



**Putting
Farmers
First**



" We have a stated aim of 'Doubling Farmers Income' by 2022 to make our farmers prosperous and agriculture profitable. We are augmenting their sources of income and decreasing their risks.

We are following a 4-pronged strategy to achieve the goal of doubling farmers income:

Decrease the input costs

Ensure proper prices for the produce

Ensure minimal harvest & post-harvest losses

Create more avenues for income generation

Our policy interventions are aimed at helping farmers at every step -

Beej Se Bazaar Tak."

-PM Narendra Modi



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Truth About Modi Govt's Farm Reforms

WHAT WILL NOT HAPPEN

X

MSP **will not** go away

APMC Mandis **will not** be closed

Farmer's land **will not be taken** away
by anyone for any reason

Buyers **cannot make** any changes to
farmer's land

Buyers **cannot cheat** farmers

Contractors **cannot end**
agreement without full
payment



WHAT WILL HAPPEN



MSP system will continue. After passing farm bills, government announced an MSP increase!

APMC Mandis will continue to work

Farmers **can sell in APMC Mandis or outside** - it is their choice

Farmers **can fix prices** for produce even before growing it

Buyers must pay on time or face legal action

Farmers **can end agreements** anytime they wish

More investment and infrastructure will come

Better lives for farmers and **jobs** for rural youth



Modi Government's Strong Commitment to MSP & Mandis

Farm bills do not affect MSP system **MSP will continue**

Immediately after passing farm bills, **government increased MSPs** in September 2020!

Not a single APMC Mandi has closed after the new farm bills were passed

APMC Mandis will continue to function

Farmers can sell in Mandis or outside - **it is their choice**

Modi government gave higher MSP than earlier government and also bought more from farmers than earlier government!

MSP Payments to Farmers for Paddy and Wheat



₹3.74 lakh crore
2009-14 UPA



₹8 lakh crore
2014-19 NDA

Modi government paid more than double to farmers as MSP!

Procurement of Pulses at MSP



1.52 LMT
2009-14 UPA



112.28 LMT
2014-19 NDA

Modi government bought 74 times more pulses than UPA!

INTRODUCTION

Independent India has seen many Prime Ministers but among them, Narendra Modi is unique. Before going onto win the 2014 Lok Sabha elections, he had been Chief Minister of a state for over thirteen years. As Chief Minister, Modi was known to be someone who immersed himself deeply in the intricacies of policy matters and the way they work on the ground.

Transforming Lives of Farmers in Gujarat

Among the biggest policy triumphs of his tenure as Chief Minister of Gujarat was the way he transformed the lives of farmers of a semi-arid state and made them self-reliant and prosperous. Modi's working style when it came to farmer welfare was bottom up - his policy was driven by his deep understanding of farmers' problems and in finding innovative win-win solutions for them.

As Chief Minister, Narendra Modi was sensitive to even the smallest needs of the farmers and made the whole administrative machinery farmer-friendly.

Vibrant Gujarat, Gujarat government's flagship investor summit used to make big headlines. However, it was just a two-day event held only once in two years. In contrast, Modi used to hold Krishi Mahotsav for one month every year where every level of the government was mobilised to work with farmers.

A unique innovation pioneered by Modi during this Mahotsav was the 'Krishi Rath', which would visit every tehsil of Gujarat. This was a mobile team of experts, scientists and government officials from every agriculture-related department who would visit each area and educate the farmers about latest farming techniques, technology adoption, and offer assistance to farmers.

Narendra Modi was also a pioneer when it came to bringing the benefits of science to farmers through soil health cards. About this, Dr M.S. Swaminathan, often known as 'Father of Green Revolution', said in 2007:

“At the National Commission on Farmers, we again re-emphasised the importance of strengthening soil testing laboratories, mobile soil testing vans, issue of soil health card to every farmer but nothing has been done. Some states like Gujarat have done good work, so the agricultural growth rate in Gujarat is over 9%.”

Clearly, the recommendations of Dr Swaminathan for improving agriculture were being implemented in Gujarat by CM Modi even if the then government at the Centre was turning a deaf ear.

As a result, production and yields of agricultural crops rose impressively in Gujarat. For example, the total cereal production rose from 39.92 lakh tonnes to 65.38 lakh tonnes between 1999-2000 and 2016-17, even as the area in which these crops were sowed reduced from 32 lakh hectares to 28.36 lakh hectares. With these developments, farmer incomes too grew, contributing to a virtuous cycle of better income, better inputs, better technology adoption and even better results. This virtuous cycle wasn't incidental but was driven by a Chief Minister who understood farming very closely and worked consciously to empower farmers.

BusinessLine Gujarat's decade of agricultural success

Published on March 20, 2019, Published on May 26, 2019

Gujarat's agro-economy stands out due to its market orientation for ensuring fair returns to farmers.

Forbes

How did Gujarat Become a Farming Paradise?

Destiny willed it to be an agricultural juggernaut, but Gujarat is today a farming paradise

PUBLISHED: May 18, 2019 07:21:22 AM IST

UPDATED: May 18, 2019 06:23:41 PM IST

India Today awarded Gujarat as Best In Agriculture under the then Gujarat Chief Minister Narendra Modi



THE ECONOMIC TIMES English Edition • 8-Page Rajiv Gandhi Foundation finds Gujarat No 1 state

May 21, 2018 07:26:48 AM IST

The Narendra Modi brand of governance has got an unexpected endorsement. The Rajiv Gandhi Foundation, headed by Narendra Modi, has adjudged Mod's Gujarat as the Number 1 state in India.

THE ECONOMIC TIMES News English Edition • 8-Page

Gujarat records highest decadal agricultural growth rate of 10.97%

ET Bureau • Last updated Jul 16, 2017, 06:42 AM IST

Gujarat's Agrarian Miracle Catapults Modi to National Stage

The massive growth in agriculture and allied ecosystems that was seen in Gujarat in Modi's tenure has been called an agrarian miracle by domain experts.

Agricultural economist Ashok Gulati summed up the Gujarat Model when he wrote in April 2014 that:

“True pro-people policies augment income earning capacity of the largest number of people. And Gujarat has done that through its agrarian miracle. Several factors have contributed to its success: from technological success of Bt cotton to check dams recharging groundwater, to Narmada waters, to Jyotigram giving regular and reliable power supply in rural areas, Krishi Mahotsav which transformed the agri-extension landscape, ever-flourishing dairy sector and well connected, good quality roads in rural areas.”

Even as Narendra Modi was unleashing a miracle in Gujarat, at the Centre, there was a stark contrast.

They used to declare Minimum Support Price (MSP) but they never bought large quantities of produce from farmers.

They declared loan waivers but those waivers never reached majority of the small and marginal farmers.

They announced big schemes but these schemes almost always ended up being damp squibs.

They promised subsidized fertilizers but it used to get routed to black markets rather than reaching farmers.

Convinced that only Narendra Modi can ensure a turnaround in India's agriculture sector, farmers too voted overwhelmingly for him, making him the Prime Minister in 2014.

New Era of Farmer Welfare in India

Bolstered by Prime Minister Narendra Modi's personal record of working with farmers, his government has taken various decisions for farmer welfare from day one. For the first time, there was now a government led by a leader who publicly set ambitious targets – doubling farmers' income – and inspired the whole nation. As a way of recognizing role models, some farmers were even honoured with Padma Awards.

In the past six years, the Modi government has gone about reforming the agriculture domain step-by-step. At every step of the agricultural cycle, the needs of the farmers have been kept in mind.

Not only were MSPs hiked multiple times but procurement at MSP also increased many times more than earlier governments did. In 2013-14, the MSP for Tur dal was Rs 4,300/quintal whereas in 2020-21, the MSP for Tur dal has been substantially increased to Rs 6,000/quintal.

If the MSP declared for Tur dal is 55% higher, the procurement of pulses too has gone up almost exponentially. During 2009-14, the UPA government procured only 1.52 LMT of pulses, whereas during 2014-19, the Modi government procured 112.28 LMT of pulses at MSP, a 74-fold rise!

Take another example. In the 15 years preceding 2014, Sharad Pawar's party was in power in Maharashtra, while for 10 years during this period he was also the Union Agriculture Minister. During this time, the government spent just Rs 450 crore in purchasing food grain from farmers of Maharashtra. In contrast, during 2014-19, a period of just 5 years, the NDA government purchased food grain worth Rs 8,500 crore.

An MSP hike was announced as recently as September 2020, immediately after the pro-farmer reform bills were passed, clearly showing the intentions of the government to strengthen the MSP system even more.

Irrigation and insurance have both seen huge improvement. Direct income support was ensured for farmers through the historic PM-KISAN scheme, through which money now directly reaches the bank accounts of the farmers.

Cold chains, mega food parks and such agro-processing infrastructure have been set up on a big scale. Allied activities have witnessed never-before-seen focus as an avenue of income generation for farmers.

Aatmanirbhar Farmer for Aatmanirbhar Bharat

The latest wave of pro-farmer reforms, advocated by many experts for decades, fulfil the demands of many farmers and farmer unions. These reforms give farmers the freedom to sell anywhere and to anyone. Farmers can sell in APMC Mandis as well as outside them.

Further, these reforms also strengthen farmers with a protective legal framework when dealing with buyers, ensuring they get an assured income for their produce.

These reforms have seen decades of consultations with stakeholders, multiple committees and clear cross-party consensus about the way forward.

Prime Minister Narendra Modi's track record and his government's actions give confidence that the life of the Indian farmer is transforming for the better, with an elaborate safety net being created for farmers while also increasing their avenues of income generation.

As the nation responds to Prime Minister Narendra Modi's call of 'Aatmanirbhar Bharat', Aatmanirbhar farmers will lead the way.



The issue of making agriculture profitable for farmers has been discussed and debated for decades now. Multiple committees, consultations and stakeholder reviews have been held. But what was missing was decisive action based on these consultations.

While farmers have made India extremely productive with their sweat and toil, the issue of profitability was always being sidelined because reforms in agriculture and agricultural markets never got priority.



PRO-FARMER REFORMS 2020 – FREEDOM, PROTECTION AND HIGHER INCOME

BACKGROUND OF REFORMS

Disparity between Agriculture and Other Sectors

Despite economic liberalisation in the beginning of the nineties, agriculture as a sector was left out.

The difference in annual income of farmer and non-farmer worker, which stood at Rs 25,398 in 1993-94 further widened to Rs 54,377 in 1999-2000 and in the next decade it further increased to more than Rs 1.42 lakh.

The dairy and fisheries sectors are growing at an annual rate of 4% to 10%, while the growth in food grain sector, where regulations were seen as excessive, has been at an average of 1.1% annually after 2011-12.

Hence, it was always known that agriculture sector too needed pro-farmer reforms, just like the reforms in other sectors, to double the income of farmers.



NEED FOR PRO-FARMER REFORMS

Fragmented Markets

Each market functioned as a separate entity, hampering intra and interstate trade.

Insufficient Markets

At the same time, there were not enough markets to deal with growing produce.

Market Fees & Charges

Taxes, various commissions raised the cost of final product, while reducing returns to farmers.

Inadequate Infrastructure

Despite market taxes, infrastructure in markets remained underdeveloped and not in tune with modern supply chains.

Post-Harvest Losses

This inadequate infrastructure led to high post-harvest losses, estimated at Rs 90,000 crore in 2014.



Restriction in Licensing

Entry as a licensed agent was restricted, discouraging competition and encouraging cartelisation.

High Intermediation Costs

The fragmented system led to high intermediation costs, raising costs for consumers, while depressing prices received by farmers.

Information Asymmetry

Farmers often lacked market information, which traders & commission agents withheld from farmers.

Inadequate Credit Facilities

Informal credit channels still dominated formal channels.



