

Govt turns Nafed around; farmers breathe easy

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After facing four years of survival crisis, India's one of the largest agriculture bodies is now scripting a success story. The National Agricultural Cooperative Federation (Nafed) has overcome serious financial crisis and is enriching the lives of thousands of farmers. The federation has gone into an overdrive to procure record quantity of pulses and oil seeds from farmers during 2017-18.

According to officials, the Nafed was financially drained during the previous Government. Irregularities had pushed it into a financial crisis and the institution was on the verge of closure with lawsuits piling up. The federation had

procured only 8.76 lakh metric tonnes of pulses and oilseeds from farmers in the last four years (2011-14) of the UPA Government.

“To enable the Nafed intervene in the market, the Government raised its bank guarantee limit to ₹42,000 crore following the direction of Prime Minister Narendra Modi with immediate effect. The bank guarantee during the UPA Government was only ₹200-250 crore. For this, the Government did away with 15 per cent compensation in the MSP norm, which existed in previous Government on account of complete loss. With the availability of bank guarantee to Nafed, it was possible to make record purchase from farmers.

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Reflecting the results of financial discipline and improvement, Nafed paid Rs 220 crore to the banks from its earnings," official said. As per Agriculture Ministry, the Nafed has procured 31.91 lakh metric tonnes (MTs) of pulses and oilseeds in 2017-18, benefitting over 20 lakh farmers. According to Agriculture Ministry officials, the money was directly transferred to farmers' accounts.

This is the first time that highest number of farmers benefitted from Nafed procurement scheme. Nafed intervenes in the market when prices fall due to high supply or shoot up due to short supply.

Pulses and oilseeds procured by the federation from farmers in the four years (2011-14) of the UPA Government include Gram 0.20 lakh MTs, Masoor 0.03 lakh MTs, Moong 1.29 lakh MTs, Urad 0.59 lakh MTs and Toor 6.65 lakh MTs.

Minister for Agriculture and Farmers' Welfare Radha

Mohan Singh expressed hope that Nafed will continue to make record purchase from farmers and said that the Government is committed to improving the condition and working of Nafed. "Under the NDA Government, 64 lakh metric tonnes of pulses and oilseeds were procured at Minimum Support Price (MSP) from farmers in 2014-18, thereby showing a remarkable increase," Singh said.

Nafed has also started disposal of the buffer stocks. A substantial quantity would be supplied to Para-military forces and Defence Sector and also State Government as per their requirements under PDS and other such schemes.

Earlier, the Government had allowed settle its Rs 478-crore debt with eight lender banks, which will now help it access credit and boost price-support operations. According to the Debt Settlement Agreement, signed between Nafed and banks, the cooperative will make cash payment of Rs 220 crore and banks will recover the remaining amount by selling its property at Delhi's Lawrence

Road. Nafed has agreed to assign sale rights of one of its prime properties located at Lawrence Road in New Delhi as well as auction a property of one of the defaulters of its failed tie-up business of 2003-04. Nafed had mired itself with a number of controversial businesses conducted with private parties, when the borrowings by the companies from banks on the basis of bank guarantees issued by the cooperative were diverted without proper collateral. This led to the default by Nafed as the companies did not repay the amount.

Nafed was established with major objectives to organise, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce, distribution of agricultural machinery, implements and other inputs, undertake inter-State trade, import and export, wholesale or retail businesses by its own and on behalf of its members and to act and assist for technical advice in agricultural production for the promotion and the working of its members and cooperative marketing, processing and supply societies in India.