PMAASA Scheme

Why in news?

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Union government has launched Pradhan Mantri Annadata Aay SanraksHan Abhiyan (AASA) scheme.

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What is PMAASA scheme about?

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- The scheme is intended to shore up the prices that farmers get for their produce.
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- The move follows increasing farmer unrest across the country as prices of many key agricultural commodities have fallen below their MSP (minimum support price).
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- The three different components of the scheme will cover gaps in the procurement and compensation mechanism for crops and help boost farmers' income.
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What are the parts involved in the scheme?

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- The AASHA scheme has three components, and these will complement the existing schemes of the Department of Food and Public Distribution for procurement of paddy, wheat and other cereals and coarse grains where procurement is at MSP now.
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- **Price Support Scheme (PSS) -**In this part physical procurement of pulses,

oilseeds and copra will be done by Central Nodal Agencies. Besides NAFED, Food Cooperation of India will also take up procurement of crops under PSS.
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- The expenditure and losses due to procurement will be borne by the Centre.
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- **Price Deficiency Payment Scheme (PDPS) -**Under this, the Centre proposes to cover all oilseeds and pay the farmer directly into his bank account the difference between the MSP and his actual selling/modal price.
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- Farmers who sell their crops in recognised mandis within the notified period can benefit from it.
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- **Private Procurement & Stockist Scheme (PPSS)** - In the case of oilseeds, States will have the option to roll out PPSSs in select districts where a private player can procure crops at MSP when market prices drop below MSP.
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- The private player will then be compensated through a service charge that will be up to a maximum of 15 per cent of the MSP of the crop.
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What is reason behind the scheme?

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- Union government announced that it will pay farmers the cost of production (as determined by CACP) plus a 50 per cent ‘profit’ while procuring farm produce, but not many farmer groups were happy about the announcement.
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- Except for paddy, wheat, and select cash crops where there is direct procurement by the industry, government-driven procurement is almost nil in crops such as oilseeds, with the result that the MSPs remain only on paper.
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- In the current physical procurement, government agencies end up stock-piling foodgrains, incurring storage costs and significant wastage and leakages as well.
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- The Centre’s age-old procurement and MSP system needs a relook because of its many shortcomings.
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What is the significance of the scheme?

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- The AASHA scheme tries to address the gaps in the MSP system and give better returns to farmers.
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- It also promises to plug the holes in the procurement system through PDP.
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- If effectively implemented, the scheme will result in savings for the Centre.
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- Unlike the current system where farmers repeatedly go for the few crops, such as paddy, wheat and sugarcane, where MSP is effective, the new scheme may ensure crop diversification and reduce the stress on soil and water.
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- Thus if implemented well, the new system may help revive the rural economy by assuring better income to farmers.
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Source: Business Line

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