

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2713
ANSWERED ON:11.12.2006
REMUNERATIVE PRICE FOR FOODGRAINS
Jha Shri Raghunath

Will the Minister of AGRICULTURE be pleased to state:

- (a) Whether the stock of foodgrains have declined due to excess procurement by private traders who offer better price of goods than the Minimum Support Price ;
- (b) If so, whether there is any proposal to pay higher remunerative price to the farmers; and
- (c) If so, the other steps taken/proposed to be taken to protect the interest of poor farmers in regard thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) to (c) : Government agencies buy foodgrains offered by farmers at Minimum Support Price (MSP). However, farmers have the option to sell their produce at prices higher than MSP to private traders.

In Rabi Marketing Season (RMS) 2006-07, despite giving a bonus of Rs.50 per quintal over the MSP of Rs.650 per quintal, wheat procurement was only 92.26 lakh tonnes, in comparison to 147.85 lakh tonnes in RMS 2005-06, due to high open market prices and more private participation. Due to low procurement in RMS 2006-07, the stock of wheat in the Central Pool as on 1st October, 2006 was 64.12 lakh tonnes as against the buffer norm of 110 lakh tonnes. However, due to record procurement of rice in Kharif Marketing Season (KMS) 2005-06 the stocks of rice in the Central Pool as on 1st October, 2006 were 59.7 lakh tonnes against a buffer norm of 52 lakh tonnes.

In order to ensure procurement of sufficient quantity of rice for meeting the requirement of Targetted Public Distribution System (TPDS) and Welfare Schemes, an incentive bonus of Rs. 40 per quintal, over and above the MSP of Rs. 580 per quintal for Common variety and Rs. 610 per quintal for Grade-A variety of Paddy, has been given to the farmers for KMS 2006-07 (upto 31.3.2007).