

Factsheet on

# Budgetary Expenditure Towards Agriculture

**RAJASTHAN**



2021



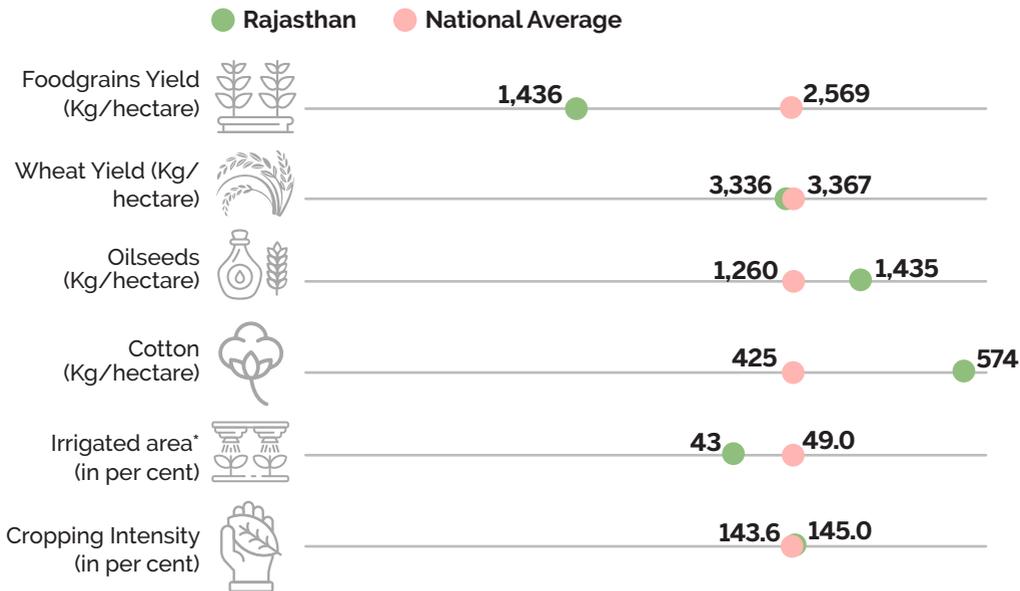
# Profile

With the geographical area of 34224 thousand hectares, Rajasthan is the largest State of India. There are ten agro-climatic zones<sup>1</sup> in the State. Out of the total geographical area, 74.9 per cent is cultivable area; out of this 66.7 per cent is net sown area.

The State has an erratic topography where a large part it is parched and dry region. There are also rocky terrains, rolling sand dunes, wetlands, barren tracts, land filled with thorny scrubs, river drained plains, ravines and wooded regions.

Though agriculture provides livelihood to around half of the State's population, all the key agricultural indicators for Rajasthan are not performing at par with the national average. Gaps in total food grain yield and irrigated area are around 80 per cent and 14 per cent respectively in Rajasthan in comparison to the national average. While cropping intensity in Rajasthan nearly matches that of the national average, concerted efforts are needed in all areas of agriculture for enhanced growth of the sector in the State.

**Figure 1: Key Indicators of Agriculture for Rajasthan 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.

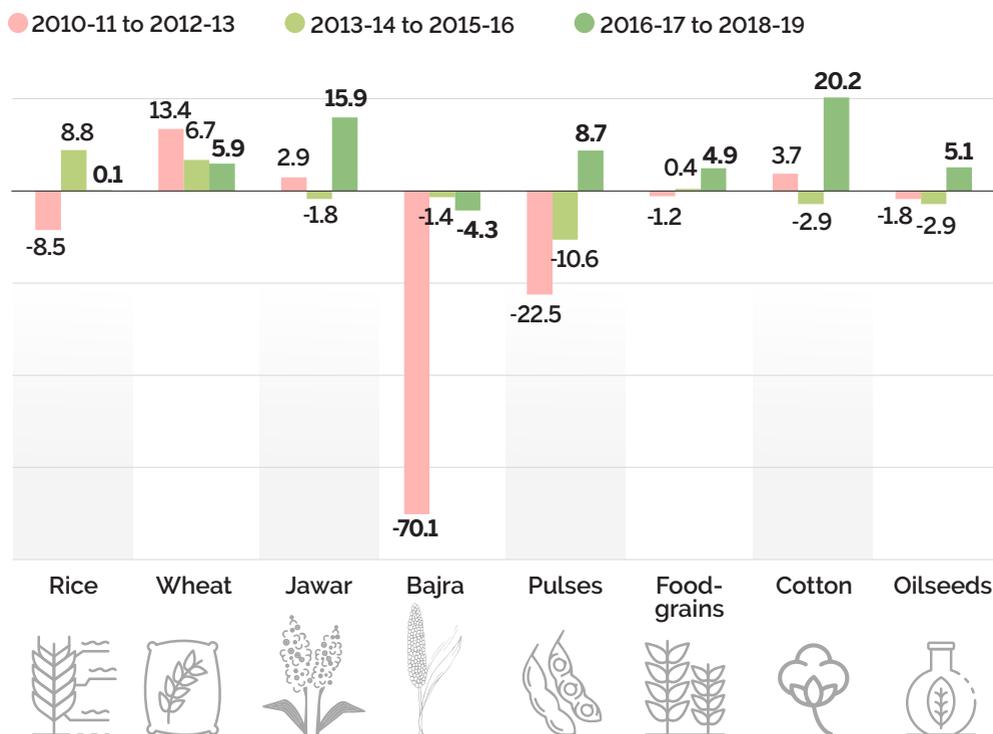
Source: Compiled by CBGA from data provided by Directorate of Economics and Statistics, Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India.

