

CENTRE MAY PUT RS 1-LAKH CRORE INTO RURAL HANDS

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New Delhi: The [rural economy](#) will get a big boost in the weeks ahead as massive grain purchase by official agencies and direct cash transfers will inject 1 lakh crore into villages, which officials said would cheer [farmers](#) who feared losses if the [lockdown](#) further delayed the harvest.

The government initiative, along with steps to ease restrictions on farm products during the lockdown, comes as a big relief as the harvest is already two weeks late. Also, many farmers have suffered as perishable products like fruit and vegetables could not reach the market because of labour scarcity and transport bottlenecks when the lockdown began last month.

Official agencies will start procuring grain this week in a massive exercise involving farmers, transporters, traders and labourers. They plan to buy 40 million tonnes of wheat at 19,250 per tonne.

“Procurement is likely to start in Punjab, Uttar Pradesh and Madhya Pradesh from April 15,” said a Food Corporation of India ([FCI](#)) official.

‘Rs 80kcr to be Paid in 3 Months’

“Haryana will start buying from April 20. The government would be paying around Rs 80,000 crore to farmers in next three months,” said the official of FCI, which is the government agency for buying and distributing food grains.

The Centre is also transferring Rs 16,000 crore directly into bank accounts of 80 million farmers this month under the [PM-KISAN scheme](#), which gives them a cash benefit of Rs 6,000 a year in three equal instalments. So far 74.7 million have already been paid the April instalment.

The Centre has also sanctioned Rs 1,250 crore for buying pulses at minimum support price to help farmers during the lockdown when access to the market is blocked. Another Rs 20,000 crore will be paid to them this month for insurance claims following crop damage because of floods last year.

Official procurement is vital for the rural economy at this juncture as farmers are not able to sell their produce to private traders due to the countrywide lockdown following the outbreak of Covid-19.

“At the time of harvest, flour millers, big retailers and food processing companies buy from farmers in large quantities. But currently they are not able to buy due to logistics issues,” the official said.

(With inputs from Prashant Krar in Chandigarh)

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