HOW FARMERS ARE ALREADY BENEFITING FROM PRO-FARMER REFORMS

“After the new farm ordinances were brought in, there are reports from potato-growing areas that during June-July, bulk buyers bought potatoes directly from cold storage by giving higher prices to the farmers. As the farmers got a higher price for potatoes outside, the farmers who had gone to the mandis to sell their potatoes too got higher prices, due to the pressure of higher market price outside. Similarly, there are reports from Madhya Pradesh and Rajasthan that the oil mills there have purchased mustard by giving 20-30% more directly to the farmers. In states like Madhya Pradesh, Uttar Pradesh, Chhattisgarh and West Bengal, pulses are produced in abundance. In these states, farmers have directly received 15-25% higher prices compared to last year.”

PM Modi in a programme in Bihar, 22 September, 2020

FREEDOM TO SELL ANYWHERE, TO ANYONE

“The rules had a lot of restrictions on where the farmer could sell the crop and to whom. We showed the willingness to remove injustice that was being done to the farmers for decades.

Farmers can now sell their crop to whoever they want, wherever they want and whenever they want. Now a farmer can take his crop to any state of the country and sell it. Also, grains or agricultural products kept in warehouses can now be sold through electronic trading. Just imagine the kind of new avenues that are going to open for agri-business with these reforms.”

PM Modi at the inauguration of Annual Session of Confederation of Indian Industry, 2 June, 2020

MANDIS WILL CONTINUE TO FUNCTION

“In many places, the question is also being raised about what will happen to existing mandis now? Will the agricultural mandis be closed, will the purchase stop there? No, this will not happen at all.

I want to make it clear here that these laws, these reforms are not against the agricultural mandis. The agricultural markets would function like before. It is our government which has continuously worked to modernize the agricultural mandis of the country. A huge campaign has been going on in the country for the last 5-6 years to better the offices of agricultural mandis and to get them computerized. Therefore, if someone says that after the new agricultural reforms the agricultural mandis will close, then that person is lying to the farmers.”

PM Modi in a programme in Bihar, 22 September, 2020

FARMERS BEING MADE A MARKET FORCE

“The pro-farmer reforms have freed the farmers and agricultural economy from years of slavery. Now the farmers of India have got the freedom to sell their produce anywhere in the country.

It is sure to ensure farmer welfare and revive the rural economy. These decisions have identified the farmer as a producer and his produce as a product.

Whether it is the decision to transfer money directly to the bank accounts of the farmers, MSP increases or the pension scheme for farmers, our focus has been to empower the farmers. Now, farmers are being helped to grow into a big market force.”

PM Modi at the inauguration of the 95th Annual Plenary Session of ICC, 11 June, 2020

BENEFITS OF THE NEW FARM LAWS IN A NUTSHELL

S.No.	Before Reforms	After Reforms
1	Can sell notified farm produce only in APMC Mandi Monopoly of few Cartels of traders could keep prices artificially low	Freedom of choice to sell in APMC mandi or choose any other seller Multiple options to sell Better price realisation through competition
2	Once produce brought to mandi, farmer has to accept whatever price is offered	Can bargain for price even at door-step
3	Mandi fee, commission, and other charges borne by producers and consumers	No fee, no commission Large savings to benefit producers and consumers.
4.	Large price spread Long chain of intermediaries	Higher share of farmer in consumer's payment Minimum or no intermediary
5.	No opportunity for farm youth to trade agri commodities	Rural farm youth will get opportunity to trade and run supply chain.
6.	Cannot directly sell to consumers	Can sell directly to anyone and earn higher price



S.No.	Before Reforms	After Reforms
7.	Freedom to sell fruits and vegetables outside of APMC mandi existed in some states	This freedom is now extended to all agri produce and all over the country
8.	Small land holders did not have scale and bargaining power in input and output markets	Empowered to access modern input, services and protection against price risk Farmer Producer Organisations help small farmers' organise for better bargaining power
9.	Contract farming restricted only to some pockets	Contract farming now nationally enabled and on terms favourable to farmers
10.	Farmers not part of value chains	Farmers will now be partners in value chain
11.	Exports getting uncompetitive due to long chain of intermediaries and poor logistics	Export competitiveness will increase and benefit farmers



IMPACT OF THE LAW WHICH GIVES FREEDOM TO SELL ANYWHERE

If farmers want to sell within the APMC markets, that will continue. MSPs also continue. So, the MSP acts as a safety net for farmers.

APMC market yards will be open for farmers to sell. This apart, they can also sell outside the mandis. There will be competition to buy from farmers which means farmers have greater bargaining power to decide their price.

For every product and for every producer, all of India is a single unified market. Only farmers were denied this benefit of a massive market.

With these reforms, Indian farmers will now finally have the freedom to sell their produce to who they want and where they want and at price of their choice, an option denied to them until now.



If farmers find buyers willing to buy from them at their own doorstep, they can sell to them. They also have a legal framework protecting their rights when they do so. This saves farmers time, money and effort.

Development of infrastructure close to their own farms will reduce post-harvest losses and improve income through greater linkages to markets in food processing, retail, and exports.

This will also lead to the development of better price discovery mechanisms for farmers, leading to better price for their produce.

eNAM can finally fulfil its potential of serving as the national platform for electronic trading in agriculture produce.

IMPACT OF CONTRACT FARMING LAW

Contract farming acts as a form of price assurance.

Typically, in contract farming, the agreement is made between the farmer and buyer even before the crop is sown. Farmer already knows what MSP he can get for his crop. So, the farmer will negotiate a price above the MSP.

The MSP will actually begin to act as a starting price of negotiation for the farmers, empowering them.

The price in the agreement is only the minimum price the farmer can get. If the contractor makes a better profit than expected, farmers will be entitled to get a bonus over and above the minimum price they had bargained for.

This means, even if there is a loss for the contractor while reselling/value addition, the farmer still gets an assured price. But if there's a profit above expectations, the farmer will also get a share of it.

Arhtiyas are also empowered to make use of the contract farming law by becoming contractors themselves since they already have links with farmers and knowledge of what they grow.

Bringing farmers together through Farmer Producer Organizations will enable bargaining capacity and economies of scale for even small farmers.

These reforms will boost investment in the agriculture sector, through better assured prices, and contracts for farm services.

The impact of these reforms will see India's agriculture and food processing industries transformed. Private sector investments will pour in across the entire cold chain, reducing losses and ensuring better prices for farmers.

Better backward linkages will ensure better quality of produce, leading India to capture a bigger share of global export markets. So, even the global markets will open up for Indian farmers.

Employment in the food processing sector will rise among rural youth, and this will put India on the path towards becoming the leading food exporter in the world, while maintaining our food security.

Due to all of this, farming can become profitable even for small and marginal farmers.

MYTH AND REALITY

The Farmers' Produce Bill, 2020 - Freedom to

S. No	MYTH	REALITY
1	<p>a. "Farmers will not get the MSP"</p> <p>b. "It may eventually end MSP based procurement system"</p> <p>c. "MSP operations will discontinue"</p>	<p>MSP system stays. In fact, the Modi government has increased MSPs multiple times and also procured more from farmers at MSP than any past government!</p> <p>The new law will not affect MSPs adversely. MSP purchase on agricultural produce is done through State Agencies and there is no change in this due to this law</p> <p>MSP procurement from farmers is the top priority of the present Government and it will continue to be so</p>
2	<p>"Trade & Commerce Act will replace the State APMC Act and affect the functioning of the APMCs"</p>	<p>This Bill is not intended to replace the State APMC Act and does not affect the functioning of the APMCs</p> <p>APMCs will continue to regulate the marketing of agricultural produce within the physical boundaries of market yards. They can levy market fee within physical mandis as per their regulations</p> <p>The Act only provides farmers with additional marketing opportunities outside existing APMCs</p> <p>Both the laws will co-exist for the common interest of farmers</p>
3	<p>a. "Infringement into the States powers of making Legislation"</p> <p>b. "Encroachment in State Powers"</p>	<p>Inter-State trade falls within Entry 42 of Union List of the Constitution of India</p> <p>Though intra-State trade falls within Entry 26 of State List, the same is subject to Entry 33 of Concurrent List of Constitution of India</p> <p>Central government is fully competent and empowered to legislate here</p> <p>Hence, no encroachment in State powers</p>

Trade and Commerce (Promotion and Facilitation), Sell Farm Produce Across India

S. No	MYTH	REALITY
4	<p>a. "Sufficient safeguard is not provided to protect the interest of farmers"</p> <p>b. "Exploitation of farmers by traders"</p>	<p>Act provides sufficient elaborate mechanism to protect the interest of farmers</p> <p>Simple, accessible, quick and cost-effective dispute resolution mechanism is prescribed for the farmers against traders to prevent and curb any unscrupulous acts</p>
5	<p>"The Act doesn't safeguard farmer payments. The commission agents under APMC are verified and payment is secured."</p>	<p>Payment has to be made to the farmers on the same day or within three working days</p> <p>Deterring penal provisions have been put in place for traders to curb any malpractices</p> <p>The penalty provision against trader will act as deterrent against any fraudulent motives</p>
6	<p>a. "Revenue loss of APMC mandis"</p> <p>b. "The Act will block the ways for the state to generate revenue from agriculture trade and will lead to the closure of APMCs."</p>	<p>States/APMC continue to have regulatory powers to impose mandi fees and other charges within markets</p> <p>APMC markets will continue to operate and are not affected in any way by this reform</p> <p>In fact, APMC markets will become even more efficient to compete with other buyers and attract farmers to generate revenue</p> <p>APMC markets have understanding of farming patterns and their agents already have a connect with farmers. They will make APMCs more efficient and competitive</p>

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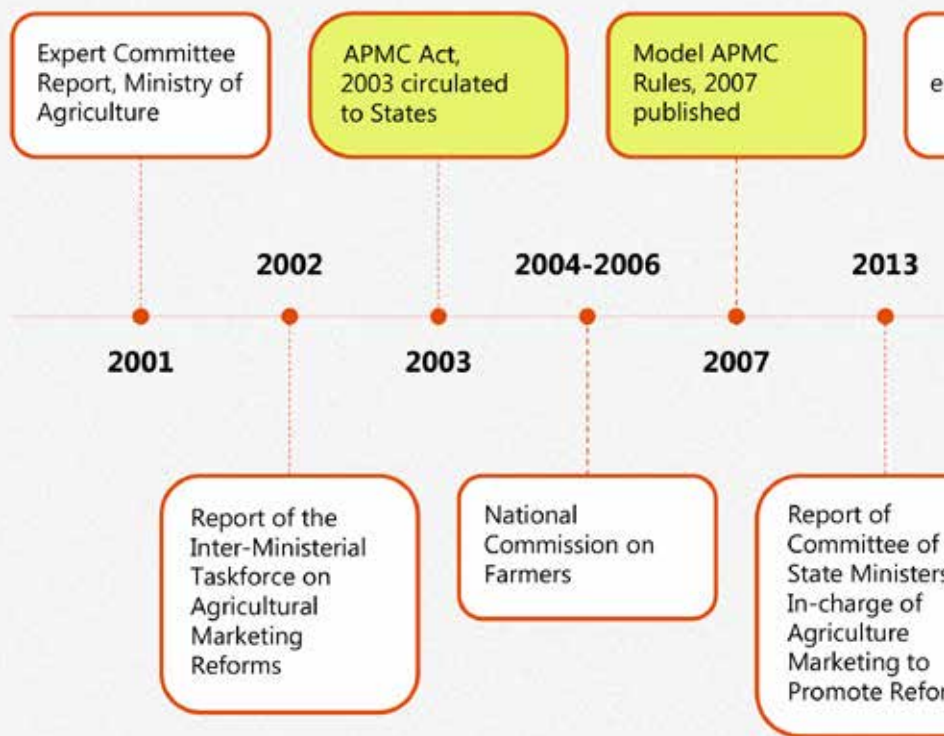
MYTH AND REALITY

