



## UNION MINISTER SHRI ARUN JAITLEY CALLS FOR COOPERATIVE FEDERALISM IN AGRICULTURE SECTOR<sup>1</sup>

### *NABARD to promote 5000 Farmer Producer Organizations in next 2 years: MoS, Finance*

Applauding NABARD's initiatives in promotion of Farmer Producer Organisations (FPOs) in line with Centre's call for doubling farmers' income by 2022, Union Minister Shri Arun Jaitley expressed optimism that the apex development bank would achieve the milestone of promoting 5000 FPOs in the next couple of years. Speaking of the reduction in farm size over the years, the Minister recalled that under the Union Budget 2018, NABARD was mandated with the task of setting up FPOs. Noting that small farms are no longer sufficiently remunerative, the Minister said that small and marginal farmers will benefit from economies of scale when they become a part of FPOs, which provide support in terms of information and infrastructure. Shri Jaitley was addressing the 37th Foundation Day commemoration seminar on "Collectivisation and Market Linkages: Farmer Producer Organisations" held in Mumbai today, via video-conferencing.

Noting that India has now overtaken France to become the sixth largest economic power of the world, the Minister said that the rate at which we are progressing makes it likely that we reach the fifth position next year. Shri Jaitley opined that while the world now acknowledges India as the fastest growing large economy, our true measure of development will be when we are able to remove poverty from the nation. He said that the growth of agriculture will play an important role in realizing this goal.

Recalling the example of Goods and Services Tax (GST) as a good example of cooperative federalism, the Minister said that an even better instance which would benefit the nation even more would be cooperative federalism in the agricultural sector. He said that cooperation between Centre and states in the federal model would lead to an optimum utilization of Central and state finances deployed towards agriculture. He asked NABARD to reflect on this suggestion, which he said would take us closer to the Government's goal of doubling farmers' income by the year 2022.

Citing the priority of the Government towards strengthening rural infrastructure and farmers' income, the Minister said that around 14 lakh crore rupees has been allocated towards the agriculture sector in Union Budget 2018. He said that this will be good for the national economy. Shri Jaitley said that along these lines, the recent Cabinet decision to hike the Minimum Support Price is a historic decision. The Minister said that given the progress taken in providing housing, electricity, sanitation and bank accounts to people in rural areas, a revolutionary transformation has been happening in the Indian rural sector. He said that these initiatives will eventually result in a change in lifestyle and will enable those living in India's villages to increase their income on their own. He also called for a change in mindset, wherein rural sector investment is given high priority in the future as well.

The Chief Guest for the occasion, Union Minister of State, Finance, Shri Shiv Pratap Shukla announced that NABARD would promote 5000 more FPOs in the next two years. He said that the government is committed to double farmers' income by 2022 and that various efforts undertaken for promotion of FPOs will help in achieving this goal.

During the event five FPOs were felicitated by MoS, Finance for their commendable work in the agriculture sector.

<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1538478>

Chairman, NABARD, Shri Harsh Kumar Bhanwala; Secretary, Agriculture, Shri S. K. Patnayak; Executive Director, RBI, Smt. Surekha Marandi, representatives from Banking and Agriculture Sector and other dignitaries were present on the occasion.

***Team ICSI***

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