

A review on “price support scheme 2020” and its effects on farmer’s income

¹Suneet Singh, ²Dr. Shilpa Kaushal , ³Ankita Soni

^{1,3}M.Sc. Scholar(Agronomy), UIAS, Chandigarh University, Mohali

²Assistant Professor, UIAS, Chandigarh University, Mohali

Author email:- suneethakur39@gmail.com

ARTICLE ID:003

Abstract:

The Department of Agriculture & Cooperation implements the PSS for procurement of oil seeds, pulses and cotton, through NAFED which is the Central nodal agency, at the MSP declared by the government. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. The primary target of the value strategy in India was to secure the interests of purchasers. In this approach no consideration was followed through on to give impetus cost to farmers. It was uniquely in 1964, an obvious approach was acquainted for furnishing motivator cost with ranchers. Price policy plays a pioneer role in the economic development of a country. It is an important instrument for providing incentives to farmers for motivating them to go in for production oriented investment and technology. Farmers get benefit of the scheme by sell of their produce at support price in APMC centers opened by Nodal procurement agency.

Keywords: Effects of price support policy , Market intervention scheme(MIS),Planning of Madhya pradesh on PSS , Price support scheme (PSS)

Introduction:

Price Support Scheme (PSS) is being implemented by Government of India in the state. Main crops of the state like Bajra, Jowar, Maize, Paddy, Cotton, Tur, Moong, Urad, Groundnut, Sesamum Wheat, Gram, Mustard, and Sugarcane etc. are covered. The central government took a decision in favour of farmers to deal with the situation arising out of nationwide lockdown in view of corona virus COVID-19 pandemic. The government

approved the enhancement, from 25 quintals to 40 quintals, of daily procurement limit per farmer per day under the Price Support Scheme (PSS).

At the point when costs of items fall underneath the MSP, State and central notified procurement nodal organizations buy products straight forwardly from the ranchers at MSP under indicated FAQ (reasonable Average Quality) through APMC centers arranged by them. The government agencies like Nafed, SPAC and other state-owned agencies procure pulses and oilseeds at minimum support price under the PSS. The procurement shall continue for 90 days from the date of commencement of procurement.

Market intervention scheme(MIS):

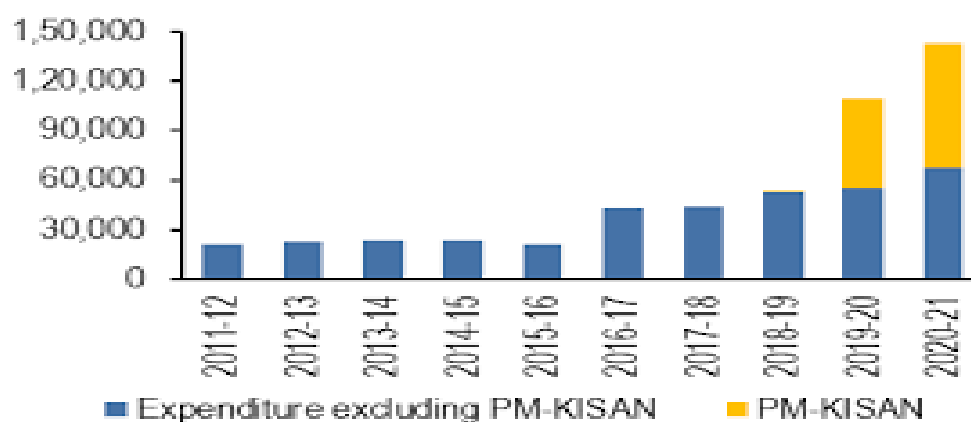
The Centre has reportedly invited proposals from the state governments and Union Territories for implementation of the Market Intervention Scheme for the procurement of perishable agriculture or horticulture crops, whose prices have gone down recently.

The Scheme is executed when there is in any event 10% expansion underway or 10% diminishing in the decision rates over the past ordinary year. Proposition of MIS is affirmed on the particular request of State/UT Government, if the State/UT Government is prepared to manage half misfortune (25% in the event of North-Eastern States), assuming any, acquired on its execution.