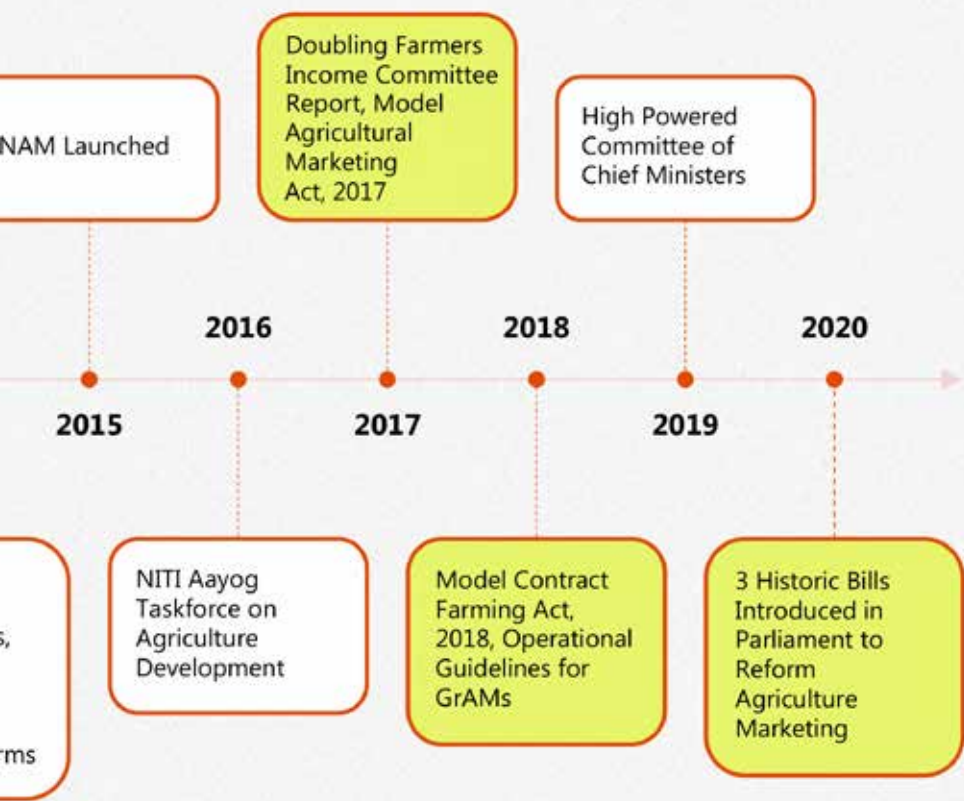
The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act 2020 - Contract Farming Law

S. No	MYTH	REALITY
1	Contractors will take over farmers' land and farmers will end up becoming laborers	<p>Agreement is for crops and not for land</p> <p>The law clearly disallows any transfer, including sale, lease and mortgage of the land or premises of the farmer</p> <p>The law ensures that buyers/sponsors are prohibited from acquiring ownership rights or making permanent modifications on farmers' land</p>
2	No legal safety net for farmers against contractors Contractors can take over farmer land for recovery	<p>Clear pro-farmer dispute resolution mechanism outlined. Some farmers have already got due compensation by taking legal action against traders</p> <p>No recovery of dues against farmers' land. Farmers' land is safe, no matter what the situation</p>
3	The Act does not provide any price guarantee for farmers	<p>The law clearly says that the price of farming produce will be mentioned in the farming agreement itself, which assures the price</p> <p>It also says that, in case, such price is subject to variation, then, the agreement shall explicitly provide for a guaranteed price to be paid for such produce</p> <p>If the contractor fails to honour the agreement and does not make payment to the farmer, penalty may extend to one and half times the amount due!</p> <p>Some farmers have already benefited from this</p>
4	Big companies will exploit farmers in the name of contract	<p>The contract agreement will guarantee the farmers to get the fixed price</p> <p>Farmer can withdraw from the contract at any point without any penalty</p>
5	Such agreement-based farming has never been tried in India	Punjab, Tamil Nadu and Odisha already have contract farming laws.

TIMELINE OF CONSENSUS AND CONSULTATION ON FARM REFORMS

Reform in agricultural markets is probably the only reform in independent India's history to have been discussed by governments of different parties for two decades and in which all the stakeholders, including farmer unions, have wanted to move in the same direction.





TWO DECADES OF CONSULTATIONS

2000-2003 (NDA GOVERNMENT LED BY PRIME MINISTER A.B. VAJPAYEE)

Shankarlal Guru Expert Committee was appointed in December 2000 to suggest ways and means to make Agriculture marketing system more efficient. The committee submitted its report in June 2001.

To examine these recommendations, the Agriculture Ministry constituted an Inter-Ministerial Task Force in July 2001 which submitted its report in June 2002. The steps recommended by this task force included:

Removal of restrictive provisions hindering a competitive marketing system

Promotion of direct marketing

Encouragement of contract farming

Rationalization of Market fee and tax structure

Facilitate National Integrated Market

These recommendations resulted in the passage of the Model APMC Act 2003 which encouraged the state governments to amend their individual state acts in accordance with this model act.

2004-2014 (UPA GOVERNMENT LED BY PRIME MINISTER DR. MANMOHAN SINGH)

Ministry of Agriculture formulated a Model APMC Rules 2007, based on the APMC Act of 2003, and called for their adoption by the various state governments.

Various states such as Andhra Pradesh, Arunachal Pradesh, Assam, Gujarat, Himachal Pradesh, Rajasthan and Maharashtra, ruled by different parties (Congress, BJP and others), adopted the Model APMC Act of 2003 at different times between 2005 to 2011.

UPA government set up the M.S. Swaminathan chaired National Commission on Agriculture in 2006, which recommended promotion of Unified National Market.

Minister of Agriculture, Sharad Pawar, constituted an Empowered Committee in March 2010, on Agri-marketing reforms under the Chairmanship of Harshwardhan Patil, (A minister of State Government of Maharashtra led by Congress Party) and 10 State Ministers.

Parallely, Sharad Pawar personally wrote to all Chief Ministers in August 2010, urging them to implement the reforms on the lines of the model APMC Act 2003. Among other things, the letter written by Sharad Pawar said, “the need to amend the present APMC act on the lines of Model APMC Act 2003 to encourage the private sector in providing alternative competitive marketing channels in the overall interest of farmers/producers and consumers cannot be overemphasized”.

Sharad Pawar echoed the same sentiment again while responding to a question in the Rajya Sabha on agriculture marketing reforms in May 2012, when he stated that ***“there are some (reforms) which have already been accepted, for instance, recommendation regarding liberalizing agri-procurement...We have requested all the Cooperation Ministers in the States to make amendment in the APMC Act.”***

The Patil Committee, which had been set up in 2010 submitted its ***report in 2013 which among other things, suggested simplification of procedure of contract farming, investment in development of post-harvest infrastructure, barrier free national markets, waiving off of market fee on fruits and vegetables etc.***

2014-20 (NDA GOVERNMENT LED BY PRIME MINISTER NARENDRA MODI)

The new NDA Government constituted the Dalwai Committee to concretize various proposals. The Committee, after extensive consultation, recommended adoption of the new Agricultural Marketing Act of 2017.

The New Model Agricultural Marketing Act, 2017 was adopted fully by 11 states - Arunachal Pradesh, Gujarat, Assam, Nagaland, Meghalaya, Odisha, Uttarakhand, Tripura Goa, Karnataka and Himachal Pradesh.

6 states partially adopted the 2017 Marketing Act - Haryana, Punjab, Uttar Pradesh, West Bengal, Madhya Pradesh and Tamil Nadu.

A second Dalwai Committee was set up in 2018 to protect the interests of producers and sponsors of Contract Farming. This second Dalwai Committee, recommended another Model Act which dealt with Contract Framing.

This Model Contract Framing act was circulated to all States/UTs in May 2018. Tamil Nadu and Odisha have adopted this Model Contract Farming Act of 2018.

Contract farming was already informal practice in many states. In Punjab, a separate Contract Farming Act has existed since 2013.

High-Powered Committee of Chief Ministers for 'Transformation of Indian Agriculture' was set up in June, 2019, to implement reforms and know the intent of states.

Problems faced by farmers due to lack of marketing reforms were also noted by Parliamentary Standing Committees on Agriculture. Their recommendations were no different from those made over the past two decades.

As is obvious from this chronology, the extensive consultation process on Agricultural Marketing Reforms had spread over two decades, during which different governments headed by different political parties had all proceeded in the same direction and recommended similar things.

As a culmination of this process, on 3 June 2020, The Union Cabinet, after its 21st May consultation with States on Ordinances, approved the promulgation of two Ordinances:

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020.

After promulgating the Ordinances, the Government of India worked to sensitize farming communities, FPOs and Cooperatives etc, to raise awareness on the advantages of 'One Nation One Market' and explain the Ordinances' benefits.

After debate and discussion, Lok Sabha passed both the bills on 17th September, 2020 and Rajya Sabha on 20th September, 2020.

REFORMS TRIED IN 2010,

शरद पवार
SHARAD PAWAR



D.O. No. 1156/JAM
कृषि, उपभोक्ता मामले, खाद्य औ
सार्वजनिक वितरण मंत्री
भारत सरकार
MINISTER OF AGRICULTURE
& CONSUMER AFFAIRS
FOOD & PUBLIC DISTRIBUTION
GOVERNMENT OF INDIA
D.O.No.P.14018/1/2008-MPDC
// 22 August, 2010

My Dear Sheilaji

As you are aware, the agriculture sector needs well-functioning markets to drive growth, employment and economic prosperity in rural areas of the country. This requires huge investments in marketing infrastructure including cold chain. And for this, private sector participation is essential, for which an appropriate regulatory and policy environment needs to be in place.

In this context, the need to amend the present State APMC Act on the lines of Model State Agricultural Produce Marketing (Development & Regulation) Act, 2003 to encourage the private sector in providing alternative competitive marketing channels in the overall interest of farmers/producers and consumers cannot be overemphasized. You may kindly recall in this regard my earlier letter No. 16011/4/2004-M.II dated 25th May, 2005 and letter No. T. 14018/4/2007-MPDC dated 12th June, 2007. I may mention that the Ministry of Agriculture has also circulated Draft Model APMC Rules, 2007 to all the States/UTs for their guidance and adoption as appropriate.

I wish to draw your personal attention to this matter of considerable importance to the agriculture sector and the well being of the farmers and request that suitable direction may be given for taking necessary steps without further delay.

With regards,

Yours Sincerely
SAR
(SHARAD PAWAR)

Smt. Sheila Dikshit,
Chief Minister,
Government of NCT of Delhi,
IP Estate,
New Delhi.

जारी किया गया
ISSUED

ENACTED IN 2020

शरद पवार
SHARAD PAWAR



D.O. No. 2768 /AM
कृषि एवं खाद्य प्रसंस्करण उद्योग मंत्र
भारत सरकार
MINISTER OF AGRICULTURE &
FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA

No.22012/17/2011-M.I
November, 2011

My Dear Shri Shivraj Singh,

You will undoubtedly agree that the agriculture sector needs well-functioning markets to drive inclusive growth, employment and economic prosperity in rural area of the country. This requires investments in post-harvest and marketing infrastructure including cold-chain logistics from farm gate to the consumer. The Private sector needs to play an important role in this regard. An appropriate regulatory and policy environment, therefore, needs to be in place for the purpose.

In this context, there is a need to amend the present APMC Act on the lines of Model APMC Act 2003 in order to encourage private sector investment in marketing infrastructure and providing alternate competing marketing channels in the overall interest of the farmers, consumers and agricultural trade. I am sure that this will mean reduced intermediation costs and post-harvest losses as well as enhanced supply of the produce and greater farmer share in consumers' price.

The Government of India had constituted a Committee of State Agriculture Marketing Ministers in March, 2010 to promote agriculture marketing in the country and to persuade States and UTs to adopt model APMC Act. The Committee has since submitted its First Report in September, 2011 which has already been sent to you. State vide letter No.T14018/4/2010-MPDC/PC dated 19.9.2011. I would request you to also look into this report and consider its implementation in right earnest.

The Ministry of Agriculture has been consistently pursuing this issue with you State at various levels. However, there has been tardy progress in the reforms which have been undertaken only in a few areas. I, therefore, wish to draw your personal attention to this matter of considerable importance to the Indian economy and particularly, the agriculture sector.

