

Factsheet on

Budgetary Expenditure Towards Agriculture

CHHATTISGARH



2021

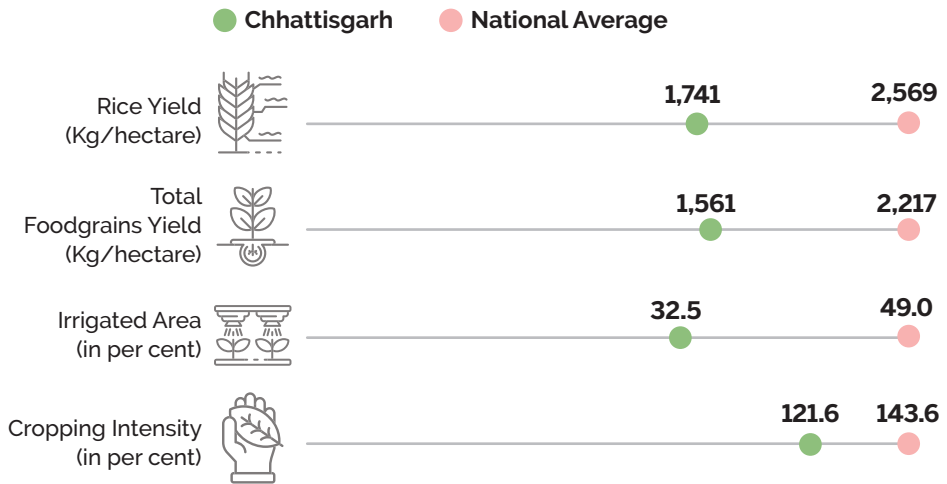


Profile

With a geographical area of 13,790 thousand hectares Chhattisgarh is the ninth largest state in the country. The productive agricultural zones of the State include; Bastar plateau, Chhattisgarh plains and Northern hills. Paddy, maize, *jowar*, groundnut, gram, and wheat are major crops grown in the State. Chhattisgarh is also known as the "Rice Bowl" of India.

Despite progress, the average foodgrain productivity in the State is still lower than the national average. The cropping intensity of agriculture is also lower for the State than that of the national average. The yield gap of rice and total foodgrains crops is 32 per cent and 30 per cent respectively of the national average. Hence, there is a potential for enhancing the productivity in rice and other major crops, such as pulses, oilseeds and wheat, by improving agricultural practices and bringing additional areas under irrigation.

Figure 1: Key Indicators of Agriculture for Chhattisgarh Versus the National Average



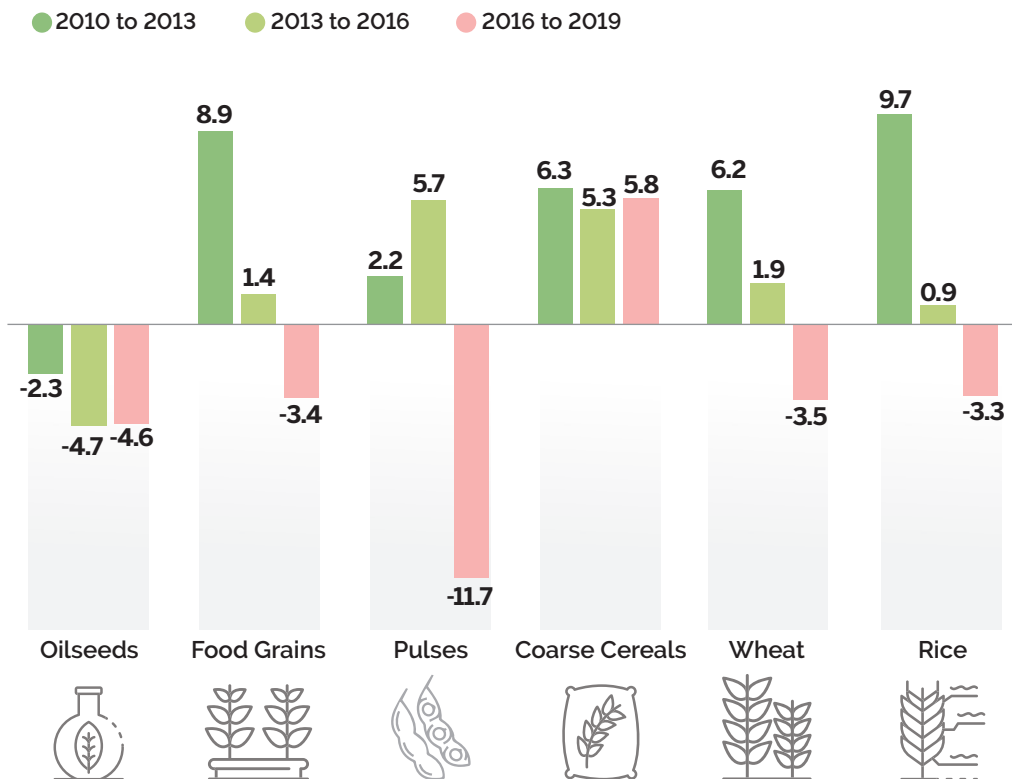
- Note: 1. Three year average has been taken for yield i.e. 2016-17, 2017-18 and 2018-19.
2. Irrigated Area: Percentage of Gross Irrigated Area to Total Cropped Area in 2016-17.

