

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 282**  
TO BE ANSWERED ON THE 5<sup>TH</sup> DECEMBER, 2023

**TAXATION ON FARMERS**

282. DR. SUBHASH RAMRAO BHAMRE:

DR. DNV SENTHILKUMAR.S:

SHRIMATI SUPRIYA SULE:

DR. AMOL RAMSING KOLHE:

SHRI KULDEEP RAI SHARMA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- a. Whether in the year 2022 the Indian farmers experienced implicit taxation totaling \$ 169 billion;
- b. If so, the details thereof and the reasons therefor and the corrective, steps taken in this regard,
- c. Whether the farmers in the country are not able to sell their crops and are not getting remunerative price which is 50% than the input costs and value of production as per the Swaminathan Report as promised by the Government;
- d. If so, the details thereof and the steps taken by the Government;
- e. Whether the Government has raised the farm credit target to Rs. 20 lakh crore for 2023-24 and if so, the details for the proposal and plan;
- f. Whether it is a fact that the agricultural sector faces several issues such as low growth, high incidence of indebtedness among farmers, high cost of inputs, fragmented land holdings and a lack of capital investments; and
- g. If so, the action taken by the Government for utilization of 100 percent funds for the welfare scheme therefor?

**ANSWER**

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

(a) & (b): The OECD in its report titled 'Agricultural Policy Monitoring and Evaluation 2023', has estimated the net support to agriculture, using specific methodologies and assumptions. The estimated support to agriculture is OECD's independent estimate.

The Government has adopted and implemented several policies, developmental programmes, schemes and reforms for achieving higher incomes for the farmers, which are as follow:

- i. Supplementary income transfers under PM-KISAN of Rs. 6000/- per year in threeequal instalments to eligible beneficiaries.
- ii. Increase in Minimum Support Price (MSPs) for all Kharif& Rabi crops ensuring a minimum of 50 percent of profit margin on the cost of production.
- iii. Crop insurance under Pradhan Mantri Fasal Bima Yojna (PMFBY).
- iv. Better access to irrigation under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).
- v. Special attention for creation of infrastructure through Agri Infrastructure Fund (AIF) with a size of Rs. 100,000 crores.
- vi. New procurement policy under PM-AASHA in addition to FCI operations.
- vii. Kisan Credit Cards (KCC) offering production loan to even dairy & fishery farmers besides agricultural crops.
- viii. Formation and promotion of 10,000 Farmer Producer Organisations (FPO).
- ix. National Mission for Sustainable Agriculture (NMSA), which aims to evolve and implement strategies to make Indian agriculture more resilient to the changing climate.
- x. Adoption of drone technologies in agriculture which has potential to revolutionize the Indian Agriculture.
- xi. Benefits accruing under Bee-Keeping, Rashtriya Gokul Mission, Blue Revolution, Interest Subvention Scheme, Agro-forestry, Restructured Bamboo Mission, implementation of new generation watershed guidelines, etc.
- xii. Focus on application of digital technology at all stages of agricultural value chain.
- xiii. Supply of fertilizer to farmer at subsidized price so as to reduce input cost.
- xiv. Production and availability of quality seeds to farmers.
- xv. Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGS) has resulted in the enhancement of livelihood security.

(c) & (d): The Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops and Fair & Remunerative Price (FRP) for sugarcane on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), after considering the views of the State Governments and Central Ministries/Departments concerned. While recommending MSPs for crops, CACP factors in the input cost incurred by the farmers. National Commission on Farmers (NCF), constituted under the Chairmanship of Prof. M.S. Swaminathan in 2004, inter alia, recommended that, "MSP should be at least 50 percent more than the weighted average cost of production". To give effect to this recommendation, 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 margin of at least 50 per cent over all India weighted average cost of production since the year 2018-19.

Further, to realise the objective of MSP policy, Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Under this policy, whatever food grains are offered by farmers within the stipulated

period & conforming to the specifications prescribed by Government, are purchased at MSP by the State Government agencies including FCI for Central Pool. Additionally, Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanraksha Abhiyan (PM-AASHA), as per its prescribed guidelines.

(e): Yes, Sir.

Region-wise allocation of agriculture credit target for the year 2023-24 is as under:

(Rs in crore)

Region	Cooperative Banks	Regional Rural Banks (RRBs)	Commercial Banks	Total
Northern Region	75,409	56,054	2,70,559	4,02,022
North Eastern Region	1,153	3,065	20,505	24,723
Eastern Region	33,486	46,179	1,75,125	2,54,790
Central Region	45,511	73,061	2,37,211	3,55,782
Western Region	46,042	31,071	2,02,865	2,79,978
Southern Region	58,400	90,570	5,33,734	6,82,704
Total	2,60,000	3,00,000	14,40,000	20,00,000

(f) & (g): Agriculture is a state subject. However, Government of India is actively supporting and supplementing efforts of state governments by implementing a comprehensive range of central sector and centrally sponsored schemes including Mission for Integrated Development of Horticulture (MIDH), Rashtriya Krishi Vikas Yojana (RKVY), Bhartiya Prakritik Krishi Paddhati (BPKP) under Paramparagat Krishi Vikas Yojna (PKVY) and Per Drop More Crop (PDMC). The efforts of Government in positive implementation of these schemes have yielded remarkable results towards improving agricultural productivity and growth, reducing financial burden, enhancing economic wellbeing and augmenting the income of the farmers. During the past five years, Gross Value Added (GVA) in agriculture has registered an average annual growth rate of 4%.

The expenditure on farmer's welfare has increased in 2022-23 (RE) to nearly 6.5 lakh crore. Also, there are many schemes implemented by other Ministries and Departments of the Government of India for rural areas where majority of the beneficiaries are farmers. These include Pradhan Mantri Awas Yojana - Rural (PMAY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGS), National Social Assistance Programme (Pension), National Rural Livelihood Mission (NRLM), Pradhan Mantri Krishi Sichi Yojana (PMKSY) and Jal Jeevan Mission / National Rural Drinking Water Programme, etc.

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