

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

LOK SABHA
STARRED QUESTION NO. 331
TO BE ANSWERED ON THE 22ND DECEMBER, 2015

INCOME OF FARMERS

*331. DR. BANSHILAL MAHATO:
DR. SHRIKANT EKNATH SHINDE:

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

- (a) whether the Government is aware that income from farming is insufficient to cover the household expenditure of farmers in the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has conducted any 'Situation Assessment Survey of Farmers' to calculate the average annual/monthly income of farmers and ascertain their socio-economic conditions and if so, the details and the outcome thereof, State-wise;
- (d) whether some leading farmer unions of the country have recently demanded constitution of an income commission to suggest ways and means to ensure a minimum income for farmers and if so, the details thereof and the action taken by the Government thereon; and
- (e) the institutional mechanism put in place with regard to marketing and insurance of crops to enable the farmers to cope with the multitude risk involved in farming and ensure adequate farm income?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI RADHA MOHAN SINGH)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 331 DUE FOR REPLY ON 22ND DECEMBER, 2015.

(a) to (c): The National Sample Survey Office (NSSO) conducted Situation Assessment Survey of Agricultural Households during its 70th Round in rural areas of the country for the reference period of the agricultural year July 2012 to June 2013. The survey provides a comprehensive socio-economic study of the agricultural households covering, level of income and expenditure, farming practices, possession of productive assets, resource availability, awareness, indebtedness, etc. As per the results of the Survey, at all-India level the average monthly income from various sources and consumption expenditure per agricultural household, during the agricultural year July 2012-June 2013, was estimated at Rs.6426/- and Rs.6223/-, respectively. State-wise details of average monthly income and consumption expenditure per agricultural household is given in **Annexure-I**.

(d): The Government receives representations from time to time on various issues concerning agricultural sector. In order to protect the interest of farmers, Government of India is implementing a number of schemes/programmes to supplement the efforts of State Governments. Some of the recent initiatives taken by the government to help farmers in increasing production, reducing cost of cultivation and to improve profitability of the agricultural sector are at **Annexure-II**. Furthermore, keeping in view the increasing costs of production and other relevant factors, the Government based on the recommendations of CACP, has progressively increased the Minimum Support Price (MSP) for major agricultural commodities so as to ensure remunerative prices to the farmers.

(e): To improve the institutional mechanism for marketing of agricultural produce, States/UTs have been advised to amend their respective State APMC Acts on the lines of Model APMC Act, 2003. The Model Act provides for direct marketing, contract farming, farmers/consumer markets, setting up of markets in private and cooperative sectors, e-trading etc. In order to further its objective of putting in place an institutional arrangement to ensure transparency in transactions and better price discovery and thereby reasonable gains to the farmers, Government has approved a Central Sector Scheme "Promotion of National Agricultural Market (NAM) through Agri-Tech Infrastructure Fund (ATIF)". The Scheme provides for a pan-India electronic trading portal which seeks to network the existing APMCs and other market yards to create a unified national market for agricultural commodities.

In addition, Government ensures remunerative price to the farmers by offering to procure their produce at MSP fixed by the Government. However, farmers are free to sell it to Government agencies or in the open market as is advantageous to them. In order to improve the procurement mechanism for pulses & oilseeds, in addition to the procurement of cereals and coarse cereals, Government has also designated Food Corporation of India (FCI) as the nodal agency for procurement of pulses & oilseeds for the agricultural year 2015-16. Small Farmers' Agribusiness Consortium (SFAC) and National Agricultural Cooperative Marketing Federation of India (NAFED) also supplement the efforts of FCI on the procurement of pulses and oilseeds.

