

Peanut Blog

An ounce of information



Indian government to approve purchase of 6M tonnes of oilseeds under price support scheme

The Indian government has announced plans to approve the purchase of 6M tonnes of oilseeds under its price support scheme (PSS) in key growing states in the 2024/25 season, Financial Express reported.

The move was due to market prices falling below the minimum support price (MSP) after two years of high levels, according to the 23 March report. Officials were reported as saying that the approval for MSP purchases of oilseeds in the current (July-June) season would be a record volume. In 2017/18, government agencies purchased 2M tonnes of oilseeds.

The PSS is implemented to help farmers when market prices of specific pulses and oilseeds and copra fall below the MSP during peak harvesting period. Under the PSS, the government buys a maximum of 25% of pulses and oilseeds from farmers at their minimum support prices when prices at agriculture markets (mandis) fall below these benchmark prices. However, the ceiling can be increased to 40% at the government's request. At the time of the report, the agriculture ministry had sanctioned the purchase of 1.5M tonnes of mustard seed (rapeseed) across the key producing states of Assam, Chhattisgarh, Gujarat, Haryana, Madhya Pradesh and Uttar Pradesh under the PSS for 2024/25.

In addition, MSP purchases of a smaller quantity of groundnut and sunflower had been approved in Telangana state under the PSS in the current rabi season, the report said.

Meanwhile, central agencies in association with the state government in the kharif season have purchased close to 2M tonnes of soyabean and 1.5M tonnes of groundnut in Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Gujarat, Telangana and Uttar Pradesh respectively from 1.3M farmers, according to the report. Agriculture minister Shivraj Singh Chouhan had previously stated that government agencies would buy oilseeds and pulses at the MSP to provide good prices to farmers, Financial Express wrote.

India imports 58% of its annual edible oil consumption, according to the report.

Source: <https://www.ofimagazine.com/news/indian-government-to-approve-purchase-of-6m-tonnes-of-oilseeds-under-price-support-scheme>