[1] <https://agriculture.rajasthan.gov.in/content/agriculture/en/Agriculture-Department-dep/Departmental-Introduction/Agro-Climatic-Zones.html>

# Production

Despite progress in production, the growth in the food grains production has remained highly fluctuated in Rajasthan. In two consecutive terms 2010-11 to 2012-13 and 2013-14 to 2015-16, the production growth of most of the major crops in Rajasthan was negative, but during 2016-17 to 2018-19, except *bajra*, all other crops showed positive production growth. There is a sufficient potential to improve the productivity of food grains such as wheat, paddy, *bajra*, *jawar*, maize and pulses in Rajasthan. This can be done through bringing additional areas under irrigation; only 43 per cent of the total cropped area is irrigated in the state.

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



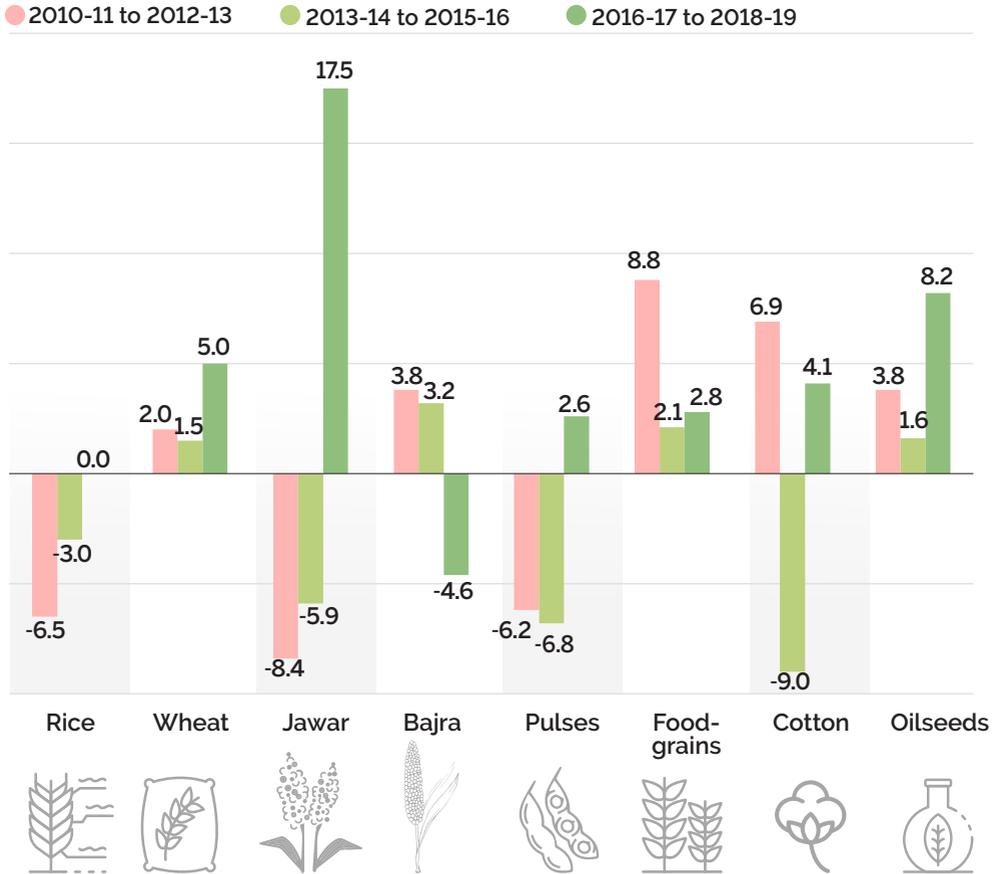
Note: Compound Annual Growth Rates are computed based on three-yearly average