With regards,

Yours Sincerely

(SHARAD PAWAR)

Shri Shivraj Singh Chouhan,
Chief Minister,
Madhya Pradesh,
Bhopal.

ISSUED



REFORMS HELP BOTH FARMERS AND RURAL YOUTH

“These reforms will increase investment in agriculture and farmers will get access to modern technology. Moreover, the farmers’ produce will easily reach the international market. I am told that here in Bihar recently 5 agricultural producers associations have entered into an agreement with a very famous rice selling company. Under this agreement, the company will buy 4,000 tonnes of paddy from FPOs in Bihar. Their produce will directly reach national and international markets. It is clear that after these reforms, a path will be opened for many small industries related to farming and the country will move towards rural industries.

Let me give you another example. Suppose a youth wants to open a start-up in the agricultural sector, say, a chips factory. Now, such youth will be able to go directly to the village farmer and make an agreement for potatoes. He will tell the farmer about the quality and quantity of potatoes. He will also provide all kinds of technical assistance to the farmer in producing quality potatoes.”

PM Modi in a programme in Bihar, 22 September, 2020

FARMERS WILL GET NEW MARKETS

“The reforms that have taken place recently in marketing farmers’ produce will benefit the farmers immensely. Because of this the farmers will get new markets to sell their produce and their income will increase. This will minimise the loss that the farmers incur because of the vagaries of nature and lack of storage facilities. When the farmers’ income increases, the demand certainly will go up and the economy of the States will get a boost. Especially, in the Northeast and tribal areas, many opportunities are going to open in farming and horticulture sectors. Be it organic products, bamboo products or other tribal products, the doors of new markets are going to open for these sectors.”

PM Modi at the Interaction with Chief Ministers on Covid-19, 16 June, 2020

SELF-RELIANT FARMERS FOR SELF-RELIANT INDIA

Self-reliant farmers are essential for a self-reliant India. But for so many years, agriculture and farmers in our country were unnecessarily tied up with restrictive rules and laws. All my farmer friends must have felt this helplessness for so many years.

The farmer was not given the right to decide where he could sell his crop or whether he could store his crop or not. We have abolished such discriminatory laws. Now, the government or the officials will not decide where the farmers will sell the crops but the farmer himself will decide.

Now, the farmer can sell his crop outside his state and in any market. Now, you can connect directly with the traders and companies who will give you good prices for your produce and sell directly to them. The law which prohibited the stocking of crops has also been amended now.

Under the Aatmanirbhar Bharat package, announcement of an investment of Rs 1 lakh crore has been made so that cold storage can be constructed for the farmers to store their produce and so that the farmers are directly able to connect to the market. When the farmer is connected to the market, he can sell his crops at higher prices.”

**PM Modi at the launch of Garib Kalyan Rojgar Abhiyan,
20 June, 2020**

INCOME SECURITY FOR FARMERS DUE TO PARTNERSHIP WITH INDUSTRY

“Among the new reforms in one law under which the farmer can now have a direct partnership with the industries. For example, now the farmers can directly collaborate with the manufacturers of chips and juice, marmalade and chutney industries. This will give the farmer assured prices at the time of sowing the crop, which will give him relief from the fall in prices.”

**PM Modi at the launch of Financing Facility under
Agriculture Infrastructure Fund, 09 August, 2020**

SUCCESS STORIES

There are many success stories already for such market access across various states.

Nearly 1,300 farmers in the Aligarh district of Uttar Pradesh recently entered into an agreement with Fortune Rice to produce export quality paddy and are earning 15-20% higher income

More than 2,500 potato farmers across North Gujarat are earning nearly Rs 40,000 more per acre under agreement with HyFun Foods, a potato processing company

More than 1,000 seed potato farmers across Punjab, Northern Haryana, and Western U.P. are earning a guaranteed 35% margin above cost under the agreement with Technico Agri sciences Limited





Prime Minister Narendra Modi's government has always worked for farmer welfare in a methodical way. The government assesses farmers' needs diligently and ensures that steps are taken to fulfil their needs.



TOWARDS DOUBLING FARMERS' INCOME SINCE 2014

The needs of farmers fall into these categories:

- Agri-Budget
- Sustainable Farming and Soil Health
- Access to Credit
- Water and Electricity
- Help during Distress
- Insurance
- Minimum Support Price (MSP)
- Market Access
- Value Addition
- Additional Income Opportunities
- Financial Security

Modi government's important work can be seen in each of these sectors.

AGRI-BUDGET

The budget set aside for a sector show the priorities of a government. For years, previous governments kept speaking highly of the need to work for farmers. However, speaking about farmers is not enough. Governments must invest in them, build infrastructure for them and take enabling steps for their welfare - and all of these need a good budget to be set aside for the sector.

Modi government has allocated record budgets in every domain that impacts farmers. The budget for agriculture in the period 2014-19 is almost double of what it was between 2009-14. Farm credit targets have set records and so has the actual credit given to farmers. Schemes like PM-KISAN, which have brought an additional source of income for the marginal and small farmers, have seen massive investment. Huge investments are being made in developing infrastructure near farmers' lands that is crucial for farmer welfare.

Record investments for record outcomes

Showing the government's farmer-centric focus, **the budget set aside for agriculture almost doubled** from Rs 1.21 lakh crore during 2009-14 to Rs 2.11 lakh crore during 2014-19.

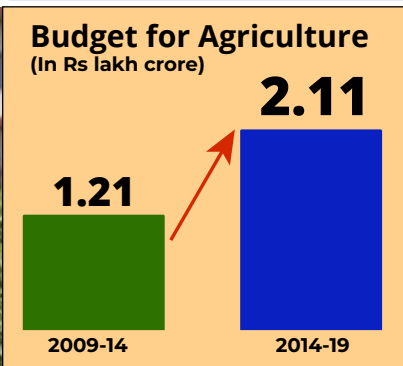
Further, for the year 2020-21, the budget for this sector is set at Rs 1.34 lakh crore, which is **far more than the total of 5 years of UPA's second term!**

Direct income support for farmers got a massive boost with over Rs 75,000 crore being given for PM-KISAN initiative, under which farmers get Rs 6,000 per year.

Infrastructure near the farms is key to farmers' welfare. Rs 1 lakh crore Agri-Infrastructure Fund has been exclusively set up for this purpose.

Historic MSP increase was announced where, for the first time ever, the minimum support price of all 22 crops was set at minimum 50% more than the cost.

In Rabi 2020, if we combine the procurement of wheat, paddy, oilseeds and pulses, **Rs 1.13 lakh crore was paid to farmers in the form of MSP**, assuring their income in a pandemic year. This is a 30% increase from the previous year.



PRO-FARMER



COVER STORY

GAOZAR

The new government has made farmers the priority in its budget. The allocation to rural is more than 10% of the total budget. The government will spend ₹2.21 lakh crore on rural infrastructure in the next five years. The PM Kisan MUDRA is a big initiative to provide ₹15 lakh crore to farmers. The government will spend ₹100 crore on the development of water supply projects. The government will spend ₹100 crore on the development of water supply projects. The government will spend ₹100 crore on the development of water supply projects.

10000 crore for rural infrastructure projects in FY 2016-17 (20% growth)

₹2.21 LAKH CRORE

PM KISAN MUDRA

₹15 LAKH CRORE

₹100 CRORE

₹100 CRORE

₹100 CRORE

गांव की राह पर सरकार

श्री 100 करोड़ का गांव विकास कार्यक्रम

सा

The government has announced a major initiative to support farmers and rural development. The Shri 100 Crore Village Development Program is a key part of this effort. It aims to improve the infrastructure and services in rural areas, thereby increasing the income and well-being of farmers and rural communities.



DEMOGRAPHY & DEMAND

hindustantimes

Union Budget 2016

VILLAGES NEED A HUGE PUSH

PM SPEAKS

The Prime Minister has emphasized the need for a 'huge push' in rural development. He has announced a series of measures to support farmers and improve rural infrastructure. These include the Shri 100 Crore Village Development Program and the PM Kisan MUDRA scheme.

गांव की राह पर सरकार

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NATIONAL AGRI MARKET, SOIL TESTING COMING UP

The government is planning to launch a National Agricultural Market (NAM) and a soil testing program. These initiatives are part of the government's efforts to modernize the agricultural sector and improve the efficiency of the market. The NAM will provide a platform for farmers to sell their produce directly to buyers, while the soil testing program will help farmers understand the nutrient content of their soil and use fertilizers more effectively.

The Economic Times - Delhi | 02/02/2016 | 8

GOVT VOWS MAX SUPPORT TO FARMERS

FIGHTING RURAL DISTRESS 23 major crops to be procured under MSP at 1.5 times input cost; farm leaders welcome move

BUDGET OUTLOOK

Jai Kisan, Jai Swasthya, Jai Bharat

The Finance Minister has introduced a Jai Kisan, Jai Swasthya, Jai Bharat Budget. The budgetary approach to infrastructure, food and security, including agriculture, food and processing, Indian farmers in all states are providing, Indian farmers in all states are providing, Indian farmers in all states are providing...

Navbharat Times, Delhi
 Tue, 01 Mar 2016, Page 1
 Width: 29.95 cms, Height: 25.70 cms, A3R, Ref. Post: 2016-03-01-A3R.6

बजट **फुलकम टैक्स** **स्वस्थ** में किसान **5 लाख रुपये तक आय पर**
में खास बढ़ावा का प्रस्ताव नहीं **तीन हजार रुपये का फायदा**
कृषि से से सर्वोच्च टैक्स की दर अब 15 परसेंट हो जाएगी **रिटायरमेंट के बाद पीएफ और पेंशन निकालने पर लगेगा टैक्स**

मोदी का कृषि दर्शन

टैक्स स्वस्थ में कृषि की तरह खास बढ़ावा का प्रस्ताव नहीं।
5 लाख रुपये तक आय पर 3,000 की तरह 5000 रुपये की टैक्स लागू।
एक करोड़ रुपये की आय पर 15 परसेंट तक 10 परसेंट।



शेरी को पीएफ-मैच की ओर। फिर वहीं अलग जेटली के राज बजट का पूरा पता चला है। पूरे बजट का टैक्स में सबसे बड़ा बदलाव है कृषि से से सर्वोच्च टैक्स की दर अब 15 परसेंट हो जाएगी। रिटायरमेंट के बाद पीएफ और पेंशन निकालने पर लगेगा टैक्स।

पीएफ, पेंशन पर टैक्स का विरोध
 किसानों को पीएफ और पेंशन पर टैक्स लगाने का विरोध किया जा रहा है। किसानों को पीएफ और पेंशन पर टैक्स लगाने का विरोध किया जा रहा है। किसानों को पीएफ और पेंशन पर टैक्स लगाने का विरोध किया जा रहा है।

- गोपीरंजक**
1. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 2. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 3. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 4. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 5. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 6. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 7. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 8. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 9. क्या बजट में किसानों के हितों का ध्यान रखा गया है?
 10. क्या बजट में किसानों के हितों का ध्यान रखा गया है?

16 Budget 2019-20 Agriculture & Social

₹3,38,950cr
 Centre's subsidy bill equivalent to 1.4% of GDP

Coming: 10,000 Kisan Teams

The Power of One Govt. wants farmers to join hands to bargain for better input and output prices from a position of strength, also wants a shift away from extensive use of chemicals that degrade soil and pollute the environment

BUDGET AT A GLANCE

AGRICULTURE
 Agriculture is the backbone of the Indian economy. The government is committed to ensuring the growth and prosperity of the agricultural sector. The budget provides for a significant increase in the allocation of funds to the agriculture sector.

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SUSTAINABLE FARMING AND SOIL HEALTH

Sustainable development is the consistent focus of Prime Minister Narendra Modi's governance. Be it in industries or in farming, he has always envisioned progress that is also healthy for the environment and our future.

If the farmer's future has to be secure, governments must focus on sustainable farming techniques. Consequently, organic farming has received a never-before-seen boost due to the policies of the Modi government. A flagship initiative – Paramparagat Krishi Vikas Yojana - has been making an important impact in this domain.