Source: Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare, Govt. of India.

Production

Lack of assured irrigation along with other factors is affecting the growth of agriculture and allied activities. The compound annual growth rate (CAGR) for production of major crops has registered a negative growth, except for coarse cereals, from 2016 to 2019.

Figure 2: Growth Rate of Production of Major Crops in Chhattisgarh (in per cent)



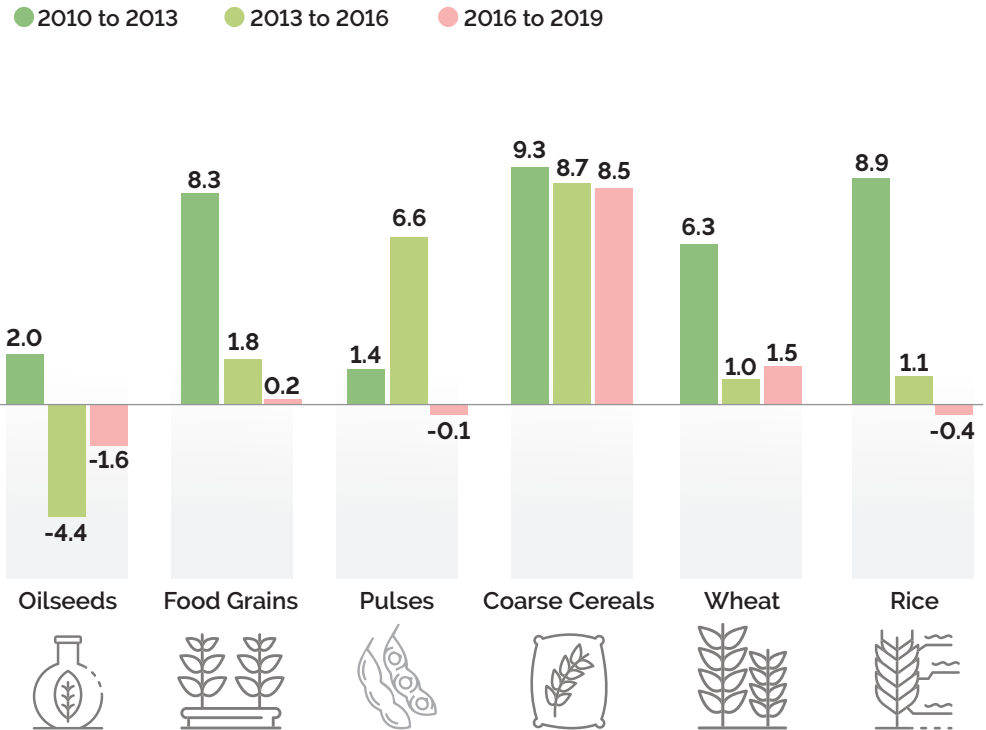
Note: Compound Annual Growth Rates are computed based on three-yearly average

Source: Compiled by CBGA from data provided by Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India

Yields

The CAGR of yield for all the crops except coarse cereals have also registered negative or negligible growth rates in this period. The state aims to bring the productivity of all its major crops at par with the national average. A sustained increase in public expenditure towards agriculture and allied sectors is necessary to achieve this target.

