

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:5088
ANSWERED ON:27.04.2010
MARKET PRICE STABILISATION FUND
Chitthan Shri N.S.V.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has set up/ proposes to set up a Market Price Stabilisation Fund to protect the farmers during fluctuations in vegetable prices;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (c): There is no Price Stabilization Fund (PSF) for vegetables but there is Market Intervention Scheme (MIS) for procurement of horticultural and agricultural commodities (generally perishable in nature) to protect the growers of these commodities. The MIS is implemented when there is at least 10% increase in production or 10% decrease in the ruling rates over the previous normal year.

Besides this, in order to alleviate the hardship faced by the growers of coffee, tea, rubber and tobacco due to continued low prices of these commodities and to safeguard their interests, the Government has set up a PSF and the Department of Commerce implements the Price Stabilisation Fund Scheme. This scheme is operational from April 2003 onward, initially for a period of ten years.

The National Commission on Farmers had recommended that a Price Stabilization Fund should be established for major commodities to support farmers, when international prices fall by a certain percentage. Thus, pursuant to the adoption of the NPF, the action plan in this regard has envisaged extending the PSF to all Plantation Crops including spices. However, vegetables are not covered under PSF.