Government has also been implementing Crop Insurance Schemes since 1985 in order to provide insurance coverage and financial support to farmers, including small

and marginal farmers, in the event of failure of any of the notified crops as a result of non-preventable natural calamities, pests & diseases, adverse weather conditions and to help stabilize farm income particularly in disaster years. At present, two crop insurance schemes, namely National Crop Insurance Programme (NCIP) with its three component schemes (i) Modified National Agricultural Insurance Scheme (MNAIS), (ii) Weather Based Crop Insurance Scheme (WBCIS) and (iii) Coconut Palm Insurance Scheme (CPIS) and National Agricultural Insurance Schemes (NAIS) are being implemented in the country to provide insurance coverage against the crop losses of insured farmers. The schemes are being implemented on 'Area Approach' basis and assistance is being provided to insured farmers only. Selection of the scheme(s), area(s) and crops covered under the Schemes alongwith implementing insurance companies are being decided by the concerned State Government. To encourage farmers, premium subsidy @ 10% to small and marginal farmers only under NAIS, upto 75% under MNAIS, upto 50% under WBCIS and upto 75% under CPIS is provided to all participating farmers and the financial liabilities under the aforesaid schemes are equally shared by the Central Government and the concerned State Government.

Annexure in reference to Reply to Part (a) to (c) of the Starred Question No. 331 due for answer on 22.12.2015

Average Monthly Income per Agricultural Household during the agricultural year July 2012- June 2013

State	Average monthly income* per agricultural Household during July 2012- June 2013 (Rs)	Average monthly consumption expenditure per agricultural household during July 2012- June 2013 (Rs)
(1)	(2)	(3)
Andhra Pradesh	5979	5927
Arunachal Pradesh	10869	7109
Assam	6695	5766
Bihar	3558	5485
Chhattisgarh	5177	4489
Gujarat	7926	7672
Haryana	14434	10637
Himachal Pradesh	8777	7134
Jammu & Kashmir	12683	9017
Jharkhand	4721	4688
Karnataka	8832	5889
Kerala	11888	11008
Madhya Pradesh	6210	5019
Maharashtra	7386	5762
Manipur	8842	6490
Meghalaya	11792	6937
Mizoram	9099	7936
Nagaland	10048	7285
Odisha	4976	4307
Punjab	18059	13311
Rajasthan	7350	7521
Sikkim	6798	5670
Tamil Nadu	6980	5803
Telangana	6311	5061
Tripura	5429	6922
Uttarakhand	4701	5784
Uttar Pradesh	4923	6230
West Bengal	3980	5888
Group of UTs	8568	8001
all-India	6426	6223

Source: NSSO

* The income includes income from salary/wages, net receipt from cultivation, net receipt from farming of animals and net receipt from non-farm business.

Note: Households with at least one member self-employed in agriculture, either in the principal status or in subsidiary status, and having total value of produce more than ₹3000/- during the last 365 days were considered for being selected for this survey.

Annexure in reference to Reply to Part (d) of the Lok Sabha Starred Question No. 331 due for answer on 22.12.2015

Recent Initiatives by the Government to Improve Profitability of Agricultural Profession

- (i) **Soil Health Card (SHC)** scheme is being implemented under which the farmers can know the major and minor nutrients available in their soils which will ensure judicious use of fertiliser application and thus save money of farmers. The balanced use of fertiliser will also enhance productivity and ensure higher returns to the farmers.
- (ii) **Neem Coated Urea** is being promoted to regulate urea use, enhance its availability to the crop and reduce cost of fertilizers application. The entire quantity of domestically manufactured urea is now neem coated.
- (iii) **Parampragat Krishi Vikas Yojana (PKVY)** is being implemented with a view to promoting organic farming in the country. This will improve soil health and organic matter content and increase net income of the farmer so as to realise premium prices.
- (iv) **The Pradhan Mantri Krishi Sinchai Yojana (PMKSY)** is being implemented to expand cultivated area with assured irrigation, reduce wastage of water and improve water use efficiency.
- (v) In addition to the above, Government is also implementing several Centrally Sponsored Schemes- National Food Security Mission (NFSM); Mission for Integrated Development of Horticulture (MIDH); National Mission on Oilseeds & Oilpalm (NMOOP); National Mission for Sustainable Agriculture (NMSA); National Mission on Agricultural Extension & Technology (NMAET); National Crop Insurance Programme (NCIP); Unified National Agriculture Markets; and Rashtriya Krishi Vikas Yojana (RKVY).
- (vi) The Government undertakes procurement of wheat and paddy under its 'MSP operations'. In addition, Government implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities not covered under the MSP Scheme on the request of State/UT Government. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States). Profit, if any, earned by the procuring agencies is retained by them.
