



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING
(2025-26)**

EIGHTEENTH LOK SABHA

**MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE)**

‘DEMANDS FOR GRANTS (2025-26)’

**[Action-taken by the Government on the Observations/ Recommendations
contained in the Seventh Report (Eighteenth Lok Sabha) of the Standing Committee
on Agriculture, Animal Husbandry and Food Processing (2024-25)]**

THIRTY-FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI
27 MARCH, 2026/ CHITRA 6, 1948 (SAKA)**

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Presented to Lok Sabha on

27.03.2026

Laid on the Table of Rajya Sabha on

27.03.2026



LOK SABHA SECRETARIAT
NEW DELHI
27 MARCH, 2026/ CHITRA 6, 1948 (SAKA)

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CONTENTS		
		Page No.
COMPOSITION OF THE COMMITTEE (2024-25)		iii
COMPOSITION OF THE COMMITTEE (2025-26)		iv
INTRODUCTION		vi
CHAPTER – I	REPORT	1
CHAPTER - II	Observations/Recommendations that have been accepted by the Government.....	15
CHAPTER - III	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies.....	31
CHAPTER - IV	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee.....	42
CHAPTER - V	Observations/Recommendations in respect of which final replies of the Government are still awaited.....	50
ANNEXURE		
Minutes of the 12 th Sitting of the Committee held on 23.03.2026		52
APPENDIX		
Analysis of Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25)		54

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING
18th Lok Sabha (2024-25)**

SHRI CHARANJIT SINGH CHANNI – CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Patel Umeshbhai Babubhai
3. Smt. Harsimrat Kaur Badal
4. Shri Rajkumar Chahar
5. Smt. Anita Nagarsingh Chouhan
6. Shri Kuldeep Indora
7. Shri Rajpalsinh Mahendrasinh Jadav
8. Md. Abu Taher Khan
9. Shri Rahul Singh Lodhi
10. Shri Sukanta Kumar Panigrahi
11. Smt. Krishna Devi Shivshankar Patel
12. Shri Naresh Chandra Uttam Patel
13. Shri Narayan Tatu Rane
14. Shri Murasoli S
15. Shri Dharambir Singh
16. Shri Dushyant Singh
17. Shri Sudhakar Singh
18. Shri Kodikunnil Suresh
19. Shri Tejasvi Surya
20. Smt. Geniben Nagaji Thakor
21. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

22. Smt. Ramilaben Becharbhai Bara
23. Shri Masthan Rao Yadav Beedha*
24. Dr. Anil Sukhdeorao Bode
25. Shri Banshilal Gurjar
26. Shri S. Kalyanasundaram
27. Shri Nitin Laxmanrao Jadhav Patil
28. Shri Madan Rathore
29. Shri Ramji Lal Suman
30. Shri P. P. Suneer
31. Shri Randeep Singh Surjewala

Shri Krishan Lal Panwar, Member resigned from Rajya Sabha on 14.10.2024.

**Shri Masthan Rao Yadav Beedha, Member, Rajya Sabha has been nominated to the Standing Committee on Agriculture, Animal Husbandry and Food Processing w.e.f. on 8th August 2025, vide Lok Sabha Bulletin Part-II, Para No. 3117 dated 13.08.2025.*

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING
18th Lok Sabha (2025-26)**

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27. Shri Madan Rathore
28. Shri S.R. Sivalingam
29. Shri Ramji Lal Suman
30. Shri P. P. Suneer
31. Shri Randeep Singh Surjewala

SECRETARIAT

1. Shri Dhiraj Kumar - Joint Secretary
2. Shri Maheshwar - Director
3. Shri Sanjeev Kumar - Under Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing (2025-26), having been authorized by the Committee to submit the Report on their behalf, present this Thirty-Fifth Report on Action taken by the Government on the Observations/Recommendations contained in the Seventh Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on 'Demands for Grants (2025-26)' pertaining to the Ministry of Agriculture & Farmers Welfare (Department of Agriculture and Farmers Welfare).

2. The Seventh Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on Demands for Grants (2025-26) pertaining to the Ministry of Agriculture & Farmers Welfare (Department of Agriculture and Farmers Welfare) was presented to Lok Sabha and laid on the Table of Rajya Sabha on 12.03.2025. The Action Taken Notes on the Report were received on 12.06.2025.

3. The Report was considered and adopted by the Committee at their Sitting held on 23.03.2026.

4. An Analysis of the action taken by the Government on the Observations/Recommendations contained in the Seventh Report (Eighteenth Lok Sabha) of the Committee on Demands for Grants (2025-26) is given in **Appendix**.

NEW DELHI;
24th MARCH, 2026

03 CHAITRA, 1948 (Saka)

CHARANJIT SINGH CHANNI
Chairperson,
Standing Committee on Agriculture
Animal Husbandry and Food Processing

CHAPTER - I

REPORT

This Report of the Standing Committee on Agriculture, Animal Husbandry and Food Processing deals with the Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on 'Demands for Grants (2025-26)' pertaining to the Ministry of Agriculture & Farmers Welfare (Department of Agriculture & Farmers Welfare) which was presented to Lok Sabha on 12.03.2025 and Laid on the Table of Rajya Sabha on 12.03.2025, respectively.

1.2 The Seventh Report (18th Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing on Demands for Grants (2025-26)- Demand No.1 pertaining to Ministry of Agriculture & Farmers Welfare (Department of Agriculture & Farmers Welfare) contained 14 Observations/ Recommendations on the following aspects.

Demands for Grants (2025-26) - (Demand No. 1)	
Ministry of Agriculture & Farmers Welfare (Department of Agriculture and Farmers Welfare)	
Recommendation No.	Recommendation
1.	Analysis Of Demands for Grants-Demand No.1
2.	Need For Enhancement of Budgetary Allocation to Department
3.	Scheduled Castes Sub – Plan (SCSP)
4.	Need To Strengthen Krishi Vigyan Kendras(KVKS) To Enable Them to Act as Force Multiplier
5.	Change of Nomenclature of The Department of Agriculture & Farmers Welfare to Department of Agriculture, Farmers & Farm Labourers Welfare
6.	Use Of Advertisement & Publicity Campaign to Boost Awareness About Ongoing Agricultural Schemes
7-10	Need For Improvement in Market Intervention Scheme (MIS)
11.	Declaration of Minimum Support Price for Organic Produce
12.	Pradhan Mantri Fasal Bima Yojana (PMFBY)

13.	Implementation of Universal Crop Insurance for Small Holder Farmers
14.	Need to Tackle Issues Related to Crop Residue

1.3 The Ministry of Agriculture and Farmers Welfare (Department of Agriculture and Farmers Welfare) has furnished Action Taken Replies in respect of all the 14 Observations/Recommendations contained in the Report. These Replies have been categorized as under:

- (i) Observations/Recommendations that have been accepted by the Government:
Recommendation Para Nos. 1, 3, 6,7, 8,10, and 12

Total 07
Chapter-II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:
Recommendation Para No. 4, 5 and 14

Total 03
Chapter-III

- (iii) Observations/Recommendations in respect of which Replies of the Government have not been accepted by the Committee:
Recommendation Para Nos. 2, 9 and 11

Total 03
Chapter-IV

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:
Recommendation Para No. 13

Total 01
Chapter-V

1.4 The Committee trust that utmost importance would be given to implementation of the Observations/ Recommendations accepted by the Government. In cases where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons

for non-implementation. The Committee desire that further Action-taken Notes on the Observation/ Recommendations contained in Chapter - I and Final Action-taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.

1.5 The Committee will now deal with the Action -Taken by the Government on some of Recommendations in the succeeding paragraphs.

**A- Need for Enhancement of Budgetary Allocation to Department
Recommendation No.2**

1.6 The Committee had observed/recommended: -

“The Committee observe that the proportion of budgetary allocations made in favour of the Department in terms of the percentage of the total central outlay for the years 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26 stood at 3.53%, 3.14%, 2.57%, 2.54% and 2.51% respectively. This shows continuous decline in allocations to the Department as proportion of Central Plan outlay. The Committee, in view of the fact that as more than 50 % people depend on agriculture for their livelihood, desire the Ministry to arrest this declining trend.”

1.7 In its Action Taken Reply, the Department has stated:-

“Agriculture is a critical sector for the economy, contributing significantly to food security, employment, and rural livelihoods. The Department acknowledge and appreciate the Committee's insightful observations regarding the allocation to the Department of Agriculture & Farmers Welfare (DA&FW) and its relation to the growth rate of the agriculture sector. However, the Department would like to highlight that the overall national priorities and budgetary allocations are determined based on a comprehensive assessment of various sectors and their respective needs.

It may be noted that the Government of India has significantly increased budget allocations, rising from ₹29,772.83 crore in 2013-14 to ₹1,27,290.16 crore at BE level in 2025-26, demonstrating its commitment to the sector. Toward this end, the Department is actively implementing various initiatives aimed at enhancing agricultural production and productivity through schemes like RKVY, KY scheme etc. with a focus on improving crop and livestock productivity, diversifying into high-value crops, and utilizing digital platforms to facilitate better price discovery for farmers' produce; all in line with the goal of doubling farmers' income. The Department is also strengthening farmer support systems through initiatives like PM-KISAN, crop insurance schemes, and improved access to credit and markets.

It may also be noted that Government of India had increased Budget Provision to Rs.1,31,195.20 crore at RE level in 2024-25 which is highest so far for the Department out of which Rs. 1,24,261.06 crore has been utilized and accordingly it is expected to increase the budget provision at RE level in the current year (2025-26) as well.”