Need of PSS:

Development of cost is a typical element. In any case, quick and vicious development or vacillations in the costs of farming wares have genuine outcomes on the economy of the nation. As the unexpected steep fall in the cost of a specific yield, bring about tremendous misfortune to the ranchers creating that crop as their pay decreases.

The Ministry has been allocated Rs 1,42,762 crores in 2020-21. Allocation to the Ministry accounts for 5% of the central government's budget. This allocation is 30% higher than the revised estimate for 2019-20, primarily due to a higher allocation of Rs 75,000 crores to PM-KISAN (income support scheme for farmers) for 2020-21. For 2019-20 as well, the scheme was allocated Rs 75,000 crore at the budgeted stage, which has now been revised down to an estimate of Rs 54,370 crore.



Demand for Grants 2020-21 Analysis : Agriculture and Farmers' Welfare

- This will drive the ranchers not to develop the harvest one year from now prompting a genuine deficiency in the gracefulness of that food thing and that may compel the administration to import that food crop from far off nations.
- Then again, an unexpected climb in the cost of a specific yield may make immense enduring the purchasers which may compel the customers to dispose of it or to shorten their other use.
- Significantly for meeting the utilization use on that crop. In the two different ways, the huge scope vacillation in the cost of agrarian produce will make a tragic impact on the economy of the nation.
- So as to protect the enthusiasm of the two makers and buyers an exhaustive rural value strategy must be reasonably figured. This ought to be upheld by keeping up cradle supplies of horticultural products along with the broad organization of open appropriation framework.
- These will offer a base help cost to the makers and orchestrate the flexibly of these horticultural produce to the customers at reasonable costs. Subsequently while fixing the base help costs and acquirement costs care must be taken to fix those costs at such level which will actuate the ranchers to create more. Consequently, the farming value strategy can be planned as an "instrument of development".

Objectives

- To secure or protect the producer through ensured minimum support price, which as an adjustment measure diminishes the variability in products and consequently price risk of the producers. The effect of the danger decrease is required to actuate ranchers to embrace enormous speculations and to receive improved creation innovation.
- To prompt the ideal yields of various harvests as indicated by development targets.
- To actuate an expansion in total agricultural yield through enormous information use and selection of high yielding seed, manure and water responsive innovation.
- To actuate ranchers to leave behind an enormous extent of food grains creation as a promoted excess.
- To secure the buyer against the unreasonable ascent in costs, particularly to ensure the low salary buyers in periods when supplies fall behind interest and market costs rise consistently".

Effects of price support policy

- I. **Incentive to Increase Production:** Agricultural price policy has been giving important motivating force to the ranchers for raising their agricultural yield through modernisation of the division. The base help cost ought to be resolved viably by the administration which will protect the enthusiasm of the ranchers
- II. **Increase in the Level of Income of Farmers:** The agricultural price policy has given vital advantage to the ranchers by giving vital consolation and motivating forces to raise their yield and furthermore by supporting its costs. All these have brought about an expansion in the degree of pay of ranchers just as their expectations for everyday comforts.
- III. **Change in Cropping Pattern:** The agricultural price policy has brought about an extensive change in trimming example of Indian agribusiness. The creation of wheat and rice has expanded extensively through the reception of current procedures by getting important help from the Governments. However, the creation of heartbeats and oilseeds couldn't accomplish any extensive change without such value uphold.
- IV. **Benefit to industries:** The agricultural price policy has likewise profited the agro businesses of the nation, similar to sugar, cotton material, vegetable oil and so on. By

balancing out the costs of rural items, the arrangement has made arrangement for sufficient amount of crude materials for the agro businesses of the nation at sensible costs.

- V. **Price stability:** The agricultural price policy has stabilised the prices of agricultural items to an enormous degree. It has gotten effective to contain the unjustifiable change of costs of agrarian items. This has made a positive effect on both the purchasers and makers of the nation.

