

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

LOK SABHA
UNSTARRED QUESTION NO. 2512
TO BE ANSWERED ON THE 10TH DECEMBER, 2024

SUBSIDY ON AGRICULTURAL COMMODITIES

2512. SHRI MANSUKHBHAI DHANJIBHAI VASAVA:

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

- (a) whether the Government intend to provide cash or direct subsidy on agricultural commodities;
- (b) if so, the details thereof and the salient feature of the said scheme;
- (c) whether the subsidies for farmers in our country are very low, in comparison to the United States and other developed countries; and
- (d) if so, the details thereof and the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) & (b): Yes. The Government of India approved the continuation of the integrated Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) during the 15th Finance Commission Cycle upto 2025-26. The Integrated scheme of PM-AASHA is to bring-in more effectiveness in the implementation of procurement operations that would not only help in providing remunerative prices to the farmers for their produce but also control the price volatility of essential commodities by ensuring their availability at affordable prices to consumers.

Ministry of Agriculture and Farmers Welfare implements Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) with the components of Price Support Scheme (**PSS**) Price Deficiency Payment Scheme (**PDPS**), Market Intervention Scheme (**MIS**). The details of PSS, PDPS and MIS alongwith their mode of implementation are as under:-

The Price Support Scheme (PSS) is implemented for the procurement of notified pulse, oilseeds and copra at MSP by the Central Nodal Agencies like National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and National Co-operative

Consumers' Federation of India Ltd. (NCCF) etc. through the State level agencies, directly from the pre-registered farmers within the stipulated period subject to conforming their produce to the prescribed Fair Average Quality (FAQ), as and when the market prices of these commodities fall below the notified MSP during peak harvesting period to provide remunerative price to the farmers. In order to incentivize the farmers for enhancement of domestic production and to reduce the dependence on import, the existing procurement ceiling of Tur, Urad and Masur under PSS was lifted for the year 2023-24 and it has been extended for the year 2024-25 also.

The Price Deficit Payment Scheme (PDPS) envisages the direct payment of the price difference between the MSP and the selling / modal price in notified market upto 15% of MSP value (including 2% administrative cost) to the pre-registered farmers selling oilseeds of prescribed Fair Average Quality (FAQ) norms within the stipulated period in the notified market yard through a transparent auction process. However, the States/UTs have the option to implement either Price Support Scheme (PSS) or PDPS for the particular oilseeds for the particular year/season. The Government of India gives support for the quantity upto 40% of state production of the particular oilseed.

MIS is implemented for the procurement of various perishable agricultural/horticultural such as Tomato, Onion and Potato etc., to the prescribed FAQ norms, by the Central Nodal Agencies like NAFED and NCCF for which Minimum Support Price (MSP) is not applicable. It is implemented on the request of the State/UT Government a situation when there is a reduction of prices in the market by atleast 10% over the rates of previous normal season in the States/UTs and express their willingness to bear the total loss in the ratio of 50:50 between the State and Centre so that the farmers are not constrained to make distress sales of their produce. However, in case of North-Eastern States, the losses to be shared between the Centre and State on 75:25 basis. The scheme shall be applicable against the 25% of the total production of the State that includes cost of the commodity procured plus the permitted overhead expenses.

Government also extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Further, different types of nutri-cereals (Millets) and coarse grains are procured by various State Governments it's own in consultation with FCI to the extent that the concerned State Government may utilise them for the distribution under Targeted Public Distribution System (TPDS) as well as in Other Welfare Schemes (OWS). Further, Cotton and Jute are procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI) respectively. Consequently, the overall market responds to the market intervention by the Government through procurement operations that drive the market upward for various notified crops under MSP.

(c) & (d): The size of farm holding in developed countries like USA is not comparable with that of India and the number of farmers is also much lesser as compared to India. Hence, it would not be fair to compare the financial support given to our farmers with that of developed countries like USA.
