

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:230
ANSWERED ON:22.02.2011
PRODUCTION OF POTATO
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether any scheme is under implementation to encourage the production of potato and its preservation;
- (b) if so, the details thereof;
- (c) whether there is a huge gap between retail price and production cost of potato in various States as a result of which large share of profit is derived by middlemen instead of farmers;
- (d) if so, the details thereof and the reasons therefore, State-wise; and
- (e) the corrective measures taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI ARUN YADAV)

(a) & (b): Yes, Madam. The Department of Agriculture & Cooperation is implementing two Centrally Sponsored Schemes, viz., (i) Horticulture Mission for North-East and Himalayan States (HMNEH) and (ii) National Horticulture Mission (NHM) for the holistic development of horticulture crops including potato by adopting an area based regionally differentiated cluster approach. Under these missions, financial assistance is available for production of potato seeds, integrated pest & nutrient management, organic farming, technology dissemination through demonstration, human resource development, mechanization, primary/mobile processing, development of infrastructure for post harvest management and marketing. Under HMNEH, assistance is also provided for cultivation of potato crop.

(c) & (d): Retail prices depend upon a large number of factors, primarily the demand - supply position, cost of cold storage, etc. There is gap in retail prices and production cost of potato in the country. Cost of production of potato generally comes to Rs. 2 to 3/kg. The range of wholesale modal price of potato during January, 2011 in different states is given below:

S.No. State Range of Wholesale modal Price
(Rs./Qt1.) during Jan., 2011

1. Bihar 440-450
2. Chattisgarh 530-600
3. Gujarat 475-550
4. Haryana 275-310
5. Karnataka 500-1100
6. Maharashtra 488-900
- 7 Orissa 425-450
8. Rajasthan 285-362
9. Uttar Pradesh 211-400
10. West Bengal 380-470

Source: National Horticulture Research & Development Foundation

(e): The most effective measure for stabilizing retail price of horticulture products is to establish good Post Harvest Management infrastructure in the country for which Government of India provides assistance under NHM and HMNEH. This includes establishment of cold storages, setting up of terminal markets, wholesale markets and rural primary markets/apni mandies to ensure adequate supply of fruits and vegetables to the consumers at reasonable prices and also to provide remunerative returns to the farmers. National Horticulture Board is also implementing a scheme `Capital Investment Subsidy for Construction/Expansion/ Modernization of Cold Storages for Horticulture Produce`.

Department of Agriculture & Cooperation has a Market Intervention Scheme (MIS) for procurement of various horticultural commodities, generally perishable in nature and not covered under the market support Scheme including potatoes. The purpose of

implementation of MIS is to protect the growers of these commodities from making distress sales in the event of a bumper crop when there is glut in the market, causing prices to fall below economic levels/ cost of production. Losses, if any, incurred by the procuring agencies are shared between the Central Government and the State Government concerned on 50:50.