

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

LOK SABHA
UNSTARRED QUESTION NO. 2580
TO BE ANSWERED ON THE 9TH JULY, 2019

TASK FORCE ON STRUCTURAL REFORMS

2580. KUMARI SHOBHA KARANDLAJE:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण
मंत्री
be pleased to state:

- (a) whether the Government has announced the creation of a high-level task force on structural reforms in agriculture which would boost private investment, strengthen logistics and provide ample market support to the farmers;
- (b) if so, the details thereof including its composition;
- (c) the details of the Terms of Reference/ Mandate of the Task Force and the time by which it is likely to submit its Report;
- (d) whether the Government proposes to involve farmers in post-harvest technology through innovative programmes to double farmers income and if so, the details thereof; and
- (e) the steps being taken by the Government to devise modalities for extending credit to marginal farmers, sharecroppers and landless agricultural labourers along with the innovative steps being taken by the Government to reduce agrarian distress in the country?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): Yes Sir. The Government has constituted a High Powered Committee of Chief Ministers for 'Transformation of Indian Agriculture' on 01.07.2019 with the following composition:

- i) Sh. Devendra Fadnavis, Chief Minister, Maharashtra : Convenor
- ii) Sh. H.D. Kumaraswamy, Chief Minister, Karnataka : Member

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| iii) Sh. Manohar Lal Khattar, Chief Minister, Haryana | : | Member |
| iv) Sh. Pema Khandu, Chief Minister, Arunachal Pradesh | : | Member |
| v) Sh. Vijay Rupani, Chief Minister, Gujarat | : | Member |
| vi) Sh. Yogi Adityanath, Chief Minister, Uttar Pradesh | : | Member |
| vii) Sh. Kamal Nath, Chief Minister, Madhya Pradesh | : | Member |
| viii) Sh. Narendra Singh Tomar, Minister, Agriculture,
Rural Development and Panchayat Raj, Gol | : | Member |
| ix) Prof. Ramesh Chand, Member, NITI Aayog | : | Member-Secretary |

(c): The Terms of Reference (ToR) of the Committee is as follows:

- (i) To discuss measures for transformation of agriculture and raising farmers' income and suggest modalities for adoption and time bound implementation of following reforms by States/ UTs:
 - a) The.....State/ Union Territory 'Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017'(APLM Act, 2017) circulated by Ministry of Agriculture and Farmers' Welfare, Government of India (Gol) to States/UTs.
 - b) TheState/ Union Territory 'Agricultural Produce and livestock, Contract Farming and Services (Promotion & Facilitation) Act, 2018' circulated by Ministry of Agriculture and Farmers Welfare, Gol to States/UTs.
- (ii) To examine various provisions of Essential Commodity Act (ECA), 1955 and situations that requires ECA. To suggest changes in the ECA to attract private investments in agricultural marketing and infrastructure.
- (iii) To suggest mechanism for linking of market reforms with National Agricultural Market (e-NAM), GRAM and other relevant Centrally Sponsored Schemes.
- (iv) To suggest policy measures to (a) boost agricultural export (b) raise growth in food processing (c) attract investments in modern market infrastructure, value chains and logistics.
- (v) To suggest measures to upgrade agri-technology to global standards and improve access of farmers to quality seed, plant propagation material and farm machinery in agriculturally advance countries.
- (vi) To propose any other relevant reforms for transformation of agriculture sector and raising farmers' income.

The Committee has to submit its report within two months of the date of notification of the Committee.

(d): Various post harvest interventions have already been rolled out, inter-alia include as under:

(i) The Government is implementing Mission of Integrated Development of Horticulture for production and post harvest infrastructure of Horticulture crops.

