



Abstract

Agriculture – Oilpalm – Introduction of Market Intervention Scheme (MIS) for procurement of Fresh Fruit Bunches (FFB) of Oil Palm for the year 2016-2017 - Orders - Issued.

Agriculture (OS) Department

G.O.(Ms) No.134

Dated: 24.05.2017

திருவள்ளூர் ஆண்டு 2048,
வைகாசி திங்கள் 10.

Read:

1. From the Chief Director (Cooperation), Government of India, Ministry of Agriculture, No.L-15016/11/99-MPS, dated 30.07.2001 and 13.03.2002.
2. From the Additional Commissioner (Oilseeds), Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Cooperation & Farmers Welfare, New Delhi, Letter No.3-09/2015-OP(SB),dated 16.02.2016.
3. From the Director of Agriculture, letter No.OPC1/42780/2015, dated 26.02.2016.
4. From the Chief Director (Co-operation), Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Cooperation & Farmers Welfare, New Delhi, Letter F.No.L-15016/71/2016-MPS, dated 14.12.2016.
5. From the Director of Agriculture, Letter No.OPC1/20806/2016, dated 3.1.2017.

ORDER:

The Government of India in their letter second read above have informed that the Government is implementing National Mission on Oilseeds and Oil palm (NMOOP) for promotion and expansion of area under Oil Palm to supplement the availability of Vegetable oils in the country. It has been observed that the prices of Fresh Fruit Bunches (FFBs) of oil palm has fallen around Rs.8,000/- per tonne in November-December, 2013 to around Rs.5,500/- per tonne in February-2016 with a decline of 35% to 40% due to drastic fall of international prices of crude palm oil. The

FFBs prices realized by the farmers have become highly uneconomical in comparison to cost of production. The drastic reduction of FFBs prices has adversely affected the existing oil palm farmers and future expansion of area under oil palm cultivation.

2. Further, Government of India have stated that they have increased import duty on crude vegetable edible oils including crude palm oil (CPO) from 2.5% to 7.5% in December, 2014 and further from 7.5% to 12.5% in September, 2015 to protect interest of domestic oilseeds and oil palm growers. The Government of India requested the State Government to consider providing support to oil palm farmers and also to consider submission of a proposal under Market Intervention Scheme (MIS) in order to protect the farmers from distress.

3. In the letter third read above, the Director of Agriculture has sent necessary proposal for introduction of Market Intervention system in Tamil Nadu. He has stated that in Tamil Nadu the total area available under Oil Palm cultivation has decreased from 7402 ha. to 6837.92 ha. The cultivation area is in decreasing trend due to wavering nature of the price of Oil palm FFB's. During June, 2016 the price of FFB fixed as Rs.7148/Mt. and the price during the month of August, 2016 was Rs.6375/Mt. The price decrease of Rs.773/Mt. will be pull back the interest of Growers who were normally in the expectation of price hike during every month. Hence the farmers are in need of Government support like fixation of Minimum support price/Market Intervention System.

4. The Director of Agriculture has further stated that since the FFB price is fixed based on the sale price of CPO, unless the CPO is sold at appropriate price, Fresh Fruit Bunches price cannot be expected to reach the remunerative level to the farmers. Whenever the Fresh Fruit Bunches price falls below Market Intervention price fixed by Government of India, the Government need to intervene and pay the differential price as compensation to Oil Palm farmers. As and when the FFB price falls below the MIS price the department need to send necessary proposal to Government of India. The Government of India will accord permission for procurement of Oil palm FFB under Market Intervention Scheme as per the MIS price.

5. Further, the Director of Agriculture has pointed out that the introduction of Market Intervention Scheme in oil palm during the year 2016-17 will benefit 4653 farmers. This will change the present oil palm scenario in Tamil Nadu and will motivate more number of farmers to take up oil palm cultivation which in turn reduce the import of crude palm oil. In Tamil Nadu, cost of commodity procured and Overhead expenses are usually done by the entrepreneurs. Hence there is no chance of losses incurred regarding commodity procurement expenses and overhead charges to the Department. The Government of India is willing to share 50% of the cost of scheme and State Government contribution is also 50% for this Scheme. More over the total commitment to Tamil Nadu Government may be around Rs.12 lakhs only per month.

