



Haryana Budget Session: Before 2024 Assembly Polls

Why in News?

Haryana CM Manohar Lal Khattar, who also holds the finance portfolio, is expected to present his fifth successive **budget** estimates before the legislature on February 23, 2024.

Key Points

- The opposition has decided to bring a **no- confidence motion** against the ruling alliance.
- The demand of farmer organisations to seek statutory backing for the **Minimum Support Price (MSP)** for crops is likely to be a dominant feature of the proceedings.
 - In March 2021, the opposition had brought a motion of no-confidence against the coalition government which the ruling combine sailed through comfortably, getting 55 votes out of 87 MLAs present and voting in the House.
 - The motion was brought amid dissension among the MLAs of the ruling alliance over the enactment of three central farm laws and the protests by the farmers.

No-Confidence Motion

- This is a **motion moved in the Lok Sabha (and not in the Rajya Sabha)** to test the confidence of the government.
- The motion needs the support of 50 members to be admitted.
- If a **no-confidence motion is passed, the government must resign.**
- No-confidence motions are significant political events that **usually occur when there is a perception of the government losing majority support.**

Budget

- It is the government's blueprint on **expenditure, taxes it plans to levy, and other transactions** which affect the economy and lives of citizens.
- According to **Article 112** of the Indian Constitution, the Union Budget of a year is referred to as the **Annual Financial Statement (AFS).**
- The Budget Division of the **Department of Economic Affairs in the Finance Ministry** is the nodal body responsible for preparing the Budget.

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MINIMUM SUPPORT PRICE (MSP)

The rate at which the govt. purchases crops from farmers; based on a calculation of at least 1.5x the cost of production incurred by the farmers

RECOMMENDED BY

Commission for Agricultural Costs & Prices (CACP) (recommends MSPs for 22 mandated crops and Fair and Remunerative Price for Sugarcane)

22 MANDATED CROPS

(14 Kharif, 6 Rabi and 2 Other Commercial crops)

7 CEREALS Paddy, Wheat, Barley, Jowar, Bajra, Maize And Ragi

5 PULSES Gram, Arhar/tur, Moong, Urad And Lentil

7 OILSEEDS Groundnut, Rapeseed/mustard, Soyabean, Sunflower, Sesamum, Safflower And Niger Seed

RAW COTTON

RAW JUTE

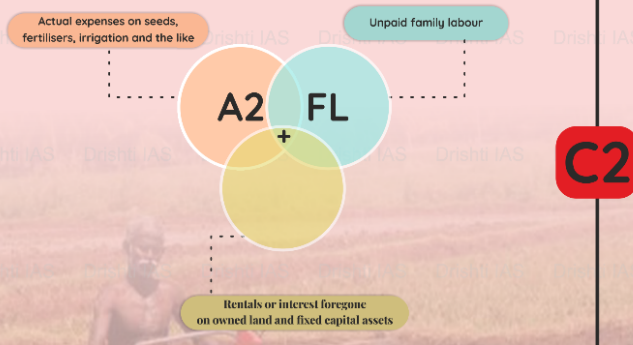
COPRA

MSP is the price at which the govt. is supposed to procure the mandated crops from farmers if the market price falls below it

FACTORS FOR RECOMMENDING MSP

- ▶ Cost of cultivation
- ▶ Demand-Supply situation for the crop
- ▶ Market price trends
- ▶ Inter-crop price parity
- ▶ Implications for consumers (inflation)
- ▶ Environment (soil and water use)
- ▶ Terms of trade b/w agri and non-agri sectors (ratio of farm inputs and outputs)

Considers both A2+FL and C2 costs



MSP has no statutory backing — a farmer cannot demand MSP as a matter of right



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