

Cabinet clears crop purchase policy, hikes ethanol price

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Ahead of the kharif harvest season, the Centre on Wednesday announced its procurement mechanism for non-wheat and rice crops at the increased Minimum Support Price (MSP) and fixed a new higher price for ethanol produced from intermediary molasses and sugarcane juice.

For the procurement mechanism, an allocation of over ₹150 billion was made, spread over the next two financial years, of which ₹62 billion will be spent this year.

That apart, procurement agencies such as Nafed will also get an additional bank guarantee of over ₹160 billion in addition to the existing ₹290 billion.

Called the Pradhan Mantri Annadaata Aay Sanrakshan Abhiyan (PM-AASHA) loosely translated as Prime Minister's Farmers Income Guarantee Campaign, the scheme will comprise three combination of the existing Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), modelled on the lines of Madhya Pradesh's Bhavantar Bhugtan Yojana or similar such experiments and private procurement and stockiest scheme on a pilot basis. States will be free to choose combination of any of the three schemes, but no two schemes can run concurrently for the same crop. Sources said price deficit scheme modelled on the lines of Bhavantar Bhugtan Yojana of Madhya Pradesh, the financing would be done for up to 25 per cent of the surplus production, while under private procure-

OTHER DECISIONS

- Nod to an agreement on collaborative research on distributed ledger and blockchain in the context of development of digital economy by Exim Bank with the participating member banks under BRICS Interbank Cooperation Mechanism
- The government will introduce a Bill in Parliament to amend National Institutes of Design Act, 2014, to declare Amaravati, Bhopal, Jorhat, and Kurukshetra as institutions of national importance
- Approval to continuation of the Capacity Development Scheme until 2019-20 to help build capacity to bring important sets of macro economic and other data by the statistics and programme implementation ministry

ment and stockiest scheme interested parties could be paid an incentive of 15 per cent of the MSP. On ethanol, the CCEA raised the procurement price of ethanol derived from 100 per cent sugarcane juice to ₹59.13 per litre from ₹47.13, an increase of 25 per cent, while the price for ethanol produced from B-heavy molasses (also called as intermediary molasses) was hiked to ₹52.43 a litre from the current ₹47.13.

However, the price of ethanol produced from C-heavy molasses was retained at

₹43.46 a litre. Ethanol prices was last raised in June 2018. However, farmers' organisations criticised the MSP procurement announcements saying that there is nothing new in the announcement and much of the components were already known to the public. "The move is like old wine in old bottle... Seven months have passed since the same thing was mentioned in the Budget and still there is no concrete scheme/action plan... shows the government is on a historic announcement mode, which is day by day showing its historic failure to address the agrarian crisis," said Avik Saha, of Jai Kisan Andolan.

"The fund allocation is less than 10 per cent of the required funds to ensure all farmers get MSP for all their crops. With this meagre allocation and no action plan to utilise, even this paltry allocation, the government is claiming that this is going to address and alleviate the crisis facing farmers," he said. The government, though, seems confident that the new proposal will help improve farmers' income.

"The PM-AASHA is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2018. This is a historic decision," Agriculture Minister Radha Mohan Singh said after the Cabinet meeting. The government mentioned that the PDPS is on the lines of Madhya Pradesh government's Bhavantar Bhugtan Yojana, but will protect oilseeds farmers only.

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