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Pradhan Mantri Annadata Aay Sanrakshan Abhiyan

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The Government has approved a new umbrella scheme “Pradhan Mantri Annadata Aay Sanrakshan Abhiyan” (PM-AASHA) which will provide Minimum Support Price (MSP) assurance to farmers.

- The Scheme is aimed at **ensuring remunerative prices** to the farmers for their produce as announced in the Union Budget for 2018.
- The increase in MSP can improve farmer’s income by strengthening procurement mechanism in coordination with the State Governments.

Components of PM-AASHA

Price Support Scheme (PSS)

- Under the PSS, Central nodal agencies will procure **pulses, oilseeds and copra** with proactive role of state governments.
- The Food corporation of India (FCI) and the National Agricultural Cooperative Marketing Federation of India (NAFED) will help implement the scheme.
- The procurement expenditure and losses due to procurement will be borne by Central Government as per norms.
- The government will procure 25% of the marketable surplus of farmers for eligible crops.
- The Centre has made a provision of about Rs 16,000 crores to be provided as bank guarantee for the agencies to procure from farmers.

Price Deficiency Payment Scheme (PDPS)

- Under the PDPS, the state will provide the difference between the prices prevailing in mandis and the MSP.
- All oil-seeds are to be covered under PDPS.

- This scheme is modelled on the **Bhawantar Bhugtan Yojana** that has been implemented by the Madhya Pradesh state government as well as **Bhavantar Bharpai Yojana** of Haryana Government.
- There will be **no physical procurement of crops**.

Pilot of Private Procurement & Stockist Scheme (PPPS)

- In lieu of PSS and PDPS, in certain pilot districts the PPPS will be tried out.
- Private agencies will procure oilseeds in coordination with the government.
- The selected private agency shall procure the commodity at MSP in the notified markets during the notified period from the registered farmers in consonance with the PPSS Guidelines, whenever the prices in the market fall below the notified MSP and whenever authorized by the state/UT government.

Issues Associated with the Scheme

- The scheme provides little to strengthen the procurement mechanism infrastructure in the country which largely only works for two crops – **wheat and rice**. According to a survey conducted by the **National Sample Survey Office (NSSO) in the 70th round** in 2013, **only 6% of farmers are able to sell their produce at MSP**.
- A 2017 study by K.S. Aditya found that **only 24% households were aware about the MSP** of crops grown by them.
- Further, the study found, although MSP is announced for the whole of India, the operation is limited only to few states where the designated government agencies procure the produce from farmers and except for crops like rice and wheat, quantity procured is very limited leading to low level of awareness.
- According to a 2016 **NITI Ayog evaluation report 79% farmers were dissatisfied** with the MSP regime.
- Some of the reasons for their dissatisfaction were delay in payments, lack of infrastructure at procurement centres, distance to procurement centres and delayed announcement of MSP rates. NITI Aayog's evaluation also found that there were several states where the procurement infrastructure facilities were 'inadequate'.

Other Pro-farmer initiatives of the Government

- The Government is committed to realizing the vision of doubling farmers' income by 2022 through emphasising on enhancing productivity, reducing cost of cultivation and strengthening post-harvesting management, including market structure.

- Efforts are on for a new market architecture, so as to ensure that farmers get remunerative prices on their produce. These include setting up of Gramin Agricultural Markets (GrAMs) so as to promote retail markets in close proximity of farm gate; competitive and transparent wholesale trade at Agricultural Produce Market Committee (APMC) through National Agriculture Market or eNAM and a robust and pro-farmer export policy.
- Several other pro-farmers' initiatives such as implementation of Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Krishi Sinchai Yojana, Paramparagat Krishi Vikas Yojana and distribution of Soil Health Cards have been undertaken. The commitment for farmer welfare is also reflected by decision of announcing minimum support price based on the formula of 1.5 times the cost of cultivation.

Way forward

- Steps should be taken to **improve facilities at procurement centres**, such as drying yards, weighing bridges, etc.
- More godowns should be set up and maintained properly for better storage and reduction of wastage.
- The procurement centres should be in the village itself to avoid transportation costs.
- Hence, the Government must reinforce the procurement infrastructure which was a key recommendation of the Centre's NITI Aayog for the success of this well intentioned scheme for the farmer's welfare.

Food Corporation of India (FCI)

The Food Corporation of India was setup under the Food Corporation's Act 1964 , in order to fulfill following objectives of the Food Policy:

- Effective price support operations for safeguarding the interests of the farmers.
- Distribution of foodgrains throughout the country for public distribution system.
- Maintaining satisfactory level of operational and buffer stocks of foodgrains to ensure National Food Security.

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)

- NAFED is registered under the Multi State Co-operative Societies Act.
- It was setup in 1958 with the object to promote Co-operative marketing of Agricultural Produce to benefit the farmers.
- Agricultural farmers are the main members of NAFED, who have the authority to say in the form of members of the General Body in the working of NAFED.