1.8 The Committee had recommended that the proportion of budgetary allocations made in favour of the Department in terms of the percentage of the total central outlay for the years 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26 stood at 3.53%, 3.14%, 2.57%, 2.54% and 2.51% respectively which showed continuous decline in allocations to the Department as proportion of Central Plan outlay and accordingly, the Committee desired the Ministry to arrest this declining trend in view of the fact that more than 50% of the country's population depend on agriculture. The Department in its Action Taken Reply have submitted that the Government of India has significantly increased budget allocations, rising from Rs. 29,772.83 crore in 2013-14 to Rs. 1,27,290.16 crore at BE level in 2025-26, demonstrating its commitment to the sector. Toward this end, the Department is actively implementing various initiatives aimed at enhancing agricultural production and productivity through schemes like Rashtriya Krishi Vikas Yojana(RKVY), Krishonnati Yojana(KY) schemes etc. with a focus on improving crop and livestock productivity, diversifying into high-value crops and

utilizing digital platforms to facilitate better price discovery for farmers' produce; all in line with the goal of doubling farmer's income. The Department is also strengthening farmer support systems through initiatives like PM-KISAN, crop insurance schemes, and improved access to credit and markets. The Committee are of the considered view that though the amount of budgetary allocation to agriculture has increased over a period of time, the percentage share of the Department w.r.t. the total Central Plan outlay needs to be enhanced to support food security, rural employment and sustainable economic growth alongwith fortifying agriculture against emerging challenges like Climate Change, desertification, declining water table etc.

B. Need for Improvement in Market Intervention scheme (MIS)

Recommendation No. 9

1.9 The Committee had observed/ recommended: -

“Certain disparities in prices offered to farmers under the MIS for the same produce, in two separate locations in a particular region of a state, were brought to the notice of the Committee. The Committee after discussion, felt that there should not be any intra state disparity in the implementation of the Market Intervention Scheme (MIS) by States/Implementing agencies. The Committee also suggest that implementing robust data collection systems to monitor market prices and production levels can help in making informed decisions about appropriate time for activating MIS. The Committee also suggest the Ministry to provide training for farmers on market trends, pricing mechanisms, and ways to leverage the MIS can empower them to make better decisions regarding their produce. Regular assessments of the MIS impact on farmers' incomes and market stability can identify areas for improvement and ensure that the scheme adapts to changing agricultural landscapes.”

1.10 In its Action Taken Reply, the Department has stated:-

“Under MIS, Market Intervention Price (MIP) is determined by the Committee under the Chairmanship of Joint Secretary (A&FW) consisting of the officers of the State

Government, the representatives of NAFED and NCCF, State intervening agencies, representative of the Costing Cell, DA&FW, Directorate of Economics & Statistics, Integrated Finance Division, DA&FW, TMOP Division and Horticulture Division, DA&FW. The Committee finalizes the terms and conditions with express approval of the competent authority in the Department that are applicable for procurement of corps throughout the States. The price is regularly monitored by MIS Committee during the implementing period of MIS through AgMarknet Portal.

The Study of impact Evaluation of Market Intervention Scheme (MIS) was done by NABARD consultancy Service in 2019. The study had suggested that the farmers has highest level of satisfaction on majority of states about the implementation of these schemes & had a positive impact on their income.”

- 1.11 The Committee had recommended that there should not be any intra state disparity in the implementation of the Market Intervention Scheme (MIS) by States/Implementing agencies. The Committee had also recommended that implementing robust data collection systems to monitor market prices and production levels can help in making informed decisions about appropriate time for activating MIS and to train the farmers on market trends, pricing mechanisms, and ways to leverage the MIS to empower them to make better decisions regarding their produce. The Committee had further recommended that regular assessments of the MIS impact of farmers’ incomes and market stability can identify areas for improvement and ensure that the scheme adapts to changing agricultural landscapes. The Department in its Action Taken reply have submitted that Under MIS, Market Intervention Price (MIP) is determined by the Committee under the Chairmanship of Joint Secretary (A&FW) consisting of the officers of the State Government, the representatives of NAFED and NCCF, State intervening agencies, representatives of the Costing Cell, DA&FW, Directorate of Economics & Statistics, Integrated Finance Division, DA&FW, TMOP Division and Horticulture Division, DA&FW and the said Committee finalizes the terms and conditions with express approval of the**

competent authority in the Department that are applicable for procurement of crops throughout the States. The price is regularly monitored by MIS Committee during the implementing period of MIS through AgMarknet Portal. The Committee are of the considered view that MIS is a scheme of immense importance to provide relief to farmers and hence, the Department should finalize the terms and conditions of the scheme for procurement of crops from all the states in larger interests of the farmers and effectively monitor its progress.

**C. Declaration of Minimum Support Price for Organic Produce
Recommendation No. 11.**

1.12 The Committee had observed/ recommended: -

“The Committee, after thorough consideration, strongly advocates for the promotion of organic farming across the country. An initiative with focus on national health concerns, addressing concerns over soil and water contamination, and protecting against other environmental risks. There is an urgent need for a national effort to transition towards healthier food systems and more sustainable agricultural practices. Organic farming transition will help farmers move from chemical-intensive farming to natural farming on a large-scale.

The Committee acknowledges the Government’s positive initiatives to encourage chemical-free farming, such as the Paramparagat Krishi Vikas Yojana (PKVY) and the Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). These schemes support farmers from production to marketing, including certification and post-harvest management (processing, packaging). They provide financial assistance to cover costs for seeds, bio-fertilizers, bio-pesticides,

organic manure, and more. Additionally, these initiatives offer support for the formation of Farmer Producer Organisations (FPOs), training programs, and value addition. Furthermore, the Bhartiya Prakritik Krishi Padhati (BPKP) promotes natural farming by utilising traditional indigenous practices, excluding synthetic chemicals, focusing on on-farm biomass recycling, and using cow dung-urine formulations and plant-based preparations.

The Committee believes that while these initiatives are valuable, more schemes and incentives are needed to facilitate the nationwide shift towards organic farming. The farmer will only shift towards organic farming and diversified agriculture if farmers are convinced that the shift will allow for better economic prospects and benefits than the present form of agriculture.

There is need for the establishment of rapid testing mechanisms for organic produce. Organic farming not only enhances biodiversity but also strengthens the natural resilience of farmlands, making them more adaptable to climate change. Hence, it should be encouraged through increased financial and non-financial incentives.

In this context, the Committee strongly recommends that the Ministry should declare a Minimum Support Price (MSP) for all Organic Crops in addition to the MSP declared on traditional crop.

However, the demand for MSP on organic produce should not undermine the broader MSP demand based on the Swaminathan formula. Instead, the legal MSP framework should be expanded to include organic produce. This would incentivise farmers to transition to organic farming, despite the challenges of lower yields in the initial years of conversion. The Committee believes that the MSP for organic produce should be set higher than that for conventional crops to compensate for the drop in yield and the costs associated with the shift to organic farming.

To determine an appropriate MSP for organic produce, extensive large-scale research studies should be conducted. These studies would examine the costs

associated with transitioning to organic farming and ensure that the MSP adequately reflects the financial support required for this shift, particularly in terms of decreased yields per hectare and increased quality of the produce. The current MSP mechanism, which primarily considers production costs, may not fully account for these factors. Thus, the Government has to determine MSP on organic crops considering it to be economical for the farmer to shift away from traditional crops providing better income from the same size of land and input costs. Therefore, the MSP for organic produce should take into consideration not just production costs, but also the support necessary to enable farmers to successfully make the transition from chemical-intensive farming to organic farming. MSP Incentive for Organic crops will also help solve the problem of storage of food-grain as production of organic crops per hectare is less than traditional crop. Most importantly, the nationwide health issues arises from chemical-based crop production can be solved as well as increasing demand for India's healthier food exports globally.

In an effort to give fillip to the Organic Farming, the Committee strongly recommend that a separate budget head may be created and sufficient funding may be made available every year to subsidize Organic Farming for its effective promotion.”

1.13 In its Action Taken Reply, the Department has stated:-

“The Commission for Agricultural Costs and Prices (CACP) is mandated to recommend Minimum Support Price (MSP) for 22 agricultural commodities and Fair and Remunerative Price (FRP) for Sugarcane at all India level.

While making MSP recommendations, the Commission, as per its mandate, considers cost of production, supply and demand situation of various crops in domestic and global markets, domestic and world prices along with trade opportunities, terms of trade between agriculture and non-agriculture sector, optimal utilization of land, water and other production resources, likely effect of price policy on rest of the economy, and a minimum of 50 percent as the margin over the cost of production.

Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and copra.

While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop 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 and a minimum of 50 percent as the margin over cost of production.

The inclusion of crops under MSP framework is dependent on several factors which include relatively large shelf life, widely grown, item of mass consumption, essential for food security, among others.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

To make Minimum Support Prices (MSPs) more effective and transparent, a committee has been constituted on 12th July 2022. The subject matter of the committee also include (i) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (ii) To strengthen the Agricultural Marketing System as per the changing

requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities.

Support given to farmers under PKVY and MOVCDNER schemes:

Government is committed to promote Organic Farming, with emphasis on sustainable productivity, food security and soil health. It supports the organic farming initiative in various ways. Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for Northeastern Region (MOVCDNER) schemes were launched in 2015-16 for promotion of Organic farming.

PKVY Scheme is being implemented in a cluster mode with min. 20 ha size and states have been asked to implement in cluster size of 1000 ha in plain area and 500 ha in hilly area to facilitate marketing of organic produce. All farmers are eligible but within a group a farmer can avail benefit to a maximum of 2 ha and the limit of assistance is Rs.31, 500 per hac. out of which 47.62% i.e., Rs. 15,000 is given as incentives to a farmer for organic conversion, organic inputs, on farm inputs, production infrastructure, etc., shall be provided directly through DBT during the conversion period of 3 years. Total 14.99 lakh ha area has been covered involving 25.30 lakhs farmers.

MOVCDNER scheme is implementing with an aim to develop end to end organic value chains across all eight states of NER. The scheme provides financial support for institutional development (FPOs), organic certification, on-farm and off-farm inputs, quality planting material, custom hiring centres, post-harvest and processing infrastructure as well as for marketing and branding of organic produce.

