

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:5743  
ANSWERED ON:28.04.2015  
MARKET INTERVENTION FUND  
Panda Shri Baijayant "Jay"

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

- (a) whether the Government is considering any proposal to set up a market intervention fund to directly intervene in cases of unreasonable increase in prices of food items;
- (b) if so, the details thereof;
- (c) whether such interventions would be limited to essential food items, if so, the details thereof and the reasons therefor; and
- (d) the manner in which the Government proposes to regulate the functioning of the fund to avoid misuse of resources by interest groups?

**Answer**

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

(a) to (d): The Department of Agriculture & Cooperation has set up a Price Stabilisation Fund (PSF) to support market interventions for price control of perishable agri-horticultural commodities. The Fund will initially support market intervention for onions and potatoes. It is proposed to provide one time interest free advance to support working capital needs for undertaking procurement/distribution operations of these commodities by the States/Union Territories (UTs) based on their first proposals. This advance along with matching funds from the State will form a revolving fund which can then be used for all future market interventions to control prices of onions and potatoes based on approvals by State level Committee set up explicitly for this purpose. In case of North Eastern States, the State level corpus will comprise of 75% funds from Centre and 25% from the State. While the advance is returnable, the Central Government will share 50% of losses (75% in case of NE states), if any, at the time of settlement of the advance on 31st March, 2017. The Central Government likewise also intends to share the profits, if any, in the same ratio. The States could also request Central Agencies to undertake such operations on their behalf to be supported out of the State corpus. Additionally, the Centre can also requisition the Central Agencies like Small Farmers Agribusiness Consortium (SFAC), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), etc. to undertake price control operations for onion and potato.