

Proposals for Enhancing Farmers Income

Why in news?

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Union budget has announced new proposals for enhancing the farmers' income.

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What are the practical problems faced by the farmers?

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- Over 70 per cent of the farmers in India seldom receive the MSPs for want of official market intervention.

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- These prices are effective only for wheat and rice and, occasionally, for a couple of other crops in a handful of states, elsewhere, the procurement infrastructure does not exist.

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- Recently announced MSP formula does not address the demands by the farmers as MSPs for many crops are already higher than 1.5 times the paid-out costs and the estimated value of family labour.

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- Small and marginal farmers are unable to transact at the markets run by the agricultural produce marketing committees (APMCs).

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What are the announcement in the budget for farmers?

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- Union budget has announced MSPs at 50 per cent above the production cost. Click [here](#) to know more about MSP formula

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- The National Institution for Transforming India (NITI) Aayog will figure out the status about reach of MSP to the farmers.

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- The budget proposes to launch "Operation Greens", on the pattern of the

milk sector's "Operation Flood".

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- This operations will be used for the marketing of highly perishable commodities, such as tomato, onions, potato and others, which witness vicious price fluctuations.
- Budget proposes to create parallel marketing infrastructure by upgrading the existing 22,000 rural haats into gram in agricultural markets.
- These mandis will be exempted from the APMC regulations to facilitate direct sale to consumers and bulk purchasers.
- It also encourage farmer producer companies and cooperatives by fully exempting their profits from income tax.
- Budget seeks to promote agriculture's allied activities like animal husbandry and fisheries, which are more lucrative than crop farming.
- Budget has also proposes to provide a Kisan Credit Card-like facility to those engaged in these ventures.

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Source: Business Standard

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