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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**Agri Stack for Better
Targeting of Fertiliser
Subsidy**

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AGRI STACK FOR BETTER TARGETING OF FERTILISER SUBSIDY

In Context

- Economic Survey suggested use of digital system 'Agri Stack' for better targeting of fertiliser subsidy.
 - ♦ It also suggested direct transfer of fertiliser subsidy to farmers through E-RUPI, a digital payment mechanism.

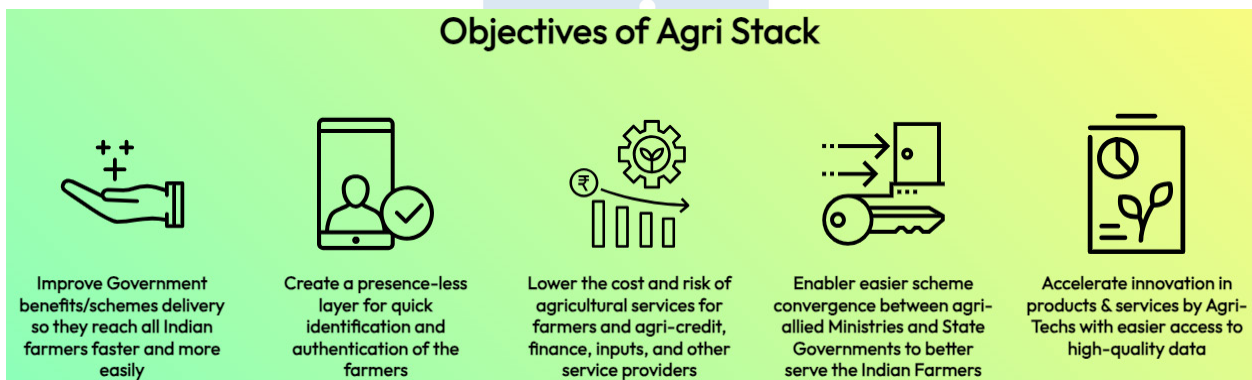
Do you know ?

- Urea subsidy provided at a statutorily set MRP per bag.
- Non-urea fertilisers are subsidised under the Nutrient Based Subsidy (NBS) scheme.
- DBT ensures 100% subsidy on fertilisers, released to companies based on actual sales through PoS devices.
- Beneficiaries identified through Aadhaar Card, KCC, and Voter Identity Card.

About 'Agri Stack'

- It is essentially a digital ecosystem that brings together various stakeholders in the agricultural sector, including farmers, government agencies, agritech companies, and financial institutions.
- It seeks to create a comprehensive digital infrastructure that will facilitate better decision-making, enhance productivity, and improve the overall livelihood of farmers across the country.
- It is being implemented by the Ministry of Agriculture and Farmer Welfare at the Centre in close collaboration with the Revenue and Agriculture departments of State governments.

Objectives of Agri Stack



Impacts

- **Targeted Delivery:** By digitizing agricultural subsidies and linking them to Aadhaar or other unique identifiers, the Agri Stack ensures that subsidies reach the intended beneficiaries directly. This reduces leakage and ensures that subsidies are targeted more effectively to those who need them.
- **Reduced Administrative Costs:** Automating the subsidy delivery process through the Agri Stack reduces administrative overheads associated with manual processing, paperwork, and distribution.
 - ♦ This leads to cost savings and more efficient resource allocation.
- **Real-Time Monitoring:** The Agri Stack enables real-time monitoring of subsidy distribution.
 - ♦ Government agencies can track the disbursement of subsidies at various stages, ensuring accountability and transparency in the system.
- **Data-driven Policy Making:** With comprehensive data available through the Agri Stack, policymakers can analyze trends, assess the impact of subsidies, and make informed decisions on agricultural policies.
- **Encouraging Digital Financial Inclusion:** The Agri Stack promotes digital financial inclusion by encouraging farmers to have bank accounts linked to their Aadhaar numbers.
- **Promoting Agricultural Productivity:** the Agri Stack supports farmers in adopting modern agricultural practices, purchasing quality inputs such as seeds and fertilizers, and investing in technologies that enhance productivity.

Status

- Initially proposed as a pilot in one district of selected states and now it is well-developed in major Indian states, facilitating targeted subsidy distribution based on land ownership and cropping patterns.
- The government is also working on building partnerships with private sector companies to enhance the digital infrastructure and services offered through AgriStack.

Challenges

- While AgriStack holds immense potential, its implementation faces several challenges, including data privacy concerns, the digital divide among farmers, and the need for robust infrastructure.
 - ◆ Addressing these challenges will be crucial for the successful rollout of AgriStack across the country.
- There is often a lack of reliable and timely information on market prices, weather forecasts, and agricultural practices.

Conclusion and Way Forward

- AgriStack represents a significant step towards modernizing Indian agriculture.
- It is now fairly well-developed in major Indian states and can provide the right tool through which the fertiliser subsidy might be better targeted.
 - ◆ This will ensure that subsidised fertilisers are sold to only those identified as farmers or authorised by the farmer, and the quantity of subsidised fertiliser is fixed based on parameters such as land ownership and prominent crops.
- The Agri Stack has significant potential to revolutionize subsidy management in agriculture by leveraging digital technology to improve efficiency, transparency, and effectiveness of subsidy delivery systems.
 - ◆ This, in turn, can contribute to the overall growth and sustainability of the agricultural sector.



Mains Practice Question

[Q] How has the implementation of the 'Agri Stack' influenced the efficiency of agricultural subsidies and contributed to promoting sustainable development in rural economies?