Till date, total 2.35 lakh ha area covered involving 2.70 lakh farmers, 24 organic outlets have been developed which are being operated by FPOs and state governments. 324- Collection & Aggregation Units, 354-Custom Hiring Centres, 176 – small Processing units, 6- Integrated Processing Units and 23- pack house entities created under

FPO/FPCs and private ownership, 254-Transportation vehicles provided to FPO/FPCs and 8 states developed their own brands.

The scheme enables market linkages with industry players as well as with consumers through a whole host of marketing initiatives such as participation in buyer-seller meets, developing organic retail outlets within the state as well in major cities. 51 organic FPOs have been supported to sell their products online on Open Network for Digital Commerce (ONDC). The organic products command better price than conventionally grown produce.

Selected Mandis have started offering separate kiosk for organic produce.

In response to the recommendation that a separate budget head be created and sufficient funding be made available every year to subsidize organic farming for its effective promotion, the following reply is submitted:

Since 2015-16, the government has been prioritizing the promotion of organic farming across the country through two key schemes: the Paramparagat Krishi Vikas Yojana (PKVY), implemented in all States and Union Territories (except the North Eastern States), and the Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). Initially, both schemes operated with separate budget lines. However, following the rationalization of the schemes, PKVY has been integrated as a component under the PM-RKVY umbrella scheme, with a common budget line and adequate fund allocation. Similarly, MOVCDNER has been included as a component under the Krishonnati Yojana (KY) umbrella scheme, also with a common budget line and sufficient budget allocation.”

- 1.14 The Committee had recommended that the Ministry should declare a Minimum Support Price (MSP) for all Organic Crops in addition to the MSP declared on traditional crop. This would incentivize farmers in transition to organic farming, despite the challenges of lower yields in the initial years of conversion. The Committee believes that the MSP for organic produce should be set higher than that for conventional crops to compensate for the drop in**

yield and the costs associated with the shift to organic farming. To determine an appropriate MSP for organic produce, extensive large-scale research studies should be conducted. These studies would examine the costs associated with transitioning to organic farming and ensure that the MSP adequately reflects the financial support required for this shift, particularly in terms of decreased yields per hectare and increased quality of the produce. The Department in its Action Taken Reply have submitted that the Commission for Agricultural Costs and Prices (CACP) is mandated to recommend Minimum Support Price (MSP) for 22 agricultural commodities and Fair and Remunerative Price (FRP) for Sugarcane at all India level. While making MSP recommendations, the Commission, as per its mandate, considers cost of production, supply and demand situation of various crops in domestic and global markets, domestic and world prices along with trade opportunities, terms of trade between agriculture and non-agriculture sector, optimal utilization of land, water and other production resources, likely effect of price policy on rest of the economy, and a minimum of 50 per cent as the margin over the cost of production. Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the view of the State Governments and Central Ministries/Departments concerned. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and copra. The inclusion of crops under MSP framework is dependent on several factors which include relatively large shelf life, widely grown, item of mass consumption, essential for food security, among others. The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with

a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards. To make Minimum Support Prices (MSPs) more effective and transparent, a Committee has been constituted on 12th July 2022. The subject matter of the committee also include (i) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (ii) To strengthen the Agricultural Marketing System as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities. The Committee are of the considered view that Organic farming requires extra labour for composting, weeding, and on-farm input preparation, as well as expenditure on certification and segregation, which are not adequately covered by conventional MSP calculations. MSP for organic crops will send a clear, upfront signal that the state will support farmers through the transition years, encouraging more producers to shift area under organic management and making programs like natural farming and Paramparagat Krishi Vikas Yojana more effective on the ground. MSP for Organic produce is necessary to protect organic farmers from price risk, compensate them for higher costs and lower initial yields, and to mainstream organic and natural farming as a viable, scalable production system.

CHAPTER – II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Analysis of Demands for Grants-Demand No. 1

Recommendation No. 1

The Committee note that the Department of Agriculture and Farmers Welfare has been allocated Rs.127290.16 Crore for 2025-26 at BE Stage, which is 4.56% less than RE of Rs.131195.21 Crore for 2024-25. The actual utilization of funds for 2024-25 is Rs.78510.76 Crore as on 02.02.2025 w.r.t. RE stands at 59.84%, which suggests that the Department needs to strive hard to fully utilize the funds in the remaining period - two months (approx.) of the financial year 2024-25. The Committee observe that in the previous years also the Ministry have got allocations much lower than the amounts sought from the Ministry of Finance. The Committee are of the view that:

- (i) incase the Ministry is not able to spend the funds in the remaining two months of the Financial year, there is increased risk of not getting the allocations as sought by the Ministry in future as the later might take a position that since surrendering was done in the past continuously the ministry may not allocate the entire amounts asked for.
- (ii) the bulk spending, almost 40% of the total allocation in this case, in the last quarter of the financial year also violates the prescribed limits of quarter wise spending issued by the Department of Expenditure.
- (iii) Surrendering of the funds may have adverse bearing on the outcome and output targets given in various programmes, schemes, projects and Missions, particularly if rollover mechanisms for unused funds are not in place.

In view of the above, the Committee earnestly request the Ministry to put in place required processes and mechanisms to monitor the fund usage at regular intervals and to address the issues that may hamper the entire spending of the allocated amounts.

Reply of the Government

The Department of Agriculture and Farmers Welfare acknowledges the observations made by the Standing Committee regarding the budgetary allocations and fund utilization for the financial years 2024-25 and 2025-26. The Department remains committed to ensuring the optimum utilization of allocated funds to achieve the intended objectives of various schemes, programs, and missions aimed at supporting farmers and enhancing agricultural productivity. To address the Committee's observations, the Department has taken the following steps:

1. **Efficient Fund Utilization:** The Department is taking proactive steps to ensure the full utilization of funds within the remaining period of the financial year. Mechanisms for expedited implementation of projects and direct benefit transfers to eligible beneficiaries are being strengthened.
2. **Allocation Considerations:** The Department acknowledges the importance of demonstrating effective fund utilization to justify future budgetary allocations. To this end, internal monitoring mechanisms are being reinforced to track expenditure patterns and minimize risks associated with fund surrender.
3. **Quarterly Spending Compliance:** The Department is aware of the guidelines issued by the Department of Expenditure regarding quarterly spending limits. Efforts are underway to streamline expenditure patterns and avoid bulk spending towards the end of the financial year, ensuring compliance with prescribed financial regulations.
4. **Impact on Programs and Rollover Mechanisms:** The Department recognizes the potential impact of fund surrender on outcome and output targets. Accordingly, measures are being explored to establish robust rollover mechanisms for unutilized funds, thereby ensuring continuity in program implementation without disruptions.

In view of the Committee's recommendation, the Department is committed to further strengthening its financial monitoring processes, improving fund absorption capacity, and enhancing coordination with implementing agencies to ensure seamless execution of schemes and projects.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Scheduled Castes Sub-Plan (SCSP)

Recommendation No. 3

The Committee are of the view that the Department should more proactively pursue the release of funds under SCSP with State Governments and implementing agencies. Concerted efforts should be made in coordination with state Governments to chalk out strategies to deal with problems which hitherto exist, after taking into account, the existing ground realities which may relate to Terms & Conditions, eligibility criteria, etc. The efforts made by the Department to impress upon the States for full utilization of the funds, sensitizing them to complete the documentation and completion of the audit in time, meeting the stakeholders at regular intervals, etc. have not had desired impact on utilization of the funds. The Committee accordingly recommend that:

- (i) Terms and Conditions (T&C) of the scheme, if required, may be revisited after consulting stakeholders and suitable amendments be made after taking into account ground realities to improve utilization of funds under the Scheme.
- (ii) a rating system may be devised where in states/UTs performance is rated on the utilization of funds disbursed under the scheme. In addition, other relevant factors may also be taken into consideration in devising the rating system. The Committee are of the strong view that such a rating system will spur competition

amongst the states to improve considerably the spending of the funds allocated for the scheme.

- (iii) annual audits of SCSP by Comptroller and Auditor General (CAG) be introduced imparting transparency and accountability in fund utilization.
- (iv) wide publicity of the scheme in vernacular languages may be given in different media such as radio, TV, social media platforms, mobile (through SMS & WhatsApp) detailing benefits of the Scheme be given.
- (v) an exclusive and dedicated web portal with use of Artificial Intelligence tools to track the implementation progress, expenditure, and outcomes of the Scheme with an inbuilt grievance redressal mechanism can improve transparency and public trust in these programmes.
- (vi) issue guidelines to ensure that funds allocated under SCSP remain non-divertible and are used exclusively for SCSP specific initiatives.

The Committee further recommend that the State Governments which fail to spend SCSP Funds, their shall be strict restrictions imposed on those states for allotment of certain funds even not falling under SCSP.

Reply of the Government

The Department of Agriculture and Farmers Welfare acknowledges the concerns raised by the Standing Committee regarding the utilization of funds under the Scheduled Caste Sub Plan (SCSP). We remain committed to ensuring the effective deployment of resources for the benefit of Scheduled Caste beneficiaries while improving coordination with State Governments and implementing agencies.

To address the Committee's recommendations, the Department has taken the following steps;

1. Revisiting guidelines: The Department recognizes the need to address operational challenges that may hinder fund utilization. In consultation with relevant stakeholders, we will undertake a review of the scheme's guidelines,

making necessary amendments to align with ground realities and improve accessibility.