The root of farmers' welfare is in the health of soil. The government has run a Soil Health Card scheme that has impacted crores of farmers positively by helping them understand the soil and its composition. This helps them decide what to grow, how much fertiliser to use, etc. Fertiliser availability for farmers used to be a big issue because of illegal diversion of urea to industries. Farmers were made to wait in lines forever, and frequently it even used to lead to law and order issues because of lack of timely availability. All that is history now, with the introduction of 100% neem coated urea, a seemingly small but revolutionary reform.



Soil Health Cards bring benefits of science to farmers

One of the important initiatives Narendra Modi introduced as CM of Gujarat was the Soil Health Card scheme. He also introduced it nationally in the year 2014-15.

Soil health cards provide farmers the nutrient status of their soil and its composition. It helps decide the dosage of fertilisers and other changes needed for good soil health.

Hundreds of labs across the country test soil and provide farmers with detail information, that helps them make informed decisions.

Soil health cards have been issued free of cost to 10.74 crore farmers in first cycle and 11.75 crore farmers in second cycle.

Easy availability of fertilisers

100% Neem Coated Urea introduced in 2015-16 for reduced use of chemicals and improved soil health.

It also reduced diversion of urea for non-agricultural purposes.

It has also led to increased Nitrogen Use Efficiency and helped increase the crop yield.

Significant increase in urea production since the introduction of the New Urea Policy.

Modi government is reviving closed fertilizer plants in Talcher, Ramagundam, Gorakhpur, Sindri and Barauni. This will boost fertilizer availability even further and provide jobs.

Prices of non-urea fertilisers significantly reduced, saving thousands of crores of farmers' money, while also promoting balanced use of fertilisers.



Promotion of organic farming

Paramparagat Krishi Vikas Yojana was started in 2015-16 to promote organic farming. **Support is provided for farmers for procuring inputs and certification.**

An area of 6.19 lakh hectares has been covered and **15.47 lakh farmers have been benefitted.**

Mission Organic Value Chain Development in North East Region launched, since **Northeast is a natural hub for organic farming.** 169 FPOs have been formed with 83,096 farmers, across 79,445 hectares.

Export of ginger, turmeric, chillies, processed pineapple etc, to USA, UK, France, Dubai, Swaziland has been firmed up. Contract farming of black Thai ginger, medicinal plants has been initiated.

Promotion of zero budget farming

Zero budget farming is concept of farming where there is **zero credit needed and there is also no use of chemical fertilisers.**

It can make farming more viable for even small farmers and save them from getting into a debt cycle.

Since the usage of natural fertilisers is promoted instead of chemical ones, it is a more **natural method of farming that is sustainable.**

So, while the Modi government is making fertilisers available for farmers, it is also preparing for a future where some farmers who do not want to use chemical fertilisers also have a way of conducting traditional farming.

ACCESS TO CREDIT

One of the most important enablers of agriculture is credit that is used as capital by farmers. The more institutional credit farmers get, the greater their welfare.

Over the decades, being forced to avail debt at unfair interest rates from private moneylenders has troubled farmers the most.

This puts them in a vicious cycle of debt, where lack of sufficient capital to make agriculture profitable leads to even more debt.

However, the Modi government has worked to enhance both the quantity and the spread of farm credit. While farm credit targets have reached record levels, the amount of institutional credit availed by farmers has almost doubled in just six years. Kisan Credit Cards have also enhanced the government's outreach to farmers.



Credit for farmers

Record amount of Rs 15 lakh crore has been set as the farm credit target for the year 2020-21.

Institutional credit to farmers increased from Rs 7.3 lakh crore in 2013-14 to Rs 13.73 lakh crore in 2019-20, **saving more farmers from clutches of private moneylenders.**

Rs 2 lakh crore credit boost to 2.5 crore farmers at reduced interest rates via Kisan Credit Cards (KCC).

A special drive to provide inexpensive credit has been undertaken. PM KISAN database was compared with KCC database, and **farmers who were left out have been identified and are being served.**

Increasing the reach of formal credit, 1.6 crore new farmers were covered with additional credit flow of Rs 1.35 lakh crore in this drive.

Even allied activities like animal husbandry and fisheries are getting Kisan Credit Cards and benefits of interest subvention.

FARMERS CAN GET ASSURED PRICES FROM BUYERS

“There has been a continuous demand for three major pro-farmer reforms for decades. Now, the three reforms enacted by the government have given the farmers the right to sell their produce even outside the mandis. That is, the farmer can sell his produce wherever he gets better prices. Secondly, if the farmer wishes, now he can decide the price of his crop at the time of sowing itself.

Now, the potato growing farmer can sign an agreement with the chips-making industry, the mango farmer with the mango juice making industry, the tomato farmer with the sauce making industry, even at the time of sowing his crops! This will provide an assured price and relieve farmers from worrying about falling prices.”

PM Modi at the launch of AatmaNirbhar Uttar Pradesh Rojgar Abhiyan, 26 June, 2020

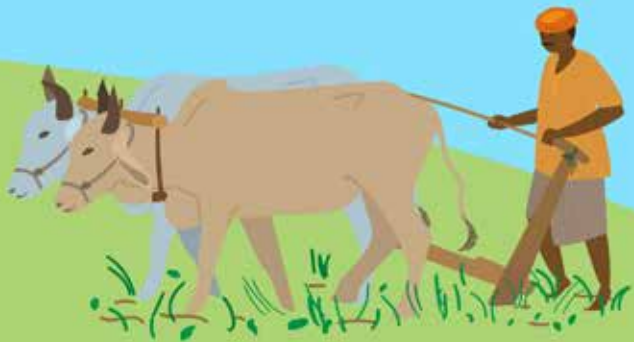
MSP SYSTEM GOING STRONG EVEN AFTER FARM REFORMS

“On MSP, in the just completed Rabi marketing season, the government has procured 389.9 lakh MT of wheat, an all-time record, with Rs 75,055 crore going to farmers as MSP.

In the ongoing Kharif marketing season, up to 159.5 lakh MT of paddy has been procured, compared to 134.5 lakh MT at the same point last year, an increase of 18.62%. All this happened after we brought the three ordinances, which have now been passed by Parliament.

MSP payment to farmers for paddy has gone up by 1.5 times, wheat by 1.3 times, pulses by 75 times and oilseeds by 10 times during the last five years compared to five years of UPA-2 (2009-10 to 2013-14). This proves the lie and dishonesty of those who are spreading canards that MSP will end.”

PM Modi in an interview to Economic Times, 29 October, 2020



BIPARTISAN CONSENSUS BEHIND PRO-FARMER REFORMS

“Experts have been advocating these reforms for a long time. Even political parties have been asking for votes in the name of these reforms. Everyone desired that these reforms should happen. The issue is that the opposition parties do not wish that we get the credit.

We also don’t want credit. We brought reforms keeping in mind the welfare of farmers and workers. And they understand and trust our intentions because of our track record.

We have gone about reforming the agriculture sector step by step in the past six years. So, what we have done today is one piece in the chain of actions that we started in 2014. We also hiked MSPs multiple times and in fact, we procured many times more from farmers at MSP than earlier governments did. Both irrigation and insurance saw huge improvement. Direct income support was ensured for farmers.

What has been lacking in Indian farming is commensurate return for all the blood and toil put in by our farmers. The new structure brought by these reforms will significantly increase the profitability of our farmers. As in other industries, once the profits are earned, it is reinvested back in the sector for generating more produce. A virtuous cycle of profit and reinvestment emerges. In the farming sector as well, this cycle will open doors for more investment, innovation and new technology. Thus, these reforms hold immense potential to transform not just the agriculture sector but the entire rural economy.”

PM Modi in an interview to Economic Times, 29 October, 2020

WATER AND ELECTRICITY

Water and electricity are two intertwined needs of farmers. The demand for availability of electricity by a farmer is actually the demand for availability of water. They need water to irrigate their fields and electricity to pump water to their fields. This understanding of the linkage between electricity and water, for a farmer, is a special insight that Prime Minister Narendra Modi has brought from his immensely successful Chief Ministerial days.

Water is a precious resource which must be used carefully and sustainably, for the long-term welfare of farmers. To ensure this, micro-irrigation through drips and sprinklers has been emphasised.

With the mantra of 'Per Drop More Crop', more land has been brought under micro-irrigation during 2014-19 than was done in the five years before it.

As for electricity, the Modi government has not only managed to take electricity to all villages of India but has also worked to make farmers sustainably self-reliant through the advent of solar pumps. Even unusable and barren lands of farmers are being used to produce solar power and create an additional source of income to farmers.



PM Krishi Sinchai Yojana ensuring more crop per drop

To help farmers grow more with lesser water, 'Per Drop More Crop' component of Pradhan Mantri Krishi Sinchai Yojana enables precision micro irrigation techniques i.e. drip and sprinkler irrigation.

Additional 50.1 lakh hectare area has been covered under micro irrigation from the year 2015-16, which is much more than the five years before it.

Micro Irrigation Fund of Rs 5,000 crore facilitates States in mobilising resources to increase the coverage. Approved projects covering 12.53 lakh hectares are helping farmers access water for their needs.

Modi government not only does its own work but also ensures completion of incomplete works of previous governments. 99 such projects to irrigate 76.03 lakh hectares with an investment of Rs 77,595 crore were taken up. 44 of these projects are already completed and 22 projects are more than 90% complete.



Electricity for the farm

The government heralded a new era by electrifying all the remaining un-electrified villages in India.

PM-KUSUM scheme ensured support to 20 lakh farmers through subsidy for standalone solar pumps, **reducing their input cost on diesel and electricity.**

Another 15 lakh farmers will be helped to solarise their grid connected pumps.



FROM ANNADAATA TO URJADAATA

Often, farmers have some barren lands which lie unused. But now, even those lands can become a source of income. Such farmers are being helped to install small solar plants, where excess electricity produced can be used by themselves and also be sold to the grid at attractive prices.

HELP DURING DISTRESS

Agriculture is a risk-laden activity, more so because some of the risk associated with natural causes beyond the control of the farmer. Sometimes, farmers put their blood and sweat into farming but adverse natural events and natural disasters wreak havoc. A key insight of Modi government has been that there is no one-size-fits-all-model, and that even natural calamities can have localised impact and the government policy must be flexible enough to cater to such an eventuality.

Modi government has dealt with such situations with sensitivity by institutionalising many helpful measures. For example, the threshold conditions for paying compensation have been lowered, covering more farmers. The compensation amount has been increased and allocations to State Disaster Relief Fund have also been raised significantly.

Even during the coronavirus pandemic, Modi government not only transferred money to farmers under PM-KISAN scheme to help them, but also did massive procurement to benefit farmers.

Locust attacks were also handled with many measures such as spray vehicles and helicopters.



Standing with farmers in times of need

To ensure that relief measures cover more farmers in their times of distress, major changes were made in disaster relief standards.

Assistance amount of all categories was **increased by one and a half times**.

The eligibility for assistance during distress situations was raised from one hectare to two hectares, **bringing more farmers into the safety net**.

Government showed sensitivity to farmers in distress by **paying full minimum support price for food grains damaged** due to excessive rainfall.

Provision to SDRF saw a **jump of 82%** for the 5-year period 2015-20, as compared to the 5-year period between 2010-15. It went up to Rs 61,220 crore from Rs 33,580.93 crore.

FEATURE	EARLIER	NOW
Percentage of crop loss for which compensation is paid	50% or above	33% or above
Amount paid to the kin of the victims of natural disasters	Rs 1.5 lakh	Rs 4 lakh

Shoulder of support even during the pandemic

During the COVID-19 pandemic:

Procurement centres for wheat and pulses-oilseeds increased during Covid pandemic, **to ensure more buying from farmers.**

Procurement actually increased in the Rabi season compared to last year.

Government bought 390 lakh tons of wheat, **benefiting farmers with Rs 75,000 crore income for their crop.**

Nearly 9 crore farmers received Rs 38,000 crore under PM-KISAN scheme, **taking care of their needs during the disruption.**

1.25 crore new Kisan Credit Cards issued in the last few months, **to ensure greater credit access for the next crop.**

Government mobilised spray vehicles, drones and even a helicopter in **anti-locust operations.**





INSURANCE

Removing risk from the lives of farmers is an important part of ensuring their financial security.

