

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2528**  
TO BE ANSWERED ON THE 9<sup>TH</sup> MARCH, 2021

**AGRICULTURAL TAXATION**

2528. SHRI THOMAS CHAZHIKADAN:

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

- (a) whether the Government is aware that as per the ICRIER- OECD report the Indian farmer is net taxed because of the basic infrastructure deficit in the agricultural sector; and
- (b) if so, the details thereof and the steps taken by the Government to redress the situation?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): The conclusion derived in the study conducted by ICRIER-OECD in 2018, in the report titled "Agriculture Policy Review of India", is based on a specific methodology adopted by the OECD.

The Government has however, adopted several developmental programmes, schemes, reforms and policies that focus on higher incomes for the farmers. All these policies & programmes are being supported by higher budgetary allocations, non-budgetary financial resources by way of creating Corpus Funds and supplementary income transfers under PM-KISAN. The latest major intervention includes the 'Atma Nirbhar Bharat – Agriculture' which includes comprehensive market reforms and creating of 'Agricultural Infrastructure Fund (AIF)'. In 2021-22 Budget Announcements, Micro Irrigation Fund has been doubled and Institutional Credit has also been increased. A list of various interventions and schemes launched for the benefit of farmers is **annexed**.

**List of various interventions and schemes launched for the benefit of farmers.**

- (i) With a view to provide income support to all farmers' families across the country, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs, the Central Government started a new Central Sector Scheme, namely, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). The scheme aims to provide a payment of Rs. 6000/- per year, in three 4-monthly installments of Rs. 2000/- to the farmers families, subject to certain exclusions relating to higher income groups.
- (ii) Further with a view to provide social security net for Small and Marginal Farmers (SMF) as they have minimal or no savings to provide for old age and to support them in the event of consequent loss of livelihood, the Government has decided to implement another new Central Sector Scheme i.e. Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY) for providing old age pension to these farmers. Under this Scheme, a minimum fixed pension of Rs. 3000/- will be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.
- (iii) With a view to provide better insurance coverage to crops for risk mitigation, a crop insurance scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 season. This scheme provides insurance cover for all stages of the crop cycle including post-harvest risks in specified instances, with low premium contribution by farmers.
- (iv) Giving a major boost for the farmer's income, the Government has approved the increase in the Minimum Support Price (MSPs) for all Kharif & Rabi crops for 2018-19 season at a level of at least 150 percent of the cost of production.
- (v) Implementation of flagship scheme of distribution of Soil Health Cards to farmers so that the use of fertilizers can be rationalized.
- (vi) "Per drop more crop" initiative under which drip/sprinkler irrigation is being encouraged for optimal utilization of water, reducing cost of inputs and increasing productivity.
- (vii) "Paramparagat Krishi Vikas Yojana (PKVY)" for promoting organic farming.
- (viii) Launch of e-NAM initiative to provide farmers an electronic transparent and competitive online trading platform.
- (ix) Under "HarMedh Par Ped", agro forestry is being promoted for additional income. With the amendment of Indian Forest Act, 1927, Bamboo has been removed from the definition of trees. A restructured National Bamboo Mission

has been launched in the year 2018 to promote bamboo plantation on non forest government as well as private land and emphasis on value addition, product development and markets.

- (x) Giving a major boost to the pro-farmer initiatives, the Government has approved a new Umbrella Scheme 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PMAASHA)'. The Scheme is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2018. This is an unprecedented step taken by Govt. of India to protect the farmers' income which is expected to go a long way towards the welfare of farmers.
- (xi) Bee keeping has been promoted under Mission for Integrated Development of Horticulture (MIDH) to increase the productivity of crops through pollination and increase the honey production as an additional source of income of farmers.
- (xii) To ensure flow of adequate credit, Government sets annual target for the flow of credit to the agriculture sector, Banks have been consistently surpassing the annual target. The agriculture credit flow target has been set at Rs. 13.50 lakh crore for the F.Y.2019-20, Rs.15.00 lakh crore for F.Y. 2020-21 and Rs 16.50 lakh crore for FY 2021-22.
- (xiii) Extending the reach of institutional credit to more and more farmers is priority area of the Government and to achieve this goal, the Government provides interest subvention of 2% on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 4% per annum on prompt repayment.
- (xiv) 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 will be 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.
- (xv) The Government has extended the facility of Kisan Credit Card (KCC) to the farmers practicing animal husbandry and fisheries related activities. All processing fee, inspection, ledger folio charges and all other services charges have been waived off for fresh renewal of KCC. Collateral free loan limit for short term agri-credit has been raised from Rs.1.00 lakh to Rs.1.60 lakh. KCC will be issued within 14 days from the receipt of completed application.
- (xvi) Several market reforms have been rolled out. These include
  - a. Model APLMC (Promotion & Facilitation) Act, 2017
  - b. Establishment of 22,000 number of Gramin Agriculture Markets (GrAMs) as aggregation platforms

- c. Agri-Export Policy, that targets to double agri-exports by 2022
- d. The Farmers Produce Trade and Commerce (Promotion & Facilitation) Act., 2020
- e. The Farmers (Empowerment & Protection) Agreement on Price Assurance and Farm Services Act., 2020
- f. Amendments to Essential Commodities Act, 1955, that deregulates various agri-commodities
- g. Promotion of 10,000 FPOs by 2024

(xvii) Creation of Corpus Funds

- a. Micro Irrigation Fund – Rs. 10,000 crore
- b. Agri-marketing Fund to strengthen eNAM and GrAMs – Rs. 2,000 crore
- c. Agricultural Infrastructure Fund (AIF) to build agri-logistics (backward & forward linkages) – Rs. 100,000 crore including Rs 500 crores for Bee-keeping

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