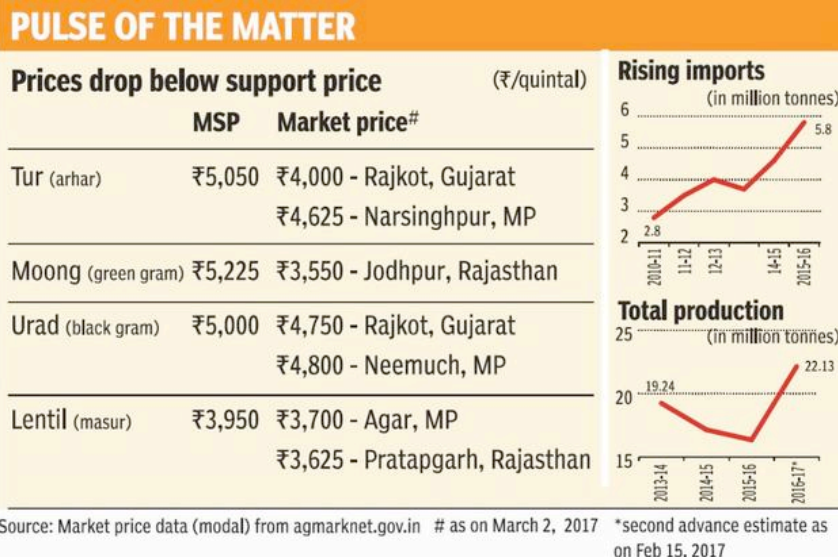


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# BusinessLine

## Bumper crop does little to cheer pulses farmers



Poor procurement mechanism, delayed payments are hurting them

A bumper crop notwithstanding, farmers of pulses have several reasons to complain.

And why wouldn't they? Spurred on by the Centre's assurance to procure their produce at the Minimum Support Price (MSP), many had increased the area under cultivation (acreage). But the government's procurement target at MSP is only 10 per cent of the year's total output.

What's more, faulty procurement processes and infrastructure are forcing many to sell their produce in the open market, where paradoxically, the prices of various pulses have fallen below MSP.

While the MSP fixed by the Centre for tur (arhar) is ₹5,050 a quintal, the market price in Rajkot, Gujarat is ₹4,000. In Narsinghpur, Madhya Pradesh, it is ₹4,625.

The prices of moong (green gram) have also fallen sharply. While the MSP is ₹5,225 per quintal, the market price in Jodhpur, Rajasthan, stands at ₹3,550. Urad sells at ₹4,700-₹4,800 a quintal in Rajkot, below the MSP of ₹5,000/quintal.

The MSPs for 22 crops are announced before the start of the sowing season every year, with the promise to procure the produce from farmers if market prices drop below the support price. But the reality is that procurement is seldom effective, barring the cases of sugarcane, paddy and wheat.

### **Inadequate procurement**

Pulses production in 2016-17 is likely to be around 22.13 million tonnes (as per the second advance estimate). In September 2016, following a good monsoon and expectations of a bumper crop, the Centre decided to increase procurement to 2 million tonnes from 1,50,000 tonnes in the previous year. But despite the increased target, the procurement accounts for just 10 per cent of the produce, with the remaining having to be sold in the open market, at a far lower price.

Between 2010-11 and 2015-16, the annual production of pulses has been around 16-19 million tonnes. Every year, an additional 3-5 million tonnes of pulses have been imported as demand has been higher than production.

An official from the Ministry of Consumer Affairs told *BusinessLine* that till February 8, about 1.02 million tonnes of pulses were procured for the fiscal. But this included 0.4 million tonnes of imported pulses. This means that only just 0.62 million tonnes have been procured from farmers.

### **Holes in the plan**

The government's procurement mechanism is not working too well either.

Chandrakant Ragade, a small farmer in Barshi, of Maharashtra's Sholapur district sold all his tur to a mandi trader for ₹4,600 per quintal, much below the MSP. "If I sell to the government purchase scheme, I will have to wait for a week to 10 days for my money, but I wanted cash immediately."

A NITI Aayog study on the efficacy of MSP revealed that about 51 per cent farmers received the payment after a week and 5 per cent after a month.

AD Lokare, who has a 15-acre farm in Barshi says, “I gave all my tur to the procurement centre, but small farmers in this area are not able to do it...They have to stand in a long queue. More than 5,000-6,000 people are in the waiting list.”

Madhya Pradesh’s farmers have been facing problems too. Ram Singh Thakur, a farmer who is part of a producer company, says, “I belong to Agar Malwa. The nearest procurement centre is 60 km away. Many farmers prefer to sell to local traders to save on transportation costs.”

In many States, the Centre is procuring pulses through SFAC (Small Farmers’ Agri Business Consortium). But, SFAC’s procurement centres are limited and each centre has a quota for accepting farmer’s produce.

### **What to expect?**

The Ministry of Consumer Affairs says over 0.9 million tonnes of pulses will be procured by the government in the coming months — 0.4 million tonnes of tur by the end of March; another 0.4 million tonnes of chana and 0.1 million tonnes of masur. Chana and masur procurement will be done in April-June.

Official sources say the Centre has stopped importing pulses. However, the stock limits imposed last year on traders of pulses continue.