Risk mitigation in agriculture is not confined to relief during times of disasters. Sometimes, the risks farmers face can be extremely localised and there could be many reasons for crop failure. In such cases, insurance is a crucial component of securing the efforts of farmers.

Pradhan Mantri Fasal Bima Yojana is an important step in this regard. It expands the risk coverage, does away with upper limit for subsidy, considers even cyclonic and unseasonal rains as well as hailstorms in case of post-harvest losses, and harnesses technology for quicker claim settlement.

Here is one example of how PMFBY can come to the rescue of farmers. In 2016-17, in Karnataka's Bidar district, soyabean and tur dal were sown in about 1.25 lakh hectares. Due to heavy rain, around 85% of the crops were damaged.

Farmers were in deep trouble. However, the local MP, Bhagwanth Khuba, had earlier proactively conducted a special drive to urge farmers to take benefit of PMFBY. Many local farmers had enrolled for the scheme and it came as a saviour to them during this crisis.

1.21 lakh farmers benefited from crop insurance and received Rs 149.20 crore as compensation. Farmers from Bidar district benefited greatly from PMFBY in that year!



Farmers get holistic protection with PM Fasal Bima Yojana at nominal rates

Benefiting farmers who faced unfortunate crop losses due to various reasons, Pradhan Mantri Fasal Bima Yojana covered 23 crore farmer applications, benefitting 7.2 crore applicants in 4 years.

For every 100 rupees that farmers paid as premium, they received Rs 532 as claims! Rs 17,450 crore was paid by farmers as their share of premium against which claims of over Rs 87,000 crore have been paid.

Inclusion of hailstorms in post-harvest losses, besides unseasonal and cyclonic rainfall, reduces the risks of farmers.

To uphold the rights of farmers and to penalise those who delay farmers' claim settlement, penalties are to be paid to farmers in case of delay.



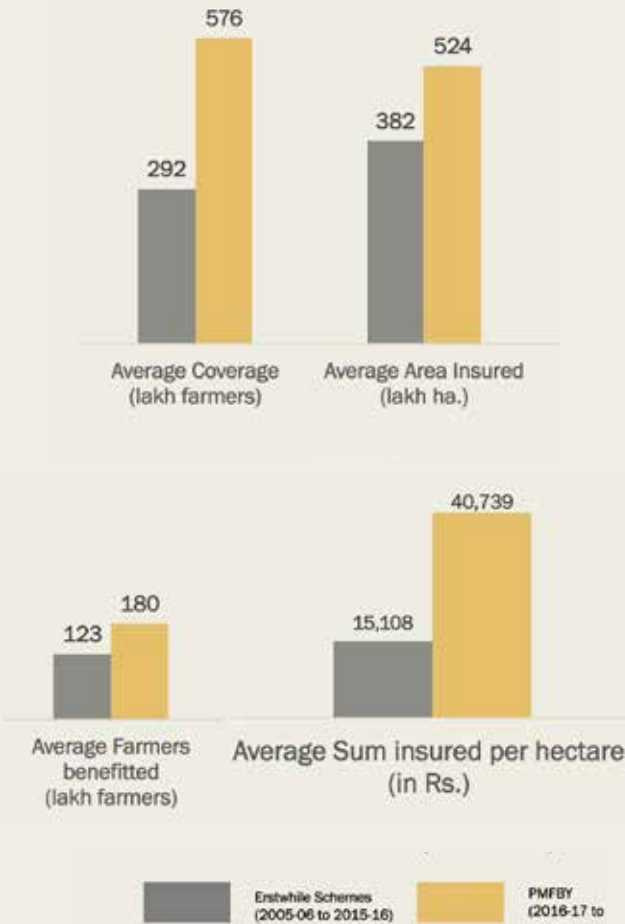
Modi government is always sensitive to the needs of the farmers, seeks their feedback proactively and takes steps accordingly. Despite the success of PM Fasal Bima Yojana, some farmers desired that the subscription of this scheme be made voluntary. Earlier, loanee farmers used to automatically be subscribed to this scheme.

However, from Kharif 2020, this scheme has been modified as per farmers' feedback by making subscription voluntary.

Comparison of earlier crop insurance with PM Fasal Bima Yojana

FEATURE		EARLIER CROP INSURANCE	PRADHAN MANTRI FASAL BIMA YOJANA
Capping on Premium /Sum Insured		Premium capped at 9-13% of sum insured leading to proportional reduction in sum insured above capped premium rates	No cap on premium. Farmers get claim against full sum insured
Upper limit on government subsidy		Yes	No. Even if balance premium is 90%, government pays
Risk Coverage	Area approach	Natural risk on Standing crops	All non-preventable natural risk of crop cycle - Pre sowing to post harvest
	Plot level Assessment	Hailstorm, landslide,	Hailstorm, landslide, inundation, Cloud burst , natural fire
Post-harvest Losses coverage		Only coastal areas -for cyclonic rain	All India - for cyclonic unseasonal rain and hails storm
Use of Technology for quicker claim settlement		Ad Hoc	Mandatory
For extremely localized calamities or post-harvest losses		Considered a larger reference unit area rather than the affected insured field of the individual farmer	Unit of Insurance for loss assessment is the affected insured field of the individual farmer

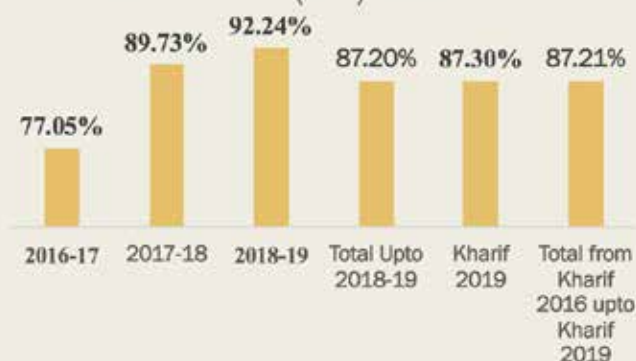
Performance of PMFBY on various parameters compared to erstwhile schemes



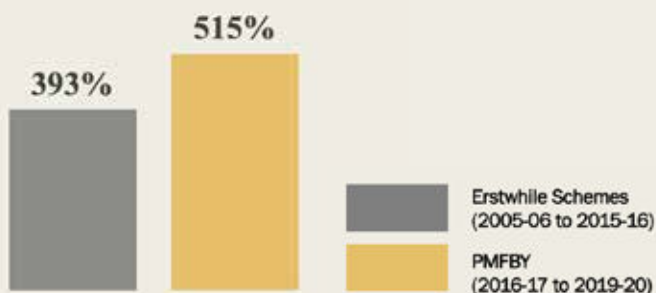
Percentage of Non-Loanee Farmers out of Total Insured Farmers



Year on Year (YoY) Claim Ratio



Premium Ratio*



* As claims for 2019-20 are under process, New Schemes claim statistics consider average for 2016-17 till 2018-19

MINIMUM SUPPORT PRICE (MSP)

One important way of securing farmers financially is ensuring that they have an assured price at which their produce will be bought. This reduces the risk related to income.

The Minimum Support Price (MSP) acts as a safety net for farmers where it will assure them their produce will bring them certain income. Modi government had promised timely increases in MSP and delivered on it with multiple increases.

However, the difference between Modi government and previous governments is not merely in regular announcement of MSP hikes but more importantly in multifold increase in procurement of crops at MSP.

Payments to farmers in the form of MSP have also shot up manifold, ensuring that the MSP hikes actually benefit the farmers.

One of the most egregious falsehoods spread about the farm reforms is related to MSP. However, Modi government has shown its commitment to MSP very clearly, with multiple hikes and multi-fold increase in procurement, including in the 2020-21 Kharif season.



MSP payments to farmers increased multi-fold under the Modi government

Modi government announced MSP hikes based on the formula that farmers will get at least 1.5 times the cost of production. **This was a promise made and delivered.**

This formula also included factors like family labour in the cost of production, which is a way of **recognising the work of the whole family rather than just individual farmers.**

The government ensured greater procurement and greater payments to farmers, ensuring that **MSP hikes did not remain on paper** but actually reached farmers.

The number of purchase centres (Rabi and Kharif) rose from 48,550 in 2016-17 to 64,515 in 2019-20, showing that **MSP procurement operations are being significantly strengthened.**

Comparison of MSP payments

MSP payment to the farmers for **Paddy** up by 2.4 times!



₹2.06
lakh crore
2009-14

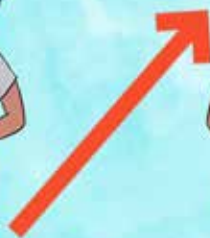


₹4.95
lakh crore
2014-19

MSP payment to the farmers for **Wheat** up by 1.77 times!



₹1.68
lakh crore
2009-14



₹2.97
lakh crore
2014-19

Comparison of MSP procurement

Quantity of **Paddy** procured almost doubled



Quantity of **oilseeds** procured shot up 15 times



MSP hikes in Rabi crops

MSP for **Wheat** saw 41% increase!



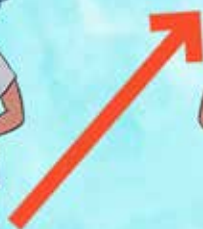
MSP for **Lentil** saw 73% increase!



MSP for **Barley** saw 45% increase!



₹1,100
/quintal
2013-14

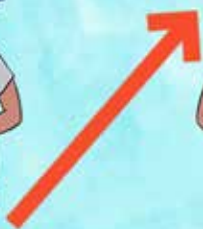


₹1,600
/quintal
2020-21

MSP for **Gram** saw 64% increase!



₹3,100
/quintal
2013-14



₹5,100
/quintal
2020-21

Pulses procurement shows Modi government's way of resolving problems

The previous government had created a triple whammy for the people of the country.

First, they did not promote the growth of pulses sufficiently, which meant an important nutritional crop was missing from the picture.

Whatever was grown, was not procured from farmers sufficiently either. They bought very low quantities of pulses from farmers.

When the demand for pulses went up, India had to import pulses from foreign countries, raising prices for common consumers.

The country lost precious foreign exchange to imports, consumers ended up paying more, the poor had to bear the burden of rising prices and farmers did not get much in the way of MSP payments either.

Modi government reversed this situation with a knack for problem resolution.

The government increased the MSP of pulses and ramped up procurement to many times more than the previous government. This meant more money in the hands of farmers.

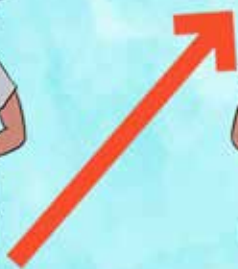
Availability of pulses went up which meant prices came down for consumers and the poor.

India also saved money which was earlier being spent to import pulses.

MSP payment to the farmers for **Pulses** up by 75 times!



₹645
crore
2009-14



₹49,000
crore
2014-19

Quantity of **Pulses** procured shot up by 74 times!



1.52LMT
2009-14



112.28LMT
2014-19

MSP hikes in various Kharif crops

MSP for **Paddy** saw 42.6% increase!



₹1,310
/quintal
2013-14

₹1,868
/quintal
2020-21

MSP for **Jowar** saw 73.6% increase!



₹1,520
/quintal
2013-14

₹2,640
/quintal
2020-21

MSP for **Tur (Arhar)** saw 39.5% increase!



MSP **Moong** saw 59.9% increase!



MODI GOVERNMENT'S COMMITMENT TO MSP

“The work done by our government on MSP increases and procurement at MSP has never been done before. You can clearly see who is speaking the truth and who is working for the welfare of the farmers if you look at the number of government purchases made in the last 5 years and compare it with the government purchases made in the 5 years prior to 2014. You can find the proof from there.

During the Coronavirus pandemic this year, record purchases of wheat have been made from the farmers during the Rabi season. This year, farmers have been given Rs 1.13 lakh crore at MSP for rabi crops including wheat, paddy, pulses and oilseeds. This is 30 per cent more than the previous year.

