

which has prioritized the agriculture sector and celebrated 2032 BS as an agriculture year. The ninth periodic plan (1997-2002) is also an important period for the agriculture sector. During that period, a long-term strategy for the agriculture sector, Agriculture Perspective Plan (APP) was designed and formulated for the overall national growth through agriculture growth (Mogues et al., 2012).

2. MATERIALS AND METHODS

This review paper was accomplished based on secondary data. Various published articles from the journal, reports, newspapers, and proceedings are reviewed. The data are collected from the last 10 fiscal years (2011/12 to 2020/21) budget plan and economic survey published on the website of the ministry of finance (MoF). Further data and information were gathered from online sites of private, government, and non-governmental

organizations. The collected secondary data are presented and analyzed by using excel MS-Excel and STATA 13.

3. FINDINGS AND DISCUSSION

This section is concerned with the findings of the study which is described under different headings.

3.1 Allocation of Budget in The Agriculture Sector in The Last 10 Fiscal Years

Table 1 shows that the average annual budget allocated for the agriculture sector is 3% of the total budget in Nepal. This allocation is very low as compared to the agriculture sector's contribution to the total GDP of the nation. The average contribution of agriculture to the country's GDP is found to be 30%.

Table 1: Budget Allocation in the agriculture sector from FY 2011-2020

Fiscal year (A.D.)	Agriculture sector budget (NRs. billion)	Total budget (NRs. billion)	Percentage of agriculture budget in the total budget (%)
2011/12	12.43	384.90	3.23
2012/13	12.29	404.82	3.04
2013/14	21.40	517.24	4.14
2014/15	23.28	618.10	3.77
2015/16	26.68	819.46	3.25
2016/17	35.86	1048.92	3.41
2017/18	30.40	1278.99	2.37
2018/19	32.74	1315.16	2.49
2019/20	34.80	1532.96	2.27
2020/21	41.40	1474.64	2.80

Source: Yearly budget plan, MoF

3.2 Total GDP of Nepal and Contribution of Agriculture Sector in Last 10 Fiscal Years

Figures 1 and 2 clearly show the increasing total GDP of Nepal and decreasing contribution of the agriculture sector to the total nation's GDP in the last ten fiscal years. In these years, the total nation's GDP has increased by NRs. 2738.98 billion whereas agriculture's contribution to

the total GDP of Nepal is decreased to 25.80% from 35.68%. This decrease in agriculture contribution to total GDP is a good indication of economic growth. A decrease in the share of the agriculture sector in total GDP means that other sectors (industry and service) are growing. As agriculture production is also increasing as compared to previous years, we can say that the agriculture sector is also developing.

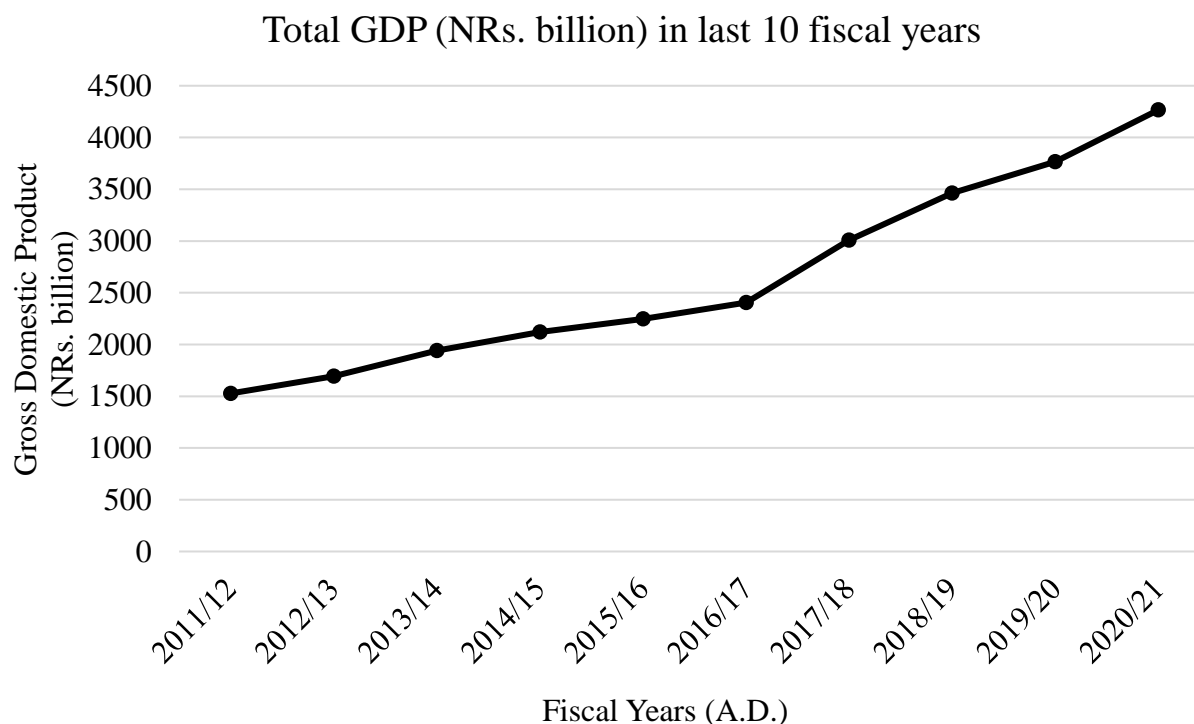


Figure 1: Total gross domestic product of Nepal in Fiscal Years 2011-2020 (Source: Economic Survey, MoF)

