



IAS PARLIAMENT

Information is Empowering

A Shankar IAS Academy Initiative

Year End Review 2018 - Ministry of Agriculture, Cooperation and Farmers Welfare - Part II

Click [here](#) for Part I

\n\n

Major highlights of the schemes, initiatives and activities of the Ministry of Agriculture, Cooperation and Farmers Welfare during the year 2018

\n\n

Ensuring remunerative returns

\n\n

Enhancing of Minimum Support Price

\n\n

\n

- Union Budget 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times the cost of production.

\n

- So Government has increased the MSPs for all notified Kharif, Rabi and other commercial crops with a return of at least 50% of cost of production for the season 2018-19.

\n

- It includes all paid out costs for

\n

\n\n

\n

- i. hired human labour, bullock labour/machine labour, rent paid for leased in land

\n

- ii. expenses incurred on use of material inputs

\n

- iii. irrigation charges

- \n
- iv. depreciation on implements and farm buildings
 - \n
 - v. interest on working capital
 - \n
 - vi. diesel/electricity for operation of pump sets
 - \n
 - vii. miscellaneous expenses and imputed value of family labour
 - \n

\n\n

Pradhan Mantri Annadata Aay SanrakshAn Abhiyan (PM-AASHA)

\n\n

- \n
- PM-AASHA is a new Umbrella Scheme aimed at ensuring remunerative prices to the farmers for their produce.
- \n
- If price is less than MSP, then State and Central Governments should purchase either at MSP or provide MSP for the farmers through some other mechanism.
- \n
- In this context, PM-AASHA is comprised of Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), Pilot of Private Procurement & Stockist Scheme (PPPS).
- \n
- It provides MSP assurance to farmers, in fulfilling Government's commitment to the "Annadata".
- \n
- Cabinet has also decided to increase the participation of private sector in procurement operation. Click [here](#) to know more on PM-AASHA scheme.
- \n

\n\n

Agricultural Marketing

\n\n

National Agriculture Market (e-NAM)

\n\n

- \n
- 115 wholesale regulated markets have been integrated with e-NAM platform.
- \n
- This was in line with achieving the target of total 585 e-NAM markets in 16

States and 2 Union Territories.

\n

- CCEA has approved the proposal for integration of additional 415 wholesale regulated markets with e-NAM platform during 2018-20.

\n

\n\n

Farmer Producer Companies

\n\n

\n

- 22 Farmer Producer Companies (FPCs) were formed and registered, involving 22000 farmers, in 2018.
- More than 700 FPOs (Farmer Producer Organizations) have been registered and more are under the process of registration.

\n

\n\n

Gramin Agricultural Markets (GrAMs)

\n\n

\n

- DAC&FW has formulated the operational guidelines for Operations and Management of Gramin Agricultural Markets (GrAMs).
- Rural haats were upgraded and developed as Gramin Agricultural Markets (GrAMs).
- Agri-market Infrastructure Fund (AMIF) of Rs. 2000 crore was approved for developing marketing facilities in Gramin Agriculture Markets (GrAMs).

\n

\n\n

Agricultural Marketing Infrastructure (AMI)

\n\n

\n

- Agricultural Marketing Infrastructure (AMI) is a sub-scheme of the Integrated Scheme of Agricultural Marketing (ISAM).
- It has been revived for the period coterminous with the 14th Finance Commission i.e. up to 2019-20.

\n

\n\n

Model Contract Farming Act

\n\n

- \n
 - The State/UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018 was formulated.
- \n
 - The Act covers the entire value and supply chain from pre-production to post harvest marketing.
- \n
 - The objective of this is to optimize the use of scarce resources and mitigate the uncertainty in price and marketing.
- \n

\n\n

Risk Mitigation

\n\n

Pradhan Mantri Fasal Bima Yojana (PMFBY)

\n\n

- \n
 - With over two years experience in implementation of the scheme, the Government has comprehensively revised the Operational Guidelines of the PMFBY recently.
- \n
 - The brief features/changes in the revised scheme are as follows:
- \n

