



Physical achievement and Financial progress of Paramparagat Krishi Vikas Yojana (PKVY)

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ABSTRACT

This paper attempts to examine the components, objectives, cluster formation, implementation process, and benefits of the Paramparagat Krishi Vikas Yojana (PKVY) scheme in India. This paper also attempts to analyze the physical achievement and financial progress of this scheme during the period from 2015-16 to 2020-21. This study has found out that the total of 6.19 lakh hectare areas has been covered, and 15.47 lakh farmers have been benefitted with 30,934 clusters under the PKVY scheme during the period from 2015-16 to 2020-21. The total of Rs. 1,364 Crores have been released under the PKVY scheme in both phases from 2015-16 to 2020-21.

Keywords: PKVY scheme, Physical achievement and financial progress

Introduction

India is the land of agriculture where a major portion of workforce is engaged in agricultural activities. About a major fraction of the rural population in India depend upon agriculture as the source of livelihood. In addition to this, it is also the central agenda in policy formation. Each government forms a set of policies to enhance agriculture from time to time. The Paramparagat Krishi Vikas Yojana (PKVY) is one such program that aims to create organic farmlands by the use of traditional farming methods. As we all are well aware of impacts conventional farming methods have on the people. All the practices by the farmers directly or indirectly affect the soil of the land. It becomes quintessential that natural farming methods are indulged into practice. So, the PKVY is one such program that started to indulge the Paramparagat, i.e., traditional methods of farming in the usual methods. The program focused on creating sustainable and organically certified farmlands. It is empowering the farmers in every way. This scheme is also observed as a component of Soil Health Management (SHM) following the National Mission of Sustainable Agriculture (NMSA) and launched to increase public investment in the area of agriculture. Both the central and the state governments manage and generate the funds for the scheme. But the investments are borne more by the central government. The central government provides incentives to the states to boost investment via public in agriculture.

The PKVY is the first comprehensive scheme launched as a centrally sponsored Program from 2015-16. But due to the lack of growth, the funds were then dispersed among the centre and the state. The government repositories under the PKVY are shared in the ratio of 60:40 among the centre and the states, respectively. However this assistance is the ratio of 90:10 in eight North-Eastern states and two hilly states- Himachal Pradesh and Uttarakhand, and 100% in Union Territories. The department of agriculture is implementing a centrally sponsored scheme, "Paramparagat Krishi Vikas Yojana", since 2015-2016. Main objective of the scheme is to implement organic farming with the production of agriculture products free from chemicals and pesticides residue by the adoption of eco-friendly with low cost technologies. Under the PKVY, the organic farming is promoted through adoption of organic village by cluster approach, and PGS certification in such areas like hilly, tribal, and also rain-fed areas where utilization of chemical fertilizers and pesticides is less.

Kamatchi (2019), in his study on "Paramparagat Krishi Vikas Yojana in India: A special subsidy scheme to the farmers' for organic farming", has attempted to focus on features, objectives, area selection, fund allocation, and expenditure made under the PKVY scheme in India. He has concluded that moving towards natural fertilizers would be the best option to avail the better and healthy food for getting high nutrients. To achieve a better, healthy life, shifting back to organic farming, which was practiced olden days, would be the right option. It provides quality food without adversely affecting soil health and the environment. It provides employment opportunities and brings prosperity to the region. In addition, there is an international demand for organic products.

A Nationwide impact study of Paramparagat Krishi Vikas Yojana (2018) by the National Institute of Agricultural Extension Management (MANAGE), Hyderabad, has said that the average cost per hectare in wheat was lower in organic agriculture by 11.3%, while gross returns decreased by 5.6%. The combined net effect of a higher reduction in costs with slightly reduced gross returns was an increase in net return by 15.8%. The yields of organic agriculture were less than that of conventional by 5.6%. The use of green manure has increased by 50%. The average cost per hectare in paddy was lower in organic agriculture by 15.1%, while gross returns decreased by 7.3%. The combined net effect of higher reduction in costs with slightly reduced gross returns was an increase in net return by 36.7%. The use of green manure has increased by 25%. The average cost per hectare in soybean

was lower in organic agriculture by 17.2%, while gross returns decreased by 9%. The combined net effect of a higher reduction in costs with slightly reduced gross returns was an increase in net return by 50.6%. The yields of organic agriculture were less than that of conventional by 9.1%. The use of green manure increased by 9.5%.

