

FARM INCOME SUPPORT

States steal Centre's PM-Kisan thunder

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THE ANDHRA Pradesh government under Y S Jaganmohan Reddy has become the latest to launch its own farm income support scheme, over and above the Centre's Pradhan Mantri Kisan Samman Nidhi or PM-Kisan.

The Jaganmohan government's YSR Rythu Bharosa, being implemented from October 15, provides financial assistance of Rs 12,500 per year to some 64 lakh farmers, owning five acres or less as well as landless tenant cultivators. This amount includes Rs 6,000 under PM-Kisan, with the state government topping it with another Rs 6,500. The total budgeted outlay for YSR Rythu Bharosa in 2019-20 is Rs 8,750 crore, of which Rs 3,240 crore is coming from the Centre and the balance from the AP government.

Other states operating similar direct-cash-transfer schemes for farmers are, however, doing it totally independent of PM-Kisan.

The K Chandrashekar Rao-headed Telangana government's Rythu Bandhu scheme, which was unveiled from April 2018, eight months before PM-Kisan, is extending support of Rs 4,000 per acre for each season to all 55 lakh-odd farmers in the state without any landowning limit. That, for a five-acre farmer growing two crops a year, works out to Rs 40,000. Not for nothing does Telangana have an annual budget of Rs 12,000 crore for Rythu Bandhu, without any Central/PM-Kisan component.

The Naveen Patnaik-led government in Odisha has, likewise, allocated Rs 5,611 crore towards the Krushak Assistance for Livelihood and Income Augmentation or KALIA scheme in 2019-20. Covering 75 lakh farmers that include 25 lakh landless agricultural households, it entitles each of them to Rs 10,000-per-year payment for two crops (kharif and rabi) — more than the Rs 6,000 in three installments under PM-Kisan.

The Trinamool Congress government in West Bengal, too, is giving Rs 5,000 in two installments to the state's estimated 72 lakh farmers and sharecroppers cultivating one acre or more under its Krishak Bandhu scheme. This entirely state government-financed scheme, with a budget of Rs 3,000 crore in this fiscal, is also assuring a minimum of Rs 2,000 to those with below one-acre holding.

The BJP-ruled governments in

Jharkhand and Haryana are the other two states to have come out with their own schemes for supplementing farmer incomes. Jharkhand's Mukhyamantri Krishi Aashirwad Yojana is providing Rs 5,000 per acre annually to an estimated 22.76 farmers owning up to five acres. The maximum benefit of Rs 25,000 under this scheme is again more than the Rs 6,000 from PM-Kisan. Haryana's Mukhyamantri Parivar Samman Nidhi Yojana, on the other hand, limits the annual financial assistance to a flat Rs 5,000, while applicable only to agricultural families (including labourers) with less than five acres and also monthly income below Rs 15,000.

The total allocation for all these farm income support schemes announced by state governments — starting with Telangana, which was the pioneer — would come to Rs 32,861 crore in 2019-20 (see table). This is in addition to the Rs 75,000 crore budgeted for PM-Kisan this fiscal.

The Reserve Bank of India's latest 'State Finances: A Study of Budgets' report has contrasted the income support schemes with farm loan waivers. Since 2014-15, 10 states have announced loan waiver programmes aggregating Rs 231,260 crore, out of which actual budgetary provision till 2019-20 has been Rs 154,418 crore.

The latter figure includes Rs 28,532 crore by Karnataka (out of the announced Rs 44,000 crore in 2018-19), Rs 27,202 crore by Uttar Pradesh (out of Rs 36,360 crore in 2017-18), Rs 21,925 crore by Maharashtra (Rs 34,020 crore: 2017-18), Rs 21,473 crore by Telangana (Rs 17,000 crore: 2014-15), Rs 13,000 crore by Madhya Pradesh (Rs 36,500 crore: 2018-19), Rs 12,731 crore by AP (Rs 24,000 crore: 2014-15), Rs 9,223 crore by Chhattisgarh (Rs 6,100 crore: 2018-19), Rs 8,848 crore by Punjab (Rs 10,000 crore: 2017-18), Rs 6,240 crore by Rajasthan (Rs 18,000 crore: 2018-19) and Rs 5,243 crore by Tamil Nadu (Rs 5,280 crore: 2016-17).

According to the RBI report, 2018-19 marked a "watershed", with some states opting for income support schemes over "conventional" policies such as farm loan waivers to alleviate agricultural distress. While welcoming this move to cash transfers, it has, however, noted that they can succeed only with digitisation of land records and their linking with Aadhaar-seeded bank accounts "for ensuring timely payments to farmers, while minimizing inclusion and exclusion errors".

STATE-LEVEL FARM INCOME SUPPORT SCHEMES (RS CRORE)

STATE	SCHEME	2018-19 (RE)	2019-20 (BE)
Telangana	Rythu Bandhu	12,000	12,000
AP	YSR Rythu Bharosa	0	8,750
Odisha	KALIA*	250	5,611
West Bengal	Krushak Bandhu	4,000	3,000
Jharkhand	Mukhyamantri Krishi Aashirwad Yojana	0	2,000
Haryana	Mukhyamantri Parivar Samman Nidhi	0	1,500
TOTAL		16,250	32,861

*Krushak Assistance for Livelihood and Income Augmentation;

BE: Budget Estimate; RE: Revised Estimate.

Source: Reserve Bank of India