

② Do u think that DPP can be considered as an alternative to MSP?

Intro - MSP is the rate at which govt procures crops and considers it as remunerative for farmers.

Recently MITI Aayog official has stated that, DPP can be an alternative to MSP for Public distribution system.

MSP's drawback -

MSP has brought many problems since the green revolution (1960).

It likely favours large farmers who produce abundant crops & thus mainly contributes to states like [HY, PUJ, UP].

MSP also encourages farmers to grow water intensive crops (wheat, Paddy) thereby resulting in groundwater stress.

Govt spends Rs 35 to reach MSP of Rs 100 to farmers as physical

procurement is expensive.

Mainly, MSP doesn't protect farmers from continuous market failures, volatility of prices, sudden supply gluts.

DPP method -

① DPP is a method to compensate farmers for difference b/w market price & MSP.

② DPP inspired from Madhya Pradesh scheme [Bhavantar Bhugtan Yojana] launched in 2017.

③ Subsequently [PM-AASHA] scheme implemented especially for oil seed as it is a price defering scheme.

④ DPP should be examined thoroughly before scaling nation wide and analyse how it worked in MP in a limited scale.

Conclusion -

~~The newly~~ The Method of calculation for compensation & paperworks needs to be simplified, so that more small farmers register for this DPP scheme.