Methodology

This paper attempts to examine the components, objectives, cluster formation, implementation process, and benefits of the PKVY scheme launched in India to implement organic farming with the production of agriculture products free from chemicals and pesticides residue by adoption of eco-friendly with low-cost technologies. This paper also attempts to analyze the physical achievement and financial progress of this scheme during the period from 2015-16 to 2020-21. For this purpose, necessary data required for this study has been collected from the official website of the Ministry of Agriculture and Farmers' Welfare, Government of India

Components of the PKVY scheme

Components of the PKVY scheme are:

- a) Programme implementation through support agencies for handholding and capacity building of farmers in the cluster and regional councils as certification endorsing agencies are well defined.
- b) Participatory Guarantee System (PGS) Certification through regional councils,
- c) Incentive to farmers through Direct Benefit Transfer (DBT), and
- d) Value addition, marketing, and publicity

Objectives of the PKVY scheme

The fundamental aim of this scheme is to use the wisdom and technology hand in hand to benefit the soil and develop efficient models of agriculture. It involves a certificate generation for organic farming through PGS certification methods. The PGS in India allows a period of three months to a cluster to convert it from conventional farming to organic farming. The PGS gives organic labels to the farms that change from conventional farms to organic farms and also help to market their product. The main aims of this scheme are:

1. To promote organic sustainable farming systems
2. To increase soil fertility by using natural methods of farming
3. To conserve the natural resources by evading the use of chemicals
4. To produce chemical-free crops and decrease the carbon footprint
5. To manage nutrients in soil through natural nutrient recycling methods
6. To enhance the income of farmers by the adoption of inexpensive farmer-friendly techniques
7. To create young farmer entrepreneurs and increasing investment
8. To link farmers to the markets, national as well as local
9. To promote organic food production and connecting the product to diverse market.

Cluster formation under the PKVY scheme

The PKVY Scheme is implemented under cluster mode with a minimum of 20 hectares size, and the states are asked to implement in cluster size of 1,000 hectares in plain areas, and 500 hectares in hilly area to facilitate marketing of organic product. Under the scheme, there is a provision of cluster formation to get participatory certification, and the benefits associated with this scheme.

According to the scheme, continuous clusters are selected to gain any financial benefit. Continuous clusters can be of the area ranging from 500 hectares to 1000 hectares for which there are a group of 20-50 farmers. All farmers are eligible, but within a group, a farmer can avail benefits up to a maximum of two hectares, and the limit of assistance is Rs.50,000 per hectare. Out of which 62%, i.e., Rs. 31,000 is given as incentive to a farmer for organic conversion, organic inputs, on-farm inputs, production infrastructure, etc., provided directly through DBT during the conversion period of three years. Training and certification for organic products is given to all of these farmers in a cluster. More than fifty farmers are covered under a continuous patch of 50 acres. Also, at least three pieces of training will be given to these clusters in a one year. Model cluster demonstrations are given by the public sector units and other co-operatives. These demonstrations are free of cost, and 100% funded by the central government.

The PKVY Implementation Process

As it is a centrally sponsored scheme, there is a set of procedures, a flow in which the organic production works. Readout how the process of taking up organic farming works?

1. Firstly, all the farmer groups are motivated to adopt organic farming.

2. The clusters of 50 acres are formed by fifty or more farmers. (Within three years, 10,000 clusters are to be formed, converting 5 lakh acres farm into organic farms).
3. The clusters indulge in traditional farming practices like nutrient management, neem cake manures, nitrogen harvesting, etc.,
4. Funds and associated certification are provided to all the farmers.
5. Incentives are provided for various inputs from seeding until harvest and reaching the products to the final market.
6. The final harvest is linked to the organic market

Benefits of the PKVY scheme

The government repositories under the PKVY are shared in the ratio of 60:40 among the centre and the states, respectively. This assistance is in the ratio of 90:10 for hilly states like eight North-Eastern states and two hilly states- Himachal Pradesh and Uttarakhand, and the Union Territories get 100% of the funding from the central government. So, according to the ratio, the benefit is associated with the scheme. :

1. Financial aid to a cluster of 50 acres/ 20 hectares will be rupees 10 Lakhs.
2. Rupees 14.95 lakhs to each cluster for PGS certification, manure management, and mobilization.
3. For activities of biological nitrogen harvesting and manure management, there shall be an allotment of rupees 50,000 to each farmer per hectare
4. Rupees 4.95 lakhs assistance to each cluster by the implementing agencies for adopting PGS certificate and quality control.
5. Complete cost of certification is sponsored by the states.
6. Each farmer gets rupees 20,000/ acre of land for three years for various inputs like seeds, transport, harvesting, and, etc.
7. Reduction in the cost of inputs is used in the production of crop.
8. Increase in price premium with linkages in markets.
9. Increase in yield, and all practices suggested are promoted

