

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 5448**  
TO BE ANSWERED ON 05<sup>TH</sup> APRIL, 2022

**RISK IN AGRICULTURE**

5448. SHRI S. JAGATHRAKSHAKAN:

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

- (a) whether the Government agrees with the view that agriculture is risky profession as there are many variables;
- (b) if so, the steps taken/proposed to be taken by the Government to lower the risk in agriculture and benefit the small farmers; and
- (c) if not, the reasons therefor?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE  
कृषि एवं किसान कल्याण मंत्री ( SHRI NARENDRA SINGH TOMAR )

(a) to (c) Agriculture plays a vital role in India's economy. As in other Sectors, Agriculture Sector also has certain risk factors relating to vagaries of rainfall, floods, draught, spread of diseases and pests, soil salinity and market risks etc.

Given the importance of the agriculture sector, Government of India has taken various steps to lower the risk in agriculture and benefit the farmers through various Schemes like National Food Security Mission (NFSM), National Mission on Edible Oils-Oil Palm (NMEO-OP), Sub-Mission on Seed and Planting Material (SMSP), Rashtriya Krishi Vikas Yojna (RKVY), Kisan Credit Card Scheme (KCC), Pradhan Mantri Krishi Sinchayee Yojna (PMKSY) etc. These Schemes aim to promote and extend improved technologies of package of practices of crops through various types of demonstrations, distribution of high yielding varieties of seeds, micro nutrients, bio-fertilizers, plant protection chemicals, improved resource management tools/machineries, efficient water application devices, capacity building of farmers and local initiatives. The salient features of the major Schemes are given below:

- (i) Crop insurance is treated as a major risk mitigation tool for the benefit of farmers. Accordingly, with a view to provide financial support to farmers at the time of losses

due to natural calamities, Government has launched the Pradhan Mantri Fasal Bima Yojana (PMFBY) which provides for comprehensive risk insurance against crop damage from pre-sowing to post-harvest for food crops (cereals, millets and pulses), oilseeds and commercial horticultural crops notified by the concerned State Government. The scheme not only safeguards against wide spread yield loss due to non-preventable natural risks viz. flood, inundation, landslide, drought, dry spells, hailstorm, cyclone, pests/diseases, natural fire and lightning, storm, typhoon, tempest, hurricane, tornado etc. but also against farm level yield loss due to localized risks (hailstorm, landslide, inundation, cloud burst and natural fire) and post harvest losses due to cyclone, cyclonic/unseasonal rain and hailstorm and prevented sowing.

- (ii) In order to provide remunerative price to the farmers of notified pulses, oilseeds & copra, Government implements PM-AASHA consisting of Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) & pilot of Private Procurement & Stuckists Scheme. PSS is implemented for procurement of notified pulses, oilseeds & copra at Minimum Support Price (MSP) as and when the market price of these commodities dips below the notified MSP particularly at the time of harvesting period when there is glut of these commodities in the market & farmers resorting to distress sale. To ensure smooth procurement operation under PSS, Govt. has provided Government Guarantee amounting to Rs. 40,500/- Cr. to lender bank i.e. State Bank of India (SBI) for availing cash credit facilities by NAFED & FCI for PSS operations.
- (iii) Government of India launched Interest Subvention Scheme in the year 2006-07 with a view to provide concessional short term crop loans including loan availed through Kisan Credit Card (KCC) to the farmers. ISS is available to farmers availing short term agri loans upto Rs.3.00 lakh at an interest rate of 7% per annum for one year. Additional 3% subvention is also given to the farmers for prompt and timely repayment of loans; the same gets reduced to 4% per annum. The benefits of ISS can also be availed by farmers in allied activities like Animal Husbandry and Fisheries and who already possess KCC within the overall limit of Rs.3.00 lakh.
- (iv) Market Intervention Scheme (MIS) is implemented for procurement of agricultural and horticultural commodities which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production. The condition is that there should be either at least a 10 percent increase in production or a 10 percent decrease in the ruling market prices over the previous normal year. The extent of total amount of loss to

be shared on a 50:50 basis between the Central Government and the State Government is restricted to 25 percent of the total procurement value which includes cost of the commodity procured plus permitted overhead expenses. Under the scheme, in accordance with MIS guidelines, a pre-determined quantity at the fixed Market Intervention Price (MIP) is procured by the agencies designated by the State Government for a fixed period or till the prices are stabilized above the MIP whichever is earlier.

- (v) Central Sector Scheme of financing facility under Agri Infrastructure Fund is operational from the year 2020-21. The Scheme shall provide a medium-long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through interest subvention and financial support.
- (vi) In the last 7 years from 2014-21, more than 2000 new improved high yielding varieties were released in different crops in which more than 1600 varieties are climate resilient having tolerance to different biotic/abiotic factors.
- (vii) National Agriculture Market is a pan-India electronic trading (e-trading) portal which seeks to network the existing physical APMCs through a virtual platform to create a unified national market for agricultural commodities. The Portal provides a single window service for all APMC related information and services.
- (viii) Steps have been taken to improve the income of farmers which include formation & promotion of Farmer Producing Organisations (FPOs) for reducing input costs and effective marketing.
- (ix) Further, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a Central Sector Scheme being implemented since 1st December, 2018. The Scheme aims at providing financial assistance to eligible landholding farmer families across the country, subject to certain exclusion criteria, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs. Under the Scheme, an amount of Rs. 6000/- per year is transferred in three 4-monthly installments of Rs.2000/- directly into the bank accounts of the farmers through DBT.

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