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# PM AASHA Scheme (Pradhan Mantri Annadata Aay SanraksHan Abhiyan)

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## Why in news?

The Union Cabinet *approved the continuation* of schemes of the **Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)**.

The Centre said the schemes under PM-AASHA will *ensure remunerative prices to farmers and control price volatility of essential commodities* to benefit consumers.

The Cabinet also fixed the **Nutrient Based Subsidy (NBS)** rates for the *upcoming rabi season* on *phosphatic and potassic (P and K) fertilisers*

## PM-AASHA:

PM-AASHA is an **initiative by the Indian government to support farmers by ensuring fair prices for their crops**, primarily pulses, oilseeds, and copra, through various price support mechanisms.

## components included in PM-AASHA:

The scheme includes the **Price Support Scheme (PSS), Price Stabilisation Fund, and Price Deficiency Payment System**.

## PM-AASHA benefit farmers:

PM-AASHA benefits farmers by **providing them with a Minimum Support Price (MSP) for their crops**, which helps to *protect them from the volatility of market prices*.

## Price Support Scheme (PSS):

PSS is a component of PM-AASHA that allows the **government to purchase pulses, oilseeds, and copra directly from farmers at MSP** to safeguard their earnings.

- Under PSS, **central nodal agencies** will purchase pulses, oilseeds, and copra, with active involvement from state governments.
- The **Food Corporation of India (FCI)** and the **National Agricultural Cooperative Marketing Federation of India (NAFED)** will be instrumental in implementing the scheme.
- The **central government will bear the procurement expenses and losses incurred** during procurement.
- The government will **acquire 25% of the marketable surplus of farmers** for eligible crops.
- Approximately Rs 16,000 crores have been provisioned as a bank guarantee for agencies involved in farmer procurement.

## Price Stabilisation Fund:

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The Price Stabilisation Fund is designed to **regulate the price of agricultural produce by curbing extreme price volatility**, thereby benefiting both farmers and consumers.

### **Price Deficiency Payment System:**

This system compensates farmers for the difference between the market price and the MSP when the market price falls below the MSP.

- PDPS involves the **state providing the difference between prices prevailing in agricultural markets (mandis) and the MSP**.
- All **oilseeds fall under the purview of PDPS**.
- This scheme is modeled on the **Bhawantar Bhugtan Yojana** implemented by **the Madhya Pradesh** state government and **Bhavantar Bharpai Yojana of the Haryana Government**.
- There will be **no physical procurement of crops under PDPS**.

### **What is the budget for PM-AASHA:**

The total financial outgo for PM-AASHA will be **₹35,000 crore** during the **15th Finance Commission cycle up to 2025-26**.

### **Does PM-AASHA address market uncertainties?**

Yes, **by ensuring MSP** and providing a **buffer** through the **Price Stabilisation Fund**, PM-AASHA helps mitigate market uncertainties for farmers.

## **Food Corporation of India (FCI)**

The Food Corporation of India was setup under the Food Corporation's Act, 1965. It has the following objectives of the Food Policy:

- Effective price support operations for safeguarding the interests of farmers.
- Distribution of foodgrains throughout the country for public distribution.
- Maintaining satisfactory level of operational and buffer stocks of foodgrains for ensuring National Food Security.

## **National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED)**

- NAFED is registered under the Multi State Co-operative Societies Act, 1962.
- It was setup in 1958 with the object to promote Co-operative marketing of Agricultural Produce to benefit the farmers.
- Agricultural farmers are the main members of NAFED, who have the right to elect the form of members of the General Body in the working of NAFED.