O.I.H

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO. 370

TO BE ANSWERED ON THE 2ND DECEMBER, 2025

LOSSES UNDER MARKET INTERVENTION SCHEME

370. SMT. SANJNA JATAV:

MRS. RUCHI VIRA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the calculation of losses under the present Market Intervention Scheme (MIS) is limited to only 25 per cent of the purchase cost and not based on the actual net loss incurred on the purchase and sale of commodities, thereby adversely affecting the basic objective of protecting farmers during market fluctuations;

(b) if so, whether the Government propose to amend the scheme so that the damages are calculated on the basis of actual net loss and not merely on the purchase cost and distressed farmers receive actual relief and are not forced to sell their produce at distressed prices; and

(c)if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (c): To provide remunerative price to the farmers, Governments implements Market Intervention Scheme (MIS), a component under PM-AASHA, for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Minimum Support Price regime. The objective is to protect the farmers from distress sale in the event of a bumper crop during the peak arrival, when the prices tend to fall below economic levels and the cost of production. There should be at least a 10% decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government, which is ready to bear 50 % of the loss (25% in case of North-Eastern States), if any, incurred on its implementation. The maximum quantity of procurement is allowed upto 25% of estimated production of the state for particular crop and for particular season. Total amount of loss is shared on a 50:50 basis between the Central Government and the State Government (75:25 for North East States) restricted upto 25 % of the total procurement value, including cost of the commodity procured and permitted overhead expenses.

Government has amended the scheme twice. New components of Price Differential Payment (PDP) with an option to make direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers for the crops traded in the APMC mandis has been added. Additionally, reimbursement for transportation and storage cost of TOP crops (Tomato, Onion and Potato) to central nodal agencies & State designated agencies for storing and transporting them from producing state to consuming state are allowed.

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