

Centre to scrutinise scheme for farmers

PM-AASHA Ministry plans national conference on MSP programme

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NEW DELHI: The agriculture ministry will hold a national-level scrutiny of PM-AASHA, the Narendra Modi government's flagship scheme unveiled last year to ensure farmers get federally determined minimum prices, which didn't help raise rates for crops grown during the previous kharif or summer harvest.

PM-AASHA was devised to shore up income of farmers, who received negative returns in many commodities during 2017-18 (meaning they sold produce below their cost of production), triggering an agrarian crisis which threatened to hurt the the National Democratic Alliance's chances of re-election in this summer's parliamentary elections.

For instance, in the Ganj Basauda mandi of Madhya Pradesh's Vidisha district, urad (black lentils) sold for ₹2,800 a quintal (100 kg) on September 13, 2018, compared to last year's MSP of ₹5400 and the current MSP of ₹5600, according data from agmarknet — the government's website that records wholesale prices across the country.

The scheme will be tested again when the rabi or winter-sown harvest starts in April, just around the time the 2019 general election is due.

The agriculture ministry has asked the National Agricultural Co-operative Marketing Federa-

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tion of India Ltd (NAFED), the government's main food-trading arm, to anchor the conference on PM-AASHA on February 18.

Nearly all the top bureaucrats overseeing agricultural policy under the Modi government will be present at the brainstorm.

The keynote address will be delivered by Ramesh Chand, who oversees agricultural policy at the state-run think-tank NITI Aayog. Other speakers include agriculture secretary Sanjay Agarwal and joint secretary Abhilash Likhi, who will present an overview of PM-AASHA.

Ashok Dalwai, a key bureaucrat who headed the committee on doubling of farm incomes, will also participate. Rajesh Rajora, the principal secretary of agriculture, Madhya Pradesh, will make a presentation on Bhavantar, or the price deficiency scheme, which is part of PM-AASHA. Under this, farmers are paid the difference between minimum support prices (MSP) and average market prices.

MSPs are federally fixed benchmark profitable prices. The government raised MSPs of summer crops at least 1.5 times over

production costs. "Madam Speaker, our hard working farmers were not getting the full value of their produce....our Government, for the first time in history has fixed the minimum support price (MSP) of all 22 crops at minimum 50% more than the cost," finance minister Piyush Goyal said in his budget speech.

PM-AASHA is an acronym for Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (prime minister's farmers' income protection drive), under which state governments essentially have two main options. States can go in for procurement, a traditional mechanism under which the government buys produce from farmers at minimum support prices or MSPs. States also have the option of going for the more innovative "price deficiency payment" mode involving direct cash payouts to farmers to bridge the gap between actual prices they receive and official MSPs.

Initial norms set for PM-AASHA said states could buy up to 25% of the total quantity of oilseeds, pulses or coarse cereals produced until prices came up to MSP levels.

"It is always good to review any scheme's performance to see how it can be made effective because the government is funding it. For remunerative prices for farmers, ultimately, the markets have to deliver and not be in a dysfunctional state," said economist K Mani of the Tamil Nadu Agricultural University.