

# Procurement Portals, Market Infrastructure and Food Grain Security

**Raj Kumar**

Principal Extension Scientist (Agricultural Economics), Department of Economics & Sociology, Punjab Agricultural University, Ludhiana

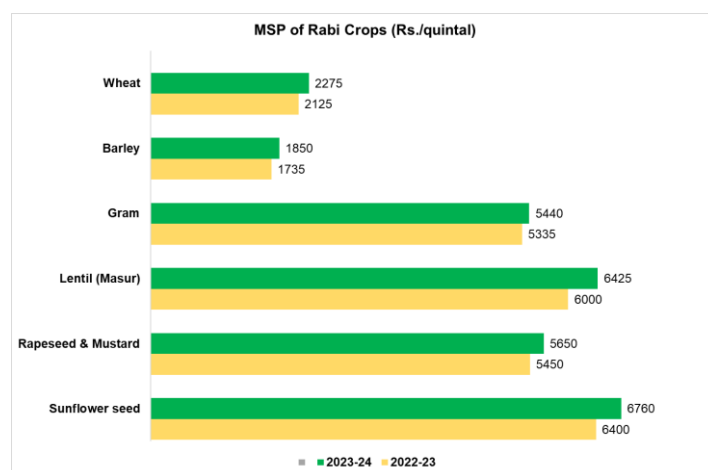
\*Corresponding Author: [rajkumar@pau.edu](mailto:rajkumar@pau.edu)

The Government of India has been implementing the price support policy for agricultural commodities since mid-1960s. Under this policy, on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) Minimum Support Prices (MSP) are announced well ahead of the sowing season so that farmers can take informed decisions on cropping. To meet the objectives of price policy to support the farmers through avoiding distress sales and to procure food grains for public distribution, the MSPs are backed up through the market intervention in the form of procurement by different agencies, Food Corporation of India (FCI), Cotton Corporation of India (CCI) and National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) being the leading agencies in this regard.

## Recommendation of MSPs

While recommending the price policy, the CACP keeps in view the need to provide the incentive to producer for adopting the modern technology and for developing a production pattern broadly in the light of national requirements along with need to ensure the rational use of the production resources. In formulating the recommendations in respect of the level of MSPs and other non-price measures, the CACP takes into account a comprehensive view of the entire structure of the economy of a particular commodity or group of commodities. One of the most relevant and important factors which is taken into consideration for formulating the MSPs is the cost of production of the concerned crop. Other important factors being considered include changes in input prices, input-output price parity, trends in market prices, demand and supply, inter-crop price parity, effect on industrial cost structure, effect on cost of living, effect on general price level, international price situation, parity between prices paid and prices received by the farmers and effect on issue prices and implications for subsidy. Supply related information

like area, yield and production, imports, exports and domestic availability and stocks with the government/public agencies or industry etc. are also factored in. For recommending MSPs, now the CACP gives more importance to the cost of production through providing a 50 per cent margin on the paid out costs of farmers plus the imputed cost of family labour use (Cost A<sub>2</sub>+FL). The CACP recommends MSP of 23 commodities, which comprise seven cereals (paddy, wheat, maize, sorghum, pearl millet, barley and ragi), five pulses (gram, tur/arhar, moong, urad and lentil), seven oilseeds (groundnut, rapeseed-mustard, soybean, seasmum, sunflower, safflower and nigerseed), and four commercial crops (copra, sugarcane, cotton and raw jute).



## Uniform grade specifications

For wheat, the maximum prescribed limit of moisture content, foreign matter, admixture of other grains, damaged grains, slightly damaged grains and shrivelled/broken grains is 12.0, 0.75, 2.0, 2.0, 4.0 and 6.0 per cent, respectively. The maximum prescribed limit of moisture content for barley, gram, lentil and rapeseed & mustard is 12.0, 12.0, 12.0 and 8.0 per cent, respectively.

## Sale through online procurement portals

To facilitate the hassle free, early and direct payment of farmer's produce in their accounts, the procurement portals have been set up by almost all the

states of India with the help of Department of Food and Civil Supplies. The name of the portal is different in different states like *Anaaj Kharid* portal in Punjab, e-kharid portal in Haryana, HP Agriculture Produce Procurement Portal in Himachal Pradesh, e-khareed portal in Uttarakhand, etc. Farmers can access the procurement portals of their respective states through the website of 'Central Food Grains Procurement Portal' ([www.cfpp.nic.in](http://www.cfpp.nic.in)). The farmers' registration on this portal is mandatory to avail this facility. The system enables online registration of farmers by linking their digitized land records, receive produce in designated markets and make payments to farmers through online mode. At the official website of the portal the farmer has to register with the Aadhar Card number, mobile phone number, address, size of land holding, bank account, etc. After completion of registration process, the farmer can access it any time using his user's name and password.