2. **Performance-Based Rating System:** To incentivize proactive utilization of SCSP funds, the Department will explore the feasibility of introducing a rating mechanism to assess State/UT performance based on fund disbursement, utilization efficiency, and impact. This system will encourage competitiveness among states, thereby improving overall fund absorption.
3. **Annual Audits by Comptroller and Auditor General (CAG):** To enhance accountability and transparency, the Department will actively consider institutionalizing annual audits of SCSP funds by the CAG, ensuring strict financial oversight and compliance with regulations.
4. **Public Awareness & Outreach:** The Department acknowledges the importance of comprehensive outreach efforts. We will expand the dissemination of information regarding SCSP benefits through multiple media channels, including radio, TV, social media, and mobile-based messaging services in vernacular languages to enhance awareness among target beneficiaries.
5. **Dedicated Web Portal & AI Integration:** As part of our efforts to enhance transparency and monitoring, the Department will explore the development of a dedicated web portal equipped with Artificial Intelligence tools to track implementation progress, expenditure, and outcomes. The portal will include a robust grievance redressal mechanism to facilitate stakeholder engagement and responsiveness.
6. **Ensuring Non-Diversion of Funds:** Clear guidelines will be issued to ensure that SCSP funds remain exclusively allocated to SCSP-specific initiatives, preventing any diversion or misallocation.
7. **Enforcement of Accountability Measures:** The Department takes cognizance of the recommendation to impose restrictions on States failing to utilize SCSP funds effectively. Measures will be devised to ensure responsible fund usage while aligning future allocations with performance metrics.

The Department remains steadfast in its commitment to improving fund utilization, ensuring transparency, and optimizing the impact of SCSP initiatives for the betterment of Scheduled Caste beneficiaries.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Use of Advertisement & Publicity Campaign to Boost Awareness About Ongoing Agricultural Schemes

Recommendation No. 6

The Committee are of the view that effective advertisement and publicity campaigns are crucial for promotion of agricultural schemes, as they help raise awareness, encourage participation, and ensure the success of government initiatives. Many farmers, especially in rural areas, are unaware of agricultural schemes due to limited access to information. Publicity campaigns bridge this gap by disseminating information through accessible channels. Highlighting the benefits of schemes (e.g., subsidies, training, or improved technologies) through publicity campaigns motivate farmers to participate and adopt latest technologies and Climate smart farming practices. Transparent communication about schemes builds trust among farmers, ensuring they perceive these initiatives as beneficial and reliable. Publicity campaigns can connect farmers with markets, buyers, and government programmes, improving their income and productivity. In view of the foregoing the Committee suggest to:

- (i) Customize campaigns to address specific challenges faced by different farmer groups (e.g., women farmers or small-scale producers);
- (ii) encourage State Governments & Implementation agencies to use social media to share success stories, scheme updates, and educational content tailored to farmers' needs;
- (iii) enable farmers groups and Farmers Producer Organisations (FPOs) to engage proactively in advertisement campaigns for wider and faster outreach;
- (iv) Organize and promote 'Kisan melas' may also be organized in urban and semi urban areas to create and spread awareness about the farmers produce in these areas especially on weekends to have more footfalls;
- (v) Provide SMS based services for giving real time updates regarding ongoing schemes in vernacular languages can also be adopted;

- (vi) assess the impact of advertisement campaigns, be it offline or online, through surveys or feedback mechanisms to refine strategies over time by the Department; and,
- (vii) adopt community driven approach to enhance the reach of the awareness campaigns.

Reply of the Government

(i) The Department of Agriculture and Farmers Welfare is implementing a Central Sector Scheme "Mass Media Support to Agriculture Extension" through DD Regional Kendra, DD Kisan and All India Radio to create awareness and about the schemes & programmes for the benefit of farmers, across the country. The network of 18 DD Regional Kendras, 97 FM stations of AIR and DD Kisan are being utilized for wider publicity of Department's schemes & programmes, on-going initiatives & policy interventions of the Government for farmer's welfare, even at remote locations.

(ii) The, "Audio-Visual spots are being used to broadcast and telecast information through Doordarshan, All India Radio and private TV and radio channels as a part of 'Focused Publicity Campaign' for the benefit of farmers.

(iii) The customized approach has been adopted through outdoor publicity, print media advertisement in leading newspapers and mass media campaigns to create awareness among the rural masses.

(iv) The Department has proactively leveraged the extensive use of social media platforms viz Facebook, X (formerly Twitter), Instagram, Threads, YouTube, LinkedIn & WhatsApp, and farmers friendly Apps to disseminate information related to agricultural schemes, technological interventions & success stories for wider outreach among the farmers.

(v) The extension activities such as exposure visits, demonstrations, Farmer-Scientist-Interactions, kisan melas and farm schools are organized under the ATMA scheme, which provides a direct interaction platform to the farmers to learn about innovations, advanced technologies and good agriculture practices.

The MIDH scheme is being implemented by State Governments and National Level Agencies. In the scheme guidelines there is a separate provision available for awareness and promotional programmes on horticulture, as per prescribed norms. State Governments and National Level Agencies under MIDH are promoting the scheme through Seminars, conferences, workshops, exhibitions, Kisan Mela, publicity, printed literature etc and local advertisements.

In order to harness the potential of ICT in Agriculture, Ministry of Agriculture has launched the scheme "Kisan Call Centres (KCCs)". Main aim of the KCC is to answer farmers' queries on a telephone call in their own dialect. These call Centres are working in 14 different locations covering all the States and UTs. A countrywide common eleven digit Toll Free number 1800-180-1551 has been allotted for Kisan Call Centre. This number is accessible through mobile phones and landlines of all telecom networks including private service providers. Replies to the farmers' queries are given in 22 local languages.

Further, the Scheme 'Support to State Extension Programme for Extension Reforms' popularly known as ATMA scheme, aimed at promoting decentralized, farmer friendly extension system in the country with an objective to support State Government's efforts to revamp the agricultural extension system focusing on Natural Farming, Climate Resilient Agriculture, Crop Diversification, National Pest Surveillance System, Soil Health Card, Digital Agriculture Mission and making available the latest agricultural technologies and good agricultural practices to the farmers. Under the scheme, emphases of extension services on post-production management, surplus management and marketing is being provided to the farmers.

Under the sub-component 'Seed Village Programme' of Seed components of NFSNM training is provided to the farmers on seed production and seed technology.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

**Need for Improvement in Market Intervention Scheme (MIS)
Recommendation No. 7**

The Committee note that Market Intervention Scheme (MIS), a sub component of Pradhan Mantri Annadata Aay Sankrashan Abhiyaan (PM-AASHA), is implemented on the request of State/UT Government for the procurement of various perishable agricultural/horticultural commodities such as Tomato, Onion, Potato etc. for which Minimum Support Price(MSP) is not applicable and there is a reduction of prices in the market by at least 10% over the rates of previous normal season in the States/UTs so that farmers are not constrained to make distress sale of their produce. While recent revisions have improved certain aspects of the scheme, there are several areas where further enhancements can be made to ensure its effectiveness and reach. The Committee, therefore recommend that:

- (i) Awareness campaigns be conducted as many farmers remain unaware of the MIS and its benefits. Increasing outreach through local agricultural offices, community meetings, and farmer cooperatives can help disseminate information effectively.
- (ii) direct applications from Farmer Producer Organisations (FPOs) or Cooperatives through a dedicated e-portal, could speed up response time during critical market downturns as the current requirement for State Governments to announce, notify and implement the scheme may lead to delays.
- (iii) The Govt. may consider favourably to increase the current Procurement limit of 25% of the total estimated production in the country to 50% to cover more farmers and produce under the scheme. Further, the Committee feel that it could provide greater security for farmers, especially during bumper crop years when prices tend to drop sharply.

Reply of the Government

- (i) Wide publicity is given by the State and State designated agencies through Print and Electric Media during the procurement period.
- (ii) Market Intervention Scheme (MIS), a sub component of Pradhan Mantri Annadata Aay Sankrashan Abhiyaan (PM-AASHA) is implemented by the State Designated Agencies such as Cooperatives, Farmers Producer Organizations (FPOs) etc.

Recently, it has been implemented in some of the States such as Telangana, Karnataka, and Rajasthan etc. Farmers register themselves on the e-portal before selling their produce to the State agencies during the implementation of the scheme prompting response of interventions to get remunerative price of their produce by the farmers.

- (iii) MIS is an intervention scheme and it is implemented with the expectations that timely market interventions helps in establishing the market price in favour of farmers by pushing it above the cost of production/economic level.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

**Need for Improvement in Market Intervention Scheme (MIS)
Recommendation No. 8**

The option for States to pay the difference between the Market Intervention Price (MIP) and Selling Price directly into farmers' accounts is a positive step. However, ensuring that this system is efficient and timely is crucial for maintaining farmer trust and participation.

Reply of the Government

Consequent upon the approval of the Cabinet, the Market Intervention Scheme (MIS) has been revised in the recent past with an option to pay the farmers price difference between Market Intervention Price (MIP) and Sale Price directly into the farmers' accounts instead of physical procurement.

Recently, consequent upon on the request of the Government of Andhra Pradesh, maximum coverage of quantity for Price Deficiency Payment under MIS of Red Chilly has been approved as 258238 MT with the MIP of Rs.11781.25/per quintal. The maximum quantum of differential payment between the MIP and Sale Price will be upto 25% of MIP.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Need for Improvement in Market Intervention Scheme (MIS)
Recommendation No. 10

The Committee also suggest the Ministry to explore the possibility of expanding the range of crops covered under the MIS as it can provide broader protection for various crops vulnerable to price fluctuations. Further, feedback on MIS may also be obtained which can help policymakers understand its effectiveness and areas needing adjustment.

The Committee also strongly suggest that the Govt may explore the possibility of extending MIS to cover Millets also by amending the extant mandate

Reply of the Government

MIS is implemented for perishable Agricultural/Horticultural Commodities for which Minimum Support Price (MSP) is not announced. This scheme is implemented at the request of the State /UT Government which is ready to bear 50% (25% in case of North-Eastern States) of loss incurred if any, in the operation. The basic criteria for implementation of MIS is when there is a reduction of market price of crop by at least 10% over the market rates of previous normal season in the States/ UTs. The procurement is undertaken by the State designated agency upto 25% of the State's production of the crop of the prescribed Fair Average Quality (FAQ) at fixed Market Intervention Price (MIP) determined by MIS Committee plus permitted overheads expenses, which is generally of 25% of MIP. However, States/ UTs have also an option to implement Price Deficiency Payment (PDP) under MIS by making the differential payment between the MIP and Sale Price directly to the farmers instead of physical procurement.

