

## Price Deficiency payment

Price deficiency payment proposed by Government's think tank NITI Aayog will compensate farmers for the government announced ~~own~~ MSP and actual market price.

The farmers who avail the benefits of MSP is limited and their geographical outreach is also limited.

MSP has led to the farmers to focus on crops such as paddy and wheat.

Under Price deficiency payment the farmers can opt for crops which provide them with a maximum procurement.

The Direct Benefit transfer under PDP will help the farmers to get ready for next cropping season as there is a constant cash flow.

Farmers will not have to pay for more  
fertilisers for insecticide and pesticide as  
monoculture will not be practised.

Soil degradation will also be controlled  
due to crop diversification.

Government's procurement and transfer  
cost will also be reduced and keeps  
a check on the subsidy bill.

As India's majority of population  
depends on agriculture, the price deficient  
payment will help them double their  
income.

This scheme can be implemented on  
a pilot basis to check their effectiveness.

PDP scheme along with reforms in APMC,  
e-NAM can help in enhancing the  
welfare of the farmers.