Physical achievement and financial progress of the PKVY scheme

In Phase-I, the total amount allocated for the scheme from 2015-16 to 2017-18 is Rs. 947 Crores, and the fund released is Rs. 582.47 Crores. In phase-I, 2, 37,820 hectares of land have been converted as organic farming land and 5, 94,550 farmers are benefited in 11,891 clusters. In phase – II, the total amount allocated for the scheme from 2018-19 to 2020-21 is Rs. 1,185 Crores, and the fund released is Rs. 781.14 Crores. The total area covered is 3.81 lakh hectares, and 9.52 lakh farmers are mobilized in 19,043 clusters. Under the PKVY, the total of Rs. 1,364 Crores has been released during both phases. The total of 6.19 lakh hectares has been covered, and 15.47 lakh farmers are benefited in 30,934 clusters in both phases.

Table-1: Physical achievement and financial progress of the PKVY scheme

Phase	Amount allocated (Rs. In Crores)	Fund released (Rs.in Crores)	Area covered (Hectares)	Beneficiary Farmers
Phase-I 2015-16 to 2017-18	947.00	751.92	2,37,820	5,94,550
Phase-II 2018-19 to 2020-21	1185.00	611.69	3,81,000	9,52,000
Total	1 132.00	1363.61	6,18,820	15,46,550

Source: Department of Agriculture, Cooperation and Farmers' Welfare, Ministry of Agriculture and Farmers' welfare, Government of India

Fund allocation for the PKVY

Fund allocation and fund released for the PKVY scheme for the period from 2015-16 to 2020-21 is presented in the table-2. Budget estimation for the PKVY scheme in 2015-16 has been Rs. 300 Crores and it has increased to Rs. 500 Crores in 2020-21 budgets by increasing 66 percent compared to 2015-16. The total allocation for the PKVY scheme between 2015-16 and 2020-21 has been Rs. 2,132 Crores. However, only 63.96 percent (1,364 Crores) of total allocation has been released during this period. In 2015-16, Rs.226 Crores have been released for the PKVY scheme, and it has marginally decreased to Rs.168 Crores by falling -25 percent compared to 2015-16.

Table-2: Fund allocation and fund released for the PKVY scheme (Rs. In Crores)

Phase	Year	Fund allocation	Fund released
Phase-I	2015-16	300.00	226.19
	2016-17	297.00	152.82
	2017-18	350.00	203.46
Sub Total (A)		947.00	582.47
Phase-II	2018-19	360.00	329.46
	2019-20	325.00	283.67
	2020-21	500.00	168.01
Sub Total (B)		1185.00	781.14
Grand total (A+B)		2132.00	1363.61

Source: Department of Agriculture, Cooperation and Farmers' Welfare, Ministry of Agriculture and Farmers' welfare, Government of India

Conclusion

The Indian agricultural sector is in distress with reducing profitability due to the rising cost of inputs, and stagnant output prices. These twin problems of agriculture can be effectively tackled by the wider adoption of organic agriculture. Given this, The Indian government is encouraging organic agriculture under the centrally sponsored scheme of the PKVY. There are about two million farmers across the global practice certified organic farming methods, and roughly 80 per cent of these farms are in India (Department of Agriculture, Cooperation and Farmers' welfare). It wouldn't be wrong to assume that our country is at the centre of an organic revolution to take the world by storm. The organic farming has become increasingly important in India given the rising costs and increased losses due to climate change and aberrations in rainfall, and extreme climatic events like floods and droughts. Consumers can also be willing to purchase organic agriculture products at premium prices as they are free from chemical fertilizers and pesticides. There is also the uncertainty of the benefits, and costs of using genetically modified crops on a wider scale. This resulted in a scope for increased demand for organic agriculture. Apart from this, there has been a significant rise in the demand for organic food worldwide due to increased consciousness related to health problems arising from the chemical pesticides, and fertilizers contaminated food. Keeping these in focus, there is thrust on the PKVY to promote organic agriculture. It is a scheme of supporting organic farming via a cluster approach with a participatory guarantee system.

References

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