As far procurement of Millet is concerned, there is already a mechanism in place for the procurement of millet under the domain of Department of Food and Public Distribution.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Pradhan Mantri Fasal Bima Yojana (PMFBY)

Recommendation No. 12

The Committee note that PMFBY aims to provide financial support to farmers in the event of crop losses due to natural calamities, pest attacks, and other adverse conditions. Delays in fund release from state governments resulting in postponed insurance payouts to farmers, inadequate compensation vis-à-vis the losses, lengthy claim processing, disputes over yield assessments & transmitting the yield data leading to delays in receiving compensation. payments transmitting yield data. The Committee suggest that these issues be addressed at the earliest to improve the scheme's effectiveness and ensuring that it meets its goal of providing reliable support to farmers facing crop losses.

The Committee suggest that the damages caused to the crops by stray animals may be considered for covering under PMFBY so that the farmers whose crops are destroyed by stray animals are entitled for compensation under PMFBY.

Reply of the Government

Department of Agriculture & Farmers Welfare is regularly monitoring the implementation of the scheme including delays in fund release from state Governments resulting in delay in payment of claims to farmers, inadequate compensation vis-à-vis the losses, lengthy claim processing, disputes over yield assessments & transmitting the yield data leading to delays in receiving compensation, delay in transmitting yield of yield data through weekly video conferences of all stakeholders, one to one meeting as well as National level Review Conferences.

Based on the experience gained and view of the stakeholders, Government has taken various steps to strengthen infrastructure for implementation of this scheme, bring transparency and ensure timely settlement of claims:

- Government has undertaken development of **National Crop Insurance Portal (NCIP)** as a single source of data ensuring subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrollment of farmers, uploading/obtaining individual insured famer's details

for better monitoring and to ensure transfer of claim amount electronically to the individual farmer's Bank Account.

- To sort out the issue regarding delay in receipt of State Government share in premium subsidy resulting in delay in settlement of claims, Central Government has separated the release of its premium subsidy share from the State Government release. Now Central Government is releasing its share without waiting for the State Government share and asked the insurance companies to proportionately release claims to the farmers.
- Further, with effect from Kharif 2025, States are required to deposit their share in premium in escrow account in advance and enrolment in the State would be opened at National Crop Insurance Portal (NCIP) only after deposit of share of State Government in the Escrow Account.
- In order to rigorously monitor claim disbursement process, a dedicated module namely '**Digicclaim Module**' has been operationalized for payment of claims from Kharif 2022 onwards. It involves integration of National Crop Insurance Portal (NCIP) with Public Finance Management System (PFMS) and accounting system of Insurance Companies to provide timely & transparent processing of all claims. W.e.f. Kharif 2024, in case payment is not made timely by Insurance Company, penalty of 12% is auto-calculated and levied through NCIP. This is expected to help in further expediting claims settlement.
- To tackle the issue of inadequate compensation viz-a-viz the losses, formula for calculation of yield has been revised/rationalized from time to time. To benefit the farmers, losses due to localized risks of hailstorm, landslide, inundation, cloud burst & natural fire and post-harvest losses due to cyclone, cyclonic/unseasonal rains & hailstorms are calculated on individual insured farm basis.
- Since the scheme is implemented by the State Government, therefore, in order to resolve the grievances/complaints including those related to claims of insured farmers, provision of Stratified Grievance Redressal Mechanism viz. District Level Grievance Redressal Committee (DGRC), State Level Grievance Redressal

Committee (SGRC) has been made in the Revised Operational Guidelines of the Scheme. These committees have been given the detailed mandate as outlined in the Operational Guidelines for hearing the complaints/ grievances and to dispose them as per the stipulated procedure.

- To further improve the grievance redressal mechanism, Krishi Rakshak Portal and Helpline (KRPH) has been developed. A single Pan-India toll free number 14447 has been deployed and linked to the insurance companies database, where farmers can raise their grievances/issues. Timelines to resolve these grievances/issues has also been fixed.
- Also, towards leveraging technology in implementation of the scheme, various steps like capturing of yield data/Crop Cutting Experiments (CCEs) data through **CCE-Agri App** & uploading it on the NCIP, allowing insurance companies to witness the conduct of CCEs, integration of State land records with NCIP etc. have already been taken to improve timely settlement of the claims to farmers.

Following technologies for Objective Crop Damage & Loss Assessment and transparency have also been implemented recently w.e.f. 2023-24 under the scheme:

- YES-TECH (Yield Estimation System Based on Technology)** for gradual migration to Remote-Sensing based yield estimation to help assess yields as well as fair and accurate Crop Yield Estimation. This initiative has been launched for paddy & wheat crops from Kharif 2023 wherein 30% weightage to yield estimation will mandatorily be assigned to YES-TECH derived yield. Soybean crop has been added from Kharif 2024 season.
- WINDS (Weather Information Network and Data System)** for setting up of Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) to the tune of 5 times of existing network for collecting hyper-local weather data at GP & Block level. This will be fed into a National unified network of AWS & ARG with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS provides data not only for YES-TECH but also for

effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.

The Pradhan Mantri Fasal Bima Yojana (PMFBY) provides for comprehensive risk insurance against crop damage due to non-preventable natural risks from pre-sowing to post-harvest for the crops/areas notified by the State Government concerned. The losses to crops due to wild animals being preventable in nature were initially were not covered under PMFBY. However, at the request of Ministry of Environment, Forest and Climate Change (M/o EFCC) and State Governments, States have been allowed to notify the losses by wild animals on individual assessment, as add on cover at their own cost under the scheme. Detailed modalities for coverage has been given in the Operational Guidelines of the scheme.

Further, during discussions between Hon'ble Chief Ministers and Hon'ble Agriculture Ministers of some of the States with Hon'ble Union Minister for Agriculture & Farmers Welfare, the issue regarding coverage of loss by wild animals with Government of India support in premium subsidy was raised by States. After examination of the matter, 'in principle' approval of Hon'ble Union Agriculture and Farmers Welfare Minister has been obtained for coverage of such losses with Government of India support in premium subsidy, with effect from Kharif 2026 i.e the beginning of next tender cycle for States. A Committee has been constituted to finalise the modalities for coverage and settlement of claims for crop losses arising from wild animal attacks in the interim.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

CHAPTER - III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Need to Strengthen Krishi Vigyan Kendras (KVKs) to Enable Them to Act as Force Multiplier

Recommendation No. 4

The Committee are of the view of Krishi Vigyan Kendras (KVKs) are pivotal institutions in India's agricultural extension system, designed to bridge the gap between agricultural research and its practical application by farmers. Strengthening of KVKs involves enhancing their capacity to serve as knowledge hubs, resource centers, and innovation platforms for sustainable agricultural development. They feel that since KVKs (i) assess and refine agricultural technologies ensuring their suitability for local agro-climatic conditions through on-farm trials; (ii) provide skill development training for farmers, rural youth, and women to enhance productivity and entrepreneurship; and, (iii) collaborate with agencies like Agricultural Technology Management Agencies (ATMA) for coordinated extension efforts and also conduct Cluster Frontline Demonstrations to ensure effective dissemination of technologies they may be provided with adequate physical infrastructure and manpower, they suggest that :

- (i) The shortage of skilled personnel experienced by many KVKs may be addressed on priority as it is impacting KVKs efficiency in discharging their duties.
- (ii) Streamlining of administrative processes of KVKs is also the need of the hour to improve their operational effectiveness to act as a one stop resource centre for supplying seeds, bio-products, issue/circulate advisories while leveraging ICT tools for wider outreach.
- (iii) The KVKs may be equipped with advanced/cutting edge technologies improving their ability to conduct effective demonstrations and on-farm testing of latest technologies. Such technologies may aid the KVKs in setting up of e-linkage

facilities for real time agro advisories & monitoring within their jurisdiction and also to act as frontline demonstration cum resource centre for timely supply of farm inputs and effective dissemination of technologies.

- (iv) Funding to KVKs may be improved to equip them with latest technologies suggested at (iii) above. They are of the view that accepting and implementing the above suggestions result in transforming KVKs in to new version of KVK 2.0 to act as a resource hub for all extension schemes.
- (v) KVKs may focus on climate resilient agriculture through targeted training programmes and promote convergence with private sector initiatives for resource sharing.
- (vi) KVKs should work in close tandem with State Government and invariably inform public representatives like MPs, MLAs, MLCs, etc. regarding their upcoming events in advance for seamless coordination and wider outreach.
- (vii) The Committee note that there are 95 districts which do not have any KVKs. Since these KVKs plays a predominant role in dissemination of latest technologies and process for increasing productivity and also the overall agricultural development, the Committee suggest that KVKs should invariably be set up in each and every aspirational district and those aspirational districts already having one KVK may provided with one more KVK to have maximum impact.

Reply of the Government

(i) The filling up of vacancies in the KVKs is a continuous process and is to be done by the respective Host Organisation. As per the KVK scheme, the approved posts of the KVKs are to be filled as per the recruitment policies and procedures of the respective Host Organisation with the educational qualifications as laid down by ICAR. All the Host Organizations have been requested to fill up the vacant posts immediately.

(ii) The revised mandate of KVK as has been approved in EFC 2021-26 is to act as Single Window Knowledge, Resource and Capacity Development Centre. Accordingly, the mandated activities are also being revised including (i) Strengthening technology

demonstration and promotion; supporting entrepreneurs and farmers' organizations through Public Private Partnership (PPP), (ii) Dissemination of technologies specific for various agro-climatic zones and training and capacity building for their larger adoption, (iii) Reorienting the KVKs as knowledge and information centres for providing farmer-centric digital solutions and services, (iv) Ensuring availability of quality seeds, planting materials and other technological inputs to the farmers in PPP mode, (v) Creating mass awareness and community mobilization for nature-friendly and climate resilient agriculture and allied sectors.