\n\n

- \n
 - i. 12% interest rate per annum to be paid by the Insurance Company to farmers for delay in settlement claims beyond 10 days of prescribed cut off date for payment of claims
- \n
 - ii. State Government has to pay 12% interest rate for delay in release of State share of Subsidy beyond 3 months of prescribed cut off date/submission of requisition by Insurance Companies
- \n
 - iii. Rationalization of methodology for calculation of Threshold Yield (TY) - moving average of best 5 out of 7 years for calculation of claim amount
- \n

- iv. Increased time for change of crop name for insurance - up to 2 working days prior to cut-off date for enrolment instead of earlier 1 month provision
\n
- v. More time to insured farmers to intimate individual claims - 72 hours (instead of 48 hours) through any stakeholders and directly on the portal
\n
- vi. Inclusion of hailstorm in post harvest losses, besides unseasonal and cyclonic rainfall
\n
- vii. Inclusion of cloud burst and natural fire in localized calamities in addition to hailstorm, landslide and inundation
\n
- viii. Inclusion of Perennial horticultural crops (on pilot basis) under the ambit of PMFBY
\n
- ix. Use of Remote Sensing Technology (RST) in clustering/Risk classification
\n

\n\n

Agricultural Credit

\n\n

- \n
- Easy access to financial services at affordable cost positively affects the productivity, asset formation, and income and food security of the rural poor.
\n

\n\n

- \n
- Banks have been consistently surpassing the annual credit target for agriculture announced by the government in the Union Budget.
\n
- Government has initiated several policy measures to improve the accessibility of farmers to the institutional sources of credit.
\n
- Interest Subvention Scheme provides Interest Subvention of 2% per annum to Public and Private Sector Banks, Cooperative Banks and Regional Rural Banks on funds for short term crop loans.
\n
- In addition, a scheme was introduced from 2009-10 for providing additional interest subvention (3%) to the prompt paying farmers as an incentive.
\n
- Interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of up to 6 months after harvesting of

the crop.

\n

- This is to discourage distress sale by farmers and encourage them instead to store their produce in warehouses.

\n

- The RBI has put in place a mechanism to address situations arising out of natural calamities.

\n

- It has issued guidelines in the form of Master Directions to banks on 'Relief Measures by Banks in Areas affected by Natural Calamities'.

\n

- The guidelines automatically come into force after the state/district authorities declare the calamity.

\n

- The Bank has also developed a portal to capture data on natural calamities on real time basis.

\n

\n\n

International Cooperation

\n\n

\n

- The Ministry has signed MoUs for cooperation in agriculture and allied sectors between India and Iran, and also with Uzbekistan.

\n

- Towards the implementation of the existing MoUs, meetings of Joint Working Groups (JWG) were held with 9 countries.

\n

- These are Portugal, Madagascar, Dutch, Poland, Denmark, Philippines, Nepal, Russia and Australia.

\n

- The inaugural meeting of the 'India-Nepal New Partnership in Agriculture' was held.

\n

- India is assisting Nepal in developing organic farming and issuing of soil health cards.

\n

- India is collaborating with USAID (United States Agency for International Development) to provide training for nationals of 20 Asian and African countries.

\n

- India officially joined the Shanghai Cooperation Organization (SCO) as full Member in June, 2017 at a summit in Astana.

- \n
- Accordingly, the Ministry participated in the meeting of the SCO Permanent Working Group (PWG) on Agriculture and Agriculture Ministers of SCO Member States held in Bishkek, Kyrgyzstan.
- \n
- A 7-point SCO Action Plan for 2018-2019 on cooperation in agriculture was signed.
- \n

\n\n

International Events

\n\n

- \n
- 70th Anniversary of India-Russia Diplomatic relations in the field of Agriculture sector was celebrated.
- \n
- A proposal of Government of India for celebrating an International Year of Millets by UN was endorsed by FAO Council for 2023.
- \n
- This would be placed in the FAO Conference in June 2019 before communicating to UN General Assembly for final declaration.
- \n

\n\n

\n\n

Source: PIB

\n



IAS PARLIAMENT
Information is Empowering
A Shankar IAS Academy Initiative