

PMKSNY - Benefiting Befittingly

PMKSNY scheme assures direct income transfer to the farmers

Lack of an assured income has remained the bane of India's agriculture. Agriculture, being dependent on innumerable variables, have led to deep instability in the income earned by the farmers. This has time and again affected the productivity of agriculture. With a vast majority of population dependent on agriculture, this problem needed an absolute solution. With market corrections and support prices failing farmers repeatedly, direct income became a suitable option.

The interim budget proposed by Shri Piyush Goyal held solution to the troubled income recovery of farmers from agriculture. The budget announced the PM-Kisan Samman Nidhi Yojana (PMKSNY), a straight income transfer to farmers that would benefit farmers in its own way. The scheme proposes a benefit of Rs. 6,000 per year, payable in three instalments of Rs. 2,000 each to all the eligible farmers having a land holding of up to 2 hectares. The government of India has made a provision of Rs. 75,000 crore for this scheme, under which about 12 crore farmers of the country will be covered.

This comes at a suitable juncture when the markets have repeatedly failed the farmers in realising the price of commodities. The result of which was widely displayed in the streets across the nation. Farmer suicides and farmer protests were vivid descriptions of what is wrong in the agriculture markets. Many indirect credit support systems such as bank loans, subsidies, support prices have failed to promise the income stability, let alone, doubling farm incomes which was an important mandate of the government. This direct income support will go a long way in assuring a set amount to be credited to the bank accounts of the farmers. Not only it will be of immense benefit to the farmers in supporting their families, it also can help in enhancing the productivity of agriculture.

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Besides, increasing the production of current farming operations, this will also help in investing in ancillary enterprises and expanding the income of the farmers. Thus it will increase the avenue of farmers to derive income. The same can also be used to obtain training in specialized operations or that which is intended in skill development. This again will create more avenues for income generation. In general, this direct income support positively will influence in increasing the living standards.

However, in this system of direct income support it is the farmers/land owners who are getting the benefits. Tenants/share croppers do not come under the scope of this scheme. Despite, the money owed by the tenants to the landowners as rent, they bear the expenses of crop production and survive the market risks. They are unfortunately bypassed in this scheme.

PMKSNY could have taken some lessons from Odisha's KALIA which has given primary importance to small, marginal and the landless farmers. The scheme provides financial assistance of Rs. 25000 for cultivation per farm family over five seasons to small and marginal farmers to purchase inputs, labour and other investments. The scheme also has provisions for financial assistance of Rs 12,500 to be provided to each landless Agricultural Household for agricultural allied activities. Cultivators and landless agricultural labourers are also addressed in this scheme as they are entitled of a financial assistance of Rs 10,000 per family per year to enable them to take care of their sustenance. Odisha's scheme has made provisions to address all categories of farmers and hence comprehensive.

However, with this scheme, the government has refused to give into the pressure of waiving loans, and instead has focused into providing income support to the farmers. This will lead to the overall development of agriculture.

A Pro Farmer Budget

The interim budget focuses on the welfare of the farmers

Agrarian distress remained pronounced the past year and farmers emerged as a significant force. It has become apparent now that the demands of farmers cannot be disregarded and a budget without addressing the immediate needs of the farmers would be fatal for the government. Considering the imminent elections, it was expected that government would be drawing up a plan that would be pro farmer and pro agriculture. The interim budget was necessarily a budget that allocated much importance to peoples' concerns. Minister Piyush Goyal's reiteration during the budget speech of the deep agrarian crisis set the tone for this year's budget. Farmers remained a central theme in the interim budget.

Over the years, the government has turned its focus from a production oriented programme to income support. Although many programmes have been introduced in the past to enhance income of the farmers, the prices of commodities fell sharp last year leading to deep distress in the agriculture sector. The PM-Kisan Samman Nidhi Yojana (PMKSNY), a straight income transfer scheme of the farmers that was introduced in this budget thus strived to address the income stability of the farmers. The scheme that assures basic income to the farmers, is a welcome step and opens up a new dimension in farmers' welfare. This direct income support will go a long way in assuring a set amount to be credited to the bank accounts of the farmers. Not only it will be of immense benefit to the farmers in supporting their families, it also can help in enhancing the productivity of agriculture. The extra amount can be used in investing in better inputs, technology and innovation.

