

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

LOK SABHA
UNSTARRED QUESTION NO.402
TO BE ANSWERED ON THE 19TH NOVEMBER, 2019

EFFECT OF LOW AGRICULTURAL PRODUCTION

402. SHRI NIHAL CHAND:

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

- (a) whether there is a possibility of inflation due to the low production of agricultural yield;
- (b) whether the union government has made any alternative arrangement to deal with it; and
- (c) if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): The prices of agriculture produce are determined by supply and demand conditions in the market on a day-to-day basis. Apart from demand and supply conditions, quality of produce, seasonality, availability of stocks and international prices are also affecting the prices of agricultural produce. Price of agricultural produce tends to fall after harvesting season due to increase in market arrival of new crops.

(b) & (c): The Government of India has started Price Stabilization Fund (PSF) scheme in 2014-15 to help regulate the price volatility of important agri-horticultural commodities. The schemes provide for maintaining a strategic buffer of aforementioned commodities for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation. For building such stock, the scheme promotes direct purchase from farmers/farmer's association at farm gate/Mandi. The PSF is utilized for granting interest free advance of working capital to Central Agencies and State/UT Governments and other agencies to undertake market intervention operations. Apart from domestic procurement from farmers/wholesale mandis, import can also be undertaken with support from the Fund.

The recently launched Umbrella Scheme "Pradhan Mantri Annadata Aay SanraksHan Abhiyan" (PM-AASHA) provides for a holistic arrangement for assurance of a remunerative and stable price environment for growers/farmers to increase agriculture production and productivity. This umbrella Scheme comprises Price Support Scheme (PSS) for pulses & oilseeds, Price Deficiency Payment Scheme (PDPS) and Pilot of Private Procurement & Stockist Scheme (PPSS) for oilseeds to ensure MSP to the farmers.

