

# Centre, states to discuss farm distress

NITI Aayog to hold meeting on Monday; central assistance likely to keep farm woes away

ARUP ROYCHOUDHURY & SANJEEB MUKHERJEE  
New Delhi, 8 July

With farmer unrest due to a crash in prices, the central government will hold a big review meeting with chief secretaries of all states and Union Territories to discuss reforms in agriculture and allied developmental issues.

NITI Aayog will coordinate the meet, to be held on Monday. Prime Minister Narendra Modi is expected to address it.

Additionally, *Business Standard* has learnt, there have been discussions between the ministries of finance and agriculture and the PM's office regarding the agricultural situation and the many protests by farmers. At Mandsaur district in Madhya Pradesh last month, six farmers died

in police firing.

Five states have announced farm-loan waivers — Uttar Pradesh, Punjab, Karnataka, Telangana and Maharashtra — totalling around ₹2 lakh crore. Finance Minister Arun Jaitley has said the Centre would not participate in any loan relief by states and that the latter are expected to pay banks and cooperatives out of their own allocations and revenues. The Centre will stick to its fiscal deficit target for the year of 3.2 per cent of gross domestic product, Jaitley has said.

However, sources indicate the distress in the sector and political fallout from further protests might lead to some relief package from the Centre. "There have been a couple of informal discussions on the matter," said an official. "No call has been taken as such but any package decided upon



Chief secretaries of all states and Union territories will meet to discuss various issues like reforms in the agriculture sector and other developmental issues

might not be a direct nationwide farm loan waiver. It could be on the lines of assistance to states which announce waivers."

A second official said a package which includes a bonus over the minimum support price for a crop and assured buying could be considered.

Officials stress that any decision will be contingent upon the Centre's fiscal comfort with such a move. The finance ministry is keeping in mind the narrow fiscal space.

At the Monday meeting, a major thrust will be on agricultural reforms and in enabling of states to move forward in creating a unified farm market, *Business Standard* has learnt. The ministry of agriculture is expected to make a presentation on the steps taken till now to help farmers.

Officials said the meeting is also expected to discuss issues like re-engineering of governance, need for universal health coverage, ease of doing business, movement towards a less-cash economy, implementation of direct benefits transfer and states' contribution in sustainable development goals.