



# 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.

# 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)

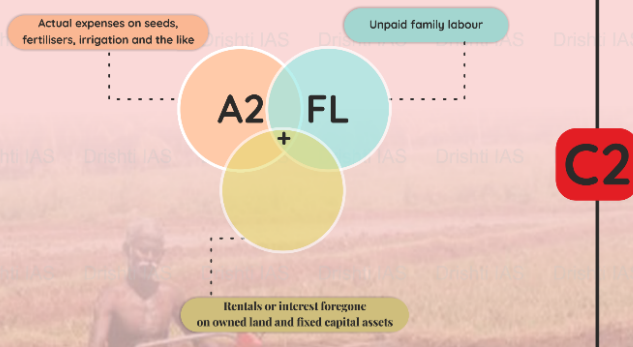
7	<b>CEREALS</b>	Paddy, Wheat, Barley, Jowar, Bajra, Maize And Ragi
5	<b>PULSES</b>	Gram, Arhar/tur, Moong, Urad And Lentil
7	<b>OILSEEDS</b>	Groundnut, Rapeseed/mustard, Soyabean, Sunflower, Sesamum, Safflower And Niger Seed
	<b>RAW COTTON</b>	
	<b>RAW JUTE</b>	
	<b>COPRA</b>	

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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