(iii) KVKs are being equipped with advanced technologies for effective demonstration to the farmers and other stakeholders. KVK demonstrate agri-drone application, precision farming technologies, micro irrigation and protected cultivation technologies. KVKs are also engaged in customized agro-advisories to the farmers through ICT led Kisan Sarathi portal.

(iv) New version of KVK 2.0 as proposed is the need of the hour looking into the backdrop of climate change vulnerabilities. KVKs are also implementing several central sector schemes in convergence with the other departments and ministries. Funds are also mobilized from these departments. The enhanced funding proposal will be included in the Strengthening of KVK Scheme document for the financial cycle 2026-2031.

(v) New version of KVK 2.0 as proposed is the need of the hour looking into the backdrop of climate change vulnerabilities. KVKs are also implementing several central sector schemes in convergence with the other departments and ministries. Funds are also mobilised from these departments. The enhanced funding proposal will be included in the Strengthening of KVK Scheme document for the financial cycle 2026-2031.

(vi) KVKs have been advised to involve the public representatives in their mandated activities interventions. KVKs are already involving public representatives in their mandate activities. Many public representatives have recently participated in the events like Viksit Bharat Sankalp Yatra, launch of instalments of PMKISAN etc.

(vii) Presently 731 KVKs are functional in the country spearheading frontline extension system. "Strengthening of Krishi Vigyan Kendras (KVKs) Scheme" has been

extended for a period of 5 years from 2021-22 to 2025-26 under XV Finance Commission with a provision for establishment of KVKs in 121 new districts of the country without having a single KVK. Presently, the districts where there are no KVKs are supported by the KVKs of the neighbouring districts. All aspirational districts have KVKs and the KVKs are engaged in technology dissemination for increasing productivity and overall agricultural development.

Agricultural Technology Management Agency (ATMA) was launched in 2005-06 with the objective of creating a platform at District level for integrated extension delivery by engaging all key stakeholders in the agricultural sector, Krishi Vigyan Kendras (KVKs) operating at the same level act as an outreach arm of National Agricultural Research System (NARS) facilitating validation and adoption of new technologies through frontline demonstrations, training & awareness programmes and other initiatives.

KVKs play an active role in the implementation of the ATMA scheme by participating in key decision-making bodies such as the ATMA Governing Board, ATMA Management Committee, and the District Farmers' Advisory Committee (DFAC). They also contribute significantly to various extension activities, including organizing Farmer-Scientist Interactions (FSIs), providing expert support for on-the-spot guidance to ATMA field functionaries, conducting joint field visits with scientists and extension personnel, and facilitating Kisan Gosthis. Additionally, KVKs are involved in the assessment, refinement, validation, and promotion of innovative farming technologies, as well as addressing short-term, location-specific researchable issues. To support these initiatives, district-level ATMA provides financial assistance to the respective KVKs for effective implementation of these activities at the field level.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Change of Nomenclature of the Department of Agriculture & Farmers Welfare to Department of Agriculture, Farmers & Farm Labourers Welfare

Recommendation No. 5

The Committee are of the view that the nomenclature of the Department of Agriculture and Farmers Welfare in India may be changed to **Department of Agriculture, Farmers & Farm Labourers Welfare**. Renaming the "Department of Agriculture & Farmers Welfare" to "Department of Agriculture, Farmers & Farm Labourers Welfare" offers several potential benefits as the revised name explicitly acknowledges the significant role of farm labourers in the agricultural sector. Farm labourers, who often belong to marginalized communities, are a critical part of the agricultural workforce but are frequently overlooked in policy discussions and welfare schemes. This change in name, if done, signals a commitment to addressing their unique challenges, such as low wages, lack of social security, and poor working conditions. By including "Farm Labourers" in the Department's name, the government emphasizes a more holistic approach to agricultural welfare. This could lead to targeted policies for both land-owning farmers and labourers, ensuring equitable development across all stakeholders in agriculture as it aligns with recommendations like establishing a "National Commission for Minimum Living Wages for Farm Labourers," which would address wage disparities and improve living standards. The Committee further recommends that PM-KISAN schemes may be extended to Farm Labourers. The renaming reflects the diverse composition of India's agricultural sector, where 54.6% of the population is engaged but not all as landowners. Recognizing all contributors strengthens the sector's inclusivity and sustainability. A name change could lead to enhanced data collection and analysis on Farm Labourers, enabling better-targeted welfare programmes. For instance, schemes like crop insurance or health benefits could be extended to Farm Labourers alongside farmers. It may also encourage State Governments to adopt similar nomenclature changes, fostering uniformity in addressing agricultural welfare. Symbolically, it demonstrates a shift toward prioritizing vulnerable groups within agriculture. Practically, it could translate into increased budget allocations for Farm Labourer-specific schemes and greater accountability in implementing these programmes.

Reply of the Government

Agricultural labourer is a State Subject and the State Governments take appropriate measures for the welfare of farm labourers. However, Government of India supports the

efforts of States through appropriate policy measures, budgetary allocation and various schemes/programmes for the welfare of farmers as well as farm labourers by increasing production, remunerative returns and income support to farmers. However, Committee recommendation has been duly noted.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Need to Tackle Issues Related to Crop Residue
Recommendation No. 14

The Committee recognises that the widespread practice of burning crop residues, commonly referred to as Parali, is a significant environmental concern. This practice releases harmful greenhouse gases such as CO₂, CH₄, and N₂O, contributing to air pollution and accelerating climate change. When not properly managed, decomposing crop residues can also emit methane, further exacerbating global warming. Moreover, excessive crop residue can impede soil-seed contact, reduce soil warmth, and immobilize nitrogen, which negatively impacts crop germination and nutrient availability. Conversely, insufficient residue cover leads to soil erosion, loss of organic matter, and a reduction in water retention capacity.

However, managing crop residues is not an easy task. Alternative methods for residue management, such as the use of happy seeders and bio-decomposers, are often economically unfeasible for small and marginal farmers, even with provided subsidies. Additionally, there is a lack of developed markets for crop residue utilization, such as for biofuel production or composting, which could offer farmers additional income. The narrow sowing window further pressures farmers to clear fields quickly, with the ash from burning crop residue seen as a quick way to fertilise the soil, making burning the most time-efficient method.

In light of these challenges, the Committee believes that a multifaceted approach is needed to address crop residue management. This approach should include a combination of policy interventions, farmer education, technological innovations (e.g., precision

agriculture tools), and financial incentives. Financial support is crucial to encourage farmers to adopt alternative methods for utilising crop residue, such as converting it to bioenergy, composting, or other productive uses instead of burning.

To effectively discourage the burning of crop residue and minimize its environmental impact and considering the economic viability of the farmers, the Committee strongly recommends that the Government provide financial assistance of Rs. 100 per quintal of paddy to farmers as compensation for the cost incurred in collecting Parali (paddy residue). This amount should be in addition to the Minimum Support Price (MSP) and directly transferred to farmers' bank accounts at the time of paddy procurement.

The financial incentives could be distributed through the Direct Benefit Transfer (DBT) scheme, ensuring efficient and transparent delivery to farmers' bank accounts. The Committee recommends starting with a financial incentive of Rs. 100 per 100 kg of paddy and conducting large-scale research studies to assess the costs and returns for alternative crop-residue management techniques.

The Committee also supports the creation of a market for crop residue to compensate farmers for the extra costs and effort involved in harvesting, collecting, and transporting it. Potential uses for crop residue include biofuels such as Bio CNG and ethanol, as well as direct fuel for brick kilns, furnaces, and thermal plants. Establishing crop residue supply chains over an initial period of four to five years will help foster a circular economy in agriculture, turning agricultural waste into a valuable resource. The Government may consider financial incentives for setting up a unit per district where paddy crop is grown to convert crop-residue/Parali into energy/electricity.

Once farmers are incentivised financially to avoid burning crop residue, they may collect it for a range of on- and off-farm purposes, such as livestock feed, bedding, fuel, mushroom cultivation, and building or packing materials. This approach will not only reduce the environmental impact of burning parali but also create new economic opportunities for farmers and promote sustainability in agriculture.

Reply of the Government

In order to support the efforts of the concerned state governments to address air pollution and to subsidize machinery for management of crop residue, a scheme on Crop Residue Management was introduced in 2018-19. Since then more than Rs. 3607.88 Crores have been provided to the States of Punjab, Haryana, Uttar Pradesh and NCT of Delhi. More than 3.23 lakh machines have been provided to these States. These machines can effectively manage the paddy straw provided that these machines are utilized to their optimal capacities by the farmers.

The Custom Hiring Centres (CHCs) of crop residue management machines have also been established with 80% subsidy with the intention of making available the equipments and machines to the farmers as per their requirements on rental basis at the rates lower than the market rates. The States of Punjab, Haryana and Uttar Pradesh have established more than 41,000 such CHCs.

Ex-situ management is also being promoted with the boarder objectives of ensuring biomass supply security for pre-identified ex-situ based small-medium-large scale industrial projects of bio-CNG/CBG, Bio-Ethanol or Biomass based power generation and achieving farmers' welfare by way of reduced stubble burning and increase in income from the sale of paddy residue. The DA&FW is working closely with the Ministry of New and Renewable Energy (MNRE) and the Ministry of Petroleum and Natural Gas under initiatives like the National Bio-Energy Mission and SATAT (Sustainable Alternative Towards Affordable Transportation) to encourage private and public sector participation in converting crop residue into, Power, BioCNG and ethanol.

Recognizing the importance of market-driven solutions, the Government has been actively encouraging Public-Private Partnership (PPP) models, allowing private industries to establish biofuel plants and composting units, which procure biomass from farmers for use in brick kilns, thermal plants, and industrial boilers as alternative fuels.

Super seeder is the most preferred machine (around 70-80%) for in-situ management in Punjab followed by Smart Seeder and Happy Seeder. These machines can sow wheat directly into just-harvested rice fields without burning or removing straw. Rentals for

Super/Happy/Smart Seeder is around Rs. 2500/- per acre for sowing of wheat crop in one acre.

