

21-3-16

Rice procurement up 20% Y-o-Y in 2015-16 kharif marketing season

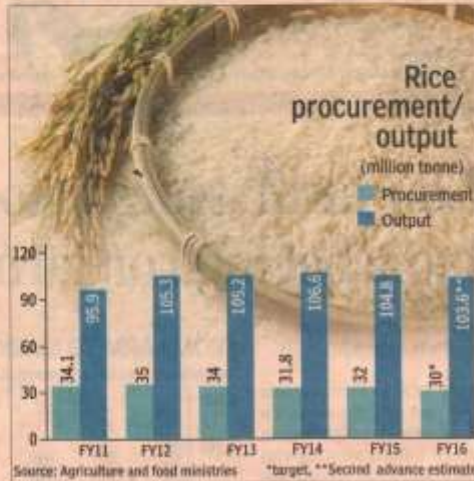
■ Purchase sees a sharp rise despite deficient monsoon in the previous year

Sandip Das

New Delhi, March 20

DESPITE deficient monsoon last year, rice procurement by agencies such as Food Corporation of India (FCI) and state government-owned bodies in the kharif marketing season (2015-16) has witnessed a sharp annual increase of 20% so far, and is poised to exceed the yearly target of 30 million tonne.

Sources told *FE* that government agencies have purchased paddy equivalent of more than 29 million tonne (MT) of rice between October 1 2015, when the procurement season had begun, and Sunday, compared with 24.2 MT in the year-ago period. Higher procurement of rice could be attributed to fall in prices of common variety of rice in various mandis across the country and states such as Uttar Pradesh and West Bengal



stepping up their procurement systems, they added.

According to the latest data, agencies have so far purchased paddy equivalent of 9.3 MT of rice from farmers

in Punjab, surpassing the target of 8.8 MT for the 2015-16 marketing season. In Punjab, which contributes the highest volume of rice and wheat to the central pool, 7.7 MT of

rice was purchased during the same period last year.

In Haryana, state government agencies have purchased 2.8 MT of rice equivalent of paddy, surpassing the target of 2.3 MT set for the year. Other states which have commenced rice procurement include Uttar Pradesh (2.9 MT), Andhra Pradesh (2.3 MT) and Kerala (1.8 lakh tonne). Even in Chhattisgarh, where the state government carries out purchase of paddy from farmers, state agencies have purchased 3.4 MT of rice. In Odisha, more than 2.2 MT has been purchased from farmers.

The government agencies buy paddy from farmers; then the grain is given to millers for conversion into rice. The Cabinet Committee on Economic Affairs (CCEA) in June last year increased the minimum support price of the common variety of paddy by ₹50 to ₹1,410 per quintal for the

2015-16 kharif season. The hike in MSP was in line with the recommendation of the Commission for Agricultural Costs and Prices.

Finance minister Arun Jaitley announced in the Budget that more states would be encouraged to adopt this system. In the current year, private players have been allowed to purchase paddy from farmers in Jharkhand and Uttar Pradesh where procurement operations of FCI or state agencies are not robust.

Under the current policy, FCI, via state government agencies, procures a major chunk of food grains, most rice and wheat, from farmers in Punjab and Haryana. Other states such as Rajasthan, Madhya Pradesh, Chhattisgarh and Odisha carry out purchase of food grains from farmers under a de-centralised scheme.

PM to hold meet on crop insurance tomorrow

New Delhi, March 20: Prime Minister Narendra Modi is scheduled to meet top officials of all banks and insurance companies this week in Mumbai to discuss implementation of the Pradhan Mantri Fasal Bima Yojana.

Under the new crop insurance scheme, PMFBY, the premium burden on farmers has been kept low — up to 2% of sum insured — and claims are to be settled at the earliest. The scheme will come into force from April 1 for kharif crops to be sown from June.

According to sources, Modi's meeting is scheduled at



the Nabard office in Mumbai on March 22.

Finance Minister Arun Jaitley and senior officials from the ministries of finance and agriculture will be present in the meeting,

Under the new crop insurance scheme, the premium burden on farmers has been kept low — up to 2% of sum insured — and claims are to be settled at the earliest

sources said.

Since the new scheme is for both loanee and non-loanee farmers, the meeting will deliberate on bringing more loanee farmers under the crop insurance scheme as

that the target of 50% is achieved and more farmers take up insurance coverage.

At present, about 25% of the total crop area of 194.40 million ha is being insured.

Of the farm credit target of ₹8.5 lakh crore set for this fiscal, only ₹75,000 crore is under crop insurance. So, there is huge scope to reach out to loanee farmers, sources said.

The government is giving a big push to the crop insurance scheme after drought, unseasonal rains and hailstorms last year led to state governments seek total of over ₹10,100 crore from the National Disaster Response Fund. PTI

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for HC News paper Unit