Despite the pandemic, not only was record procurement made from farmers but record payments were also ensured to the farmers.”

PM Modi in a programme in Bihar, 22 September, 2020





AMENDMENT OF ECA HELPS FARMERS

“When there was a severe shortage of food grains in the country, we had enacted Essential Commodities Act. But the same law was still in force even at a time we became the second largest food producer in the world!

This law was the major reason why good warehouses could not be built in the villages and agro-based industries were not getting encouragement. This law was being frequently misused. It was used more to intimidate traders and investors. Now, the agriculture sector has also been freed from this fear. Now, the traders and businesses can come forward to build storages in the villages.

Farmers will benefit because they will not be compelled to sell their crop in local mandis or markets at low prices. Storage facilities will free the farmers from the problem of wastage they faced due while transporting the produce. The transportation cost will be several times lesser.”

PM Modi at the launch of Financing Facility under Agriculture Infrastructure Fund, 09 August, 2020





Safeguarding interests of sugarcane farmers

Modi government approved the creation of a buffer stock of 40 lakh metric tonnes of sugar from August 2019 to July 2020, which meant that **sugarcane farmers could benefit by the increased procurement.**

The associated government organisations were directed to ensure the money is **directly credited into the farmers' accounts, facilitating timely clearance.**

Modi government **increased FRP of sugarcane** to Rs 285 per quintal, which is around 175% of the cost of production, **bringing more sweetness in the lives of sugarcane farmers.**

Ethanol production has truly taken off under the Modi government. Ethanol procurement has increased from 38 crore litres in 2013-14 to over 195 crore litres in 2019-20, which ensures that **farmers get their due even in a season when there is excess production.**





MARKET ACCESS

No matter what a farmer grows, without access to avenues to sell produce, income cannot grow.

For better market access, farmers need more markets as well as better infrastructure to access these markets. Under the Modi government, thousands of rural markets are being developed and upgraded. At the same time, rural road connectivity has also seen a major improvement. Both of these are saving time and money for farmers by taking markets closer to them.

Now, Modi government has freed Indian farmers to sell both in APMC mandis and outside. If farmers want to sell in the mandis, they are free to do so. If farmers find a willing buyer at their doorstep, they can take advantage of that as well. Earlier, if farmers sold outside APMC markets, those transactions were often deemed illegal and they did not get any legal cover in case the buyer cheated them.

Now, when farmers sell outside the markets, they have a legal framework assisting them so that they are not cheated by unscrupulous buyers.

Finally, farmers are free, just like any other producer, to sell at a price they decide



Development of rural markets

Taking markets close to where farmers live is crucial to increasing their market access. This way, they **save money and effort needed to take their produce to a faraway market.**

Modi government is **developing and upgrading existing 22,000 rural haats** into Gramin Agricultural Markets (GrAMs). In these GrAMs, physical infrastructure is being strengthened by integrating it with MGNREGS works.

This way, while **more markets are being created, many rural workers are also finding work** in such projects.

Rural Massive infrastructure push

For farmers to reach markets, they need **better road connectivity and infrastructure** around their villages.

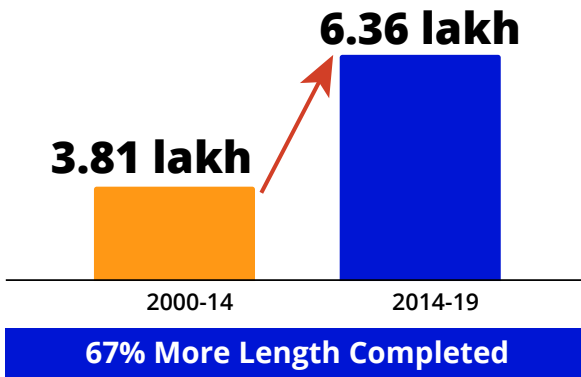
About 97.5% of eligible rural habitations have been connected by all-weather roads, which means **farmers can access markets, children can access schools, the sick can access hospitals** - improving quality of life of farmer families.

It is to be noted that by 2014, the percentage of habitations connected stood at 60.3%, and the Modi government took this to 97.5% by 2020.

Pradhan Mantri Gram Sadak Yojana-III was launched in 2019 specifically to upgrade major link roads and routes **connecting farmers with rural markets, warehouses & cold storages.**

189 clusters are being developed under the Shyama Prasad Mukherji Rurban Mission for creating **agriculture and agro-processing based infrastructure.**

Pradhan Mantri Gram Sadak Yojana Rural Roads Connectivity Progress (in kms)



Farm Reforms 2020 – Massive boost for market access

Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Act gives the freedom to sell and buy farm produce at any place in the country—within APMC mandis or outside them.

Farmers will have the opportunity to **quote the price for their produce.**

The MSP system and government procurement are also active, with **MSP functioning as a safety net for farmers** in prices for their produce.

The law that enables contract farming provides a **comprehensive, pro-farmer legal framework** that helps farmers associate with contractors.

This act **protects the lands of the farmers**, their rights and provides them legal rights to get their money back, in case they do not get assured payments on time.

Essential Commodities Act has been amended to remove various food items from price control and ensure that farmers benefit from the true prices of these items.

These laws help farmers increase their income and also bring investment and technology into agriculture.

Helping farmers get the right price for their produce with e-NAM

E-Trading platform that integrates around 1,000 markets across 18 states/UTs to **fetch the best prices for farmers**.

1.68 crore farmers are registered and about 1,800 Farmer Producer Organisations are registered.

Total transactions worth Rs 1.13 lakh crore have been facilitated between farmers and buyers across states.

VALUE ADDITION AND ENABLING ECOSYSTEM

It is well known worldwide that farm produce, especially food related produce, becomes much more valuable with value addition such as food processing, packaging, etc. The income that a processed product can bring is vastly greater than the income that the raw product brings.

For such value addition to happen, Modi government has created a processing ecosystem such as food parks, agro-processing industries, startups, etc. Additionally, logistical support through supply chain links such as cold storages, warehouses and other such infrastructure is also happening.

Modi government has devoted special attention towards creating farmgate infrastructure through an Agri Infra Fund.

Farmer producer organisations bring farmers together and provide them a greater say in their future. 10,000 such FPOs are being created.

Such an ecosystem with a wide variety of opportunities from startups to food parks, cold storages to mechanisation, also provide employment and entrepreneurship opportunities to rural youth.



Value addition & supply chain support

Pradhan Mantri Kisan Sampada Yojana is modernising supply chain infrastructure in the agricultural sector.

19 mega food parks have been established to benefit the farmers. This helps **add value to farmers' produce and increase profitability through food processing.**

119 new cold chain projects are ongoing, which will benefit over 11 lakh farmers. Cold chains are necessary for farmers, especially **to store and transport perishable commodities.**

Kisan Rail helps build a **national cold supply chain for perishables**, aiding farmers to transport their produce farther than ever.

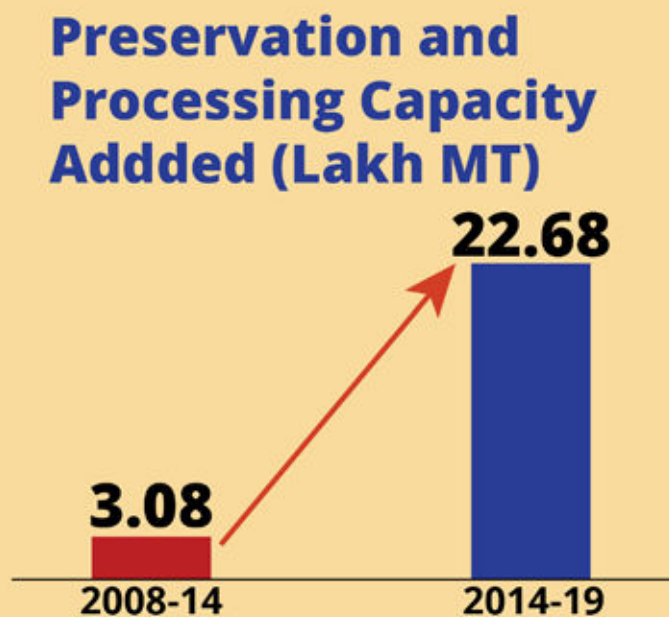
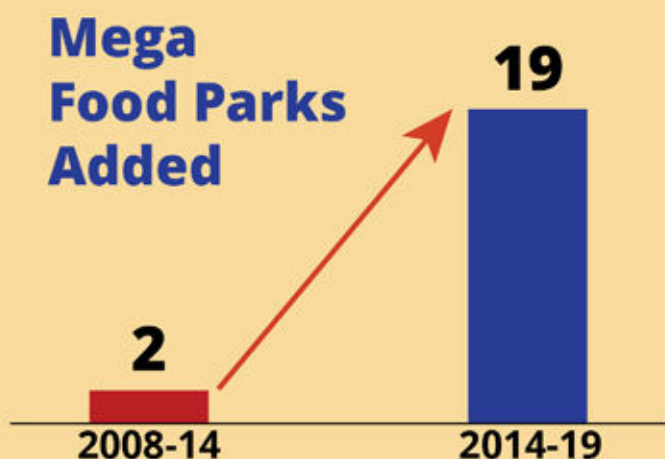
Kisan Udaan helps take agri-products to national and international routes, **making our farmers turn into exporters.**

A farmer friendly mobile application Kisan Rath app helps facilitate the farmers and traders in search of transportation vehicles for transportation of agri-products.

Value Addition to Agricultural Products

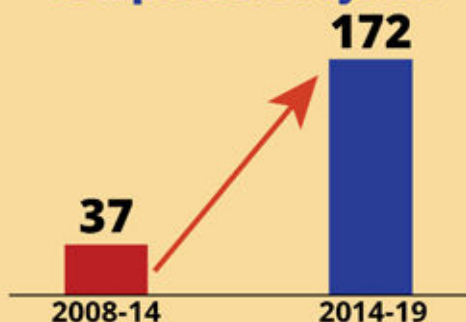
Modi Government Shows the Way

Sharp Increase in Mega Food Parks Operationalized and Processing Capacity



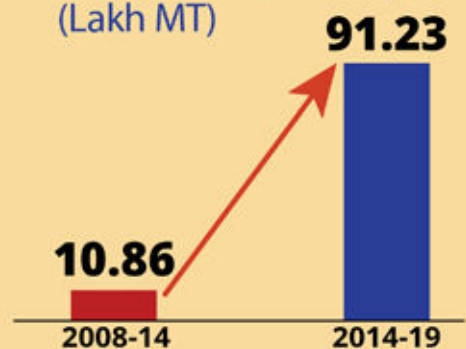
Steep Rise in Integrated Cold Chain and Value Addition Infrastructure

Completed Projects



Agro Produce Handled Quantity

(Lakh MT)



Adding Food Processing and Preservation Capacities

269 projects launched with investment of Rs 3,508 crore

Creation of Agro-processing Clusters

55 projects approved, with investment of Rs 1,614 crore

Creation of Backward and Forward Linkages

56 projects approved inviting investments of Rs 632 crore

Through all these, 21 lakh farmers benefited and 3 lakh direct and indirect employment opportunities created

Creation of a start-up ecosystem

Start-ups are making a splash everywhere, and agriculture is no exception.

Exciting new innovations are rising from rural and semi-urban areas where youth have closely seen the problems that farmers face.

Such a start-up ecosystem that solves problems of farmers with scalable solutions is the need of the hour.

To further encourage them, 424 start-ups in the agriculture and allied sectors have been selected for funding for a sum of Rs 45.38 crore in instalments and Rs 19.70 crore has been released for funding these start-ups.

Apart from equity support, these start-ups also qualify for funding under Agri Infra Fund.

Agricultural mechanization

It is not enough to just speak about stubble burning but it is more important to institutionally help farmers find an alternative through funding and infrastructure.

A new Central Sector scheme was launched in 2018 for in-situ management of crop residue in Haryana, Punjab, U.P. and Delhi.

