

Cabinet nod likely for new mechanism for MSP

Vishwa Mohan & Dipak Dash | TNN

New Delhi: The Union cabinet is likely to approve on Wednesday a new mechanism to procure farmers' produce on minimum support price (MSP). States will get additional financial support from the Centre for procurement under a new system which may also allow private agencies to pitch in for the task.

The proposals expected to come up for approval include market assurance scheme (MAS) which involves decentralised procurement and disposal by state agencies. The procurement under the new mechanism will be effective from the upcoming Kharif marketing season, beginning October.

The proposals, short-listed with the help of the Niti Aayog, also include the price deficiency payment scheme (PDPS) - like the one (Bhavan-tar) which is operational in Madhya Pradesh - and the third one involving duly empanelled private agencies for procurement in coordination with government agencies, including FCI and Nafed.

The focus of the new mechanism is likely to be on all 23 crops which come within the ambit of the MSP, unlike the existing practice where two major foodgrains - wheat and paddy - get all attention and that too in a limited number of states.