### Market infrastructure

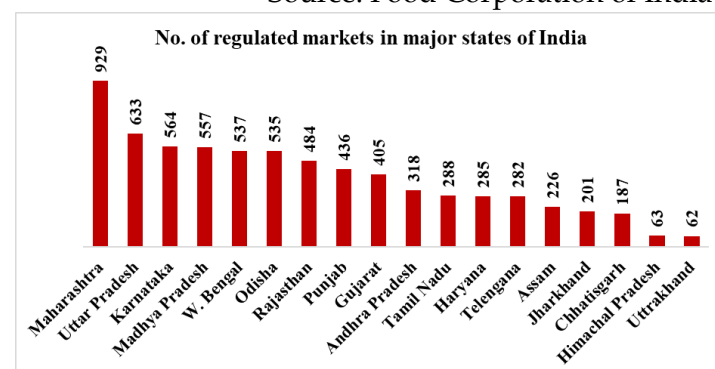
To facilitate the marketing of farm produce, there are 7085 regulated markets in the country out of which Maharashtra has the highest number (929) followed by Uttar Pradesh (633), Karnataka (564), Madhya Pradesh (557), W. Bengal (537), Odisha (535), Rajasthan (484), Punjab (436), Gujarat (405), Andhra Pradesh (318), Tamil Nadu (288) and Haryana (285). The market committees are represented by farmers, traders, labourers and officials of agriculture and cooperative departments. During 1970-71 to 2022-23, the number of regulated markets in Punjab has increased from 88 to 152; the average area served per regulated market has decreased from 573 to 331 sq. kms; and the the number of villages served per regulated market has declined from 139 to 80. During current marketing season (as on April 11, 2024), 2424 *mandis* are in operation in the state which include 152 principal yards, 285 sub-yards, 1470 purchase centres and 517 temporary yards. Thus, the farmers do not have to travel more than 7-8 km distance to sell their produce. Almost cent per cent villages of Punjab are linked with the metallic roads which spur in efficient marketing. The grading facilities are available in all the important markets. The grading tests are free for farmers whereas a nominal fee is charged from

traders. The prevailing prices of various crops are disseminated through radio, TV, newspapers, AGMARKNET, display boards, etc.

**Table 1: State-wise contribution of wheat to Central Pool, 2022-23**

State	Contribution	
	Quantity (lakh tonnes)	Per cent share
Punjab	121.17	46.24
Madhya Pradesh	70.97	27.09
Haryana	63.17	24.11
Uttar Pradesh	2.20	0.84
Rajasthan	4.38	1.67
Others	0.13	0.05
<b>Total</b>	<b>262.02</b>	<b>100.00</b>

Source: Food Corporation of India



**Table 2: State-wise contribution of rice to Central Pool, 2022-23**

State	Contribution	
	Quantity (lakh tonnes)	Per cent share
Punjab	122.01	21.43
Telangana	88.35	15.51
Chhattisgarh	58.65	10.30
Odisha	53.83	9.45
Uttar Pradesh	43.89	7.71
Haryana	39.77	6.98
Madhya Pradesh	31.02	5.45
Andhra Pradesh	28.34	4.98
Bihar	28.17	4.95
Tamil Nadu	23.01	4.04
West Bengal	21.84	3.84
Others	30.59	5.37
<b>Total</b>	<b>569.47</b>	<b>100.00</b>

Source: Food Corporation of India

### Foodgrain security

The Central Pool of foodgrains is being maintained with the objective to service the National

Food Security Act and other welfare schemes of the Government so that subsidised foodgrains are supplied to the poor and needy, and to build up buffer stocks of foodgrains to ensure foodgrain security. For this, the Central Government extends price support to paddy and wheat through the FCI and State Agencies

across the country. Under the procurement policy, wheat and paddy are purchased at MSP by the State Government agencies including Food Corporation of India (FCI) for Central Pool. The objective of procurement by public agencies is provide farmers remunerative prices for their produce.

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