Another biggest benefactor in this budget was the Fisheries segment. India is the second largest fish producing nation in the world accounting for 6.3% of global production, registering an average annual growth of more than 7% in recent years. The sector provides livelihood to about 1.45 crore people at the primary

level. Acknowledging the significance associated with Fisheries segment, provision for creation of separate Department of Fisheries was made in this budget.

Animal Husbandry was another segment which received due attention in this budget. The increased allocation for Rashtriya Gokul Mission and setting up of "Rashtriya Kamdhenu Aayog" will go a long way in upscaling sustainable genetic up-gradation of cow resources and to enhance production and productivity of cows. The Aayog will also look after effective implementation of laws and welfare schemes for cows. Another welcome measure is the proposal to expand the benefit of 2% interest subvention to the farmers pursuing the activities of animal husbandry and fisheries, who avail loan through Kisan Credit Card. This will boost the ancillary enterprises and lure the farmers towards other profit making vistas of agriculture. Diversification of agricultural income is central to giving the farmers stability and sustainability in agriculture.

The past year the country saw many natural calamities those had a direct bearing on the farmers. Under distress when they have lost their crops, it becomes difficult for farmers to repay their crop loans. The decision of the government to provide the benefit of interest subvention of 2% and prompt repayment incentive of 3% for the entire period of reschedulement of their loans, for all farmers affected by severe natural calamities, where assistance is provided from National Disaster Relief Fund (NDRF), is a commendable initiative.

The budget this year thus laid emphasis on strengthening the farmers' income and positioned to provide them with dignity and confidence in their journey towards making India food secure. Market forces have constantly eroded the element of financial stability and an invisible threat looms large over the employment prospect of agriculture. This budget reflects the general sentiment of the authorities and the future would see many such schemes that will intend to foster permanence in revenue generation.

Unimpressive Cash Doleouts

The Interim Budget fails to impress agriculture sector

The fact that the elections are around the corner was one of the biggest factors that influenced in shaping the interim budget. It held all the essential elements that were supposed to elicit a mass euphoria among the voting population. With taxes slashed and providing direct income support to the farmers, the budget came clean with minimal effort to develop a long term vision on addressing the long standing issues in agriculture.

The direct income support in the form of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is projected as the mantelpiece. The populist measure which basically involves transferring income directly to the bank accounts of the farmers falls short of its expectation. In comparison to Telangana's Rythu Bandhu scheme which provides Rs10,000 per acre of support, the amount declared by the government comes as a pittance. Rs. 6000 per year translates to Rs.500 per month and expecting that this amount is going to bring about income stability to the farmers is a fantasy. Besides, the help is only extended to farmers owning the land clearly alienating the landless cultivators and tenants who carry out cultivation on leased lands. The scheme is expected to cover 120 million farmers, but it has effectively left out 140 million landless tenants. The project could have borrowed a few lessons from Odisha's Kalia scheme which had dutifully included the marginal and landless farmers. The decision to begin this scheme retrospectively and to transfer the first instalment in this financial year itself is the clear indication of the political mileage this government is expecting in the coming assembly polls.

Agriculture is primarily a state subject. The role of the government at the center should be to create an enabling environment for the state governments. Having said so, cash dole outs such as this will specifically create an environment that need not necessarily translate into better agriculture

productivity. The extra amount may be diverted to other expenses or worse into unhealthy practices such as smoking or alcohol. Direct cash transfers typically entail this risk.

