

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3655

ANSWERED ON:19.03.2013

MARKET INTERVENTION SCHEME

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**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether the Government has recently reviewed the Market Intervention Scheme (MIS) launched for the benefit of farmers of horticultural crops;

(b) if so, the outcome thereof;

(c) the deficiencies identified so far, under the scheme; and

(d) the remedial measures taken by the Government to ensure that the horticultural farmers get adequate compensation for their crops?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) & (b): The existing guidelines of MIS are in force since July, 2001 and the same are based on the recommendations of the study conducted by National Council of Applied Economic Research (NCAER) and Working Group to make the MIS more efficient and ensure its proper management by procuring agencies.

(c) & (d): Some of the states viz. Himachal Pradesh, Maharashtra, Uttarakhand have requested for (i) removal of ceiling of 10% of procurement quantity (ii) reimbursement of actual loss instead of restricting the same to 25% of the procurement cost (iii) removal of ceiling of 25% of the overhead expenses (iv) removal of the criteria of at least 10% increase in production or 10% decrease in price over the previous normal years (v) considering the hilly states like Himachal Pradesh and Uttarakhand at par with North eastern states for reimbursement of loss

(vi) implementing MIS for longer period in respect of oil palm being a highly perishable commodity instead of for a maximum period of 90 days. The request of the concerned State Governments were examined and it was observed that restriction on reimbursement of loss has been made in view of the less storage cost due to short shelf life of the commodities procured under MIS. The justification to put a criteria of at least 10% increase in production over the previous year or at least 10% reduction in the market price is to ensure that there is actually glut in the market in the respective State. Moreover, the MIS scheme has been revised based on the recommendations of the National Council for Applied Economic Research (NCAER)/Working Group and approved by the Ministry of Finance with a view to make it cost effective. As such, the scheme is being continued with the revised guidelines effective from 30.7.2001. The scheme ensures that horticulture farmers get adequate price for their crops.