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 yield growth of various crops show fluctuating trends in the State. The fluctuating yield trends which can be explained by various factors cause income and livelihood instability. This demands a sustained increase in public expenditure towards agriculture and allied sectors (AASs) to achieve the target.

**Figure 3: Growth Rate of Yields of Major Crops in Rajasthan (in per cent)**



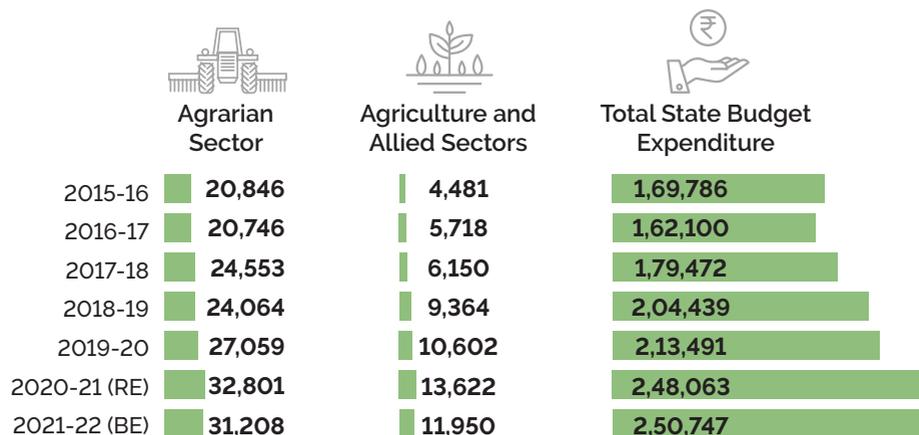
Note: Compound Annual Growth Rates are computed based on three-yearly average

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 for AASs has been increasing in the recent years in Rajasthan. The agrarian sector expenditure has increased around 50 per cent in 2021-22 (BE) in comparison to 2015-16. Especially, the budgetary expenditure for AASs witnessed a reasonable increase of around 166 per cent in the same period.

**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 Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years).

### 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.

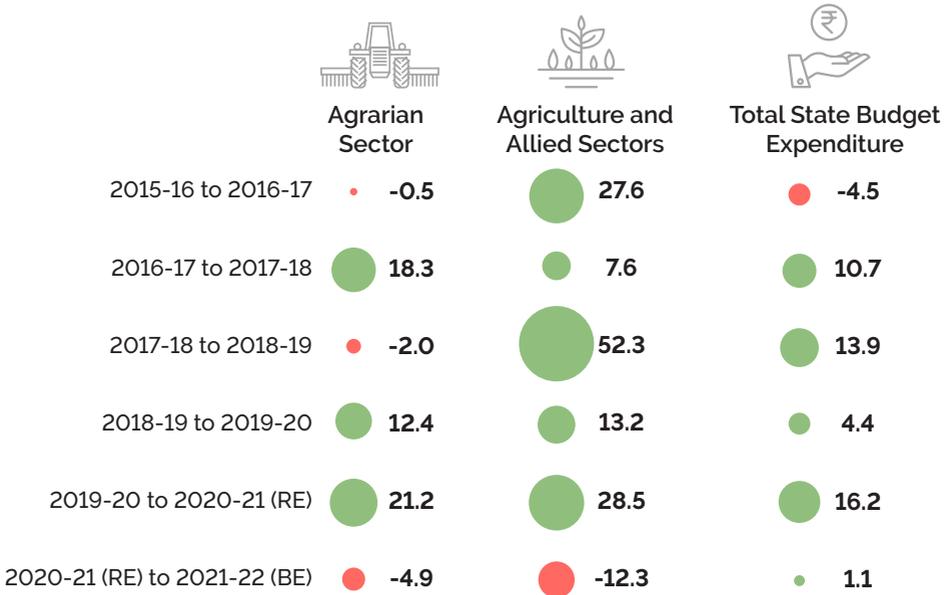
Apart from **Agriculture and Allied Activities**, relevant expenditure under the following functional heads have been clubbed together to obtain total expenditure on Agrarian Sector.