Planning of MP on price policy:

Madhya Pradesh is planning to spend 11.6 billion rupees under the price support scheme to procure kharif pulses--tur, urad, and moong--harvested in 2020-21 (Jul-Jun), a state government official said. Malaysia's crude palm oil output rises 3.1% on month to 1.86 metric tonnes in August, data from Malaysian Palm Oil Board showed. Total palm oil stocks were a tad down at 1.69 mt tn. Malaysia's palm oil exports in August fell by 11.3% on month to 1.58 mt tn, and biodiesel exports were down 36.7% on month at 24,675 tn, data showed, India got 5.2 mm precipitation yesterday, 16% underneath typical, the India Meteorological Department said. Since Jun 1, the nation has gotten 828.6 mm precipitation, 7% better than average. The Association of Natural Rubber Producing Countries has brought down its estimate for worldwide elastic yield in 2020 to 13.15 mln tn, down 4.9% from the earlier year, from the 13.20 mln tn pegged in July, the affiliation said in its month to month report. Brazil has had the option to diminish contamination levels by half by mixing ethanol with petroleum, said Evandro Gussi, the leader of Brazil's sugarcane industry affiliation UNICA. Tamil Nadu has mentioned the Center to draft new rules for its lead Pradhan Mantri Kisan Samman Nidhi Yojana to stay away from any misrepresentation, a senior state government official said. The water level in 123 key repositories the nation over rose over 2% over the previous week to 142.234 become today, information from the Central Water Commission appeared. The level is 83% of the absolute live stockpiling limit of 171.090 bcm. It is 2% higher on year and 18% higher than the 10-year normal, as per the commission.

Conclusion:

India's agricultural price support programme has lost its pertinence without giving any noteworthy advantage to the cultivating sector, and just adding to the monetary burden as the

expense of acquirement and capacity of yield produce stood near 1% of GDP for FY20 while covering select monetarily huge harvests in chosen geology. Regardless of the presence of floor-cost based support for more than forty years, ranch trouble has not declined yet has expanded, as an ever increasing number of ranchers are turning out to be obligation ridden and can't get gainful costs for their produce. Likewise, there have been expanding advance waivers by different state governments lately, adding to the financial weight without tending to the issue of lower livelihoods related with trouble offer of harvests. Along these lines, there is a requirement for finding a key answer for guarantee gainful costs for ranchers without twisting business sectors and upsetting India's financial math.

References

Agri Picks Report: Geojit. 2020. price support scheme to procure kharif pulses--tur, urad, and moong—harvested in 2020-21 (Jul-Jun) <https://www.moneycontrol.com/news/business/stocks/agri-picks-report-geojit-69-5824991.html>

Agriculture price policy in india. <http://courseware.cutm.ac.in/wp-content/uploads/2020/05/Agriultural-Price-Policy-1.pdf>

Arun Kumar Chaubey. 2020. Daily procurement limit hiked for farmers under Price Support Scheme amid COVID-19 lockdown. April 2020. <https://zeenews.india.com/india/daily-procurement-limit-hiked-for-farmers-under-price-support-scheme-amid-covid-19-lockdown-2275189.html>

Civildaily. Price Support Mechanism under MSP Operations. March 23. <https://www.civildaily.com/news/explained-price-support-mechanism-under-msp-operations>

Farmers portal. Feb-2018 . Handbooks, Schemes, Programmes and Missions Promoting Agricultural Development and Farmers. <https://farmer.gov.in/HandBooks.aspx>
<https://www.livemint.com/Politics/Cabinet-approves-new-procurement-policy-to-ensure-MSP-to-far.html>

Radha mohan singh. 2018. A Handbook Schemes, Programmes and Missions Promoting Agricultural Development and Farmers Welfare , <http://courseware.cutm.ac.in/>

Rucha Kanolkar. Essay on Agricultural Price Policy in India. <https://www.economicdiscussion.net/essays/agriculture-essays/essay-on-agricultural-price-policy-in-india/17571>