

# New procurement policy cleared

Farmers growing oilseeds, pulses and copra will get the MSPs they are promised every year

PRISCILLA JEBARAJ  
NEW DELHI

The Centre has announced a ₹15,053 crore scheme to ensure that farmers growing oilseeds, pulses and copra actually get the minimum support prices (MSP) they are promised for their crops every year.

The umbrella policy – Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) – was approved by the Cabinet Committee on Economic Affairs on Wednesday.

According to an official statement, it clubs together an existing procurement scheme with newly introduced options – meant for oilseeds only – of additional procurement by private trad-



**Promise of more:** Support will continue for pulses and copra, while private procurement of oilseeds has been introduced.

ers or a cash payment scheme.

## Credit guarantee

Apart from the ₹15,053 crore to be spent over a two-year period to implement the

scheme, the Cabinet approved an additional government credit guarantee of ₹16,550 crore for agencies undertaking procurement. "The government is working with a holistic approach...

Increasing MSP is not adequate and it is more important that farmers get the full benefit of the announced MSP," said the statement.

## MSP hiked by 50%

The government announces minimum support prices for 23 crops every year. This year, these rates were set at 50% higher than the farmers' production costs, including labour cost. The rates are meant to give remunerative prices to the farmers.

About one-third of the harvest of the two major foodgrains, rice and wheat, are procured by the Centre at the MSP for sale in ration shops. However, most of the 21 other crops are sold at

market prices, often below the MSP, as the government's procurement operations are temporary.

Over the last two years, the government has increased the procurement of pulses and oilseeds at MSP under the Price Support Scheme.

In 2017-18, the National Agricultural Cooperative Marketing Federation of India said it bought 31.9 lakh tonnes of pulses and oilseeds at the MSP, benefiting 20 lakh farmers. But the total production of pulses was estimated at 240 lakh tonnes, while oilseed production was 300 lakh tonnes.