

PM Aasha Yojana

[UPSC Notes]

What is PM Aasha Yojana?

PM Aasha Scheme or Pradhan Mantri Annadata Aay SanraksHan Abhiyan is a recently launched scheme that guarantees remunerative prices to the farmers for their produce.

PM Aasha was announced in September 2018 as an effort to guarantee a Minimum support price (MSP) to the farmers for their crops each year. Additionally, it will protect farmers' income which would go long way toward the welfare of farmers.

In the Union Budget 2018, the Government had a vision of doubling the farmers' income by 2022. To achieve this the government put an emphasis on enhancing productivity, reducing the cost of cultivation, and strengthening post-harvesting management. PM Aasha's scheme was such an initiative that must be implemented properly.

Components of PM Aasha Scheme

The components of the PM Aasha scheme are as follows:

Price Support Scheme (PSS)

- With this Price Support Scheme procurement of oilseeds, and pulses will be carried out by the Central Nodal Agencies with the state government support.
- Price Support Scheme will be set up by the Food Corporation of India along with NAFED and any expenses incurred will be borne by the Central Government of India.

Price Deficiency Payment Scheme (PDPS)

- In PDPS all the oilseed notified for SP will be covered.
- The direct payment of the difference between MSP and the selling process will be made to pre-registered farmers selling their produce in the notified market yard through a transparent auction process.
- All the payments will be made to the registered bank accounts of the farmers
- The aim of this scheme is to provide compensation to the farmers for their agricultural products when their price falls below the MSP or Minimum Support Price.

The Pilot of Private Procurement & Stockist Scheme (PPPS)

- As per the Pilot of Private Procurement & Stockist Scheme (PPPS), the private sector will take a part in this procurement operations.
- The state will have the option to conduct the scheme on a pilot basis in selected APMCs with the private sector involvement.

Significance of PM Aasha

The importance of the PM Aasha Scheme is as follows

- The scheme tries to strengthen the physical procurement of oilseeds, pulses, and copra
- The PM Aasha was introduced to plug the holes in the procurement system
- PM Aasha will address the gaps in the MSP-Minimum Support Price
- When the markets have failed to pull out farmers from perpetual indebtedness, PM Aasha Scheme comes to the rescue.
- The PM Aasha Scheme may be the beginning of new market architecture.

Challenges in PM Aasha Scheme

Just like all the government schemes, some challenges can be seen in the PM Aasha Yojana as well.

- NITI Aayog in its 2016 evaluation report mentioned that the procurement infrastructure in India is inadequate. However, the PM Aasha doesn't strengthen the procurement infrastructure of India.
- The lack of an efficient distribution system is another crucial concern of PM Aasha Yojana. For example, NAFED has 4 million tonnes of stock of oil seeds and pulses because of the previous 2 years' procurement. But still, there is no existence of distribution policy.
- Price manipulation by the traders is another major concern of this PM Aasha scheme. The rural traders have a political setup and can manipulate the prices.
- NAFED incurred losses since 2012 due to depressed prices in the open market and amounted to about Rs. 1,083 crores. The financial condition of NAFED is also a concern over the proper implementation of the Price Support Scheme.
- The quantity of produce procured by the designated state agencies was limited.

PM Aasha Scheme- Way Forward

A proper implementation would be the key to the success of the PM Aasha Scheme. The government must make sure hassle-free registration of farmers.

- The target area of the PM Aasha Yojana must be the marginal farmers to improve their economic condition.
- The government needs to keep a check on the price manipulation by the traders.
- Importance must be given to enhancing the procurement of infrastructural facilities.
- Better godown and storage facilities should be constructed to reduce wastage.
- The procurement centers must be in the village itself to save transportation costs.