

Boost to farmers' income

Cabinet Committee on Economic Affairs (CCEA)

Boost to farmers' income**Cabinet approves hike in MSP for Kharif Crops for 2018-19 Season****MSP of Moong increased by Rs.1400 per quintal****MSP of Sunflower increased by Rs.1288 per quintal****MSP of Ragi up by Rs.997 per quintal****MSP of Common Paddy increased by Rs.200 per quintal**

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Giving a major boost for the farmers' income, the Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all kharif crops for 2018-19 Season.

The decision of the CCEA is a historic one as it redeems the promise of the pre-determined principle of fixing the MSPs at a level of at least 150 percent of the cost of production announced by the Union Budget for 2018-19. The Commission for Agricultural Costs and Prices (CACCP) has recommended MSPs for all kharif crops broadly in line with the announced principle.

The Minimum Support Prices (MSPs) for all kharif crops of 2018-19 season have been increased as follows:

(Rs/quintal)

Commodity	Variety	MSP for 2017-18 Season	MSP approved for 2018-19 Season	Increase		Returner cost per cent
				Absolute	Percentage	

				<i>Absolute</i>		
Paddy	Common	1550	1750	200	12.90	50.09
	Grade A Grade A	1590	1770	180	11.32	51.80
Jowar	Hybrid	1700	2430	730	42.94	50.09
	Maldandi Maldandi	1725	2450	725	42.03	51.33
Bajra	-	1425	1950	525	36.84	96.97
Ragi	-	1900	2897	997	52.47	50.01
Maize	-	1425	1700	275	19.30	50.31
Arhar(Tur)	-	5450	5675	225	4.13	65.36
Moong	-	5575	6975	1400	25.11	50.00
Urad	-	5400	5600	200	3.70	62.89
Groundnut	-	4450	4890	440	9.89	50.00
Sunflower Seed	-	4100	5388	1288	31.42	50.01
Soyabean	-	3050	3399	349	11.44	50.01
Sesamum	-	5300	6249	949	17.91	50.01
Nigerseed	-	4050	5877	1827	45.11	50.01
Cotton	Medium Staple	4020	5150	1130	28.11	50.01
	Long Staple	4320	5450	1130	26.16	58.75

* Includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, Depreciation on implements and farm miscellaneous expenses, and imputed value of family labour.

Details:

The Budget for 2018-19 had indicated that a paradigm shift in the agricultural policies is needed to achieve the objective of doubling farmers' income by 2022 through greater emphasis on generating higher incomes of farmers. The increase in the MSPs of Nigerseed at Rs.1827 per quintal, moong by Rs.1400 per quintal, sunflower seed by Rs.1288 per quintal and cotton by Rs.1130 per quintal is unprecedented.

Amongst cereals and nutri cereals, in terms of absolute increase, MSP of paddy (common) has been raised by Rs 200 per quintal, jowar (hybrid) by Rs 730 per quintal and ragi by Rs 997 per quintal. The highest percentage increase in MSP over the previous year is for ragi (52.47 %) followed by jowar hybrid (42.94%). For pulses, apart from Moong, MSP of arhar (tur) has been raised by Rs 225 per quintal yielding a return over cost by 65.36 per cent and urad by Rs 200 per quintal with a return over cost by 62.89 per cent in order to maintain inter-crop-price parity. Similarly, the MSP of Bajra has been raised by Rs.525 per quintal yielding a return of 96.97 per cent over cost.

Promoting cultivation of pulses can help India overcome nutrition insecurity, improve soil fertility by nitrogen fixation and provide income support to farmers. Thus, increased MSPs for pulses will give a price signal to farmers to increase acreage. Further enhanced MSPs would boost production of oilseeds and encourage investment in its productivity and help reduce India's import bill. Increase in MSPs of nutri-cereals will improve nutritional security and allow farmers to get higher prices.

Food Corporation of India (FCI) and other designated State Agencies would continue to provide price support to the farmers in the case of cereals including nutri-cereals. National Agricultural Cooperative Marketing Federation of India Limited (NAFED), FCI, Small Farmers Agri -Business Consortium (SFAC) and other designated Central Agencies would continue to undertake procurement of pulses and oilseeds. Cotton Corporation of India (CCI) will be the central nodal agency for undertaking price support operations for Cotton.

Farmer friendly initiatives by the Government:

Besides increase in Minimum Support Prices (MSP) of kharif crops, Government has also taken several farmer friendly initiatives. These are as follows:

* The premium rates to be paid by farmers are very low - 2 % of sum insured for all kharif crops, 1.5% for all rabi crops and 5 % for commercial and horticulture crops under smart technology through phones & remote sensing for quick estimation and early settlement of claims. The Government has also launched a Mobile App "Crop Insurance" which will help farmers to find out complete details about insurance cover available in their area and to calculate the insurance premium for notified crops.

• The Government has also launched a scheme to develop a pan India electronic trading platform under 'National Agriculture Market' (NAM) aiming to integrate 585 regulated markets with the common e-market platform in order to facilitate better price discovery and ensure

remunerative prices to farmers. Each State is being encouraged to undertake three major reforms - allow electronic trading, have a single license valid throughout the State and a single entry point market fee. It will also enable farmers to discover better prices for their produce. As on 23rd March, 2018, 585 markets in 16 States and 2 Union Territories have already been brought on the e-NAM platform.

- Government has also formulated a new model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 to provide farmers market options beyond the existing APMC regulated market yards.
- Soil Health Cards are being issued to farmers across the country. These will be renewed every two years. The card provides information on fertility status of soil and a soil test based advisory on use of fertilizers. As on 25th June, 2018, 15.14 crore Soil Health Cards have been distributed.
- Under ParamparagatKrishiVikasYojana (PKVY), the Government is promoting organic farming and development of potential market for organic products.
- The Pradhan MantriKrishiSinchaiYojana is being implemented with the vision of extending the coverage of irrigation 'HarKhetkoPani' and improving water use efficiency 'Per Drop More Crop ' in a focused manner with end to end solution on source creation, distribution, management, field application and extension activities.
- Government is focusing on improving production and productivity of crops such as rice, wheat, coarse grains and pulses under the National Food Security Mission.
- A dedicated online interface e-KrishiSamvad provides direct and effective solutions to problems faced by farmers.
- Government is encouraging formation of Farmer Producer Organisations. The Budget for 2018-19 has extended a favourable taxation treatment to Farmer Producers Organisations (FPQs) for helping farmers aggregate their needs of inputs, farm services, processing and sale operations.
- Government has set up a buffer stock of pulses and domestic procurement of pulses is also being done under Price Stabilization Fund (PSF) mainly with a view to protect consumers. The Budget for 2018-19 indicated that increasing MSP. is not adequate and it is more important that farmers should get full benefit of the announced MSP. For this, it is essential that if price of the agriculture produce market is less than MSP, then Government should purchase either at MSP or work in a manner to provide MSP for the farmers through some other mechanism. NITI Aayog, in consultation with Central and State Governments, will put in place a fool-proof mechanism so that farmers will get adequate price for their produce.
- A handbook for women farmers 'Farm Women Friendly Hand Book' containing special provisions and package of assistance which women farmers can claim under various on-going Missions/ Submissions/ Schemes of Department of Agriculture, Cooperation & Farmers Welfare has been brought out.
- With the above measures taken, the Government has set a target to double the farmers' Income by 2022.

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