

## Price Deficiency Payment Scheme (PDPS)

is one of the component of pm - Anandata Jay  
Sansksham Abhiyan (pm - ASIA) to 'double farmers  
income' by 2022.

PDPS system works by providing  
monetary subsidy equal to the difference  
between government's announced msp and  
market price to farmers account through

DBT.

$$\boxed{\text{msp}} - \boxed{\text{market price}} = \boxed{\text{PDPS}}$$

↑  
[directly into farmers  
Account]

present farmers protest are

mostly due to the insecurity of better  
farm price through msp, among other  
concerns such as

(1) Real price discovery - Due  
to government's intervention through

mSP and open ended procurement the market price gets distorted.

→ only rice and wheat procurement out of 23 Notified crops happens.

→ few states like punjab & haryana monopolise market while Bihar, MP etc remain unprocured.

(ii) Incapacity of government

shanta kumar committee highlighted issues of high cost burden on exchequer and lack of adequate storage under FOCI. Thus procurement of such an amount by government is unfeasible.

(iii) crop diversification - 'Ecology'

Due to monopoly of wheat & rice the rainfed areas suffer which does not get price/assurity for - fruits, horticulture and oil crops

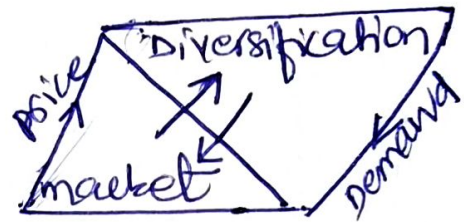
→ this also hinders 'self sufficiency' & costs around 70,000 cr via imports.

Thus PDS scheme can address gap. Similar scheme like Bhavantai Bhuktan Yojna in MP has shown positive outcomes like

(i) Procuring only to maintain buffer stock for food security and overflow should be directed towards market via PDS.

(ii) This way - farmers will get incentive and crop system will diversify according to market needs.

(iii) market link will assure natural & demand driven along with competitive price, which will raise farmers income.



(iii) Investment & entrepreneurship for warehouses, contract farming etc will be attracted.

Thus PDS is a 'win-win' game for farmer - market and government, if proper implementation, etc is done by reducing collusive corruption castel system.