

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

LOK SABHA
UNSTARRED QUESTION NO. 2431
TO BE ANSWERED ON THE 10TH DECEMBER, 2024

FARMERS' SHARE IN CONSUMER RUPEE

2431. SHRI DURAI VAIKO:

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

- (a) whether the Government is aware of recent RBI working papers that show the farmers' share in the consumer rupee low for fruits and vegetables; and
- (b) if so, the steps planned to be taken by the Government to increase the farmers' share?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) & (b): The Reserve Bank of India (RBI)'s Working Paper titled "Vegetables Inflation in India: A Study of Tomato, Onion and Potato (TOP)" estimates farmers' share in the consumer rupee to be about 33% for tomatoes, 36% for onions and 37% for potatoes. In another RBI's Working Paper "Price Dynamics and Value Chain of Fruits in India", the farmers' share in the consumer rupee is estimated at around 31 % for bananas, 35% for grapes and 43% for mangoes in the domestic value chain. The factors such as number of marketing channels, higher marketing cost and margins, and high perishability affects the price realisation by the farmers.

Together with enhancing production and productivity, Government's priority has been to take various measures to improve marketing of agricultural produce and reduce post-harvest losses to ensure remunerative prices for farmers' produce. Though, it is a State subject, yet Government promotes development of farmers' accessible competitive markets like direct marketing, private markets, etc., through reforms, in State government' marketing Laws and policies.

Government in 2016 launched a National Agriculture Market (e-NAM) to enable the farmers to transparently sell their produce to large number of buyers accessing multiple markets electronically. In addition, to address the marketing challenges of farmers, specially of small and marginal ones, Government took measure in 2020 by launching a market linkage approached based Formation and Promotion of 10000 Farmers Producer Organisations (FPOs) scheme.

Government is also implementing a Central Sector Scheme, Agriculture Infrastructure Fund (AIF) of Rs. 1,00,000 Crore to provide a medium-long term loan facility for investment in viable projects for post-harvest market infrastructure including warehousing facility and community farming assets through interest subvention and financial support. Apart from above, the Government is implementing Agricultural Marketing Infrastructure (AMI), a sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM) under which assistance is provided for construction of godowns/ warehouses in the rural areas in the States to enhance the storage capacity for agriculture produce. Under the scheme, Government provides subsidy at the rate of 25% and 33.33% on capital cost of the project based on the category of eligible beneficiary.

Under Operations Greens, Government provides financial assistance with objective of enhancing value realization of produce of farmers, increase in food processing and reduction in postharvest losses. Under the Long Term Interventions of the Operations Greens Scheme, Government provides financial assistance @35% of eligible project cost for projects in General Areas and @ 50% of eligible project cost for projects in difficult areas as well as for projects of SC/ST, FPOs and SHGs with maximum grants-in-aid of Rs. 15 crore per project under Integrated Value Chain Development Projects and that of Rs. 10 crore per project under Standalone Post Harvest Infrastructure Projects.
