Falling Potato Prices in UP

Why in news?

\n\n

In Uttar Pradesh potato prices are slumping even after a high production.

\n\n

What is the status of potato production in UP?

\n\n

\n
- Uttar Pradesh is the largest producer of potatoes in the country and in the 2016-17 season.
\n
- Recently a record of 120 lakh tonnes was stored in the 1,708 cold storages in the State.
\n
- UP launched a market intervention scheme under which one lakh tonnes of potatoes would be purchased from growers at the minimum support price of Rs. 487 a quintal.
\n
- The grievances of farmers in the state revolve around high input costs and low and unpredictable rates.
\n

\n\n

What are the reasons behind falling prices?

\n\n

\n
- The government did not actively purchased the potatoes as committed, if purchased it was counter-productive due to the grading system, under which only the best quality was selected by government agencies.
\n
- The bulk of average-poor quality potatoes was left with the farmers, who had the option of selling it in the market and dumping the rest in cold storages.
\n
- MSP is very less for the cost of growing a quintal of potato, including

expenditure on transport and cold storage rent, comes up to Rs. 800-900.
\n
- Bearing the loss of the input costs, farmers are faced with the dilemma of letting their produce rot in the storages or attempt to sell the old produce at throwaway prices in markets, while competing with the new potato.
\n
- Farmers are unable to repay the cold storage rents, and face losses as they have to incur operational costs.
\n

\n\n

What is the plan of the state government?

\n\n

\n
- The State has sent a proposal to the Centre for purchasing 2 lakh tonnes from farmers under the market intervention scheme for the new season.
\n
- Once the Centre approves the rates proposed by the State, the Horticulture Department will start buying potatoes from farmers in districts where rates are lower than the minimum support price.
\n

\n\n

\n\n

Source: the Hindu

\n

