



Rajasthan's Krishak Kalyan Fees

Why in News

Recently, the Rajasthan government has levied **2% Krishak Kalyan fees** on agricultural produce brought or bought or sold in mandis.

- The 2% fees collected will be deposited in the **Krishak Kalyan Kosh** — dedicated **to the welfare of farmers in the state**.
- However, farmer outfits are apprehensive that people at agricultural mandis will pass on the burden of the increased cost to farmers, already reeling by the lockdown imposed due to the [coronavirus](#).

Key Points

▪ Krishak Kalyan Kosh:

- The Rajasthan government had announced the creation of the Krishak Kalyan Kosh for the purpose of **ensuring fair price for farmer's produce** and to strive towards **"ease of doing farming"** in 2019.
- Through an ordinance, the government stated that the market committee shall collect Krishak Kalyan fee from the licensees in the prescribed manner on the agricultural produce brought or bought or sold by them in the market area (mandi) at such rate as may be specified by the state government.
- As per the government, the fee will **not be a burden on the people associated with the mandis nor the farmers**.

▪ Need for Krishak Kalyan Fees:

- The government has stated that it **needs a steady source of revenue** for the Krishak Kalyan Kosh as the **financial resources are limited** and bank loans taken for the same purpose also need to be repaid by the government.
- The government had taken loan to pay the state share of insurance premium under the [Pradhan Mantri Fasal Bima Yojana \(PMFBY\)](#), which resulted in farmers receiving insurance claims worth Rs 2,200 in the past 20-25 days even amidst the coronavirus crisis.

▪ Implications

- The levied fees is an addition to the existing **mandi cess of 1.6%** on the produce. Thus the total fees will turn out to be 3.6%, which is much higher than other states.
- The increased cess will **encourage black marketing** as many farmers would try to **sell their produce outside the mandi mechanism**.
- The prices farmers are getting for their produce in mandis are already **much lower than the [Minimum Support Price \(MSP\)](#)**.
- Further, farmers may receive lesser prices for their agricultural produce due to the introduction of Krishi Kalyan fee.

[Source:IE](#)

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