

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4513

ANSWERED ON:21.04.2015

POST HARVEST MANAGEMENT AND MARKET DEVELOPMENT

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether inadequate attention to post-harvest management and market development and processing is the weakest aspect of diversification towards high value products resulting in frequent and sharp fluctuations in prices of fruits and vegetables in domestic market;
- (b) if so, the response of the Union Government thereon;
- (c) whether there are huge logistic gaps between production clusters and marketing centres;
- (d) if so, the details thereof;
- (e) whether private sector investment in post-harvest management and in marketing infrastructure has not come forward to the desired extent, if so, the reasons therefor; and
- (f) the steps taken by the Union Government to provide affordable credit with higher ceiling and insurance against risk?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) & (b): To ensure adequate supply of fruits and vegetables in domestic market., Government has taken various measures to incentivize diversification towards high value products by way of promotion of post-harvest management and market development and processing. These are:-

i. Under the Scheme of Mission for Integrated Development of Horticulture (MIDH) and Agricultural Marketing Infrastructure sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM), assistance on capital cost is provided for development of integrated post-harvest management and marketing infrastructure including establishment of cold storage, cold chain logistics, Integrated Value Chains (IVCs) and for reefer vans. Further, under the MIDH scheme, retail outlets, rural primary markets, wholesale markets and terminal market complexes are also covered.

ii For reducing post harvest losses of horticultural & non- horticultural produce, the Ministry of Food Processing Industries is implementing a Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008-09 under which assistance is provided for setting up of Integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer.

iii The Government has been advocating agri market reforms by way of deregulation of marketing of fruits and vegetables outside the market yard to facilitate the emergence of alternative marketing channels like direct purchase of fruits and vegetables from farmers at their farm gate, private wholesale market and Kisan Mandis which will also promote private investment in development of post-harvest and marketing infrastructure.

iv.For better post-harvest management ICAR institutions and Krishi Vigyan Kendras also impart training to farmers in relevant skills and exposure to best practices.

(c) & (d): In order to address the logistic gap between production clusters and marketing centres, the Government, in addition to the scheme mentioned above, is also taking various other measures including advocacy of reforms in State marketing laws to facilitate development of collection centres/ purchase centres in private and cooperative sector near the production cluster. Further, to provide backward and forward linkages, Government is promoting formation of Farmers Producers Organizations (FPOs) which will allow the benefits of aggregation both to farmers and to the processors/ consumers /wholesalers.

(e): While it has been estimated by Planning Commission that an investment of Rs. 56,000 crores is required for different marketing infrastructure with a budgetary allocation of Rs.20,000 crores, the private sector is expected to come forth for the remaining investment. In order to encourage private sector investment in post-harvest management and marketing infrastructure, conducive policy, favourable legal framework and monetary incentives are required. Presently, the agri-marketing sector is not only impacted by constraints such as restrictive legal provisions, cartelisation, etc., but requirement of land for market projects and their long gestation

period further make the projects unviable, which deter investors.

(f): Union Government has taken various steps to provide affordable credit like:-

(i) The interest subvention scheme enables banks to provide short term credit to agriculture upto Rs.3 lakh at 7% rate of interest. Further, to incentivize prompt repayment, an additional interest subvention of 3% is provided on timely repayment.

(ii) In order to encourage farmers to store their produce in warehouses against warehouse receipts, rather than have to resort to distress sale, the benefit of interest subvention scheme has been extended to small and marginal farmers having Kisan Credit Card for a further period of upto six months of post harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in warehouses.

(iii) The limit of collateral free farm loan has been increased from Rs.50000 to Rs.100000.

(iv) Kisan Credit Cards (KCCs) have now been converted into Smart Card cum Debit Cards to facilitate its operation through ATMs.

As far as insurance facility to the farmers is concerned, till 31.10.2013, four Central Sector Crop Insurance Schemes namely (i) National Agricultural Insurance Scheme (NAIS) (ii) Pilot Modified National Agricultural Insurance Scheme (MNAIS) (iii) Pilot Weather Based Crop Insurance Scheme (WBCIS) & (iv) Pilot Coconut Palm Insurance Scheme (CPIS) were in implementation. Further, with a view to make crop insurance schemes more farmers' friendly and on the basis of recommendations of evaluation studies and feedback from the stakeholders, Government has approved re-structured Central Sector crop insurance scheme namely, "National Crop Insurance Programme (NCIP)" by merging MNAIS, WBCIS & CPIS (as its components) and NAIS has, however, also been allowed to continue in States desirous of implementing NAIS with effect from Rabi 2013-14.