Figure 3: Growth Rate of Yield of Major Crops in Chhattisgarh (in per cent)



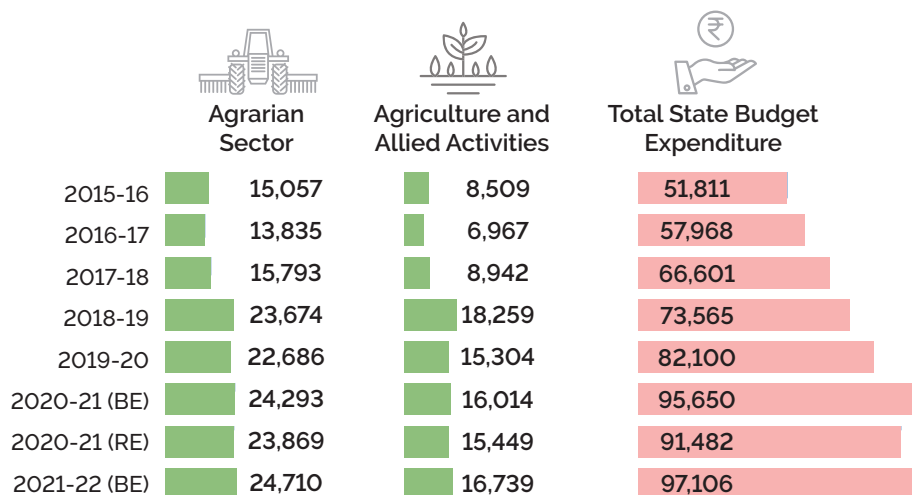
Note: Compound Annual Growth Rates are computed based on three-yearly average

Source: Compiled by CBGA from data provided by Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India.

Expenditure: Overall

Public expenditure both for agrarian sector and agriculture and allied activities has been increasing in the recent years with some exceptions. For the 2021-22 (BE), the State has allocated Rs 24, 710 cr for agrarian sector and Rs 16,739 cr. for AASs, a growth of 3.5 per cent and 8.4 per cent, respectively on 2020-21 (RE).

Figure 4: Budgetary Expenditure Towards Agrarian Sector and Agriculture and Allied Activities (in Rs. crore, Current Prices)



Note: BE stands for Budget Estimates and RE stands for Revised Estimates

Source: Compiled by CBGA from data provided by Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India.

Explanatory Notes

Total expenditure towards **Agrarian Sector** constitutes expenditure on all functional heads of agriculture and allied activities as maintained by the government in its budget documents and relevant expenditure carried out by various departments complementing agricultural activities. Here expenditure towards Agrarian Sector is the sum total of expenditure under both Revenue and Capital heads of the budget.

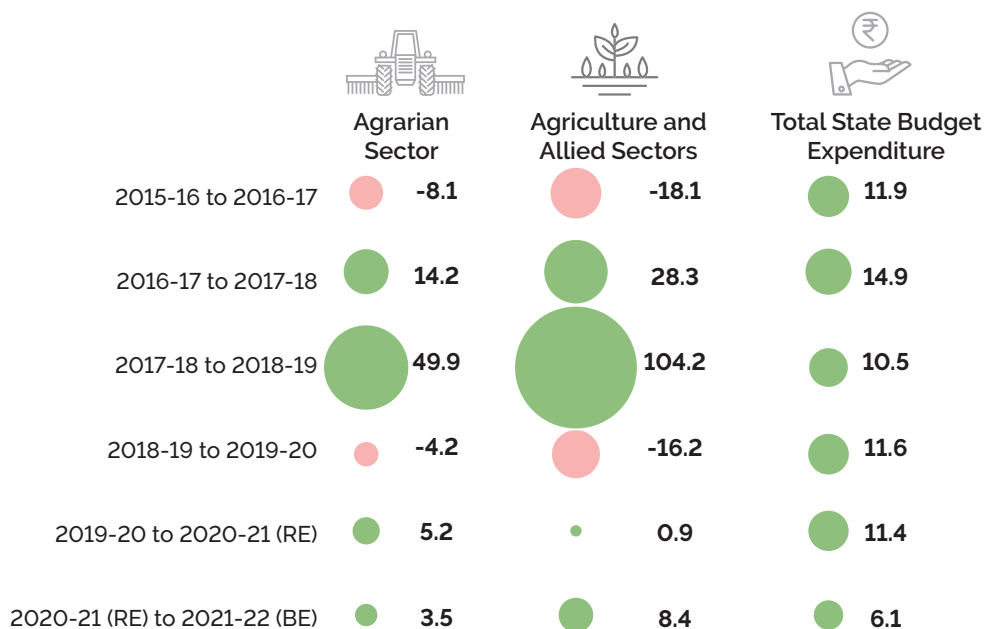
Apart from **Agriculture and Allied Activities**, relevant expenditure by the following departments have been clubbed together to obtain total expenditure on Agrarian Sector. **Please note that we have included only those heads of public expenditure in the other sectors that have a direct bearing on the agriculture and allied sectors (and not the entire amount of budgetary spending in the other sectors).**

1. Commerce and Industry
2. Energy
3. Panchayati Raj
4. Planning Economics and Statistics
5. Public Relations
6. Public Works
7. Revenue
8. Rural Industry
9. Water Resources

Expenditure: Growth

The public expenditure for both agrarian sector as well as agriculture and allied activities increased exceptionally in the financial year 2018-19. It grew at a rate of around 50 per cent and around 104 per cent for agrarian sector and agriculture and allied activities respectively during 2017-18 to 2018-19.

