



KAMARAJ IAS ACADEMY
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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, 1912.
- 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.