

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE & FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE & FARMERS WELFARE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 818**  
TO BE ANSWERED ON 09/02/2024

**INCREASE IN INCOME OF FARMERS**

**818. SHRI JAVED ALI KHAN**

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether it is a fact that increase in income of farmers in the country is slower compared to increase in cost of production during last five years, if so, the reasons therefor;
- (b) the details of per capita income of farmers per day in 2019-20 and 2023-24;
- (c) the details of cost of production of various grains per quintal in 2019-20 and 2023-24, grain-wise; and
- (d) the reasons for non-implementation of C2-plus 50 per cent formula as recommended by Swaminathan Commission for Minimum Support Price (MSP) as promised to SanyuktKisanMorcha in 2021?

**ANSWER**

MINISTER OF AGRICULTURE & FARMERS WELFARE

**(SHRI ARJUN MUNDA)**

(a) to (d) The Government of India is implementing various schemes/programmes for the welfare of farmers by increasing production, remunerative returns and income support to farmers. The details are given in **Annexure-1**. The budget allocation of Ministry of Agriculture and Farmers' Welfare, during 2013-14 was Rs. 27,662.67 crore. This has increased by more than 5 times to Rs. 1,25,035.79 crores during 2023-24 BE. As a result, Gross Value Added (GVA) of Agriculture and Allied Sector has been growing at a rate of 4.4 percent per annum over the last seven years.

National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation (MoSPI) conducted a Situation Assessment Survey (SAS) of Agricultural Households during NSS 77<sup>th</sup> round (January 2019- December 2019) with reference to the agricultural year July 2018- June 2019 in the rural areas of the country. Similar survey was also conducted during NSS 70<sup>th</sup> round (January 2013- December 2013) with reference to the

agricultural year July 2012- June 2013 by NSSO. As per result of SAS, the average monthly income per agricultural household has increased from Rs. 6426 during 2012-13 to Rs. 10218 in 2018-19.

The details of Projected Cost of Production of various grains per quintal from 2019-20 to 2023-24 is given in **Annexure-2**.

Government fixes minimum support prices (MSPs) for 22 mandated crops, on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments, Central Ministries/ Departments other stakeholders, concerned. While recommending MSP, CACP considers important factors like overall demand-supply conditions, cost of production, domestic and international prices, intercrop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources.

The National Commission on Farmers (NCF) was constituted under the Chairmanship of Prof. M.S. Swaminathan, in November 2004, with a mandate to examine the various issues which include a medium-term strategy for food and nutrition security, enhancing productivity, profitability and sustainability, policy reform for flow of rural credit, cost competitiveness of farm commodities, among others. The Commission submitted its final report in 2006. It also prepared the Draft National Policy for Farmers, which was subsequently approved by Government as National Policy for Farmers (NPF), 2007. However, one of the recommendations of NCF relating to Agricultural Price Policy -Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production- was not included in NPF.

To give recognition to one of the important recommendations of NCF on Price Policy, Government in its Union Budget for 2018-19 had made an announcement to keep MSP at a level of one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a return of at least 50 per cent over all India weighted average cost of production, each year, since 2018-19.

The procurement of foodgrain has increased from 761.40 lakh metric tonnes in 2014-15 to 1062.69 lakh metric tonnes in 2022-23 benefitting more than 1.6 crore farmers. The expenditure incurred (at MSP values) on procurement of foodgrains increased from 1.06 lakh crores to 2.28 lakh crores, during the same period.

**Annexure referred to in reply to Rajya Sabha Sabha Unstarred Question No. 818 due for reply on 09-02-2024**

- **National Food Security Mission (NFSM)** aims to increase the production of rice, wheat and pulses through area expansion and productivity enhancement; restoring soil fertility and productivity; and enhancing farm level economy.
- **RashtriyaKrishiVikasYojana (RKVY)** is a scheme with broad objectives of making farming a remunerative economic activity through strengthening the farmer's effort, risk mitigation with major focus is on pre & post-harvest infrastructure. This scheme includes sub-components such as Per Drop More Crop, Sub-Mission on Agriculture Mechanization, Soil Health and Fertility, ParamparagatKrishiVikasYojna, Rainfed Area Development and Crop Diversification Programme.
- **National Mission on Edible Oil-Oil Palm (NMEO-OP)** has been launched by Government of India to promote oil palm cultivation for making the country Aatamnirbhar in edible oils with special focus on North-Eastern States and A&N Islands. The Mission aims to bring additional area of 6.5 lakh ha under Oil Palm plantation with 3.28 lakh ha in north-eastern states and 3.22 in Rest of India in next 5 years from 2021-22 to 2025-26.
- **Pradhan Mantri Kisan Samman Nidhi (PM KISAN):** The Scheme aims at providing financial assistance to all landholding farmer families across the country, subject to certain exclusion criteria, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs. Under the Scheme, an amount of Rs. 6000/- per year is transferred in three 4-monthly installments of Rs.2000/- directly into the bank accounts of the farmers. Under the Scheme, the benefits of the scheme worth ₹ 2.81 Lakh Crore had been provided to more than 11 crore farmers.
- **Pradhan MantriFasalBimaYojana (PMFBY):** Scheme was launched in 2016 in order to provide a simple and affordable crop insurance product to ensure comprehensive risk cover for crops to farmers against all non-preventable natural risks from pre-sowing to post-harvest and to provide adequate claim amount. During the year 2022-23 under PMFBY, 1174.7 lakh farmers applications were enrolled and the funds allocated stood at Rs. 15500 crores.
- **Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY):** Pradhan Mantri Kisan MaandhanYojna (PMKMY) is a central sector scheme launched on 12th September 2019 to provide security to the most vulnerable farmer families. PM-KMY is contributory