It is also important to note if a farmer burns Paddy straw and then go for traditional sowing of wheat thereafter, then it takes cost of around 2000- 2200/- per acre for the traditional sowing operations of cultivating with plough/rotavator two times, planking and then sowing with traditional seed-cum- fertilizer drill.

Overall benefits of in-situ residue management practices also include enrichment of soil fertility and savings on reduced application of fertilizers.

Thus, traditional sowing (after burning Paddy stubble) costs almost equal to the rental cost of sowing of wheat crop with Super/Smart/Happy Seeder. At the worst, difference is minimal.

As per the reports released by the Consortium for Research on Agroecosystem Monitoring and Modeling from Space (CREAMS) Laboratory, Division of Agricultural Physics, ICAR – Indian Agricultural Research Institute, New Delhi, the paddy straw burning events between 15th September to 30th November during the year 2017 in the States of Punjab, Haryana and Uttar Pradesh were 88948, which have been reduced to 18457 events during 2024 for the same period, which indicates a significant 79 percent reduction in paddy straw burning. There is a need to implement the scheme more effectively in the State of Punjab.

As far as providing an additional incentive to farmers over and above the MSP, it is submitted that the Government fixes MSP for 22 mandated agricultural crops on recommendations of CACP, after considering the views of State Governments and Central Ministries/Departments concerned.

CACP considers various factors viz. cost of production, overall demand-supply situations of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agriculture and non-agriculture sector, likely effect of price policy on rest of economy and a minimum of 50 percent as the margin over cost of production.

Cost of production includes all paid out costs - such as hired human labour, bullock labour/machine labour, rent for leased in land, expenses incurred in cash/ kind on the use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc., miscellaneous expenses and imputed value of family labour.

The MSP fixed provides at least 50% return over all India weighted average cost of production. These benefits of the MSP are available to the farmers all across the country.

Government increases the MSP of Kharif and Rabi Crops for every Marketing Season, to ensure remunerative prices to the growers for their produce which is in line with the Union Budget 2018-19 announcement of fixing the MSP at a level of at least 1.5 times of the All-India weighted average cost of production. This increased MSP of Kharif and Rabi crops ensures remunerative prices to the farmers and incentivize crop diversification.

Additional financial incentives over and above MSP will result in a complete distortion of market prices and will set up a perverse incentive and may rather encourage farmers of other states also to burn residues expecting the government to provide for the additional subsidy/ compensation, worsening the situation beyond control.

It is also pertinent to mention that the State Government of Haryana is providing incentive from their own budget resources which include incentive of Rs. 1,00,000/- to the Red Zone Panchayats and Rs. 50,000/- to Yellow Zone Panchayat for achieving Zero stubble burning, Rs. 7000/- per acre for diversification of paddy area to alternative crops under Mera Pani Meri Virasat scheme, Rs. 4000/- per acre for adoption of direct sowing of rice etc. These initiatives have contributed significantly in reducing stubble burning in the State. Therefore, the other State Governments may consider providing the incentives to farmers from their own budget resources on the similar lines of Haryana Government to further control paddy stubble burning.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

CHAPTER - IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Need for Enhancement of Budgetary Allocation to Department

Recommendation No. 2

The Committee observe that the proportion of budgetary allocations made in favour of the Department in terms of the percentage of the total central outlay for the years 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26 stood at 3.53%, 3.14%, 2.57%, 2.54% and 2.51% respectively. This shows continuous decline in allocations to the Department as proportion of Central Plan outlay. The Committee, in view of the fact that as more than 50 % people depend on agriculture for their livelihood, desire the Ministry to arrest this declining trend.

Reply of the Government

Agriculture is a critical sector for the economy, contributing significantly to food security, employment, and rural livelihoods. The Department acknowledge and appreciate the Committee's insightful observations regarding the allocation to the Department of Agriculture & Farmers Welfare (DA&FW) and its relation to the growth rate of the agriculture sector. However, the Department would like to highlight that the overall national priorities and budgetary allocations are determined based on a comprehensive assessment of various sectors and their respective needs.

It may be noted that the Government of India has significantly increased budget allocations, rising from ₹29,772.83 crore in 2013-14 to ₹1,27,290.16 crore at BE level in 2025-260, demonstrating its commitment to the sector. Toward this end, the Department is actively implementing various initiatives aimed at enhancing agricultural production and productivity through schemes like RKVY, KY scheme etc. with a focus on improving crop and livestock productivity, diversifying into high-value crops, and utilizing digital platforms to

facilitate better price discovery for farmers' produce; all in line with the goal of doubling farmers' income. The Department is also strengthening farmer support systems through initiatives like PM-KISAN, crop insurance schemes, and improved access to credit and markets.

It may also be noted that Government of India had increased Budget Provision to Rs.1,31,195.20 crore at RE level in 2024-25 which is highest so far for the Department out of which Rs. 1,24,261.06 crore has been utilized and accordingly it is expected to increase the budget provision at RE level in the current year (2025-26) as well.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Comments of the Committee

(For comments of the Committee, please refer to Para No. 1.8 of Chapter-I of this Report.)

Need for Improvement in Market Intervention scheme (MIS) Recommendation No. 9

Certain disparities in prices offered to farmers under the MIS for the same produce, in two separate locations in a particular region of a state, were brought to the notice of the Committee. The Committee after discussion, felt that there should not be any intra state disparity in the implementation of the Market Intervention Scheme (MIS) by States/Implementing agencies. The Committee also suggest that implementing robust data collection systems to monitor market prices and production levels can help in making informed decisions about appropriate time for activating MIS. The Committee also suggest the Ministry to provide training for farmers on market trends, pricing mechanisms, and ways to leverage the MIS can empower them to make better decisions regarding their produce. Regular assessments of the MIS impact on farmers' incomes and market stability can identify areas for improvement and ensure that the scheme adapts to changing agricultural landscapes.

Reply of the Government

Under MIS, Market Intervention Price (MIP) is determined by the Committee under the Chairmanship of Joint Secretary (A&FW) consisting of the officers of the State Government, the representatives of NAFED and NCCF, State intervening agencies, representative of the Costing Cell, DA&FW, Directorate of Economics & Statistics, Integrated Finance Division, DA&FW, TMOP Division and Horticulture Division, DA&FW. The Committee finalizes the terms and conditions with express approval of the competent authority in the Department that are applicable for procurement of corps throughout the States. The price is regularly monitored by MIS Committee during the implementing period of MIS through AgMarknet Portal.

The Study of impact Evaluation of Market Intervention Scheme (MIS) was done by NABARD consultancy Service in 2019. The study had suggested that the farmers has highest level of satisfaction on majority of states about the implementation of these schemes & had a positive impact on their income.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Comments of the Committee

(For comments of the Committee, please refer to Para No. 1.11 of Chapter-I of this Report.)

DECLARATION OF MINIMUM SUPPORT PRICE FOR ORGANIC PRODUCE

Recommendation No. 11

The Committee, after thorough consideration, strongly advocates for the promotion of organic farming across the country. An initiative with focus on national health concerns, addressing concerns over soil and water contamination, and protecting against other environmental risks. There is an urgent need for a national effort to transition towards healthier food systems and more sustainable agricultural practices. Organic farming transition will help farmers move from chemical-intensive farming to natural farming on a large-scale.

The Committee acknowledges the Government's positive initiatives to encourage chemical-free farming, such as the Paramparagat Krishi Vikas Yojana (PKVY) and the Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). These schemes support farmers from production to marketing, including certification and post-harvest management (processing, packaging). They provide financial assistance to cover costs for seeds, bio-fertilizers, bio-pesticides, organic manure, and more. Additionally, these initiatives offer support for the formation of Farmer Producer Organisations (FPOs), training programs, and value addition. Furthermore, the Bhartiya Prakritik Krishi Padhati (BPKP) promotes natural farming by utilising traditional indigenous practices, excluding synthetic chemicals, focusing on on-farm biomass recycling, and using cow dung-urine formulations and plant-based preparations.

The Committee believes that while these initiatives are valuable, more schemes and incentives are needed to facilitate the nationwide shift towards organic farming. The farmer will only shift towards organic farming and diversified agriculture if farmers are convinced that the shift will allow for better economic prospects and benefits than the present form of agriculture.

There is need for the establishment of rapid testing mechanisms for organic produce. Organic farming not only enhances biodiversity but also strengthens the natural resilience of farmlands, making them more adaptable to climate change. Hence, it should be encouraged through increased financial and non-financial incentives.

In this context, the Committee strongly recommends that the Ministry should declare a Minimum Support Price (MSP) for all Organic Crops in addition to the MSP declared on traditional crop.

However, the demand for MSP on organic produce should not undermine the broader MSP demand based on the Swaminathan formula. Instead, the legal MSP framework should be expanded to include organic produce. This would incentivise farmers to transition to organic farming, despite the challenges of lower yields in the initial years of conversion. The Committee believes that the MSP for organic produce should be set higher than that for

conventional crops to compensate for the drop in yield and the costs associated with the shift to organic farming.

To determine an appropriate MSP for organic produce, extensive large-scale research studies should be conducted. These studies would examine the costs associated with transitioning to organic farming and ensure that the MSP adequately reflects the financial support required for this shift, particularly in terms of decreased yields per hectare and increased quality of the produce. The current MSP mechanism, which primarily considers production costs, may not fully account for these factors. Thus, the Government has to determine MSP on organic crops considering it to be economical for the farmer to shift away from traditional crops providing better income from the same size of land and input costs. Therefore, the MSP for organic produce should take into consideration not just production costs, but also the support necessary to enable farmers to successfully make the transition from chemical-intensive farming to organic farming. MSP Incentive for Organic crops will also help solve the problem of storage of food-grain as production of organic crops per hectare is less than traditional crop. Most importantly, the nationwide health issues arises from chemical-based crop production can be solved as well as increasing demand for India's healthier food exports globally.

