

## AGRICULTURE - A KEY COMPONENT OF RURAL DEVELOPMENT

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To strengthen the agriculture sector major steps have been initiated which include schemes like Soil Health Card Scheme, Neem Coated Urea, Pradhan Mantri Krishi Sinchayee Yojana, National Agriculture Market Scheme and many more. Some schemes like National Food Security Mission and Rashtriya Krishi Vikas Yojana have been revamped for ensuring overall development of farm sector. The Interim Budget (2019-20) presentation has reinforced the fact that agriculture continues to be the main driver of the rural economy. Some of the key announcements in the Budget towards energizing agriculture sector include PM-KISAN under which 12 crore small and marginal farmers are to be provided with assured yearly income of Rs. 6,000 per annum, increase in outlay for Rashtriya Gokul mission to Rs. 750 crore and setting up of Rashtriya Kamdhenu Aayog for sustainable genetic up-gradation of the cow resources. With such thrust on agriculture sector, the country is expected to witness robust growth in coming years.

**T**he agriculture sector is facing several challenges. The Economic Survey (2017-18) had stated, "the last few seasons have witnessed a problem of plenty: farm revenues declining for a number of crops despite increasing production and market prices falling below the Minimum Support Price (MSP)".

To meet the challenges faced by the agriculture sector and improving the economic condition of the farmers, an Inter-Ministerial Committee has been constituted under the Chairmanship of Chief Executive Officer, National Rainfed Area Authority, Department of Agriculture, Cooperation and Farmers Welfare to examine issues relating to doubling of farmers' income in real terms by the year 2022.

The committee has identified seven sources of income growth- improvement in crop and livestock

productivity; resource use efficiency or savings in the cost of production; increase in the cropping intensity; diversification towards high value crops; improvement in real prices received by farmers; and shift from farm to non-farm occupations. The committee is also looking into the investments in and for agriculture - increasing public investments for agriculture-rural roads, rural electricity, irrigation; the need for policy support to enable investments by corporate sector in agriculture.

Other Schemes are - Soil Health Card (SHC) Scheme, Neem Coated Urea (NCU), Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA), Paramparagat Krishi Vikas Yojana (PKVY), National Agriculture Market scheme (e-NAM), Pradhan Mantri Fasal Bima Yojana (PMFBY).



Schemes like National Food Security Mission (NFSM), Mission for Integrated Development of Horticulture (MIDH), National Mission on Oilseeds & Oilpalm (NMOOP), National Mission for Sustainable Agriculture (NMSA), National Mission on Agricultural Extension & Technology (NMAET) and Rashtriya Krishi Vikas Yojana (RKVY) have been revamped for ensuring overall development of farm sector.

Let us elaborate on some of the programmes.

### Hike in MSP

The Minimum Support Prices (MSPs) has been increased for all notified Kharif & Rabi Crops and other commercial crops for the season 2018-19 with a return of at least 50 per cent over cost of production. This has redeemed the promise of fixing the MSPs at least at a level of 50 per cent return over cost of production as announced in the Union Budget 2018-19.

### PM-AASHA

The umbrella scheme - 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA)' provides for a holistic arrangement for assurance of a remunerative and stable price environment for growers/farmers to increase agriculture production and productivity. This umbrella scheme comprises the Price Support Scheme for pulses & oilseeds, Price Deficiency Payment Scheme & Pilot of Private Procurement & Stockist Scheme for oilseeds to ensure MSP to the farmers.

### e-NAM

In order to provide an alternative to farmers for marketing avenues, the electronic National Agriculture Market (e-NAM) was launched in April, 2016. The scheme envisages initiation of marketing platform at national level and support creation of infrastructure to enable e-marketing in 585 regulated markets across the country by March 2018. All the regulated markets have been linked electronically. This innovative market process is revolutionizing agri-markets by ensuring better price discovery, bringing in transparency and competition to enable farmers to get improved remuneration for their produce moving towards 'One Nation One Market'. As per Union Budget announcement(2018-19), decision has been taken to develop and upgrade existing rural haats into Gramin Agricultural Markets (GRAMs). These GRAMs, electronically linked to e-NAM portal and exempted from regulations of Agriculture Produce Marketing Committees (APMCs), will provide farmers



facility to make direct sale to consumers and bulk purchasers.

### PMFBY

In April, 2016, the Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched after rolling back the earlier insurance schemes - National Agriculture Insurance Scheme (NAIS), Weather-based Crop Insurance scheme and Modified National Agricultural Insurance Scheme. Under the PMFBY, farmers pay a uniform premium of just 2 per cent for the more rain-dependent kharif crops and 1.5 per cent for all rabi crops. The remaining share of the premium is borne equally by the Centre and the respective State Governments. In the schemes that existed earlier, the premiums paid by farmers was in the range of 4-8 per cent of the insured value. The number of farmers who received claims due to crop loss under PMFBY has increased from 1.44 crore in 2016-17 to 1.62 crore in 2017-18.