Figure 5: Annual Growth of Budgetary Expenditure Towards Agrarian Sector and Agriculture and Allied Activities (in per cent)



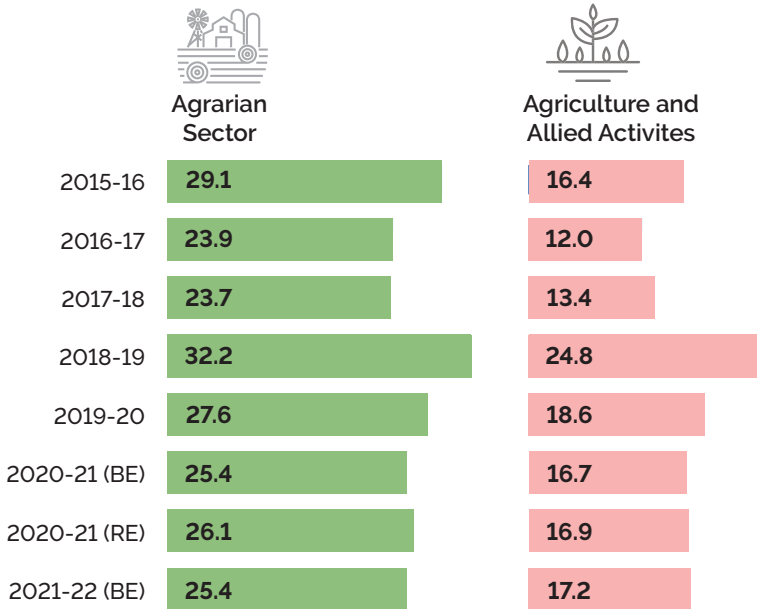
Source: Calculated by CBGA from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years).

Refer to Explanatory Notes on Page 5.

Expenditure: Sector Share

The share of public expenditure towards agrarian sector to the total budget expenditure of the State has remained at around 25 per cent since 2019-20. The share of public expenditure towards agriculture and allied activities to the total budget expenditure of the State is increasing gradually.

Figure 6: Share of Expenditure Towards Agrarian Sector and Agriculture and Allied Activities in Total State Budget Expenditure (in per cent)



Source: Calculated from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years)

Refer to Explanatory Notes on Page 5.

Composition: By Major Heads

The share of crop husbandry is increasing in the recent years and accounts for 52 per cent of the total revenue expenditure of agriculture and allied activities in 2021-22. The second largest component is Food, Storage and Warehousing although it has been declining over the years. The share of Cooperation (16 per cent) and Other Agricultural Programmes (18 per cent) has shown relatively more increase in 2019-20.

Figure 7: Percentage Distribution of Expenditure Across Major Heads of Revenue Expenditure in Agriculture and Allied Activities (in per cent)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (BE)	2020-21 (RE)	2021-22 (BE)
Crop Husbandry	12.1	22.7	37.0	49.1	14.7	48.0	52.7	51.9
Food, Storage and Warehousing	66.7	47.5	39.4	22.8	37.7	31.4	30.6	29.2
Forestry and Wildlife	13.3	15.2	13.2	5.6	7.7	10.9	9.1	10.2
Animal Husbandry	4.0	5.1	4.7	2.1	3.1	3.6	3.3	3.2
Cooperation	1.4	4.7	1.8	17.3	16.0	2.2	1.5	2.3
Agricultural Research and Education	1.2	1.6	1.4	0.5	0.9	1.2	1.2	1.3
Fisheries	0.7	1.1	0.9	0.4	0.7	0.9	0.7	1.0
Soil and Water Conservation	0.5	1.8	1.4	0.7	1.2	1.6	1.0	0.9
Other Agricultural Programmes	0.1	0.3	0.2	1.5	18.0	0.1	0.1	0.1

Note: 1. Heads arranged in descending order of share in 2021-22 (BE).
2. BE stands for Budget Estimates and RE stands for Revised Estimates.