Rs 1,726.67 crore has been provided to the States under this scheme. Out of these funds 28,759 Custom Hiring Centres have been established and 1,56,231 machines have been supplied.

Farmer Producer Organisations

Farmer Producer Organisations (FPO) help bring farmers together and form a **collective that represents farmers' interests.**

These farmers can share best practices and **more importantly increase their bargaining power by collectively negotiating with potential buyers.**

An initiative for formation and promotion of 10,000 FPOs with a total budgetary provision of Rs 6,865 crore was launched.

Formation of 10,000 FPOs across the country is targeted by 2023-24, while providing adequate handholding to each FPO.

Prime Minister Narendra Modi once narrated how food processing increases income of farmers.

He said:

“There is a village, Rupal, close to Gandhinagar where chillies are cultivated. Sometimes, whenever a farmer cultivates a crop, many other farmers in that area also cultivate the same crop, in this case, chillies. Consequently, the prices fell. The income of that village never rose higher than 3 lakh rupees after selling all the chillies. This was too little. So, the villagers decided to form a society. Since they had 24-hour electricity supply, they thought of processing the chillies and making chilli powder. They bought processors and finally completed the packaging. The chillies that were to be sold in 3 lakh rupees were bought as chilli powder at 18 lakh rupees.”



Agri Infra Fund

Post-harvest management infrastructure and community farming assets are crucial to help farmers double their income.

With these, farmers will be able to store and sell at higher prices, reduce wastage, increase processing and indulge in value addition to their produce.

To aid the creation of such infrastructure, Agriculture Infrastructure Fund was launched in August 2020.

It provides debt financing for viable projects through **interest subvention and financial support to farmers, FPOs and rural entrepreneurs.**

Around 3,064 projects of Primary Agricultural Credit Societies worth a loan amount of Rs 1,565 crore has been sanctioned.

Projects worth Rs 3,500 crore have already been structured for financing under the scheme.



Agricultural education and research

Nanaji Deshmukh Plant Phenomics Center for Research established at IARI, Pusa, New Delhi to accelerate development of new and improved crops, improved crop health and sustainable farming.

Two new institutes on the lines of Indian Agricultural Research Institute set up at Jharkhand and Assam.

New colleges started under Central Agricultural University, Imphal and Rani Laxmibai Central Agricultural University, Jhansi.

Mahatma Gandhi Integrated Farming System Research Institute at Motihari, Bihar to provide holistic solution for farming in the flood prone areas.

81 new Krishi Vigyan Kendras were established during the last 6 years.

4-year degree courses in agriculture, horticulture, fisheries and forestry have been declared as professional degrees.

PRAKALP (INITIATIVES) ARE NOT SUFFICIENT. VIKALP (ALTERNATIVES) ARE NEEDED FOR FARMERS

“4 crore farmer families have been helped by PM Fasal Bima Yojana. 47 lakh hectares of land was brought under the purview of micro-irrigation through the Pradhan Mantri Krishi Sinchai Yojana. Irrigation projects worth Rs 77,000 crore are under various stages of development.

However, successful initiatives are not sufficient by themselves. Farmers should also derive benefits from a large and functional market, and these can be found in our country and the world.

This is why we have adopted the path of creating alternatives that empower the farmers. The pro-farmer reforms provide such options to the farmers.

If a farmer finds a buyer willing to pick up the produce directly from the field, who is willing to make arrangements for transport and logistics and is willing to pay a better price, shouldn't he have the freedom to sell to that buyer?

Indian farm produce is famous throughout the world. Shouldn't our farmers gain access to the global market and better prices for their produce?

Remember that these reforms only create more options, they do not prohibit anyone from buying and selling in the same way as it has been going on till now.

These new farm bill amendments provide alternatives to farmers and also protect their rights. Earlier, it was illegal to sell or buy produce outside the mandis. As a result, small and marginal farmers were often cheated, there were often disputes. Now, the small and marginal farmers can seek legal recourse in relation to transactions



that have taken place outside the mandi. That is, the farmer has not only received new alternatives; he has also received legal protection from fraud and cheating.

This has the potential to transform the farming sector by providing farmers with a choice – the government can offer an option in tandem with the freedom of choice for the farmers, ultimately transforming this country.

We must remember that the same people who are behind opposing these reforms kept cheating the farmers for decades.

For instance, while the MSP was declared, the actual quantum purchased at MSP would be minimal. Large loan waiver schemes would be announced for farmers; in reality, however, its benefit never reached the small and marginal farmers. Despite organizing grand schemes for farmers, they themselves accepted that only 15 paise reached the farmer for every rupee spent. Farmers were supposedly given subsidy on urea. However, more fertilizer was sold in the black market than in the fields. Promises were made to farmers only to be broken for decades on a stretch.”

PM Modi at an event to inaugurate a project in Varanasi, 30 November, 2020



ADDITIONAL INCOME OPPORTUNITIES

One of the stated aims of the Modi government is to double farmers' income. In this mission, diversifying the sources of income for farmers is a crucial imperative.

Often, agriculture does not generate income round the year. But this can be supplemented by regular sources of income such as milk production, fisheries, honey production and many such activities.

By focusing on the Blue Revolution, by running initiatives to protect native breeds of cattle as well as make them more productive, by taking measures to save livestock from disease, the government has helped farmers maintain a steady source of income.

Further, by resorting to unique initiatives such as ethanol blended petrol, which use excess sugarcane or damaged food grains, even things considered as excess or wastage are becoming sources of income for farmers.



Saving native breeds and protecting cattle

Most farmer families have some milch cattle. They act as a regular source of income.

Annual milk production rose from 137.7 million tonnes in 2013-14 to 188 million tonnes in 2018-19.

Protecting the health of these cattle as well as preserving native breeds, directly aids an increase in farmers' income.

Rashtriya Gokul Mission helps protect native breeds of cattle as well as cater to their health.

To protect cattle from diseases, PM Modi launched National Animal Disease Control Programme for eradicating the Foot and Mouth Disease and Brucellosis.

The government aims to control the disease by 2025 and totally eradicate it by 2030 by vaccinating 500 million livestock. This will strengthen an important source of income for farmers.

Blue Revolution opens up new avenues for fish farmers

Fisheries and aquaculture have the potential to be excellent sources of income for farmers.

Blue Revolution Scheme aims to bring 42,632 hectares of land under aquaculture in both fresh and saline water areas, **creating a massive source of additional income for farmers.**

Showing the Modi government's focus on this sector, **a separate Department of Fisheries was set up for the welfare of 1.5 crore fishermen**

Pradhan Mantri Matsya Sampada Yojana was launched with highest ever investment of Rs. 20,000 crores to address critical infrastructure needs in the fisheries sector including **welfare of fishermen, fish farmers, fish workers and fish vendors.**

All of these initiatives are pushing the nation towards the target of **Rs 1 lakh crore fisheries exports to be achieved by 2024-25.**

Horticulture supplements farmers' income

Alongside other crops, farmers often grow horticulture crops to supplement their income.

However, the most important help for such farmers would be to **help them reduce post-harvest losses, since horticultural produce is often perishable.**

Mission for Integrated Development of Horticulture is helping reduce wastage of perishable horticulture produce.

This includes assistance for development of post-harvest management such as various kinds of **cold storages, transport facilities and ripening chambers.**

21.54 million MT capacity has been created through establishment of cold storages.

Heralding a Sweet Revolution for farmers

India is among the world's top five honey producers. Compared to 2005-06, **honey production has risen by 242% and exports shot up by 265%.**

Even small and marginal farmers can adopt beekeeping since investment is low and returns high. It also does not need much land and inputs.

Securing the income of small and marginal farmers can be achieved by encouraging beekeeping. **Lakhs of bee boxes have been provided across India.**

To give direction and strength to this mission, National Bee and Honey Mission was launched in June 2020 as part of the Aatma Nirbhar Bharat Abhiyan.

Rs 500 crore for the period 2020-2023 has been allocated for the sector.

Ethanol blending to benefit farmers and country

Ethanol blending in petrol is yet another important way of benefiting farmers.

Ethanol can also be produced from excess sugar and sugarcane. It can also be produced using damaged food grains that are unfit for human consumption, thus producing some value even out of grains that would otherwise be thrown away.

Diversion of excess sugarcane and sugar will help in addressing the problem of excess stock.

Ethanol is a green fuel and its blending with petrol also saves the country's foreign exchange.

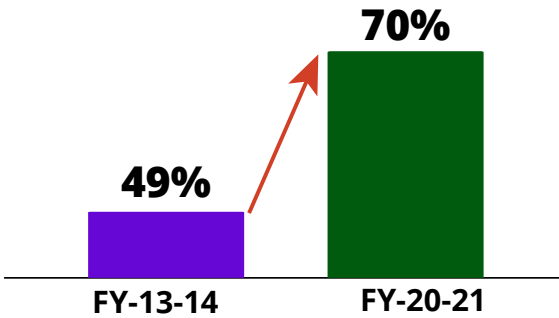
Modi government has been implementing Ethanol Blended Petrol programme under which oil marketing companies sell petrol blended with ethanol up to 10%.

This has been benefiting farmers immensely because procurement of ethanol has shot up manifold.

Ethanol procurement has increased from 38 crore litres in 2013-14 to over 195 crore litres in 2019-20, almost a 5-fold jump.

MGNREGA being channelized for agriculture and allied activities

Percentage Expenditure on Agriculture and Allied Activities under MGNREGA



Major Agricultural and Allied Works Under MGNREGA

Item of Work	Works Completed by 2013-14	Works Completed since 2014-15
Wells	2.81 lakh	6.76 lakh
Cattle Sheds	10,590	8.08 lakh
Goat Sheds	2,670	2 lakh
Fodder Farms	8,449	39,194
Farm Ponds	10 lakh	21.76 lakh
Poultry Sheds	1,097	78,338

FINANCIAL SECURITY

All the above initiatives, in some way or the other, look to boost the financial security of farmers. However, one of the most important steps taken to secure farmers is the PM-KISAN (Kisan Samman Nidhi) programme.

Under this initiative, every year, the Modi government transfers Rs 6,000 directly to the bank accounts of crores of farmers. This is an income that farmers can surely count on, every year. This could be used to buy agricultural inputs or for any other needs that arise – by putting money in the farmer’s hands, the government has also provided the freedom to use this money as the farmer sees fit.

Further, the direct transfer of this amount to their bank accounts ensures there is no chance of leakages or exploitation. During the Coronavirus pandemic, PM-KISAN payments helped the government reach out to farmers and allay fears of economic disruption.

The government also launched a pension scheme for farmers which offers financial security in their later years at a very minimal premium.



Direct income support and direct pension support too!

Sometimes, small and marginal farmers may not be able to access formal credit. Informal credit sources are too expensive and worsen the situation of such farmers. However, with PM-KISAN, such farmers are assured of Rs 6,000 per year, that reaches them directly. It also acts as a small source of capital that can help farmers who are in need of money.

A total amount of Rs 95,628 crore has been released so far and 10.52 crore farmer families have been benefitted.

Additionally, PM Kisan Maan Dhan Yojana was launched, as promised, to secure farmers with pension. At minimal premium, it promises upto Rs 3,000 per month pension.

Beneficiaries can also route their income support amount from PM-KISAN to this pension scheme.

INCREASING CORE FARM INCOME

Reducing input costs
(Inexpensive fertilizers &
seeds, tech-adoption,
micro-irrigation,
solar pumps)

Increasing output prices
(MSP hikes)

ADDITIONAL INCOME OPPORTUNITIES

Allied activities (dairy,
beekeeping, fisheries)

Innovation (Ethanol
production, solar panels
in barren land)

MARKET ACCESS AND LINKAGES

Freedom to sell in APMC
Mandis and outside

Contract farming (Protective
legal framework)

Food processing & value
addition (mega
food parks)

DOUBLING FARMER INCOME



REDUCING RISKS

Direct income
support (PM-KISAN)

Warehouses and cold storage
(Cold chains)

Insurance (PMFBY's
enhanced coverage)

Help during distress
(Increased disaster
compensation)



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