In an effort to give fillip to the Organic Farming, the Committee strongly recommend that a separate budget head may be created and sufficient funding may be made available every year to subsidize Organic Farming for its effective promotion.

Reply of the Government

The Commission for Agricultural Costs and Prices (CACP) is mandated to recommend Minimum Support Price (MSP) for 22 agricultural commodities and Fair and Remunerative Price (FRP) for Sugarcane at all India level.

While making MSP recommendations, the Commission, as per its mandate, considers cost of production, supply and demand situation of various crops in domestic and global markets, domestic and world prices along with trade opportunities, terms of trade between agriculture and non-agriculture sector, optimal utilization of land, water and other

production resources, likely effect of price policy on rest of the economy, and a minimum of 50 percent as the margin over the cost of production.

Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and copra.

While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop 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 and a minimum of 50 percent as the margin over cost of production.

The inclusion of crops under MSP framework is dependent on several factors which include relatively large shelf life, widely grown, item of mass consumption, essential for food security, among others.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

To make Minimum Support Prices (MSPs) more effective and transparent, a committee has been constituted on 12th July 2022. The subject matter of the committee also include (i) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (ii) To strengthen the

Agricultural Marketing System as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities.

Support given to farmers under PKVY and MOVCDNER schemes:

Government is committed to promote Organic Farming, with emphasis on sustainable productivity, food security and soil health. It supports the organic farming initiative in various ways. Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for Northeastern Region (MOVCDNER) schemes were launched in 2015-16 for promotion of Organic farming.

PKVY Scheme is being implemented in a cluster mode with min. 20 ha size and states have been asked to implement in cluster size of 1000 ha in plain area and 500 ha in hilly area to facilitate marketing of organic produce. All farmers are eligible but within a group a farmer can avail benefit to a maximum of 2 ha and the limit of assistance is Rs.31, 500 per hac. out of which 47.62% i.e., Rs. 15,000 is given as incentives to a farmer for organic conversion, organic inputs, on farm inputs, production infrastructure, etc., shall be provided directly through DBT during the conversion period of 3 years. Total 14.99 lakh ha area has been covered involving 25.30 lakhs farmers.

MOVCDNER scheme is implementing with an aim to develop end to end organic value chains across all eight states of NER. The scheme provides financial support for institutional development (FPOs), organic certification, on-farm and off-farm inputs, quality planting material, custom hiring centres, post-harvest and processing infrastructure as well as for marketing and branding of organic produce.

Till date, total 2.35 lakh ha area covered involving 2.70 lakh farmers, 24 organic outlets have been developed which are being operated by FPOs and state governments. 324-Collection & Aggregation Units, 354-Custom Hiring Centres, 176 – small Processing units, 6-Integrated Processing Units and 23- pack house entities created under FPO/FPCs and private ownership, 254-Transportation vehicles provided to FPO/FPCs and 8 states developed their own brands.

The scheme enables market linkages with industry players as well as with consumers through a whole host of marketing initiatives such as participation in buyer-seller meets, developing organic retail outlets within the state as well in major cities. 51 organic FPOs have been supported to sell their products online on Open Network for Digital Commerce (ONDC). The organic products command better price than conventionally grown produce.

Selected Mandis have started offering separate kiosk for organic produce.

In response to the recommendation that a separate budget head be created and sufficient funding be made available every year to subsidize organic farming for its effective promotion, the following reply is submitted:

Since 2015-16, the government has been prioritizing the promotion of organic farming across the country through two key schemes: the Paramparagat Krishi Vikas Yojana (PKVY), implemented in all States and Union Territories (except the North Eastern States), and the Mission Organic Value Chain Development for North Eastern Region (MOVCDNER). Initially, both schemes operated with separate budget lines. However, following the rationalization of the schemes, PKVY has been integrated as a component under the PM-RKVY umbrella scheme, with a common budget line and adequate fund allocation. Similarly, MOVCDNER has been included as a component under the Krishonnati Yojana (KY) umbrella scheme, also with a common budget line and sufficient budget allocation.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

Comments of the Committee

(For comments of the Committee, please refer to Para No. 1.14 of Chapter-I of this Report.)

CHAPTER - V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Implementation of Universal Crop Insurance for Small Holder Farmers

Recommendation No. 13

The Committee feel that Free Compulsory Crop insurance to Small Farmers with land holdings of upto 2 hectares, if provided by the Government on lines of Union Government health insurance Scheme- Pradhan Mantri Jan Arogya Yojana(PM-JAY) to all citizens of the country, can significantly impact the financial stability of smallholder farmers by providing them a safety net against crop losses and encouraging investment in better farming practices as they would be sure of financial compensation for losses caused by natural calamities, pests, or diseases. Consequently, this step would go a long way in helping farmers avoid debt traps and ensuring that they can reinvest in the next crop cycle. Crop insurance reduces the reliance on high-interest loans for Small holder Farmers from informal sources by providing timely compensation & protecting them from exploitative lenders. Small Holder Farmers often lack the requisite access to information, technology etc, consequently excluding them from formal financial systems and getting access to institutional support and financial aid during crises. Even if the loss to the farmer is only limited to 10-15 percent of their crop, they should be adequately compensated for that, not only if the loss is over 70 percent of the crop. By protecting small farmers from financial losses, Free Compulsory Universal Crop insurance to Small Holder Farmers will go a long way in removing rural distress, sustaining rural communities and ensuring food security for all. The Committee, therefore, reiterate their earlier recommendation contained in the Report no. 1 on Demands for Grants (2024-25).

Reply of the Government

The review/revisions / rationalization / improvements in the crop insurance schemes is a continuous process and decision on suggestion/ representations/ recommendations of

the stakeholders/studies are taken from time to time. Based on the experience gained, views of various stakeholders and with a view to ensure better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, Government has periodically revised the Operational Guidelines of the PMFBY comprehensively to ensure that the eligible benefits under the scheme reach the farmers timely and transparently. No proposal regarding universalization of the scheme is under consideration of the Government at present.

However, on account of reduction in premium rates due to interventions of Central Government, some States like Andhra Pradesh, Jharkhand, Assam, Maharashtra, Odisha, Meghalaya and Puducherry have paid/ decided to pay farmers share also and farmers are offered the scheme at very low or no cost which is a step towards universal crop insurance scheme.

Further, PMFBY is currently approved for implementation by the Government till 2025-26 and require fresh approval thereafter. The recommendation of the Committee regarding universal crop insurance for small and marginal farmers shall be duly considered at the time of seeking approvals for continuation of scheme beyond 2025-26.

**[Ministry of Agriculture & Farmers Welfare
(Department of Agriculture & Farmers Welfare)
OM. No.6-1/2024-B&A dated 11th June, 2025]**

**NEW DELHI;
24th MARCH, 2026
03 CHAITRA, 1948 (Saka)**

**CHARANJIT SINGH CHANNI
Chairperson,
Standing Committee on Agriculture
Animal Husbandry and Food Processing**

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)

The Committee sat on Monday, the 23rd March, 2026 from 1035 hrs. to 1118 hrs. in Committee Room No. 2, First Floor, Block-A, Extension to Parliament House Annexe (EPHA), New Delhi.

Present

Shri Charanjit Singh Channi – Chairperson

Members

Lok Sabha

2. Shri Rajkumar Chahar
3. Shri Kuldeep Indora
4. Shri Sukanta Kumar Panigrahi
5. Shri Dushyant Singh
6. Shri Sudhakar Singh

Rajya Sabha

- 7 Smt. Ramilaben Becharbhai Bara
- 8 Dr. Anil Sukhdeorao Bonde
9. Shri H. D. Devegowda
- 10 Shri Madan Rathore

Secretariat

- | | | | |
|----|----------------------|---|------------------|
| 1. | Shri Dhiraj Kumar | – | Joint Secretary |
| 2. | Shri Maheshwar | – | Director |
| 3. | Shri Prem Ranjan | - | Deputy Secretary |
| 4. | Shri Fauzi Badruddin | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration and adoption of the following Draft Subject Reports and Draft Action Taken Reports:

*(i) XXXX XXXX XXXX XXXX

*(ii) XXXX XXXX XXXX XXXX

(iii) Action-taken Report on the Action taken by the Government on the Observations/ Recommendations contained in the 7th Report of the Committee on 'Demands for Grants (2025-26)' pertaining to the Ministry of Agriculture & Farmers Welfare (Department of Agriculture & Farmers Welfare) presented during 18th Lok Sabha;

*(iv) XXXX XXXX XXXX XXXX

*(v) XXXX XXXX XXXX XXXX

*(vi) XXXX XXXX XXXX XXXX

3. XXXX XXXX XXXX XXXX

4. The Committee adopted the Draft Action-taken Reports mentioned at para 2(iii) without any modifications.

5. The Committee decided to consider the examination of the subject "Review of India's Sugar Structure - Production, Impact of Importation of Sugar from China, Ethanol Issues and Policy Reforms" currently under the Ministry of Agriculture and Farmers Welfare (Department of Agriculture and Farmers Welfare) during 2025-26.

6. The Committee also authorized the Chairperson to finalize the Reports in the light of modifications suggested and present the Reports to Parliament.

The Committee then adjourned.

*Matter not related to this report.

APPENDIX

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE SEVENTH REPORT (18TH LOK SABHA) OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25) ON DEMANDS FOR GRANTS (2025-26)

(i)	Total Number of Recommendations	14
(ii)	Observations/Recommendations which have been accepted By the Government Para Nos. 1,3,6,7,8,10 and 12	Total 07 50%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies Para Nos. 4,5 and 14	Total 03 21.42%
(iv)	Observations/Recommendations in respect of which Replies of the Government have not been accepted by the Committee Para No. 2,9 and 11	Total 03 21.43%
(v)	Observations/Recommendations in respect of which final replies of the Government are still awaited Para No. 13	Total 01 7.15%