

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2909
ANSWERED ON:22.12.2003
DISTRESS SALE OF AGRICULTURAL PRODUCE
BHAN SINGH BHAURA;M.H. AMBAREESH;RAMESH CHENNITHALA

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether a large number of marginal, small and medium farmers have resorted to distress sale of their agricultural produce;
- (b) if so, the details thereof, State-wise; and
- (c) the action taken/proposed to be taken by the Government to arrest this situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)&(b): During the current marketing season 2003-04 complaints of sale of foodgrains below the MSP have so far been received from the following States/UTs.

Wheat - Bihar, Punjab, Rajasthan, Uttar Pradesh and West Bengal.

Paddy - Gujarat, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal.

Coarse Grains - Andhra Pradesh, Bihar, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and Delhi.

These complaints were sent to the Food Corporation of India and the respective State Governments for taking urgent corrective action. Replies received so far revealed that only non-Fair Average Quality (FAQ) foodgrains were sold below the MSP.

During 2003-04 kharif season, except urad and moong the rates of all notified oilseeds and pulses were ruling above the MSP fixed by the Government. Accordingly procurement operations in respect of urad and moong have been undertaken by the National Agriculture Cooperative Marketing Federation (NAFED).

There is no reported distress sale of cotton and jute during the current crop season.

(c): To protect the interests of the farmers, including marginal, small and medium farmers, the Government is implementing the Minimum Support Price Scheme (MSPS) and the Market Intervention Scheme (MIS). The Government announces each season MSPs of major agricultural commodities and organizes purchase operations through public and cooperative agencies such as Food Corporation of India (paddy, wheat and coarse cereals), Jute Corporation of India (Jute), Cotton Corporation of India (Cotton), National Agriculture Cooperative Marketing Federation (oilseeds and pulses) and Tobacco Board (tobacco), besides other agencies designated by the State Governments. As and when market prices fall below the MSPs fixed by the Government, the Central nodal agencies are required to intervene for undertaking the procurement operations. The MSPs are widely publicized and the Central nodal agencies open procurement centers. In order to avoid distress sale of foodgrains and to ensure smooth procurement operations, before the start of every marketing season, State/UTs are advised to open control rooms which should function on a 24 hour basis during the peak procurement period. The State Governments and the FCI officials are also requested to hold review meetings regularly to ensure sale of foodgrains at the MSP.

Under the M.I.S. scheme, on the request of the State/U.T. Government, horticultural commodities are purchased through NAFED and the concerned State agencies to the benefit of the farmers when the prices fall below the economic level.