

Revolutionizing Agricultural Trade - PM Kisan Bhai Scheme Aims to Empower Farmers

The Indian government, through the Ministry of Agriculture, is set to introduce a pioneering initiative, the PM Kisan Bhai Scheme, to address the challenges faced by small and marginal farmers in storing their produce. This scheme, officially known as Bhandaran Incentive, aims to empower farmers by breaking the traditional monopoly of traders in determining crop prices.



(Source: informalnewz)

Objective of PM Kisan Bhai Scheme

The primary objective of the PM Kisan Bhai Scheme is to provide warehousing facilities to farmers, allowing them to store their produce and sell it at more favorable prices. The government plans to offer warehouses free of cost to eligible farmers, thereby improving their financial condition and fostering self-dependence. By enabling farmers to retain their crops for a minimum of three months post-harvest, the scheme aims to challenge the dominance of traders in price determination.



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Benefits and Features

The PM Kisan Bhai Scheme encompasses several benefits and features aimed at transforming the agricultural landscape:



(Source: Zee Business)

Warehousing Facilities for Farmers: The government will provide housing facilities to farmers for a period of three months.

This empowers farmers to store their crops, giving them the flexibility to sell at a better price.

Breaking the Monopoly of Traders: The scheme intends to break the traditional practice where traders influence crop prices during the harvest period.

By allowing farmers to retain their crops for an extended period, the scheme challenges the monopoly of traders in price determination.



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Phased Rollout: The first phase of the scheme will be implemented in Andhra Pradesh, Assam, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, and Uttar Pradesh. The government plans to spend Rs 170 crore over three years for the scheme's implementation.

Financial Independence for Farmers: With the implementation of the scheme, farmers are expected to become financially independent.

The quality of farming is also anticipated to improve.

Components of PM Kisan Bhai Scheme

The PM Kisan Bhai Scheme comprises two major components:

Warehousing Rental Subsidy (WRS): Small and marginal farmers, as well as farmers' producer organizations, are eligible for a warehousing rental subsidy of Rs 4 per quintal per month, irrespective of the warehousing charges. The storage period for which the subsidy is applicable is capped at three months.

Prompt Repayment Incentive (PRI): The PRI aims to incentivize the storage of farmers' produce in scientifically built warehouses.

There is a proposal to reduce the interest rate on pledge finance against eNegotiable Warehouse Receipts (eNWRs) through a PRI.

Eligibility and Required Documents

To apply for the PM Kisan Bhai Scheme, farmers need to meet the following criteria:

1. Applicant must be a permanent resident of India.
2. The applicant should be a farmer.
3. Required documents include Aadhar card, residence certificate, passport size photograph, mobile number, and email ID.

Procedure to Apply Under PM Kisan Bhai Scheme

As of now, the central government has announced the scheme, and its launch is imminent. The application procedure will be updated once the government officially launches the scheme. Interested individuals are advised to stay informed through regular updates on this article.

PM Kisan Bhai Scheme Set to Revolutionize Agricultural Trade

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The proposed PM Kisan Bhai scheme is poised to revolutionize agricultural trade in India, bringing about a paradigm shift in the dynamics of how farmers engage with the market.

Breaking the Monopoly

One of the core objectives of the PM Kisan Bhai scheme is to break the traditional practice where farmers are compelled to sell their crops immediately after harvest. This rush to sell often results in farmers receiving suboptimal prices for their produce. The new scheme aims to provide farmers with the autonomy to decide when to sell, allowing them to retain their crops for a minimum of three months post-harvest.

Piloting the Initiative

The scheme will undergo a pilot phase in seven states, namely Andhra Pradesh, Assam, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, and Uttar Pradesh. This phased approach will enable the government to assess the feasibility and effectiveness of the PM Kisan Bhai scheme in diverse agricultural landscapes. The estimated expenditure for the pilot phase is Rs 170 crore over three years.

Components of the Proposal

The PM Kisan Bhai scheme comprises two significant components – Warehousing Rental Subsidy (WRS) and Prompt Repayment Incentive (PRI). These components aim to address key challenges faced by farmers.

Warehousing Rental Subsidy (WRS): Small and marginal farmers, along with farmer producer organizations (FPOs), are eligible for a warehousing rental subsidy of Rs 4 per quintal per month, regardless of the rate of warehousing charges. The subsidy is applicable for a maximum storage period of three months. Produce stored for 15 days or less will not qualify for the subsidy, and the incentive will be calculated on a day-to-day basis.

Prompt Repayment Incentive (PRI): The PRI aims to incentivize the storage of farmers' produce in scientifically built warehouses.

There is a proposal to reduce the interest rate on pledge finance availed against a secured instrument of eNegotiable Warehouse Receipts (eNWRs).

The incentive will be provided for trading eNWRs via the eNational Agriculture Market (eNAM) platform or other registered e-trading platforms interoperable with eNAM.

Addressing Constraints: The concept paper for the scheme highlights the challenges faced by farmers, including high carryover costs and credit risks associated with the current pledge finance facility. To overcome these challenges, the government emphasizes the need to incentivize the storage of farmers' produce in scientifically built warehouses.

Challenges and Outlook

While there is optimism about the scheme's potential to empower farmers, concerns have been raised about the influence of buyers on prices. Experts suggest that the success of the PM Kisan Bhai scheme hinges on the response of buyers, who still wield significant influence in the agricultural value chain due to their substantial capital base. The impact of the scheme on market dynamics and the overall welfare of small and marginal farmers will be closely monitored as it progresses.

The PM Kisan Bhai Scheme holds the promise of transforming the agricultural sector by providing farmers with greater control over the sale of their produce. By breaking the monopoly of traders and incentivizing scientifically sound storage practices, the scheme aims to empower farmers economically and improve the quality of farming. As the scheme undergoes its pilot phase and eventually rolls out nationally, its success will depend on effective implementation, stakeholder collaboration, and the ability to address challenges in the agricultural value chain. The coming months will be crucial in determining the impact of the PM Kisan Bhai Scheme on the lives of farmers across the country.

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