

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**RAJYA SABHA**  
**STARRED QUESTION NO. 64**  
TO BE ANSWERED ON 08/12/2023

**INCENTIVE FOR ELECTRIC TRACTORS**

\*64. Shri Harbhajhan Singh:

Will the Minister of AGRICULTURE & FARMERS WELFARE be pleased to state:

- (a) Whether the Government is providing or considering to provide any incentive to farmers for purchase of electric tractors;
- (b) If so, the details thereof ;
- (c) Steps taken, if any during the last three years, to reduce input cost and to increase market value of agricultural produce in India, particularly in Punjab; and
- (d) the details thereof in this regard?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE  
(SHRI NARENDRA SINGH TOMAR)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. 64 DUE FOR REPLY ON 08/12/2023 REGARDING INCETIVE FOR ELECTRIC TRACTORS**

(a) & (b): Under Sub Mission on Agricultural Mechanization (SMAM) scheme, Department of Agriculture & Farmers Welfare (DA&FW) provides financial assistance for purchase of agricultural machines and equipments including tractors to the farmers on individual ownership basis and for establishment of Custom Hiring Centre (CHC)/High Tech Hub/Farm Machinery Bank (FMB). The pattern of financial assistance under the scheme is given below:

Sr. No.	Component	Financial Assistance	Eligible Beneficiaries
1	Financial assistance for purchase of agricultural machines and equipments including tractors	50% of the cost of machine/equipment with applicable ceiling limits for Small and Marginal Farmers, Scheduled Caste/Scheduled Tribe farmers, women farmers and farmers of the North Eastern States. 40% of the cost of machine/equipment for other farmers	Individual farmer
2.	Financial assistance for purchase of agricultural machines and equipments by the farmers of North Eastern Region	100% of the cost of machine for the machines costing up to Rs. 1.25 lakhs	Individual farmer of the North Eastern States
3.	Establishment of Custom Hiring Centres (CHCs) and Hi-tech Hubs.	40% of the project cost. The project cost of CHCs can be up to Rs. 60 lakhs per project and that of Hi-tech hubs can be up to Rs. 250 lakhs per project.	Rural Entrepreneurs (Rural youth and farmer as an entrepreneur), Cooperative Societies of farmers, Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Panchayats
4.	Establishment of Farm Machinery Banks in identified villages of low mechanized States	80% of the project cost for the projects up to Rs. 10 lakhs in normal States and 95% of the project cost for the projects up to Rs. 10 lakhs for North Eastern States.	Cooperative Societies, FPOs, SHGs and Panchayats

As far as electric tractors are concerned, they are under the process of development and validation by the manufacturers.

(c) & (d): The cost of production varies from State to State on the account of difference in the yield of crops and owing to the levels of irrigation, resource endowment, farm mechanization, land holding size etc. The DA&FW is implementing various schemes to reduce input costs to the farmers and for effective utilization of resources. The details of various input support schemes and interventions thereunder in the State of Punjab is given in Annexure –I.

With a view to ensure return over the cost, Government has adopted the pre-determined principle to keep Minimum Support Price (MSP) at level of one and half times of the cost of production. Accordingly, MSP for all mandated Kharif and Rabi crops and other commercial crops have been increased with a return of at least 50 percent over the all-India weighted average cost of production. MSP for Paddy (common) has increased to Rs. 2183 per quintal in 2023-24 from Rs. 1310 per quintal in 2013-14 and MSP for Wheat increased from Rs. 1400 per quintal in 2013-14 to Rs. 2125 per quintal in 2022-23. Most of the paddy (common) and wheat produced in the State of Punjab is procured on MSP. National Agriculture Market Scheme (e-NAM) ensure better price discovery, bring in transparency and competition to enable farmers to get improved remuneration for their produce. Procurement of oilseeds, pulses, cotton are undertaken by central agencies at MSP under Price Support Scheme (PSS) at the request of the concerned State Governments. Warehousing and post-harvest loans at concessional rates of interest is provided so as to discourage distress sale by farmers. Mission for Integrated Development of Horticulture (MIDH) provides financial assistance for various horticulture activities including setting up of cold storages. Ministry of Food Processing Industries (MOFPI) is implementing a Scheme for Integrated Cold Chain, Value Addition and Preservation Infrastructure as one of the component of Pradhan Mantri Kisan Sampada Yojana with the objective of reducing post-harvest losses of horticulture and non-horticulture produce and providing remunerative price to farmers for their produce. The Government has launched the Central Sector Scheme for “Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)” in the year 2020 to enable farmers to enhance their bargaining power, leverage economies of scale, reduce cost of production and enhance farmers’ incomes through aggregation of their agricultural produce. As on 31.10.2023, under the said scheme, 7476 FPOs have been registered out of which 117 belongs to the State of Punjab.

