

Madhya Pradesh tops in wheat procurement in 2020-21; rural economy gets a whopping Rs 25,000 cr shot



Shivraj Singh Chouhan
Chief Minister - Madhya Pradesh

“By developing a more competitive system, we have tried to provide farmers a maximum value for their produce”

“The reforms, have been made as per the new model Mandi Act of the Central government. These reforms will provide a wide array of options to the farmer to sell his produce and not depend on designated APMCs”

“We have also implemented e-trading system under which the rates at mandis all across the country will be accessible. Farmers can bargain and sell their produce in any market of the country where they get a higher price”

Madhya Pradesh has become the largest wheat procurer in the country in the financial year 2020-21, surpassing Punjab. MP has procured 13 million tonnes of wheat this year against 12.76 million tonnes procured by Punjab. In the process, the state will infuse a whopping Rs 25,000 crore

liquidity into its rural economy by the time its all-time high wheat procurement exercise draws to a close.

The Madhya Pradesh government's annual wheat procurement from farmers in 2020-21 (April-March) has surpassed last year's total procurement, making it a leading wheat procurer in the country. The

bank accounts of over 1.6 million farmers, out of which around 1 million farmers are small and marginal. The process of payment is ongoing for the remaining farmers. The number of small and marginal farmers from whom wheat was purchased this year was almost 73 per cent more than the last year.

government which set a target of purchasing around 40.7 million tonnes of wheat from farmers this year has procured an additional 6 million tonnes, despite the lockdown restrictions in place. In 2019-20 crop year (July-June), the wheat harvesting at 107.18 million tonnes was at an all-time high. It was around 103.60 million tonnes during the corresponding period in the previous year.

Around 1 million farmers have been selling wheat to the state government, every year. This year the selling activity jumped by almost 60 per cent due to the absence of any buying activity from the private procurers.

The state government has already deposited around Rs 20,500 crore into the

The state had anticipated about the likely increase in the number of farmers who would come to sell their produce to the government, and raised the number of procurement centres in advance by almost 28 per cent compared to the previous years. To avoid any delay in transportation, the government also converted around 30-40 godowns into procurement centres. Till last year, only 2-4 per cent of the godowns were being converted.

This humongous procurement exercise was carried out in more 2,000 godowns across the state. Normally, it takes around 15 days to bag and store wheat in godowns once the procurement process is over. However, the government maintained 85-90 per cent efficiency this year in transportation from the very first day of procurement. These activities related to procurement were properly mapped.

The state has used around 10,000 trucks to move the procured wheat to godowns.

The state normally receives around 3,000 tonnes of wheat daily at each procurement centre, but this time, barring a few centres, almost all of them procured close to 5,000 tonnes of wheat on a daily basis.

According to a state government data, the procurement from Madhya Pradesh was 11.33 million tonnes against the target of 10 million tonnes. This is in spite of the extra grain distribution under the Pradhan Mantri Garib Kalyana Yojana and for the migrants.

MP announces large scale reforms in APMC Act

Madhya Pradesh announced large scale reforms in its APMC Act (Agriculture Produce Marketing Committee Act) taking a proactive step to end the decades-old monopoly of state-run agricultural produce market committees (APMCs). The APMC have often been blamed for exploitative trading, creating hardships for the farmers. The steps have been taken to enable direct procurement from farmers with single license for trading in any mandi within the state. The reforms also include designating warehouses and silos and also facilitating in setting up of private mandis.

The steps have been announced to help cultivators sell their produce

directly without coming to mandis and outside the regulated APMCs. The ongoing Covid-19 crisis has hastened these measures.

The state government has promulgated an ordinance called the 'Madhya Pradesh Krishi Upaj Mandi (amendment) Act, 2020'. Seven new provisions have been added to the Mandi Act including provision for the establishment of Mandis in private sector. This will facilitate direct procurement of agriculture produce by food processing companies, exporters and wholesalers from farmers' doorsteps.

The farmers will also have the option of going to the Mandis to sell their produce at the minimum support price (MSP).

Seven new provisions added to the Mandi Act including provision for establishing private Mandis

- Provision has been made for the establishment of mandis in private sectors.
- Godowns, silo cold storage to be considered as private mandi
- New norms to allow food processors, exporters, wholesalers and end users to directly purchase from farmers at village level outside the mandi.
- Mandi committees to not interference in the work of private mandi under new rules
- Provision made to separate regulatory powers from the Managing Director Mandi Board and give it to Director Marketing
- New norms to allow traders to engage in trade in the entire state with a single license
- New provision for training purposes.