(ii) Realizing the potential of organic farming in the North Eastern Region of the country, a Central Sector Scheme namely “Mission Organic Value Chain Development for North Eastern Region”(MOVCDNER) aims at development of certified organic production in a value chain mode to link growers with consumers and to support the development of entire value chain starting from inputs, seeds, certification and creation of facilities for collection, aggregation, processing, marketing and brand building initiative. The assistance under this scheme is provided for cluster development, on/off farm input production, supply of seeds/ planting materials, setting up of functional infrastructure, establishment of integrated processing unit, refrigerated transportation, pre-cooling /cold stores chamber, branding labeling and packaging, hiring of space, hand holdings, organic certification through third party, mobilization of farmers/processors etc.

(iii) A capital investment subsidy sub-scheme “Agricultural Marketing Infrastructure (AMI)” of Integrated Scheme for Agricultural Marketing (ISAM) with two distinct marketing infrastructure components either (i) Storage Infrastructure in rural area (ii) other than storage infrastructure is implemented to develop Agricultural Marketing Infrastructure including Storage infrastructure.

(iv) In order to establishing a marketing system for farmers, the Government is implementing National Agriculture Market (e-NAM) scheme for transparent price discovery for remunerative prices for the farmers for their produce through competitive online bidding system. So far, 585 wholesale regulated markets of 16 States and 02 UTs have been integrated with e-NAM platform. Under the scheme, apart from providing technical support, financial assistance upto Rs. 75 lakh per mandi for electronic weighing scale, computer IT equipments, assaying equipments, cleaning/ sorting/ grading equipments and bio-composting unit is also provided to States/Union Territories (UTs).

(v) The Government has circulated to States/Union Territories (UTs) for adoption “The Agriculture Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017”, which provides for alternate marketing channels such as setting up of private markets, direct marketing, farmer-consumer markets, special commodity markets, declaring warehouses/silos/cold storages or such structures as market sub yards to facilitate farmers in marketing their produce at competitive and remunerative prices.

(vi) In order to optimise the use of scarce resources and mitigate the uncertainty in price and marketing, the Government has formulated and released a progressive and facilitative Model Act “The ---State/ UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018” in May, 2018 for its adoption by the states/Union Territories (UTs). The aforesaid Model Contract Farming Act covers the entire

value and supply chain from pre-production to post harvest marketing including services contract for the agricultural produce and livestock.

(vii) A crop insurance scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) from Kharif 2016 season has been launched to provide better insurance coverage to crops for risk mitigation. This scheme provides insurance cover for all stages of the crop cycle including post-harvest risks in specified instances

(e): To ensure availability of credit at concessional rates of interest to all farmers, Government has launched a campaign to bring all farmers outside the fold of institutional credit, by way of saturation of Kisan Credit Cards (KCCs). With a view to bring all left out farmers in the country into the fold of institutional credit, Government has simplified the procedure for availing loans through KCCs namely:

- a) Activities relating to Animal Husbandry and Fisheries included in KCC - benefits of Interest Subvention (IS) and Prompt Repayment Incentive (PRI) also extended
- b) Indian Banker's Association has waived off processing fee, inspection, ledger folio charges and all other service charges for renewal/fresh issue of KCC.
- c) RBI has raised the collateral free existing agriculture loan limit from Rs.1 lakh to Rs.1.60 lakh.

Kisan Credit Card (KCC) has been extended to the farmers practicing animal husbandry and fisheries related activities together with Interest Subvention as prompt repayment incentive.

Bringing more farmers within the institutional credit fold is a priority area of the Government and to achieve this goal, annual target for the flow of credit to the agriculture sector are set which the banks have been surpassing every year. The current year's agriculture credit flow target has been set at Rs. 13.50 lakh crore.

Further, to extend the reach of Institutional Credit to more and more farmers is, the Government provides interest subvention of 3% on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 7% per annum, which gets reduced to 4% on prompt repayment. Further, under Interest Subvention Scheme 2018-19, in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2% shall continue to be available to banks for the first year on the restructured amount. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against negotiable receipts, the benefit of interest subvention are available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rate as available to crop loan.