1. Command Area Development
2. Flood Control
3. Minor Irrigation
4. Other Rural Development Programmes
5. Other Special Areas Programmes
6. Power
7. Relief on account of Natural Calamities
8. Rural Employment
9. Special Programmes for Rural Development
10. Village and Small Industries

## Expenditure: Growth

The annual growth of budgetary expenditure towards agrarian sector and AASs in Rajasthan show that there were uncertain volatilities across various years. It is evident from the fact that in 2015-16 to 2016-17, 2017-18 to 2018-19 and 2020-21 (RE) to 2021-22 (BE), the agrarian sector budget growth was negative while the AASs sector budget grew with a high positive growth rate except the year 2020-21 (RE) to 2021-22 (BE) when the AASs budget declined by -12.3 per cent.

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



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

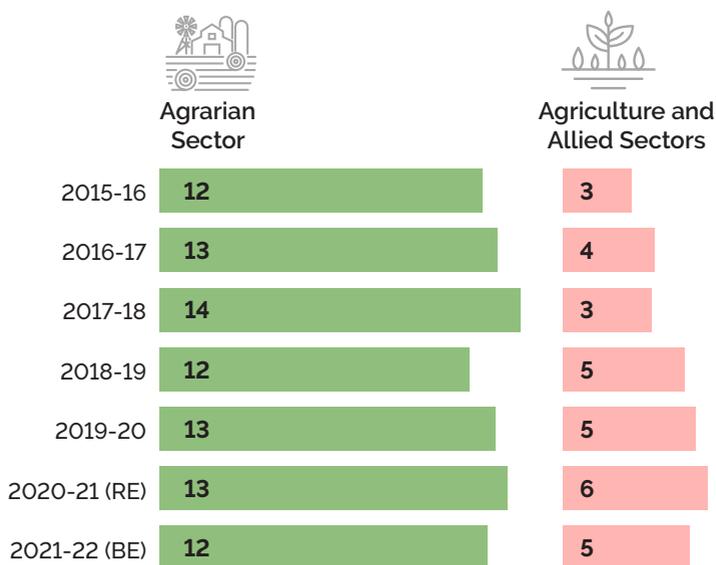
Source: Compiled by CBGA from Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years).

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 stagnated at around 12 per cent over the period. The share of public expenditure towards AASs increased till 2020-21 (RE), but in 2021-22 (BE), it has slightly declined. Overall, the expenditure on AASs had remained less than 6 per cent over the entire period which is low considering that more than half of the State's population is dependent on agriculture and allied activities for their livelihood.

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



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

Source: Compiled by CBGA from Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years).

Refer to Explanatory Notes on Page 5.

## Composition: By Major Heads

The share of crop husbandry in the total revenue expenditure of AASs had increased from 43.8 per cent in 2015-16 to 50.2 per cent in 2017-18 and then declined sharply to 23.9 per cent in 2019-20. It again increased to 32.1 per cent in 2021-22 (BE). On the other hand, the expenditure on animal husbandry sector had remained stagnant at around 15 per cent of the total revenue expenditure of AASs annually during the period 2015-16 to 2021-22 (BE). The cooperation sector had witnessed an increased expenditure during 2015-16 to 2019-20, but in subsequent years, it has declined. This increase was a result of the announcements made by the State government to provide loan waiver to farmers in the year 2018-19 and 2019-20.

Agriculture Research and Education budget witnessed a decline over the period. Activities like soil and water conservation, fisheries, dairy development, etc. get little support from the revenue expenditure of AASs. The allied sector, which includes animal husbandry, dairy development and fisheries, has a significant role in providing employment and decent earning to a large proportion of rural population, but has witnessed a decline in budgetary expenditure in the recent years in Rajasthan.

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

	2015-16 A	2016-17 A	2017-18 A	2018-19 A	2019-20 A	2020-21 RE	2021-22 BE
Co-Operation	15.0	11.8	9.9	44.5	50.0	42.6	32.9
Crop Husbandry	43.8	51.7	50.2	27.6	23.9	33.2	32.1
Animal Husbandry	14.8	15.1	19.5	14.0	13.7	12.7	16.3
Forestry and Wild Life	19.6	15.4	14.0	8.9	6.6	5.9	7.3
Other Agricultural Programmes	0.2	0.2	0.2	0.1	0.3	1.5	6.3
Agricultural Research and Education	4.5	4.3	4.7	3.3	2.8	2.0	2.6
Dairy Development	0.1	0.0	0.0	0.5	1.9	1.5	1.8
Soil and Water Conservation	1.7	1.3	1.2	0.8	0.6	0.5	0.6
Fisheries	0.3	0.2	0.2	0.2	0.1	0.1	0.1
Food Storage and Warehousing	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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: Compiled by CBGA from Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years).

