

10<sup>th</sup> Feb. 2023

GS-3 - Agriculture.

3. DO you think price policy support is helping small Marginal farmers of the country? comment.

For <sup>purpose of</sup> price policy support minimum support price is established to support Farmers [small [1-2 h.a]; Marginal [2 < 1 h.a] and Large [ > 2 h.a] and. to cushion net income if market price falls below the support price.

Effect of support price on Farmers

1. Regional variation.

Index of representation

Procurement of states share in overall  
(national)  
production of states share in overall.

According to Food Corporation of India  $\rightarrow$  If the Index is

$> 1 \Rightarrow$  Procurement is > production

variation

Punjab & Haryana

Index  $> 2 \Rightarrow$  Procurement  $>$  production.  
(34%) (15%)

U.P. Bihar, Assam

Index  $< 1 \Rightarrow$  procurement  $<$  production  
(14%) (40%)

In order to remove this, Decentralised procurement was proposed, where states will procure crops later.

reimburse to the centre.

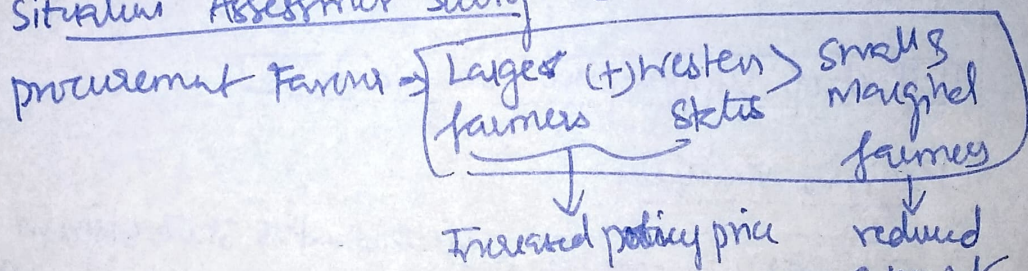
## challenges

Some states eg: U.P. → has removed decentralised procure<sup>-ment</sup>

Reform → 1. pending subsidy bills. 2. Reduced allocation for decentralised procurement in recent budget

2. Survey by national ~~state~~ sample survey organisations

Situation Assessment survey shows,



eg: Bihar. → marginal farmers → 50% share in selling from open market  
only  
21% share in support price.

## Way forward

Above examples show the price policy support is not uniform across state. There is a need for counter cyclical focus from Government [portfolio decentralisation] - shifting focus to.

other crops eg: pulses, oilseeds, since Rice & wheat alone contribute 40% in procurement. Small & marginal farmers central policies. is need of hour.  
(eg: Farmer producer organisations)