**Various input support Schemes and Interventions thereunder in the State of Punjab**

<b>S. No.</b>	<b>Details of the Schemes</b>	<b>Interventions for Punjab</b>
1	<b>Per Drop More Crop</b> - component of Pradhan Mantri Krishi Sinchai Yojana (PMKSY-PDMC) aims to increase water use efficiency through precision micro irrigation technologies.	Rs. 3.75 Crores released during the period from 2020-21 to 2022-23
2	<b>Kisan Credit Card (KCC) – Modified Interest Subvention Scheme</b> - provide short term agri loans to the farmers through KCC for their working capital requirements at concessional rate of interest.	As on 03.11.2023, 9,04,559 new KCC applications have been sanctioned.
3	<b>Paramparagat Krishi Vikas Yojana (PKVY)</b> - aims at development of sustainable models of organic farming through a mix of traditional wisdom and modern science to ensure long term soil fertility buildup, resource conservation and helps in climate change adaptation and mitigation.	Rs. 18.04 Crores released during the period from 2020-21 to 2022-23
4	<b>PM Kisan Samman Nidhi</b> - implemented with a view to provide income support to all landholding Farmers' families across the country to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs.	Rs. 4758.37 Crores has been disbursed to 23,43,543 beneficiaries in 15 installments since inception i.e. February 2019.
5	<b>Soil Health Card Scheme</b> - gives information on the soil's nutrient status as well as recommendations on the nutrient dosage to be used to improve its productivity and health.	Rs. 13.09 Crores has been released during the period from 2020-21 to 2022-23.
6	<b>Sub-Mission on Seeds and Planting Material (SMSP)</b> - covers the entire gamut of seed production chain, from production of nucleus seed to supply of certified seeds to the farmers etc.	Rs. 2.54 Crores has been released during the period from 2020-21 to 2022-23 under Seed Village Programme and creation of seed infrastructure facility.
7	<b>Sub-Mission on Agricultural Mechanization (SMAM)</b> -aims at increasing the reach of farm mechanization to small and marginal farmers and to the regions where availability of farm power is low and promote 'Custom Hiring Centres' to offset the adverse economies of scale arising due to small landholding and high cost of individual ownership of machines.	Rs. 52.09 Crores and Rs. 48.50 Crores were released during 2016-17 and 2017-18 respectively. No funds were released from 2018-19 to 2022-23 as the State still have an unspent balance of Rs. 59.35 Crores.

8	<b>Agriculture Infrastructure Fund (AIF)</b> - provide medium - long term debt financing facility for investment in viable projects for post-harvest management infrastructure and community farming assets through interest subvention and credit guarantee support.	So far Rs. 2244 Crores have been sanctioned for 8021 projects.
9	<b>Crop Residue Management Scheme</b> - provide financial assistance on machines and equipments for effective in-situ and ex-situ management of crop residues.	Rs. 1531.45 Crores has been released during the period from 2018-19 to 2023-24 and the State has distributed more than 1.28 lakh crop residue management machines.
10	<b>Provision of Neem Coated Urea</b> - aims to increase the nutrient efficiency, crop yield, soil health and check the diversion of agricultural grade urea for non-agricultural activities.	2.94 million Tonne neem coated urea was supplied during 2022-23.

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