

O.I.H.

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 257
TO BE ANSWERED ON THE 13TH MARCH, 2018

PRODUCTION SUBSIDY TO FARMERS

*257. SHRI SUKHBIR SINGH JAUNAPURIA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण
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be pleased to state:

- (a) whether the committee headed by the Chief Economic Advisor has given suggestions to provide production subsidy to the farmers and additional allocation to procuring agencies of the Government and if so, the details thereof;
- (b) whether the Government is considering to implement the recommendations of the committee, if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government proposes to impose restrictions on export of pulses and enhance their stocks and if so, the details thereof; and
- (d) the steps being taken by the Government to increase the yield of pulses and curb their prices?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण ½â"ãè

(SHRI RADHA MOHAN SINGH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 257 DUE FOR REPLY ON 13TH MARCH, 2018.

(a) & (b): To address the policy issues that would help mitigate the volatility in acreage, production and prices in pulses, the Chief Economic Adviser (CEA) was asked to suggest measures in consultations with all stakeholders. Based on broad based consultations, the Report of the Committee chaired by CEA inter alia recommended higher Minimum Support Price (MSP) to increase the production of pulses: of gram at Rs. 4000 per quintal for rabi 2016-17; of tur and urad for kharif 2017-18 at Rs.6000 per quintal; and similar increases for other pulses in the same proportion as estimated for tur, urad and gram. The Report further recommended that to promote production of pulses, efforts to be made to give production subsidies through Direct Benefit Transfer to farmers for growing pulses in irrigated areas of about Rs.1000-1500 per quintal. In addition, the Report also suggested that government must allocate an additional Rs. 10,000 crore to the various procurement agencies as effective procurement is essential to ensure that market prices do not fall precipitously.

Government had fixed the MSP of Gram at Rs. 4000 (including bonus of Rs.200) per quintal for rabi, 2016-17. For kharif 2017-18, the MSPs of Tur and Urad had been fixed at Rs. 5450 (including bonus of Rs.200) per quintal and Rs. 5400 (including bonus of Rs.200) per quintal respectively. The MSPs fixed by Government for Tur and Urad for 2017-18 provide returns of 64.3 per cent and 65.4 per cent over all-India weighted average cost of production (A2+FL). The MSP of Masur for rabi 2016-17 had been fixed at Rs. 3950 (including bonus of Rs.150) per quintal. The MSP for kharif 2017-18 for moong had been fixed at Rs. 5575 (including bonus of Rs.200) per quintal.

Under the Price Stabilization Fund (PSF), procurement of pulses for central buffer is undertaken at market prices or MSPs, whichever is higher besides supplementation through imports. In addition to PSF, to protect the interest of the farmers, Government implements Price Support Scheme (PSS) for procurement of pulses through Central Nodal Agencies at the MSP wherein State agencies play a major role. This scheme is implemented at the request of the concerned State Governments, which agree to exempt the procured commodities from levy of mandi tax, assist procurement agencies in logistic arrangements including gunny bags, provide working capital for State agencies and creation of revolving fund for PSS operations etc. as required under the Scheme guidelines. The basic objectives of PSS are to provide remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of consumers by making available supplies at reasonable price with low cost of intermediation. To ensure remunerative price to farmers, the level of procurement of pulses has increased significantly from 0.50 lakh tonnes in 2015-16 to 17.39 lakh tonnes in 2016-17. During 2017-18 (till 5.3.2018) Government procured 12.03 lakh tonnes. As a result of Government's measures, the production of pulses in 2016-17 was high at 23.13 million tonnes during 2016-17 and is estimated at 23.95 million tonnes in 2017-18 as per the Second Advance Estimates.

(c) & (d): One of the recommendations of the Committee was to eliminate export ban on pulses. As pulses production had reached record levels and the prices of pulses stabilized, in November 2017, Government removed prohibition on export of all types of pulses. Opening of export of all types of pulses will help the farmer to dispose off their

products at remunerative prices, offer alternative market opening and also encourage them to expand the area of sowing. Allowing export of pulses will also help the country and its exporters to regain their markets.

Government has taken several initiatives to increase agricultural yield which, include Rashtriya Krishi Vikas Yojana (RKVY), National Mission for Sustainable Agriculture (NMSA), Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Paramparagat Krishi Vikas Yojana (PKVY), Integrated Nutrient Management (INM), Soil Health Card and Integrated Pest Management (IPM). As a result of bumper production of pulses in 2016-17, the average wholesale prices of pulses moderated in 2017-18. Inflation rate of pulses has declined from 34.8 per cent in 2015-16 to 17.6 per cent in 2016-17 and further to (-)17.5 per cent in 2017-18 (April-January).
