

# INCREASING FARMERS' INCOME

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

The Government constituted an Inter-ministerial Committee in April, 2016 to examine issues relating to “Doubling of Farmers Income” and recommend strategies to achieve the same. The Committee submitted its Report to the Government in September, 2018 containing the strategy for doubling of farmers’ income by the year 2022. The DFI strategy as recommended by the Committee include seven sources of income growth viz., (i) improvement in crop productivity; (ii) improvement in livestock productivity; (iii) resource use efficiency or savings in the cost of production; (iv) increase in the cropping intensity; (v) diversification towards high value crops; (vi) improvement in real prices received by farmers; and (vii) shift from farm to non-farm occupations. After acceptance of the DFI Committee recommendations, the Government has constituted an ‘Empowered Body’ to review and monitor the progress.

Agriculture being a State subject, the State Governments undertake implementation of programs/schemes for the development of the sector. Government of India supplements the efforts of the State Governments through various schemes/ programs. These schemes/ programs of the Government of India are meant for the welfare of farmers by increasing production, remunerative returns and income support to farmers. A list of initiatives taken by the Government are at **Annexure**.

The Department of Agriculture, Cooperation and Farmers’ Welfare is implementing RKVY scheme in the States which provides flexibility to the States for preparing projects for the promotion of more beneficial crops. These projects are approved by the State Level Sanctioning Committee under the Chairmanship of the Chief Secretary of the State. In addition DAC&FW provides support for the promotion of Commercial Crops like Sugarcane, Cotton, and Jute etc. under NFSM scheme and Horticulture Crops under MIDH to enhance the income of the farmers. Besides a crop diversification programme, as a sub-scheme of RKVY, is being implemented in the States of Punjab, Haryana and western Uttar Pradesh to replace Paddy with alternative crops like Oil Seeds, Pulses, Cotton and Maize etc.

The Government has taken following measures to promote the farming of dates in drought prone area and dry weather area:

This information was given in a written reply by the Union Minister of Agriculture and Farmers Welfare Shri Narendra Singh Tomar in Lok Sabha yesterday.

APS/SG/RC

## Annexure

**List of various interventions and schemes launched for the benefit of farmers.**

(i) With a view to provide income support to all farmers' families across the country, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs, the Central Government started a new Central Sector Scheme, namely, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). The scheme aims to provide a payment of Rs. 6000/- per year, in three 4-monthly installments of Rs. 2000/- to the farmers families, subject to certain exclusions relating to higher income groups.

(ii) Further with a view to provide social security net for Small and Marginal Farmers (SMF) as they have minimal or no savings to provide for old age and to support them in the event of consequent loss of livelihood, the Government has decided to implement another new Central Sector Scheme i.e. Pradhan Mantri Kisan MaanDhan Yojana (PM-KMY) for providing old age pension to these farmers. Under this Scheme, a minimum fixed pension of Rs. 3000/- will be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.

(iii) With a view to provide better insurance coverage to crops for risk mitigation, a crop insurance scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 season. This scheme provides insurance cover for all stages of the crop cycle including post-harvest risks in specified instances, with low premium contribution by farmers.

(iv) Giving a major boost for the farmer's income, the Government has approved the increase in the Minimum Support Price (MSPs) for all Kharif & Rabi crops for 2018-19 season at a level of at least 150 percent of the cost of production.

(v) Implementation of flagship scheme of distribution of Soil Health Cards to farmers so that the use of fertilizers can be rationalized.

(vi) "Per drop more crop" initiative under which drip/sprinkler irrigation is being encouraged for optimal utilization of water, reducing cost of inputs and increasing productivity.

(vii) "Paramparagat Krishi Vikas Yojana (PKVY)" for promoting organic farming.

(viii) Launch of e-NAM initiative to provide farmers an electronic transparent and competitive online trading platform.

(ix) Under "Har Medh Par Ped", agro forestry is being promoted for additional income. With the amendment of Indian Forest Act, 1927, Bamboo has been removed from the definition of trees. A restructured National Bamboo Mission has been launched in the year

2018 to promote bamboo plantation on non forest government as well as private land and emphasis on value addition, product development and markets.

(x) Giving a major boost to the pro-farmer initiatives, the Government has approved a new Umbrella Scheme 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PMAASHA)'. The Scheme is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2018. This is an unprecedented step taken by Govt. of India to protect the farmers' income which is expected to go a long way towards the welfare of farmers.

(xi) Bee keeping has been promoted under Mission for Integrated Development of Horticulture (MIDH) to increase the productivity of crops through pollination and increase the honey production as an additional source of income of farmers.

(xii) To ensure flow of adequate credit, Government sets annual target for the flow of credit to the agriculture sector, Banks have been consistently surpassing the annual target. The agriculture credit flow target has been set at Rs. 13.50 lakh crore for the F.Y.2019-20 and Rs.15.00 lakh crore for F.Y. 2020-21.

(xiii) Extending the reach of institutional credit to more and more farmers is priority area of the Government and to achieve this goal, the Government provides interest subvention of 2% on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 4% per annum on prompt repayment.

(xiv) Further, under Interest Subvention Scheme 2018-19, in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2% shall continue to be available to banks for the first year on the restructured amount. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against negotiable receipts, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rate as available to crop loan.

(xv) The Government has extended the facility of Kisan Credit Card (KCC) to the farmers practicing animal husbandry and fisheries related activities. All processing fee, inspection, ledger folio charges and all other services charges have been waived off for fresh renewal of KCC. Collateral fee loan limit for short term agri-credit has been raised from Rs.1.00 lakh to Rs.1.60 lakh. KCC will be issued within 14 days from the receipt of completed application.

(xvi) Several market reforms have been rolled out. These include

(xvii) Creation of Corpus Funds

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