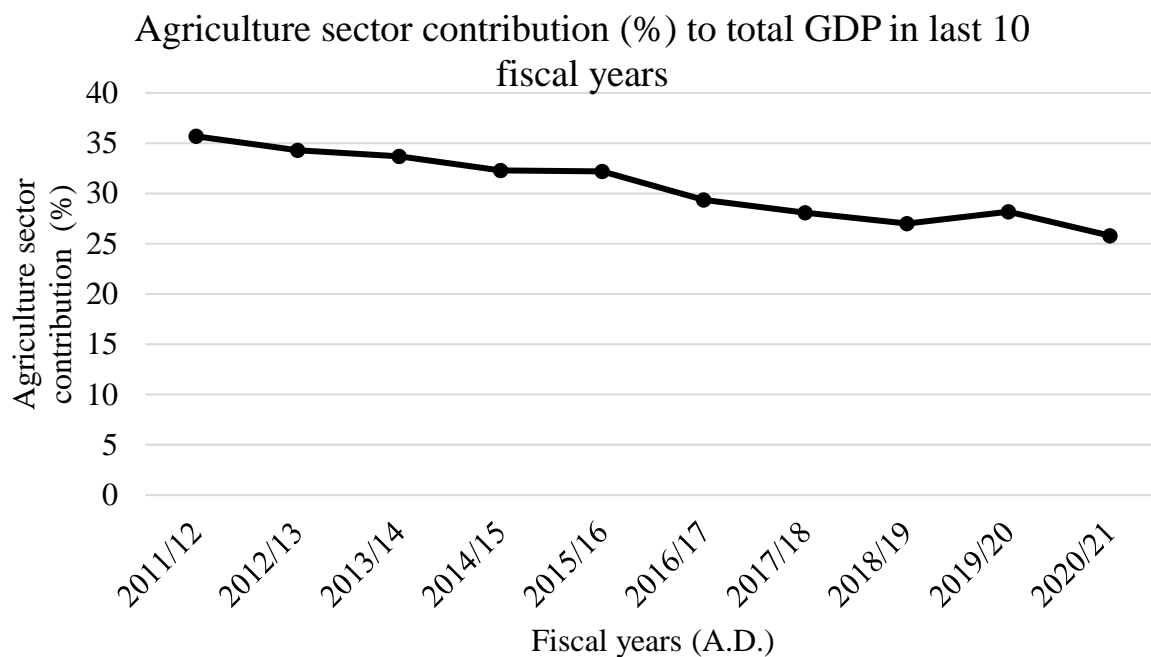


Figure 2: Contribution of agriculture sector to nation's GDP in Fiscal Years 2011-2020 (Source: Economic Survey, MoF)

3.3 Analysis of National GDP and Agriculture Budget

Regression analysis is done to know the relation between the agriculture budget and national GDP. National GDP is assigned as the dependent variable whereas agriculture budget as the independent variable.

National GDP = f (agriculture budget)

Table 2: Regression coefficients, Standard Error, t-test value, and p-value				
Coefficients	Estimate	Standard error	t-value	p-value
Constant	379.0089	462.4383	0.82	0.436
X1	83.49904	16.12517	5.18	0.001

$$Y = 379.0089 + 83.49904X1 \quad (1)$$

Where Y=National GDP

X1= Agriculture Budget

Table 2 above reveals that the p-value for X1 (0.001) is less than our f-value (0.005) which means the agriculture budget and total national GDP are significant at a 5 % level of significance. For every unit change in the agriculture budget, there is a change in national GDP by 83.49 units.

3.4 Utilization of Budget for The Agriculture Sector

Reviewing the previous ten fiscal year agriculture sector budget, there were some common programs and projects where the budget was allocated on yearly basis. They are as follows:

- Prime minister agriculture modernization project (PMAMP)
- Nepal Agriculture research council (NARC)
- Subsidy in chemical fertilizers
- Subsidy for sugarcane growers
- Subsidy in agriculture insurance
- Agriculture loan

4. CONCLUSION

The study regarding the recent trends in allocation and utilization of the

agriculture sector budget in the national budgetary plan reveals that in the last ten year on average only 3 percent of the total budget was allocated for the agriculture sector which is below par when compared to an average contribution of the agriculture sector to national GDP in last ten fiscal year i.e., 30 percentage. However, the contribution of the agriculture sector is decreasing which indicates that other sectors (industry and service) are growing. The study shows that the agriculture budget contributes significantly to the national GDP of the nation. Recently agriculture sector budget was subdivided into a few major programs like PMAMP, NARC, and subsidy on chemical fertilizers, agriculture insurance, and subsidy for sugarcane growers. From this review, we can conclude that the agriculture budget play's an important role in the growth of the national GDP hence more budget should be allocated to the agriculture sector in the coming fiscal years.

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