in rural areas can address specific needs and provide customised solutions for the agricultural ecosystem apart from employment opportunities
- Center of excellence for Artificial Intelligence shall support a holistic ecosystem to drive digital agriculture.

Increased focus on allied activities in agriculture

- Focus of agricultural credit on animal husbandry and fisheries may support the development of the overall ecosystem, which is export-oriented and in turn better realisation
- Sub scheme under PMMSY focusing post-harvest space on building value chain efficiencies and expanding markets to enhance market access for fisheries and its processed products
- Reduction in basic customs duty on inputs used in aquatic feed manufacturing shall aid in building efficiencies on the input side of fisheries
- Continuation of BCD exemption on the goods covered under Heading 2710 or 271490 for manufacture of fertilisers will help in keeping the input cost for agriculture at the lower side.

Infrastructure focus

- Decentralised storage infrastructure through PACS is expected to address the gap in farmgate storage infrastructure
- Unity malls to promote ODOP products in major cities across the country to boost the marketability of ODOP products and increase investment in related processing infrastructure and product innovations related to ODOP produce.

Natural farming

- The simultaneous impetus on the number of farmers adopting Natural farming and building a national-level distributed micro-fertilizer and pesticide manufacturing network is expected to accelerate the Natural Farming adoption in the country.

Key announcements for the sector

Digital public infrastructure for agriculture

- Digital public infrastructure to be built as an open source, open standard and interoperable public good to enable inclusive, farmer-centric solutions related to crop planning and health, improved access to farm inputs, credit, insurance, crop estimation, market intelligence and support growth of agri-tech industry and start-ups.

Agriculture Accelerator Fund (AAF)

- Agriculture Accelerator Fund to encourage agri-startups by young entrepreneurs in rural areas
- The fund will aim at bringing innovative and affordable solutions for challenges faced by farmers
- It will also bring in modern technologies to transform agricultural practices, increase productivity and profitability.

Atmanirbhar Horticulture Clean Plant Programme

- A budget outlay has been created for Clean Plant Programme to boost the availability of disease-free, quality planting material for high-value horticultural crops.

Enhancing the productivity of cotton crop

- A cluster-based and value chain approach through Public Private Partnerships (PPP) to enhance the productivity of extra-long staple cotton
- Collaboration between farmers, state and industry for input supplies, extension services and market linkage

Global hub for millets: 'Shree Anna'

- To make India a global hub, the Indian Institute of Millet Research, Hyderabad to be supported as the Centre of Excellence for sharing best practices, research and technologies related to millets at the international level.

Agriculture credit

- The target will be increased to INR20 lakh crore from the existing INR18.6 lakh crore (FY 22) with a focus on agri-allied sectors, including animal husbandry, dairy and fisheries. This is expected to improve the access to credit to a larger group of farmers.

Fisheries

- PMMSY was introduced in FY 22 to bring about Blue Revolution through sustainable and responsible development of the fisheries sector in India at an estimated investment of INR20,050 crore spread across a period of 5 years
- A new sub-scheme of PMMSY will be introduced with a targeted investment of INR6,000 crore
- This is expected to enable activities of fishermen, fish vendors and micro & small enterprises, improve value chain efficiencies, and expand the market.

Cooperation

- Plan to set up decentralised storage capacity to help farmers store their produce and sell it at an appropriate time
- Facilitate in setting up a large number of multipurpose cooperative societies, primary fishery societies and dairy cooperative societies in uncovered panchayats and villages.

Centres of Excellence for Artificial Intelligence

- Three centres of excellence for Artificial Intelligence will be set up in top educational institutions. Leading industry players will partner in conducting interdisciplinary research and develop cutting-edge applications and scalable problem solutions in the areas of agriculture, health and sustainable cities.

Bhartiya Prakritik Kheti Bio-Input Resource Centres

- Facilitate one crore farmers to adopt natural farming over the next three years
- Setting up 10,000 Bio-Input Resource Centres, creating a national-level distributed micro-fertiliser and pesticide manufacturing network.

Unity Mall

- States will be encouraged to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for the promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other states.

KPMG in India contacts:

Harsha Razdan

Partner and Head

Consumer Markets and Life Sciences

E: harsharazdan@kpmg.com

Srinivas Kuchibhotla

Partner

Food and Agribusiness

E: kuchibhotla@kpmg.com

Harpreet Singh

Partner

Indirect Tax

E: hsingh1@kpmg.com



home.kpmg/in/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011
Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

© 2023 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

This document is for e-communication only.