

Ray of hope: Farmers can sell 25 quintals a day under PM-AASHA

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An individual farmer will now be able to sell up to 25 quintals of produce per day, and get relief from all taxes, according to the new guidelines of the Centre's procurement plan for agriculture commodities.

This will provide some relief to farmers at a time when the prices of major kharif crops have fallen below their state-mandated minimum support prices (MSP) for 2018-19. Madhya Pradesh, Rajasthan and Chhattisgarh have announced big procurement plans. Haryana has also started procurement.

States that procure crops other than wheat and rice through the Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA) will have to follow the new guidelines sent to them some time back. A cap of 25 quintals means 50 bags of 50 kg each.



Officials said many of the guidelines were being followed already. The per-day cap has been introduced under Price Support Scheme so that a few big farmers do not corner the benefits.

According to the guidelines, in all the components of PM-AASHA, that includes price support scheme, price deficiency payment,

modeled on Madhya Pradesh's Bhavantar Bhugtan Yojana along with pilots on private procurement; Centre's expenditure and support would be limited to 25 per cent of the total oilseeds, pulses or coarse cereal production of a state.

If states want to acquire more, they have to do so from

GUIDELINES

- Central support in case of deficit financing or direct procurement limited to 25% of states' production
- States to bear any expenses over and above the mandated 25%
- Farmers to be paid within 3 days in case of direct procurement and 1 month for deficit financing
- Central agencies like Nafed to be reimbursed 100% of their loss in operation made in procurement and disposal

their own resources.

Even in the Bhavantar scheme, where farmers get a differential payment between the MSP and a pre-fixed modal rate, guidelines state that such a payout should not exceed 25 per cent of the MSP of the crop.

This would mean that for soybean the difference payment

under the Bhavantar scheme would not be more than ₹850 per quintal, irrespective of the price fall in 2018-19.

Under the price support scheme, if a state wants the Centre to procure pulses, oilseeds and coarse cereals over the mandated 25 per cent, the state concerned would have to bear the expenses.

However, if a commodity is used for the public distribution system, the Centre's support can extend to 40 per cent of the season's production.

Also, farmers have to be given their remuneration within a fixed time frame.

For instance, under the price deficit payment scheme, farmers have to be paid within a month of the sale of their produce. Under the price support scheme, the remuneration should reach farmers within three days of the receipt of their produce.

In the pilots, to test private sector participation in

procurement under the Private Procurement and Stockiest Scheme (PPSS), officials said payment has to be made within a stipulated time.

Delayed payment is one of the main complaints of farmers.

Officials said private participation had not yet picked pace. States are keen to implement either the price deficiency payment or get central help for their price support scheme.

For pilots of private sector participation in procurement schemes, to be conducted in eight centers across the country, that states will ease all stockholding norms for smooth operation. Private entities will not be allowed to sell their produce in the market within the procurement months to prevent round-tripping.

For the procurement operations, the government had allocated ₹150 billion spread over the next two financial year. Of this, ₹62 billion will be spent in 2018-19.