



Farmers' Earning in Agri Produce: RBI

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Why in News?

The **Reserve Bank of India (RBI)** conducted a **pan-India survey** on **farmers' share in consumer prices in rabi crops**.

- It covered mandis and villages across **18 states** analysing **12 rabi crops** and including inputs from **farmers, traders and retailers**.

What are the Key Findings of the Survey on Farmers' Earning in Agri Produce?

- **Farmers' Share in Consumer Prices:** Farmers received **40-67%** of the final consumer price for major **rabi crops** surveyed.
 - **Wheat Farmers:** Wheat farmers received **67%** of the consumer price, the **highest** among surveyed crops, with **25%** selling at **MSP** for an assured market.
 - **Rice and Other Cereals:** **Rice farmers' share** in retail prices was **52% in 2024** that remained stable over the years i.e., **45% in 2022, and 49% in 2018**.
 - **Pulses and Oilseeds:** **Lentil (Masoor) farmers** received around **66%**, while **Gram (Chana) farmers** received **60%** of the consumer price.
 - **Mustard farmers** received **52%**, slightly lower than the **55%** recorded in a **2021 study**.
 - **Perishable Crops:** Farmers' share in **fruits and vegetables** ranged from **40-63%**, significantly lower than for cereals and pulses.
 - The **combined share of traders and retailers** in consumer prices was more than **50% for most perishable crops** (except tomatoes).
 - **Perishable crops (fruits and vegetables)** had a **lower farmers' share** compared to Non-perishable crops (such as wheat and pulses).
 - Perishable products have **short shelf life, seasonal production, varied quality, special logistics, strict standards, demand fluctuations**, climate dependency, and supply chain uncertainties.
- **Digital Transactions:** **Cash** transactions still **dominate** agriculture, but **electronic payments** have **risen** significantly in the **2024** survey compared to 2018 and 2022.
- **Supply Chain Challenges:**
 - An **unorganized supply chain** with **multiple intermediaries** limits transparency in **product movement, finances, and pricing**, reducing farmers' share of consumer prices.
 - A lower farmers' share discourages **crop diversification** away from cereals.

[Click Here to Read: Middlemen Gain as Farmers Earn Less in Agri Produce: RBI](#)

[Drishiti Mains Question:](#)

UPSC Civil Services Examination, Previous Year Question (PYQ)

Mains

Q. What do you mean by Minimum Support Price (MSP)? How will MSP rescue the farmers from the low income trap? (2018)

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