

FARM PENSION: JUST A DRIZZLE IN THE DROUGHT?

Relevant for: Indian Economy | Topic: Agriculture Issues and related constraints

Not enough:The annual income support of Rs. 6,000 is too little to pull farmers out of distress, say economists.

In a bid to woo the farming community before the Lok Sabha election, the Centre has announced an annual income support of Rs. 6,000 to small landowning farmers, with an initial sum of Rs. 2,000 to be paid by the end of March.

The new scheme, called the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), will benefit more than 12 crore farming families which own cultivable land up to 2 hectares. The annual support of Rs. 6,000 will be paid directly into beneficiary bank accounts over the course of the year in three instalments of Rs. 2,000 each.

The scheme is applicable with retrospective effect from December 2018 and will be fully funded by the Union government. It has been allocated Rs. 20,000 crore in the revised estimates for the current financial year 2018-19, as well as Rs. 75,000 crore for the next financial year 2019-20.

Announcing the scheme, Finance Minister Piyush Goyal acknowledged that farmers' incomes are falling due to a decline in international prices and domestic food inflation, and fragmented landholdings.

"There is a need for providing structured income support to the poor landholder farmer families in the country for procuring inputs such as seeds, fertilizers, equipment, labour, etc., and to meet other needs," Mr. Goyal said. "Such support will help them in avoiding indebtedness as well and falling into the clutches of money lenders."

Other measures announced in the Budget include a 2-5% interest subvention for loans taken by farmers hit by natural disasters or for livestock farming and fisheries.

Agricultural distress and anger over debts leading to farmer suicides were widely perceived to be the reason for the BJP's defeat in three major State elections in November, and the ruling party has been considering sops for the farming community ever since.

However, several agricultural economists and farm activists said the scheme had been announced with an eye on the polls and will not be enough to alleviate distress.

"This is too little, too late," said Ashok Gulati, agricultural economist at ICRIER. "At Rs. 500 per month, it will amount to less than one-fifth of an average household's income. Per annum, it's peanuts." He suggested that if the government really wanted to make a difference through an income support scheme, it should double the amount given by reducing some food and fertilizer subsidies.

"It has been done half-heartedly," said agriculture and food policy expert Devinder Sharma. "I don't know how you can pull farmers out of distress and prevent farmer suicides with just Rs. 500 per month."

The Central scheme's payout is lower than what is being given by two States which already implement similar schemes: Telengana's Rythu Bandhu scheme which gives farmers Rs. 10,000 an acre a year, and Odisha's KALIA scheme, which is giving Rs. 10,000 a household a year to

small landholders as well as landless tenant farmers.

“Every amount of money has value. The assurance of something certain coming to you gives a sense of confidence that there is something to fall back on,” said Agriculture Secretary Sanjay Agarwal, defending the support amount.

He pointed out that each family unit — of a married couple and their minor children — was eligible for the scheme. A household of five adult brothers jointly owning a 10-hectare piece of land would receive Rs. 30,000 for the year, he said.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS.com