6. In the letter 4th read above, the Government of India have conveyed their approval for procurement of Oil Palm Fresh Fruit Bunches (FFBs) under Market Intervention Scheme (MIS) in Tamil Nadu during 2016 season with certain conditions as given below:-

- i) MIS will remain in force from 14.12.2016 to 12.1.2017.
- ii) A maximum quantity of 1,000 MTs of Oil palm FFBs may be procured under the scheme by the State Agency.
- iii) The Market Intervention Price will be Rs.7650/- per MT for FAQ of Oil palm FFBs with the overhead expenses of Rs.100/- per MT or actual whichever is less. The overhead expenses include transportation charges, loading and unloading charges, gunny bags, packing material, stitching charges, grading commission payable, Mandi tax, purchase tax, godown charges etc.
- iv) Purchase centres / areas will be decided by the State Government in consultation with the State agency.
- v) All receipts for sales must be through banking channel only preferably through Demand Draft.

7. The Director of Agriculture in his letter 5th read above has stated that since the Government of India have accepted the proposals of Market Intervention Scheme a quantity of 1000 MT. of Oilpalm Fresh Fruit Bunches (FFBs) may be procured by the State Agency, between the period from 14.12.2016 to 12.1.2017 at Rs.7650/- per MT. He has therefore requested to accord permission of State Government to implement the above scheme as per the terms and conditions stipulated by Government of India.

8. The Government, after careful consideration of the proposal of Director of Agriculture, accord permission to implement Market Intervention Scheme to procure oilpalm Fresh Fruit Bunches (FFB), in Tamil Nadu for the year 2016-17 with the following conditions:-

- i. MIS shall remain in force from 14.12.2016 to 12.1.2017.
- ii. A maximum quantity of 1,000 MTs of Oil palm FFBs be procured under the scheme by the State Agency.
- iii. The Market Intervention Price will be Rs.7650/- per MT for FAQ of Oil palm FFBs with the overhead expenses of Rs.100/- per MT or actual whichever is less. The overhead expenses include transportation charges, loading and unloading charges, gunny bags, packing material, stitching charges, grading commission payable, Mandi tax, purchase tax, godown charges etc.
- iv. Purchase centres / areas will be decided by the State Government in consultation with the State agency.
- v. All receipts for sales must be through banking channel only preferably through Demand Draft.

9. This order issues with the concurrence of the Finance Department vide its U.O.No.10119/Agri (Fin)/ 2017, dated 17.3.2017.

(BY ORDER OF THE GOVERNOR)

**Gagandeep Singh Bedi,
Agricultural Production Commissioner
and Principal Secretary to Government.**

To

- The Director of Agriculture, Chennai-5.
The Registrar of Co-operative Societies, Chennai-10.
The Accountant General, Chennai-18.
The Accountant General, Chennai-18 (by name).
The Principal Accountant General, (G&SSA), No.361, Anna Salai, Teynampet, Chennai-18.
The Principal Accountant General, (E&RSA), No.361, Anna Salai, Teynampet, Chennai-18.
The Pay and Accounts Officer (East), Chennai-8.
The Pay and Accounts Officer, Madurai.
The Chief Director (Co-operation), Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Cooperation & Farmers Welfare (OSD), New Delhi-110001.
The Additional Commissioner (Oilseeds), Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Cooperation & Farmers Welfare (OSD), New Delhi-110001.
The Under Secretary to Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Co-operation & Farmers Welfare, Krishi Bhawan, New Delhi-110001.
The Resident Audit Officer, O/o. Principal Accountant General (Social Sector Audit), Tamil Nadu Secretariat, Chennai-9.
All Treasury Officers.
All Collectors/All Joint Directors of Agriculture.

Copy to:

- The Additional Director of Agriculture, (Oilseeds) / Oilpalm Commissioner, Office of the Director of Agriculture, Chennai-5.
The Agriculture (API/APIV/B&P/OP III) Department, Chennai-9.
The Finance (BGI/BGII/Agri.) Department, Chennai-9.
The Private Secretary to Agricultural Production Commissioner and Principal Secretary to Government, Agriculture Department, Chennai-9.
The Data Entry Operator, Agriculture Department, Secretariat, Chennai-9.
Stock File/Spare Copies.

//FORWARDED BY ORDER//

P. Prabarathi
30.5.2017

Section officer

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30/5/17