Source: Calculated by CBGA from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years).

Composition: By Key Activities

Out of the total Budget expenditure towards agrarian sector, the share of revenue expenditure towards key agricultural activities such as Seed and Plant Protection, Manures and Fertilizers, Land Conservation, Education, Research and Training, Farm Forestry, Horticulture and Vegetable crops, Agriculture Engineering etc. have remained meager over the years including 2021-22. Noticeably, the share for Food and Commercial Crop (26 per cent) and Procurement & Supply (19 per cent) is significant in 2021-22 (BE).

Figure 8: Share of Revenue Expenditure on Key Agricultural Activities to the Total Budget Expenditure Towards Agrarian Sector (in per cent)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (BE)	2020-21 (RE)	2021-22 (BE)
Food and Commercial Crop	2.37	3.50	16.27	34.37	3.83	27.23	28.33	28.89
Procurement & Supply and Food Subsidies	42.75	26.70	23.35	17.96	26.66	22.15	20.68	21.10
Forest Conservation and Development	4.64	4.78	4.32	2.55	3.33	3.57	3.16	3.47
Farm Forestry and Forest Production	2.54	2.22	2.06	1.04	1.02	2.86	1.97	2.70
Crop Insurance	0.43	2.97	0.81	1.54	2.45	1.68	2.71	2.69
Horticulture and Vegetable Crops	1.73	2.11	1.78	0.92	1.59	2.16	1.88	2.07
Animal and Poultry Development	2.14	2.39	2.34	1.38	1.79	2.31	2.00	2.06
Assistance to Cooperative Societies	0.62	2.35	0.78	13.55	11.14	1.29	0.76	1.41
Education, Research and Training	1.40	1.70	1.63	0.79	1.15	1.37	1.18	1.30
Manures and Fertilizers	0.08	0.20	0.17	0.10	0.07	0.13	0.43	0.90
Land Conservation	0.33	1.03	0.85	0.56	0.83	1.14	0.66	0.67
Inland Fish Industry	0.34	0.53	0.46	0.28	0.44	0.56	0.43	0.66
Seed and Plant Protection	0.52	1.39	0.62	0.40	0.49	0.52	0.47	0.50
Agriculture Engineering	0.29	0.38	0.32	0.24	0.37	0.49	0.37	0.41
Minor Irrigation Development	0.67	0.78	0.49	0.34	0.38	0.46	0.39	0.39
Command Area Development	0.02	0.03	0.02	0.01	0.01	0.02	0.01	0.00

Note: 1. Activities arranged in descending order of share in 2021-22 (BE).
2. BE stands for Budget Estimates and RE stands for Revised Estimates.

Source: Calculated by CBGA from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years).

Schemes

Two new schemes, i.e. *Rajiv Gandhi Kisan Niyay Yojana* and *Godhan Niyay Yojana* have been introduced in the State to increase the income of farmers through integrated approach involving land and livestock. A major increase in the budget expenditure has been observed for schemes such as National Food Security Mission and *Pradhan Mantri Fasal Bima Yojana*. But there is also need to prioritise expenditure on schemes that augment capacity of production considering local needs such as National Mission on Oilseeds and Oil Palm, Soil Health, *Paramparagat Krishi Vikaas Yojana*, Organic Farming Mission and *Rashtriya Krishi Vikas Yojana*.

Figure 9: Budget Expenditure Towards Major Schemes in Agriculture and Allied Sectors (in Rs. Crore)

■ 0 ■ Up to Rs. 20 crore ■ Rs. 20-50 crore ■ Rs. 50-100 crore ■ Above Rs. 100 crore

Scheme	2018-19	2019-20	2020-21 (RE)	2021-22 (BE)
<i>Rajiv Gandhi Kisan Niyay Yojana</i>	0.0	0.0	5,100.0	5,703.0
<i>Pradhan Mantri Fasal Bima Yojana</i>	348.1	522.8	601.3	606.0
<i>Godhan Niyay Yojana</i>	0.0	0.0	80.2	175.1
<i>Rashtriya Krishi Vikas Yojana</i> (Green Revolution)	87.8	96.7	100.0	161.9
National Food Security Mission	64.5	103.5	110.0	120.6
<i>Pradhan Mantri Krishi Sinchae Yojana</i>	9.7	55.1	92.1	112.5
<i>Paramparagat Krishi Vikaas Yojana</i>	3.6	17.7	34.7	35.4
National Mission on Oilseed and Planting Material Yojana (N.M.A.E.T.)	17.3	21.9	15.0	23.3
Rainfed Area Development Scheme (NMSA)	8.8	7.5	7.5	22.0
Soil Health Management Scheme (NMSA)	12.5	10.8	10.8	21.0
Organic Farming Mission	19.7	13.9	8.1	20.0
National Mission on Oilseeds and Oil Palm	5.0	5.7	15.6	19.4
National Afforestation Programme	13.3	15.5	35.0	9.0

Note: 1. Heads arranged in descending order of share in 2021-22 (BE).
2. BE stands for Budget Estimates and RE stands for Revised Estimates.