### Interim Budget (2019-20): Thrust on Agriculture Sector

The budget (2019-20) presentation has reinforced the fact that agriculture continues to be the main driver of the rural economy. It adds that declining prices of agricultural commodities in the international market and fall in food inflation in India since 2017-18, relative to non-food sector, have however, reduced the returns from farming.

The budget presentation further states that small and fragmented land holding on account of repeated divisions has also contributed in decline in the income of the farmer family. Hence, there is a need for providing structured income support to the poor land-holder farmer families in the country for procuring inputs such as seeds, fertilizers, equipment, labour etc. and to meet other needs which will help them in avoiding indebtedness as well and falling into clutches of money lenders.

## Launch of PM - KISAN

To provide an assured income support to the small and marginal farmers, 'Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)' programme has been launched. Under this programme, vulnerable landholding farmer families, having cultivable land upto two hectares, will be provided direct income support at the rate of Rs 6,000 per year. Around 12 crore small and marginal farmer families are expected to benefit from PM-KISAN.

Under the programme the income support will be transferred directly into the bank accounts of beneficiary farmers in three equal instalments of Rs 2,000 each. The programme would be made effective from 1st December 2018 and the first instalment for the period upto 31st March 2019 would be paid during this year itself. This programme would not only provide assured supplemental income to the most vulnerable farmer families, but would also meet their emergent needs especially before the harvest season.

## Kisan Credit Card to Animal Husbandry and Fisheries Farmers

In the last year's Union Budget (2018-19), the facility of extension of Kisan Credit Card scheme (KCC) has been provided to Animal Husbandry and Fisheries farmers. This was a significant measure towards expanding the credit outreach amongst those farmers who are engaged in agri-allied activities.

The KCC programme was announced in 1998 with the aim to provide short-term credit needs of the farmers during the sowing and harvesting of crops. It was also introduced to reduce the dependence of farmers on the informal banking channels like moneylenders. According to National Bank for Agriculture and Rural Development (NABARD), a total number of 5.37 crore farmers have 'live and operative' KCCs issued by Public Sector Banks, Cooperative Banks and Regional Rural Banks so far.

Those who have KCCs get agriculture credit at a reduced interest rate of 7 per cent per annum while Agriculture Ministry implements 'an interest subvention scheme' for short-term crop loans up to Rs. 3 lakh. Under the subvention scheme, additional subvention of 3 per cent is given to those farmers who repay their short term crop loan on time, thus reducing the effective rate of interest to only 4 per

cent per annum. All farmers who own cultivable land, tenant farmers, share croppers and SHGs of farmers could get credit under KCCs. However KCC was never expanded to include those farmers who carry out activities like fisheries, dairy etc.,

In the Interim Budget (2019-20), the benefit of 2 per cent interest subvention would be provided to the farmers pursuing the activities of animal husbandry and fisheries, who avail loan through KCCs. Further, in case of timely repayment of loan, they will also get an additional 3 per cent interest subvention. To ensure provision of easy and concessional credit and to bring all farmers under KCC fold, a comprehensive drive would be initiated with a simplified application form.

When natural calamities strike, farmers are generally unable to repay their crop loans. Presently, the crop loans are rescheduled for such affected farmers and they get benefit of interest subvention of 2 per cent only for the first year of the rescheduled loan. It has now been decided that all farmers affected by severe natural calamities, where assistance is provided from National Disaster Relief Fund (NDRF), will be provided the benefit of interest subvention of 2 per cent and prompt repayment incentive of 3 per cent for the entire period of rescheduling of their loans.

Animal Husbandry and Fisheries sector also plays a vital role in augmenting farmers' income. In the Interim Budget (2019-20), the allocation of Rs 750 crore for Rashtriya Gokul Mission has been made. For ensuring genetic upgradation of cow, the creation of a 'Rashtriya Kamdhenu Aayog' is to be set up.

## Higher allocation for rural infrastructure development

Several announcements have been made to improve rural infrastructure which would directly support improving efficiency of the agricultural sector. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), 15.80 lakh habitations out of a total of 17.84 lakh habitations have already been connected with pucca roads and the work is expected to be completed soon. PMGSY is being allocated Rs. 19,000 crore for 2019-20 (budget estimate) as against Rs. 15,500 crore in 2018-19 (revised estimate).

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