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Farmers demand hike in PM-Kisan benefits

FE BUREAU
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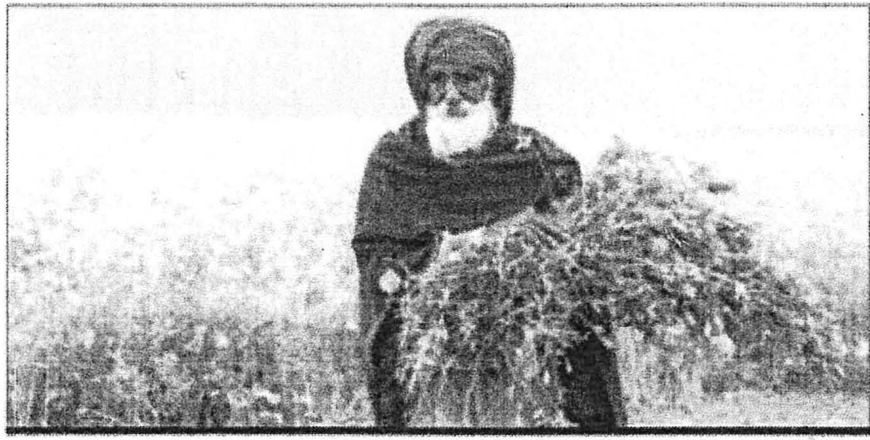
FARMERS GROUPS ON Tuesday proposed several measures including direct benefit transfer (DBT) for fertiliser subsidy, increase in financial assistance to farmers under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) and a policy to disallow import of agricultural commodities where landed costs are below the minimum support price (MSP) announced by the government.



The financial assistance provided to farmers under PM-KISAN should be hiked given the rise in prices of agricultural inputs in recent years

MOHINI MOHAN SINGH, GENERAL SECRETARY, BHARATIYA KISAN SANGH

In the pre-Budget consultations organised by the finance ministry with the experts of agriculture and representatives of agro-food processing industry, the groups requested finance minister Nirmala Sitharaman to review all government programmes by the beneficiaries for ensuring optimum delivery of funds.

"The financial assistance provided to farmers under PM-KISAN should be hiked given the rise in prices of agricultural inputs in recent years," Mohini Mohan Singh, general secretary, Bharatiya Kisan Sangh, told *FE* after attending the virtual meeting with the minister. Singh said that the best way to give support to all farmers without any disparity is adoption of DBT system of transfer of assistance, including fertiliser subsidy to farmers.

The Centre's fertiliser subsidy bill, which has almost tripled to about ₹2.3 trillion in FY23 from ₹70,000-80,000 crore per annum before FY21, may remain similarly elevated in FY24 too if global hydrocarbon prices don't moderate. To curb the rise in subsidy, the government has been toying with the idea of giving subsidised fertilisers or equivalent cash on a per-acreage basis. Since October 2016, fertiliser subsidies have been released to companies on the basis of sales made by the retailers to the farmers. Direct cash transfers to the farmers' bank accounts and a capping of the subsidy based on land holdings are expected to improve the scheme's efficacy, besides leading to major savings. At present, under PM Kisan, ₹6,000 is annually transferred to 100 million farmers' bank accounts in three equal installments.

Ajay Vir Jakhar, chairman, Bharat Krishak Samaj, urged Sitharaman against allowing import of those agricultural commodities whose landed costs are below the MSP which dampens domestic prices.

Due to the gap between consumption and rising demand, India annually imports about 56% and 15% of its edible oils and pulses requirement respectively. Sources said that cheaper imports of edible oil and pulses, bring down the domestic prices of the commodity below prescribed MSP.

Jakhar suggested imposition of taxes on processed food, especially those with high salt and sugar content, based on their nutritional value.

Other demands from the groups include increasing credit limit under Kisan Credit Card scheme, sufficient financial human resources allocation for Krishi Vigyan Kendras, provisions for the farmers to get input credits for agricultural inputs used.

Other experts who participated in the consultation include Raghunath Dada Patil, president, Consortium of Indian Farmers Association; K V Rajkumar, president, South Indian Sugarcane Farmers Association and Viren K Khona, secretary, All India Spices Exporter Forum, Kerala.

Along with Sitharaman, the meeting was attended by union minister of state for finance Pankaj Chaudhary, finance secretary TV Somanathan, secretaries from other departments of the finance ministry and the chief economic advisor Anantha Nageswaran, according to a tweet by the ministry.

In July, the agriculture ministry had set up a committee on MSP chaired by Sanjay Agrawal, former agriculture secretary, for making MSP more effective and transparent. The committee is currently looking into hosts of other issues, including the practicality of giving more autonomy to the Commission for Agricultural Costs and Prices (CAPC) that fixes the MSP of 23 crops.