Year End Review 2018 - Ministry of Agriculture, Cooperation and Farmers Welfare - Part II

Click here for Part I

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Major highlights of the schemes, initiatives and activities of the Ministry of Agriculture, Cooperation and Farmers Welfare during the year 2018

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Ensuring remunerative returns

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Enhancing of Minimum Support Price

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- Union Budget 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times the cost of production.
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- So Government has increased the MSPs for all notified Kharif, Rabi and other commercial crops with a return of at least 50% of cost of production for the season 2018-19.
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- It includes all paid out costs for
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i. hired human labour, bullock labour/machine labour, rent paid for leased in land
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ii. expenses incurred on use of material inputs
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iii. irrigation charges
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iv. depreciation on implements and farm buildings
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v. interest on working capital

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vi. diesel/electricity for operation of pump sets
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vii. miscellaneous expenses and imputed value of family labour
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Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)

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- PM-AASHA is a new Umbrella Scheme aimed at ensuring remunerative prices to the farmers for their produce.
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- If price is less than MSP, then State and Central Governments should purchase either at MSP or provide MSP for the farmers through some other mechanism.
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- In this context, PM-AASHA is comprised of Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), Pilot of Private Procurement & Stockist Scheme (PPPS).
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- It provides MSP assurance to farmers, in fulfilling Government's commitment to the "Annadata".
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- Cabinet has also decided to increase the participation of private sector in procurement operation. Click here to know more on PM-AASHA scheme.
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Agricultural Marketing

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National Agriculture Market (e-NAM)

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- 115 wholesale regulated markets have been integrated with e-NAM platform.
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- This was in line with achieving the target of total 585 e-NAM markets in 16 States and 2 Union Territories.
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- CCEA has approved the proposal for integration of additional 415 wholesale

regulated markets with e-NAM platform during 2018-20.
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Farmer Producer Companies

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- 22 Farmer Producer Companies (FPCs) were formed and registered, involving 22000 farmers, in 2018.
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- More than 700 FPOs (Farmer Producer Organizations) have been registered and more are under the process of registration.
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Gramin Agricultural Markets (GrAMs)

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- DAC&FW has formulated the operational guidelines for Operations and Management of Gramin Agricultural Markets (GrAMs).
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- Rural haats were upgraded and developed as Gramin Agricultural Markets (GrAMs).
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- Agri-market Infrastructure Fund (AMIF) of Rs. 2000 crore was approved for developing marketing facilities in Gramin Agriculture Markets (GrAMs).
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Agricultural Marketing Infrastructure (AMI)

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- Agricultural Marketing Infrastructure (AMI) is a sub-scheme of the Integrated Scheme of Agricultural Marketing (ISAM).
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- It has been revived for the period coterminous with the 14th Finance Commission i.e. up to 2019-20.
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Model Contract Farming Act

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- The State/UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018 was formulated.
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- The Act covers the entire value and supply chain from pre-production to post harvest marketing.
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- The objective of this is to optimize the use of scarce resources and mitigate the uncertainty in price and marketing.
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Risk Mitigation

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Pradhan Mantri Fasal Bima Yojana (PMFBY)

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- With over two years experience in implementation of the scheme, the Government has comprehensively revised the Operational Guidelines of the PMFBY recently.
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- The brief features/changes in the revised scheme are as follows:
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i. 12% interest rate per annum to be paid by the Insurance Company to farmers for delay in settlement claims beyond 10 days of prescribed cut off date for payment of claims
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ii. State Government has to pay 12% interest rate for delay in release of State share of Subsidy beyond 3 months of prescribed cut off date/submission of requisition by Insurance Companies
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iii. Rationalization of methodology for calculation of Threshold Yield (TY) - moving average of best 5 out of 7 years for calculation of claim amount
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iv. Increased time for change of crop name for insurance - up to 2 working days

prior to cut-off date for enrolment instead of earlier 1 month provision
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v. More time to insured farmers to intimate individual claims - 72 hours (instead of 48 hours) through any stakeholders and directly on the portal
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vi. Inclusion of hailstorm in post harvest losses, besides unseasonal and cyclonic rainfall
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vii. Inclusion of cloud burst and natural fire in localized calamities in addition to hailstorm, landslide and inundation
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viii. Inclusion of Perennial horticultural crops (on pilot basis) under the ambit of PMFBY
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ix. Use of Remote Sensing Technology (RST) in clustering/Risk classification
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Agricultural Credit

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- Easy access to financial services at affordable cost positively affects the productivity, asset formation, and income and food security of the rural poor.
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- Banks have been consistently surpassing the annual credit target for agriculture announced by the government in the Union Budget.
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- Government has initiated several policy measures to improve the accessibility of farmers to the institutional sources of credit.
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- Interest Subvention Scheme provides Interest Subvention of 2% per annum to Public and Private Sector Banks, Cooperative Banks and Regional Rural Banks on funds for short term crop loans.
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- In addition, a scheme was introduced from 2009-10 for providing additional interest subvention (3%) to the prompt paying farmers as an incentive.
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- Interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of up to 6 months after harvesting of the crop.

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- This is to discourage distress sale by farmers and encourage them instead to store their produce in warehouses.
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- The RBI has put in place a mechanism to address situations arising out of natural calamities.
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- It has issued guidelines in the form of Master Directions to banks on ‘Relief Measures by Banks in Areas affected by Natural Calamities’.
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- The guidelines automatically come into force after the state/district authorities declare the calamity.
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- The Bank has also developed a portal to capture data on natural calamities on real time basis.
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International Cooperation

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- The Ministry has signed MoUs for cooperation in agriculture and allied sectors between India and Iran, and also with Uzbekistan.
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- Towards the implementation of the existing MoUs, meetings of Joint Working Groups (JWG) were held with 9 countries.
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- These are Portugal, Madagascar, Dutch, Poland, Denmark, Philippines, Nepal, Russia and Australia.
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- The inaugural meeting of the 'India-Nepal New Partnership in Agriculture' was held.
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- India is assisting Nepal in developing organic farming and issuing of soil health cards.
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- India is collaborating with USAID (United States Agency for International Development) to provide training for nationals of 20 Asian and African countries.
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- India officially joined the Shanghai Cooperation Organization (SCO) as full Member in June, 2017 at a summit in Astana.
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- Accordingly, the Ministry participated in the meeting of the SCO Permanent Working Group (PWG) on Agriculture and Agriculture Ministers of SCO Member States held in Bishkek, Kyrgyzstan.
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- A 7-point SCO Action Plan for 2018-2019 on cooperation in agriculture was signed.
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International Events

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- 70th Anniversary of India-Russia Diplomatic relations in the field of Agriculture sector was celebrated.
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- A proposal of Government of India for celebrating an International Year of Millets by UN was endorsed by FAO Council for 2023.
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- This would be placed in the FAO Conference in June 2019 before communicating to UN General Assembly for final declaration.
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Source: PIB

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