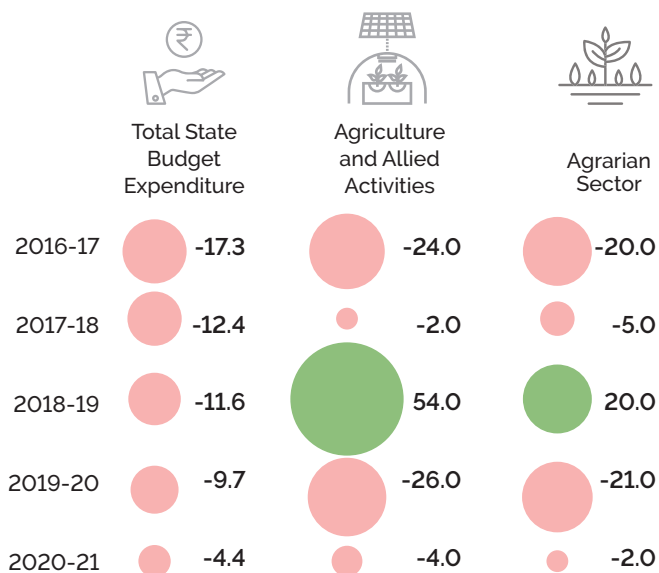
Source: Calculated by CBGA from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years).

Fiscal Credibility: By Sectors

Except for financial year 2018-19, on average, the actual expenditure for agrarian sector and agriculture and allied activities has remained lower than the budget estimates.

Figure 10: Gap in Expenditure Towards Agrarian Sector and Agriculture and Allied Activities (in per cent)

- Actual spending matched or exceeded Budget Estimate
- Actual spending was less than Budget Estimate



- Note:
1. Calculated as percentage difference between Actual and Budget Estimates.
 2. For 2020-21, Revised Estimates were used.
 3. Data for agrarian sector, agriculture and allied activities and total budget include Revenue and capital expenditure.

Source: Calculated by CBGA from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years)

Refer to Explanatory Notes on Page 5.

Fiscal Credibility: By Activities

Further, this gap in expenditure under key agricultural activities is found with some exceptions. The gap is more prominent in revenue outlay of soil and water conservation, forestry and wild life etc. consistently. Sustainable growth of the sector requires prioritisation of public expenditure towards it. Further, sustained growth of public expenditure on the development of key inputs and infrastructure such as seeds, fertilisers, micro irrigation, soil and water conservation, research & extension etc. is also pertinent to make agriculture a viable option for different farming communities.

Figure 11: Gap in Expenditure towards Key Activities of Agriculture and Allied Sectors (in per cent)

Activities	■ Actual spending matched or exceeded Budget Estimate ■ Actual spending was less than Budget Estimate				
	2016-17	2017-18	2018-19	2019-20	2020-21 ¹
Minor Irrigation	-8.5	-34.6	-38.9	-11.5	-14.8
Agricultural Research and Education	-27.1	-2.1	-27.5	3.7	-0.3
Animal Husbandry	-25.3	-17.0	-21.5	-19.6	-12.7
Cooperation	11.1	-26.0	1,165.0	38.2	-35.8
Crop Husbandry	-16.0	76.0	123.8	-68.6	7.0
Fisheries	-5.7	-18.1	-30.6	-13.6	-21.1
Food, Storage and Warehousing	-29.8	-23.6	-13.2	7.6	-5.3
Land and Water Conservation	-9.0	-32.9	-47.7	-28.1	-41.4

Note: 1. Activities arranged in alphabetical order within respective outlay type.
 2. Calculated as percentage difference between Actual and Budget Estimates.
 3. For 2020-21, Revised Estimates were used.

Source: Calculated by CBGA from data provided by Detailed Demand of Grants, Budget Books, Department of Finance, Government of Chhattisgarh (Various Years)

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