



## Ease of Doing Agribusiness Index

Ministry of Agriculture has proposed **a new index to gauge the performance of states** in implementation of policies and programs of government of India in the field of agricultural reforms.

- The concept is to consider **farming not solely as a production-oriented activity** carried out to achieve food security for the country but as **a business activity carried out** by farmer as entrepreneur.
- The index will measure performance of state on various sub-parameters
  - Marketing Reforms
  - Reducing cost of inputs
  - Governance and Land reforms
  - Risk Mitigation
  - Increasing production/productivity
  - Investment in and for agriculture

### Significance of Initiative

- It will help in developing **competitive spirit among the states** and develop their performance to the highest level.
- It will **allow central government to plug the gaps in schemes and programmes** and bring the states lagging behind in implementation up.
- By this index, Ministry of Agriculture will be able to **reward high performing states**, by linking their performance with allocation of funds.

### Measures taken by Government for Farm Sector Reforms

- **Marketing Reforms**
  - **The Model “The Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017”**
    - This is a model law **seek to end the monopoly of Agricultural Produce Market Committee (APMC).**
    - This act has provision that **entire state would be treated as a single market, which will remove area limitations of APMC.**
    - It will enhance farmers produce by providing conditions for creation of private wholesale markets along with farmers-consumer market yards.
    - **It will enable direct contact between farmers and consumers or other end-user categories.**
    - APLM act will also give **freedom to the farmer to sell his property to any person or agency** at his place of choice, making him get a better return.
    - This is a model act state can adopt it fully or partially in their own acts as Agriculture is a state subject
  - **National Agriculture Market Scheme (e-NAM)**
    - National Agriculture Market (NAM) is a **pan-India electronic trading portal** which **networks the existing APMC mandis** to create a unified national market for agricultural commodities.
    - NAM Portal provides **a single window service for all APMC** related information and services.

- **Reducing Input Cost**
  - **“Paramparagat Krishi Vikas Yojana (PKVY)”**
    - PKVY aims to **increase the area under organic farming as it ensures higher income to farmers** due to comparatively lower cost of cultivation and premium price of organic.
  - **Mission Organic Value Chain Development for North Eastern Region (MOVCDNER)**
    - This was launched for realising the **potential of organic farming in the North Eastern Region of the country**. It is a central sector scheme which has been launched to develop **North East as organic hub of India**.
  - **Soil Health Card**
    - Soil Health Card is one of the **largest universal Soil Health Card Schemes in the world**. It aims to provide **information about fertility of land** to farmers based on testing soil samples for 12 parameters.
  - **Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)**
    - **PMKSY is being implemented to expand cultivated area with assured irrigation, reduce wastage of water and improve water use efficiency.** Focus of the program is to provide end-to-end solution to irrigation supply chain through
      - development of the water resources
      - creation of an efficient distribution network
      - improvement of farm level management
      - water-use efficiency.
- **Governance and Structural Reforms**
  - **Encouraging Contract Farming**
    - The government has approved **Model Contract Farming Act** which will help farmers to enter pre-season price agreement on their produce
  - **Right of Lease Farming**
    - NITI Aayog has developed **Draft Model Agriculture Land Leasing Act** and has circulated it to states for adoption.
    - This act has provisions which recognizes land leasing and ensure complete ownership of land ownership right while recognizing the lease holders.
- **Risk Mitigation**
  - **Pradhan Mantri Fasal Bima Yojana (PMFBY)**
    - **PMFBY aims to provide insurance at lowest premium rate to farmers with added benefits.**
    - Under the PMFBY, a uniform maximum premium of only 2 per cent will be paid by farmers for all Kharif crops and 1.5 per cent for all Rabi crops and 5 percent for annual commercial and horticultural crops.
    - The premium rates to be paid by farmers are very low and balanced premium will be paid by the Government, shared equally by State and Central Government.
    - The scheme covers risk from pre-sowing to post harvest stages and there is no upper limit on Government subsidy.

### **Agricultural Marketing & Farm Friendly Reforms Index**

- This Index was **launched by NITI Aayog**.
- NITI Aayog has **launched this index to rank States and UTs** based on implementation of seven provisions related to farm sector reforms.
- This indicator reveal **ease of doing agribusiness** as well as **opportunities for farmers to benefit from modern trade and commerce** and have wider option for sale of her/his produce.