

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.1498
TO BE ANSWERED ON THE 12TH FEBRUARY, 2019

REMUNERATIVE PRICES FOR FARM PRODUCE

1498. DR. PRITAM GOPINATH MUNDE:
SHRI SHRIRANG APPA BARNE:
DR. SHRIKANT EKNATH SHINDE:
SHRI ANANDRAO ADSUL:
SHRI ADHALRAO PATIL SHIVAJIRAO:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

(a) whether it is a fact that there is a huge gap between production and procurement with the result that farmers have not been able to get remunerative prices for their produce, if so, the response of the Government thereto;

(b) whether the procuring agencies responsible for procuring foodgrains like rice and wheat have been able to procure only 26.77 per cent of wheat production and 31.30 per cent of rice production during financial years 2002-03 to 2017-18, if so, the facts thereof along with the reasons therefor;

(c) whether it is a fact that India has failed to solve the riddle of agricultural marketing, if so, the facts thereof;

(d) whether the Government has studied the reasons responsible for such a failure, if so, the details thereof; and

(e) the remedial steps taken by the Government to bridge the gap between production and procurement so far and the success achieved in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) & (b): There is always a gap between production and procurement of agricultural produce, since the entire quantity produced is not brought to Mandis / Purchase centres. Farmers retain a part of their produce for their self-consumption and seeds. The surplus is sold by them in the market. On an average, approximately 30-35% of the total rice and wheat produced in the country is procured for central pool by Government Agencies. The production and procurement of rice & wheat from 2002-03 to 2018-19 is at Annexure-I.

(c) & (d): Agricultural marketing is a State subject and Government of India plays a supportive role. The organized wholesale marketing of agricultural produce is promoted through

Contd...2/-

the network of reregulated, wholesale markets established under the provisions of States' Agricultural Produce Marketing (Regulation) Acts, popularly called Agricultural Produce Market Committee (APMC) Acts. Government has taken several measures to develop accessible marketing facilities for farmers nearer to their farm gate with the objectives that farmers should get competitive and efficient markets with fair and transparent trading mechanism. The measures, inter alia, include steps like persuasion of States to reform their marketing laws/policies to provide better marketing facilities to the farmers by adopting the new model Act namely, "The Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017" in April 2017. The model act provides for alternative marketing channels such as setting up of private markets, direct marketing, farmer-consumer markets, special commodity markets, to facilitate farmers in marketing their produce at competitive & remunerative prices. Further, the Government has formulated and released a progressive and facilitative Model Act "The --- State/ UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018" in May, 2018 for its adoption by the states/Union Territories (UTs) for promotion of contract farming. Government is also promoting adoption of e-National Agriculture Market (e-NAM) scheme for transparent price discovery for remunerative prices for the farmers for their produce through competitive online bidding system. In addition, in Union Budget 2018-19, Government has announced to develop and upgrade rural haats to Gramin Agriculture Market (GrAMs) through convergence of various scheme with a view to assist farmers to sale their produce direct to buyers and bulk consumers for realising better prices. Besides, Government of India has been promoting development of marketing infrastructure through various schemes such as Agricultural Marketing Infrastructure (AMI), Mission for Integrated Development of Horticulture (MIDH) & Rashtriya Krishi Vikas Yojana (RKVY).

(e): The Government of India along with various State Governments formulate procurement plan to procure notified agriculture produce from the farmers. The steps taken to ensure remunerative price to farmers are at Annexure-II.

The production and procurement of rice & wheat from 2004-05 to 2018-19

(Fig. in LMT)

KMS/RMS	Rice			Wheat		
	Production	Procurement	Percentage of Procurement to Production	Production	Procurement	Percentage of Procurement to Production
2004-05	831.3	246.72	29.68%	721.6	167.95	23.27%
2005-06	917.9	275.78	30.04%	686.4	147.85	21.54%
2006-07	933.6	251.07	26.89%	693.5	92.31	13.31%
2007-08	966.9	287.36	29.72%	758.1	111.28	14.68%
2008-09	991.8	341.04	34.39%	785.7	226.89	28.88%
2009-10	890.9	320.34	35.96%	806.8	253.82	31.46%
2010-11	959.8	341.98	35.63%	808.0	225.13	27.86%
2011-12	1053.0	350.60	33.30%	868.7	283.35	32.62%
2012-13	1052.4	340.44	32.35%	948.8	381.48	40.21%
2013-14	1066.5	318.45	29.86%	935.1	250.92	26.83%
2014-15	1054.8	320.40	30.38%	958.5	280.23	29.24%
2015-16	1044.1	342.18	32.77%	865.3	280.88	32.46%
2016-17	1097.0	381.06	34.74%	922.9	229.61	24.88%
2017-18	1129.1	381.84	33.82%	985.1	308.24	31.29%
2018-19*	992.4	337.40#	34.00%	997.0	357.95	35.90%

* As per First Advance estimates of production of foodgrains for 2018-19.

Procurement during KMS 2018-19 is under progress. Data reported is as on 05.02.2019.

The steps taken to ensure remunerative price to farmers are as under:-

- (i) The Minimum Support Price (MSP) is announced by the Government at the beginning of the sowing season of crops.
- (ii) MSP operations are given wide publicity through pamphlets, banners, sign boards radio, TV and advertisements through print & electronic media.
- (iii) Farmers are made aware of the quality specifications and purchase system etc. to facilitate the farmers to bring their produce conforming to the specifications.
- (iv) Procurement centres are opened by respective State Govt. / Central Agencies taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation etc. Large number of temporary purchase centres in addition to the existing Mandis and depots/godowns are also established at key points for the convenience of the farmers.
- (v) For further strengthening the system that the farmers directly get the MSP announced by GOI, the GOI decided to do away with the levy system of procurement of rice with effect from KMS 2015-16, allowing the entire procurement of paddy to be done only by the State Agencies/FCI.
- (vi) Payment to farmers is done largely through electronic mode or Account payee cheque by State Agencies/FCI other than in Punjab & Haryana where it is made to Arthiyas as per APMC Acts of the respective State. Efforts are made to make the payments to the farmers within 48 hours of purchase.
- (vii) FCI has developed its own Depot Online System which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The States have also been encouraged to procure the produce of the farmers online. Through Depot Online System, farmers get latest/updated information regarding MSP declared, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enables the farmer to deliver stock as per his convenience in the nearest mandi. MSP is released through either electronic mode or Account payee cheque directly to the bank accounts of the farmers except in Punjab & Haryana whereas per APMC Acts of the respective state, payment is made to Arthiyas.
