

₹20K cr capital for 23 big irrigation projects to flow from April

MUMBAI: Amid rising rural distress following two consecutive years of drought, the Centre is keen to kick-start 23 major irrigation projects and will begin releasing the committed Rs 20,000-crore funds from April itself. The commitment was given by Finance Minister Arun Jaitley while presiding over the board meeting of the rural-focussed developmental finance institution National Bank for Agriculture and Rural Development (Nabard), its Chairman Harsh Kumar Bhanwala said.

With rising incidents of farmer suicides and elections in five key states by the middle of the year, the Budget nearly doubled farm sector allocation to Rs 44,485 crore in FY17 and raised credit target to a record Rs 9 trillion, from Rs 8.5 trillion in FY16. Nearly half of the higher budget allocation is directed at irrigation. The government has announced a long-term irrigation fund with a corpus of Rs 20,000 crore, under which it plans to fund construction of 23 large irrigation projects.

The larger objective is to double the income of farmers, Jaitley had said in the Budget. "The government has already identified these 23 projects. What is left is the execution details. The minister said the

government will begin releasing irrigation funds in April itself," Bhanwala said. He said the minister has asked him to help secure farmers' income by increasing the focus on irrigation, helping them diversify into dairying and widening crop insurance coverage.

"To double their income, farmers need to diversify into non-farming areas like dairy-farming," Bhanwala said, quoting the minister. At present the crop insurance coverage is only 25 per cent and according to Jaitley, to achieve the goal of doubling farmers' income by FY22, this will also have to be at least doubled.

The Nabard chief also said Jaitley emphasised on reviving rural demand which has fallen since the past few years. Bhanwala said Jaitley will launch the new Fasal Bima Yojana (crop insurance scheme) on March 22 in the city, where the CMDs of all public sector banks and general insurers, apart from heads of RRBs, will be present.

The Budget has also provided Rs 5,500 crore for crop insurance scheme, Rs 815 crore to promote dairy and allied sector and Rs 500 crore to boost pulses output. The government plans to mop up part of the funds required through the 0.5 per cent Krishi Kalyan Cess on service tax.