

Ahead of 2019 polls, Centre readies big farm relief plan

May Adopt KCR Model Of Direct Benefit Transfer

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New Delhi: The Centre is working on a plan to provide relief to farmers and is considering a direct benefit transfer scheme for the distressed sector, modelled on the Telangana system.

Several rounds of discussions have been held and the view emerging within the government favours a limited direct benefit transfer scheme to help small and marginal farmers meet expenses for seeds, fertilisers, pesticides and labour.

Sources said the cost of such a scheme would work out

BETTER THAN LOAN WAIVER?

Direct benefit transfer (DBT) for farmers along Telangana's Rythu Bandhu model



Or, compensate farmers if price falls below MSP



DBT could cost nearly ₹1.3 lakh crore



Centre and states may share costs in 70:30 ratio



Land records could prove to be a challenge in identifying beneficiaries



Central govt is opposed to loan waiver schemes

to about Rs 1.3 lakh crore and could be jointly borne by the Centre and states. Some of the participants suggested a 70:30 split of the cost between the Centre and states.

"It will be a political call. Cost and the fast-shrinking window before Lok Sabha

polls are challenges. But BJP being in office in many states can be a help. Even Congress-ruled states will be on board because it is aimed at easing farmers' distress," said a senior official, while referring to the amount and time needed to roll out the plan, ad-

ding that a final decision was yet to be taken.

The other option on the table is "price deficiency payment", which has been suggested in the Niti Aayog's medium-term strategy. Under this plan, a subsidy would be provided in case the price falls below an MSP (minimum support price)-linked threshold.

Under this Niti Aayog proposal, each farmer would register the crop and acreage sown with the nearest APMC mandi. If the market price falls below the floor price, the farmer would be entitled to the difference up to a maximum of 10% of the MSP-linked price that could be paid via direct benefit transfer (DBT) into an Aadhaar-linked bank account.

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Govt mulls farm sops on the lines of KCR's Rythu Bandhu

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New Delhi: Prime Minister Narendra Modi has met BJP president Amit Shah, finance minister Arun Jaitley and agriculture minister Radha Mohan Singh to discuss farm distress, triggering talk that the government may soon unveil a mega plan to tackle the problem.

The urgency to provide relief to the agriculture sector comes against the backdrop of BJP's losses in three key state elections where farm distress emerged as a major issue. But there are several challenges in rolling out the DBT programme, including

a massive effort that will have to be launched to get the land records. It is felt that the existing schemes have not been able to make a dent in the problem and there is a need to provide some sort of income support.

Sources said Niti Aayog member and farm expert Ramesh Chand has been leading the discussions with the agriculture ministry and other wings to draw up the contours of the relief plan.

The scheme which seems to have the most backing in the government is the "Agriculture Investment Support Scheme" (*Rythu Bandhu*) which has been implement-

ed by the Telangana government. The state has set aside Rs 12,000 crore for the current fiscal year. Under the scheme, the state government provides Rs 4,000 per acre per farmer each season for purchase of inputs such as seeds, fertilisers, pesticides, labour and other investments.

However, the TRS government undertook a massive exercise to revamp and digitise land records to identify beneficiaries of the scheme — a pre-requisite which must be achieved countrywide before the Centre considers launching its pan-India version.