scheme, small and marginal farmers (SMFs), subject to exclusion criteria, can opt to become member of the scheme by paying monthly subscription to the Pension Fund. Similar, amount will be contributed by the Central Government. As of now total number of farmers enrolled under the scheme is 23.38 Lakhs.

- **Institutional credit** for agriculture sector has increased from Rs. 7.3 lakh crore in 2013-14 with a target to reach Rs. 20 lakh crore in 2023-24. Benefit of concessional institutional credit through KCC at 4% interest per annum has also now been extended to Animal Husbandry and Fisheries farmers for meeting their short-term working capital needs. A special drive has been undertaken since February 2020 to provide concessional institutional credit with focus on covering all PM-KISAN beneficiaries through Kisan Credit Cards (KCC). As on 05.01.2024, 465.42 lakh new KCC applications have been sanctioned with a sanctioned credit limit of Rs. 5,69,974 crore as part of the drive.

- **Agricultural mechanization** is extremely vital to modernize agriculture and reduce drudgery of farming operations. During the period from 2014-15 to December, 2023 an amount of Rs.6405.55 crore have been allocated for agricultural mechanization. 15,23,650 numbers of machines and equipments have been provided to farmers on subsidy.

- **Agri Infrastructure Fund:** A one Lakh Crore, Agriculture Infrastructure Fund (AIF) scheme was launched with an objective to mobilize a medium - long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country.

- **Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs):** The Government of India has launched the Central Sector Scheme (CSS) for “Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)” in the year 2020. Formation & promotion of FPOs are to be done through Implementing Agencies (IAs), which further engage Cluster Based Business Organizations (CBBOs) to form & provide professional handholding support to FPOs for a period of 05 years including preparation and execution of business plan for the concerned FPOs for ensuring better marketing opportunities & market linkages on sustainable basis. As on 31.12.2023, 7,774 no. of FPOs have been registered under new FPO scheme. Equity Grant of Rs. 129.5 Crore has been released to 2,933 FPOs. Credit Guarantee Cover worth Rs. 226.7 Cr. issued to 994 FPOs.

- **Namo Drone Didi:** The Government has recently approved Central Sector Scheme for providing drones to the Women Self Help Group (SHGs) for the period from 2024-25 to 2025-26 with an outlay of Rs. 1261 Crores. The scheme aims to provide drones to 14500 selected Women Self Help Group (SHGs) for providing rental services to farmers for agriculture purpose (application of fertilizers and pesticides).

- **Agricultural Technology Management Agency (ATMA)** promotes decentralized farmer-friendly extension system in the country. The objectives of ATMA Scheme is to support State Government's efforts and to make available latest agricultural technologies and good agricultural practices in different thematic areas of agriculture and allied areas to farmers through different extension activities viz; Farmers Training, Demonstrations, Exposure Visits, KisanMela, Mobilization of Farmers Groups and organizing Farm Schools etc. Since 2014 to 2023 (31st December, 2023), an amount of Rs.5189.08 crore (Central Share) has been released to the States/UTs including MANAGE to carry out extension activities and 3,66,10,873 farmers have been benefited through different extension under the Scheme.

## Annexure referred to in reply to Rajya Sabha Sabha Unstarred Question No. 818 due for reply on 09-02-2024

## Details of Projected Cost of Production-CoP, MSP and Return over Cost of Production of various Food Grains

(Rs./Qtl)

Sl. No.	Commodity	2019-20			2020-21			2021-22			2022-23			2023-24		
		Cost of Production	MSP	% Return over Cost	Cost of Production	MSP	% Return over Cost	Cost of Production	MSP	% Return over Cost	Cost of Production	MSP	% Return over Cost	Cost of Production	MSP	% Return over Cost
1	<b>PADDY (Common)</b>	1208	1815	50	1245	1868	50	1293	1940	50	1360	2040	50	1455	2183	50
2	<b>JOWAR (Hybrid)</b>	1698	2550	50	1746	2620	50	1825	2738	50	1977	2970	50	2120	3180	50
3	<b>BAJRA</b>	1083	2000	85	1175	2150	83	1213	2250	85	1268	2350	85	1371	2500	82
4	<b>RAGI</b>	2100	3150	50	2194	3295	50	2251	3377	50	2385	3578	50	2564	3846	50
5	<b>MAIZE</b>	1171	1760	50	1213	1850	53	1246	1870	50	1308	1962	50	1394	2090	49
6	<b>WHEAT</b>	923	1925	109	960	1975	106	1008	2015	100	1065	2125	99	1128	2275	101
7	<b>BARLEY</b>	919	1525	66	971	1600	65	1019	1635	60	1082	1735	60	1158	1850	60

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