## Composition: By Key Activities

It has been observed that lower budgetary priorities have been accorded to seeds and plant protection, manure and fertilisers etc. which are the key elements of agricultural production system. However, more focus has been on minor irrigation, veterinary services and animal health, social and farm forestry, and horticulture and vegetable crops which seems to be encouraging in terms of enhancing the capacity of the agricultural infrastructure.

**Figure 8: Revenue Expenditure on Key Agricultural Activities in Rajasthan (in Rs. Crore, Current Prices)**

Key Agricultural Activities	2015-16 A	2016-17 A	2017-18 A	2018-19 A	2019-20 A	2020-21 RE	2021-22 BE
Minor Irrigation	693.3	638.3	543.2	591.6	583.9	568.4	883.1
Horticulture and Vegetable Crops	229	300.3	267.9	314.9	229.7	378.5	446.1
Education, Research and Training	220.9	272.2	307.9	310.1	317.3	320.1	347.2
Animal and Buffalo Development	22.9	74.3	149.9	144.8	301.7	262.2	342.7
Veterinary Services and Animal Health	417.9	430.9	550.7	635.9	164.1	212.2	224.8
Command Area Development	125.7	143	151.3	110	89.7	107.9	146.4
Social and Farm Forestry	216.2	197.4	128.9	51.1	20.5	42.7	67.8
Food Grain Crops	3.3	2.3	1.4	0.2	18.1	17.9	26.4
Seed and Plant Protection	28.5	30.6	35.8	26.8	17.2	20.6	23.2
Manures and Fertilisers	12.4	12.3	12.8	16.5	16.1	13.5	19.7

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: Compiled by CBGA from Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years).

## Schemes

An analysis of major schemes under the agriculture and allied sectors shows that crop insurance scheme is getting the largest allocation in Rajasthan, followed by *Rashtriya Krishi Vikas Yojana (RKVY)*, *Mukhyamantri Dugdh Utpaadak Sambal Yojana*, *Pradhan Mantri Krishi Sinchai Yojana* and the National Food Security Mission. 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*. There is a very little support to National Sustainable Farming Mission and schemes related to seed development, forest protection and fisheries. All these schemes need larger support as these have greater potential to provide employment and earning to rural population.

**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 (A)	2019-20 (A)	2020-21 (RE)	2021-22 (BE)	
Crop Insurance	639.49	1,040.42	2,407.47	1,500.00	
National Food Security Mission	180.48	214.63	376.98	380.82	
<i>Rashtriya Krishi Vikas Yojana</i>	189.65	183.90	323.56	324.25	
<i>Mukhyamantri Krishak Saathi Yojana</i>	0.00	0.00	0.00	200.00	
<i>Mukhyamantri Dugdh Utpaadak Sanbal Yojana</i>	36.00	200.00	200.00	200.00	
<i>Pradhan Mantri Krishi Sinchai Yojana</i>	215.18	166.26	246.03	200.00	
<i>Krishak Utpaadana Sangathan Yojana</i>	0.00	0.00	0.00	137.00	
<i>Pradhan Mantri Sukshma Khadya Udyog Unnayan Yojana (PMFME)</i>	0.00	0.00	0.00	115.79	
National Horticulture Mission	59.02	62.92	75.37	107.61	
National Mission on Agricultural Extension	32.86	25.73	47.83	59.93	
National Mission on Agricultural Extension & Technology	23.03	25.71	47.15	51.61	
<i>Paramparagat Krishi Vikas Yojana</i>	18.67	43.90	0.42	41.67	
Sustainable Farming Mission	26.75	11.68	28.40	22.60	
National Sustainable Farming Mission	5.04	1.21	2.96	14.78	
Integrated Forest Protection Scheme	0.97	0.93	2.02	4.07	
Blue Revolution	0.65	2.22	3.21	2.06	
National Mission on Oilseeds and Oil Palm	14.77	0.00	0.00	0.00	
National Afforestation Programme	0.66	2.59	0.00	0.00	

