

Right to Food Campaign's take on the Budget 2011-12

7 March 2011

The Central government in this year's budget has removed fertiliser subsidy and replaced with cash transfer, a move that will have direct impact and lead to an increase in the price of food. The Budget has put emphasis on Fiscal Responsibility and reduced expenditure on welfare. There is no mention of ICDS and MDM in the Budget speech. A Second Green Revolution, has been mentioned, by which government of India would promote food processing industry, GM food lobby and Corporates having interests in land/natural resource grabbing. As per Revenue forgone statement, Government of India will lose Rs. 536881.00 crore in this head.

Agriculture Credit

- Credit flow for farmers raised from 3,75,000 crore to 4,75,000 crore in 2011-12.
- Interest subvention proposed to be enhanced from 2 per cent to 3 per cent for providing short-term crop loans to farmers who repay their crop loan on time.
- In view of enhanced target for flow of agriculture credit, capital base of NABARD to be strengthened by 3,000 crore in phased manner.
- 10,000 crore to be contributed to NABARD's Short-term Rural Credit fund for 2011-12.

Nutri-cereals

While we ensure food for all, we must also promote balanced nutrition. Bajra, jowar, ragi and other millets are highly nutritious and are known to possess several medicinal properties. The availability and consumption of these Nutricereals is, however, low and has been steadily declining over recent years. A provision of 300 crore is being made to promote higher production of these cereals, upgrade their processing technologies and create awareness regarding their health benefits. This initiative would provide market linked production support to ten lakh millet farmers in the arid and semi-arid regions of the country. Programme would be taken up in 1000 compact blocks covering about 25,000 villages. This will help improve nutritional security and increase feed and fodder supply for livestock.

The existing interest subvention scheme of providing short term crop loans to farmers at 7 per cent interest will be continued during 2011-12. The years 2008 to 2010 saw very high levels of foodgrain procurement. On January 1, 2011, the foodgrain stock in Central pool reached 470 lakh metric tonnes, 2.7 times higher than 174 lakh metric tonnes on January 1, 2007. The storage capacity for such large quantities requires

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augmentation. Process to create new storage capacity of 150 lakh metric tonnes through private entrepreneurs and warehousing corporations has been fast tracked. Decision to create 20 lakh metric tonnes of storage capacity under Public Entrepreneurs Guarantee (PEG) Scheme through modern silos has been taken. While we will be able to add about 2.6 lakh tonnes of capacity by March 2011, based on existing sanctions, the addition will reach 40 lakh tonnes by March 2012. During 2010-11, another 24 lakh metric tonnes of storage capacity has been created under the Rural Godown Scheme.

Strengthening Inclusion

National Food Security Bill (NFSB) to be introduced in the Parliament during the course of this year. Allocation for social sector in 2011-12 (1,60,887 crore) increased by 17 percent over current year. It amounts to 36.4 per cent of total plan allocation.

MGNREGA

MNREGA, flagship programme has seen a cut in the expenditure in allocation in real terms.

ICDS

The increased allocation for ICDS from Rs. 8,700 crore in 2010-11 to Rs. 10,330 crore this year, is nowhere near the allocation required for universalisation. In real terms, therefore, the paltry increase does not factor in even the food inflation. Further, this allocation will even fail to provide just the paltry increased wages of the Anganwadi workers as promised in this budget.

Pension

Eligibility for pension under Indira Gandhi National Old Age Pension Scheme for BPL beneficiaries has been reduced from 65 years of age to 60 years. Those above 80 years of age will get pension of 500 per month instead of 200 at present. But this amount continues to fall far short of demand of minimum wage.

Food subsidy

There is net cutback of Rs 5,868 crore in agricultural subsidies. All subsidy related liabilities brought into fiscal accounting. Food subsidy, which is estimated at Rs. 60573 crore in BE 2011-12. In absolute terms provision or the major subsidies is estimated to decline from Rs. 153962 in RE 2010-11 to 131211 crore. Total subsidies are estimated to decline from Rs. 164153 crore to Rs. 143570

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crore in BE 2011-2012, at the same time is also assumed that allotted quantities outgo under TPDS and procurement cost would by and large remain stable during the year.

Revenue forgone this year

To add insult to injury, the FM increased the "subsidies" to the corporate sector in the form of revenues foregone by Rs 34,652 crore over last year, taking the revenues foregone in this budget to a whopping Rs 5,36,881 crore.

We are

The Steering group of the Right to Food Campaign

Anjali Bhardwaj, Aruna Roy and Nikhil Dey (National Campaign for People's Right to Information), Annie Raja (National Federation for Indian Women), Anuradha Talwar, Gautam Modi and Madhuri Krishnaswamy (New Trade Union Initiative), Arun Gupta and Radha Holla (Breast Feeding Promotion Network of India), Arundhati Dhuru and Ulka Mahajan (National Alliance of People's Movements), Asha Mishra and Vinod Raina (Bharat Gyan Vigyan Samiti), Ashok Bharti and Anup Srivastava (National Conference of Dalit Organizations), Colin Gonsalves (Human Rights Law Network), G V Ramanjaneyulu (Alliance for Sustainable and Holistic Agriculture), Kavita Srivastava and Binayak Sen (People's Union for Civil Liberties), Lali Dhakar, Sarawasti Singh, Shilpa Dey and Radha Raghwal (National Forum for Single Women's Rights), Mira Shiva and Vandana Prasad (Jan Swasthya Abhiyan), Paul Divakar and Asha Kowtal (National Campaign for Dalit Human Rights), Prahlad Ray and Anand Malakar (Rashtriya Viklang Manch), Subhash Bhatnagar (National Campaign Committee for Unorganized Sector workers), Jean Dreze and V.B Rawat (Former Support group to the campaign) and Representatives of All State Campaigns.