The budget other than being generous with interest subvention and direct cash transfers remained silent on creating any long term strategy to optimize the earnings from agriculture. No long standing strategies were directed to increase the income of the farmers organically. Instead the direct giveaways indicate the government's intention of earning praise from the farmers and not relenting on the ways to enhance incomes from following the profession of agriculture. By PM KISAN, we are looking at creating a crop of absentee farmers who will hold the agriculture lands in their names but would rely on some other profession for living. Another major fall out from this scheme is the fragmentation of land. Since the farmers owning lands above 2 ha of farm are ineligible for the PM KISAN scheme, they may divide the land to get more profit.

It is a big relief that loan waivers did not form a part of the budget. But the budget hasn't addressed the biggest problem faced by the farmers recently. Falling prices have affected the profitability of agriculture. No solution to this problem was evident in the budget. The problem of plenty without any mechanism to store the abundant agriculture produce scientifically or to transport them safely to far flung markets have exacerbated the situation. Farmers are in need of ways to expand their profit. Instead of giving them avenues to spend money, they must be given avenues to earn money. Earned money receives more prudence while spending from the farmers than the gifted money.

The interim budget was meant to woo the vote bank. It was akin to paying them to earn votes. The government should have shunned these ways and instead should have pursued more elite ways to earn the loyalty of the farmers.

Balancing for Better Agriculture

Women are the underplayed elements in Indian agriculture

“**B**alance for Better” is the theme for this year’s International Women’s day. March 8 celebrated world over hails the ‘women’ factor in different spheres of life and upholds the sanctity of womanhood.

Over the years, the world has changed and so has the status of women. They have accepted many challenging profiles and have excelled in them. Agriculture is also one such domain where they play an irreplaceable role, especially now when the sector has seen an increasing feminization. According to Census 2011, there has been a 24 per cent increase in the number of female agricultural labourers between 2001 and 2011, from 49.5 million to 61.6 million. Nearly 98 million Indian women have agricultural jobs, but around 63 per cent of them are agricultural labourers, dependent on the farms of others, according to Census 2011. But in most of the cases, women accidentally don the role of the farmers. They end up in agriculture sector following migration of the men to urban centers or due to farmer suicides.

Unfortunately, their role mostly goes unnoticed or underplayed. They toil in the farms and are under paid with unequal rights to land, credit, benefits and training. Even at the policy level, the status of women in agriculture goes unnoticed. A study on the status of women farmers in Uttar Pradesh by Oxfam International shows that only 6 per cent of women own land, less than 1 per cent have participated in government training programmes, 4 per cent have access to institutional credit and only 8 per cent have control over agricultural income.

Despite the fact that women contribute a much higher proportion of labour in agricultural sector, they rarely are given the freedom in decision making. Women in most cases play an important role in all aspects of crop production – right from sowing to marketing. Since they are loosely attached to the resources like land and capital, any change

in their situation can only be brought forward by entitlements. Ownership of land cannot only be categorized as assets in the case of women. Even women farmers with cash generating resources like fish, duck, poultry, cattle etc. should be recognized as farmers so that they can attain monetary support from the government sponsored schemes.

In all farm production, the average contribution of women is estimated at 50 per cent to 60 per cent of total labour and sometimes much higher in certain regions. Mostly the male farmers are involved in one time agricultural jobs like land preparation, planting, sowing and fertiliser application, the duration of which expires shortly. But the female farmers mostly are involved in farm operations such as weeding which last almost throughout the entire crop period.

Although women have impressed their presence in many facets of agriculture production, the society has very little to offer them in exchange for their services. A cursory glance across agricultural markets in India reveal that none of them have a rest house for women producers who come to markets. The markets lack basic facilities such as toilet blocks. Even the research wing of agriculture should evolve strategies that are gender sensitized and support feminization in agriculture. Women friendly machines that can be used in different levels of agricultural operation can increase the efficiency as well as dignity of the occupation. This needs to change and policy interventions can bring out a palpable change in the status of women in agriculture.

A change in perception of women in agriculture is crucial. Their role needs to be recognized beyond the area of farming operations. Women not only takes care of the farm but also that of a rural household, the basic unit of the rural community. Hence their well being is critical to maintain a healthy rural community. A balance should be brought about for the betterment of agriculture sector.