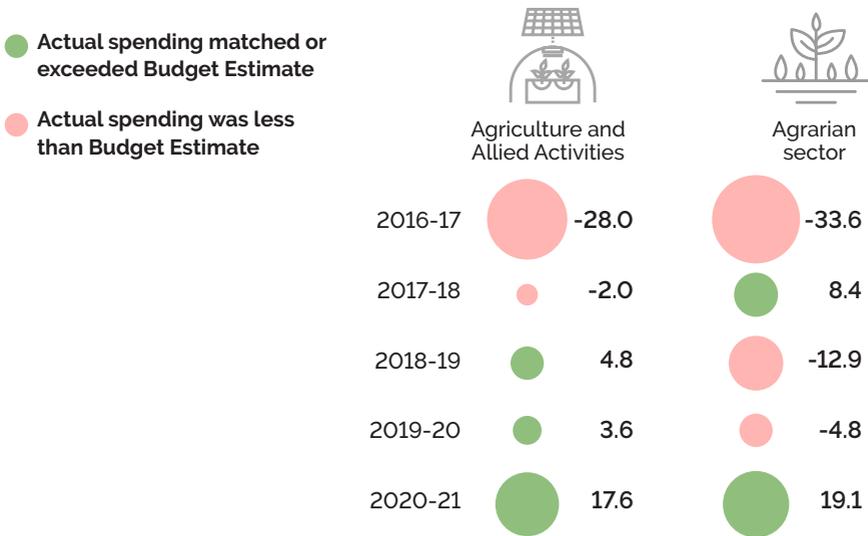
Note: 1. Heads arranged in descending order of share in 2021-22 (BE). 2. BE stands for Budget Estimates and RE stands for Revised Estimates.

Source: Compiled by CBGA from Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years).

# Fiscal Credibility: By Sectors

In 2016-17 and 2017-18, the Actual Expenditure on agriculture and allied activities were lesser than the Budget Estimates, but from 2018-19 to 2020-21, the Actual Expenditure on agriculture and allied activities has remained higher than the Budget Estimates. For the overall agrarian sector, the Actual Expenditure was 33.6 per cent lesser than the Budget Estimates in 2016-17, 12.9 per cent lesser in 2018-19 and 4.8 per cent lesser in 2019-20. In the recent years, only in 2017-18, the Actual Expenditure was higher than the Budget Estimates in Rajasthan.

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



Note: 1. Calculated as percentage difference between Actual and Budget Estimates. 2. For 2020-21, difference between Actual and Budget Estimates.

Source: Calculated by CBGA from data provided by Detailed Demand for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years)

Refer to Explanatory Notes on Page 5.

## Fiscal Credibility: By Activities

There were wide ranging gaps in Budget Estimates and Actual Expenditure in major heads of agriculture and allied sectors. The gaps under Crop Husbandry and Forestry and Wild Life were negative over the period except 2020-21. Soil and Water Conservation witnessed higher Actual Expenditure than the Budget Estimates over the period except the year 2020-21. For the years 2018-19 and 2019-20, the Actual Expenditure was lesser than the Budget Estimates. Fisheries witnessed a negative gap over the period i.e. the Actual Expenditures were lesser than the Budget Estimates.

To achieve a sustainable growth in the agrarian sector in general and specifically in agriculture and allied sectors, there requires prioritisation of public expenditure. Further, a sustained growth of public expenditure on the development of key inputs and infrastructure services 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 Revenue Expenditure Towards Key Activities of Agriculture and Allied Sectors (in per cent)

■ Actual spending matched or exceeded Budget Estimate

■ Actual spending was less than Budget Estimate

Activities	2016-17	2017-18	2018-19	2019-20	2020-21
Agricultural Research and Education	-3.9	5.2	4.4	-1.3	-17.3
Animal Husbandry	4.5	11.5	-8.9	-8.5	4.9
Co-operation	-5.4	-19.4	38.4	34.6	15.2
Crop Husbandry	-36.9	-16.8	-23.7	-16.7	30.7
Dairy Development	NA	-84.3	875.7	0.0	0.0
Fisheries	-18.2	-13.8	-29.2	-20.3	-11.0
Forestry and Wild Life	-11.9	-6.2	-12.8	-17.8	2.5
Other Agricultural Programmes	-3.5	-3.1	-0.6	185.6	115.1
Soil and Water Conservation	17.9	7.0	34.9	8.9	-1.0

Note: 1. Activities arranged in alphabetical order.  
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 for Grants, Budget Books, Department of Finance, Government of Rajasthan (various years)

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