



Vol.6
Issue- 1
January 2020

Agricultural Production and Market Outlook

The Rising Agriculture....

APEDA set up 186 Agri products testing laboratories

Agricultural and Processed Food Products Export Development Authority (APEDA) has added 135 laboratories to existing 51 recognized laboratories. With this initiative APEDA recognition of laboratories has reached 186 laboratories across the country. The number of laboratories have increased in states with exporting potential like Maharashtra (35), Gujarat (23), Andhra Pradesh & Telangana (10), Tamil Nadu (23) and Karnataka (17). Laboratory testing requirements are crucial in agri export supply chain.



For increasing the laboratory network further, APEDA has taken a policy decision for simplification of APEDA recognition of laboratories. It has been decided that the laboratories which are NABL accredited will be recognized by APEDA and same will be added in the network of APEDA recognition laboratories. This will enable APEDA to continuously expand its recognition network of laboratories across the country and will enable the exporters to have an easy access to the laboratories for testing of APEDA scheduled products for exports.

Farm Mechanisation for Doubling Farmers' Income

Improved agricultural implements and machinery are essential inputs for modern agriculture. It enhances productivity besides reducing human drudgery and cost of cultivation. It also helps in improving utilization efficiency of other inputs. Taking into consideration the above, to boost the farm mechanization in the country, a special dedicated scheme Sub Mission

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Dr. Deep K. Patel

Publisher

Agro-Economic Research Centre

Sardar Patel University

Vallabh Vidyanagar 388120

Anand, Gujarat

Email : aerc@spuvn.edu
director.aerc@gmail.com

Web : http://www.spuvvn.edu/academics/academic_centres/agro_economic_centre/



on Agricultural Mechanization (SMAM) has been introduced by Government, under which subsidy is provided for purchase of various types of Agricultural implements and machinery used for tillage, sowing, planting, harvesting, reaping, threshing, plant protection, inter cultivation and residue management. A special Scheme to support the efforts of the Governments of Haryana, Punjab, Uttar Pradesh and the NCT of Delhi to address air pollution due to stubble burning and to subsidize machinery for the farmers for in-situ management of crop residue, a new Central Sector Scheme on "Promotion of Agricultural Mechanization for In-Situ Management of Crop Residue in the States of Punjab, Haryana, Uttar Pradesh and NCT of Delhi" (CRM) for the period from 2018-19 to 2019-20 has been also launched. Some of the State Governments like Kerala, Tamil Nadu and Madhya Pradesh are providing farm machineries to the farmers at a concessional rate through their Agricultural Departments. However, to make available costly and bigger advance farm machinery at the door steps of the farmers on rent basis, Government is promoting Custom Hiring Centres (CHC) through a SMAM scheme; under which subsidy is provided @ of 40% of the project cost to individual farmer upto a project cost of Rs.60 lakh and 80% to the group of farmers upto a project cost of Rs. 10 lakh. A special consideration for the farmers of North Eastern Region (NER) is available, 95% subsidy upto a project cost of Rs. 10 lakh is provided to group of NER farmers for establishment of Custom Hiring Centres. For establishment of Hi-tech and Hi-value agricultural machinery CHC, assistance @ of 40% of the project cost to individual farmer upto a project cost of Rs.250 lakh is provided. Under the CRM scheme to establish Custom Hiring of in-situ crop residue management machinery a financial assistance @ 80% of the project cost is provided to

the farmers. The Government has also developed and launched Multi lingual Mobile App "CHC-Farm Machinery" which helps the farmers for getting rented farm machinery and implements through Custom Hiring Service Centers (CHC) in their area. As on date, 44,607 CHCs with 1,39,319 Agricultural machinery for renting out are registered on this Mobile app. Total 1,14,461 farmers as users are registered on this Mobile App. The Government has introduced the Kisan Credit Card (KCC) Scheme, which enables farmers to purchase agricultural inputs and draw cash to satisfy their agricultural and consumption needs. The KCC Scheme has since been simplified and converted into ATM enabled RuPay debit card with, inter alia, facilities of one-time documentation, built-in cost escalation in the limit, any number of drawals within the limit, etc. With a view to ensure availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, an interest subvention scheme for short term crop loans upto Rs.3.00 lakh is implemented. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

Policy Measures to Double the Income of Farmers and Farm Labourers

Government of India supplements the efforts of the State Governments through various schemes/ programmes. These schemes/ programmes of the Government of India are meant for the welfare of farmers by increasing production, remunerative returns and income support to farmers. A list of initiatives taken by the Government are as follows:

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 "Har Medh 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 (PM-AASHA)'. 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 and Rs.15.00 lakh crore for F.Y. 2020-21.
- 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.

All these steps of the Government of India are for the welfare of the farmers of the country. The Government constituted an Inter-ministerial Committee in April, 2016 to examine issues relating to “Doubling of Farmers Income” and recommend strategies to achieve the same. The Committee submitted its Report to the Government in September, 2018 and thereafter, an Empowered Body was set up on 23.01.2019 to monitor and review the progress as per these recommendations. To achieve this, the Committee has identified seven sources of income growth viz., improvement in crop productivity; improvement in livestock productivity; resource use efficiency or savings in the cost of production; increase in the cropping intensity; diversification towards high value crops; improvement in real prices received by farmers; and shift from farm to non-farm occupations.

Book Post

To,

From:

DOI : 05/02/2021

Agro-Economic Research Centre

For the states of Gujarat and Rajasthan

(Ministry of Agriculture & Farmers Welfare, Govt. of India)

H.M. Patel Institute of Rural Development,

Opp. Nanadalaya Temple, Post Box No. 24,

Sardar Patel University

Vallabh Vidyanagar 388120, Anand, Gujarat

Ph.No. +91-2692-230106, 230799, Fax- +91-2692-233106

E-mail : director.aerc@gmail.com

Website: www.aercspu.ac.in

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