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INDIAN COUNCIL OF FOOD AND AGRICULTURE

PUNJAB'S POTATO FARMERS SUFFER HEAVY LOSSES DUE TO GLUT

Punjab's potato farmers are faced with a dire situation of abundant harvest and plummeting prices. A deleterious combination in itself, farmers are out of wit or wisdom to dispose off their produce as they are fetching rock bottom prices. When some resort to dumping their harvest on the ground, others are selling them at unbelievably cheaper rates.

The state struggling to rescue its debt-ridden farmers has now a new challenge to tackle. Punjab has around 5 per cent share in India's annual potato output. India was the world's second-largest potato producer at 43 million tonnes in 2015-16, but it exports only less than one per cent of the output. The situation is so dire in Punjab that the farmers are not even able to realize the production cost. The crop which was earlier being sold at Rs 500 per quintal is now being sold at 200 per quintal, making it difficult for farmers to recover the input costs. The warehouses are reluctant to store the abundant produce as the last year's production is still being housed in the warehouses. Punjab is expecting a production of over 2.2 million tonnes whereas it has the capacity to store around 16 lakh tonnes in the nearly 500 cold stores. But the old crop, lying in the cold stores, needs to be cleared first.

The state also supplies potato seeds to other potato growing states in the country. Demonetization, announced during the sowing season, drew away a bulk of the buyers of potato seeds who travel to Punjab from around the country to procure some of the best potato seeds in the country.

The sinking farm sector in Punjab has started demanding government intervention. Many are expecting the government to announce minimum support price for potatoes. It looks a much better option than waiving off loans. But the elections in the state and the model code of conduct have dampened the rescue efforts from the government side. However, the Election Commission has given the go-ahead to the state government to release 5 Crore as the price stabilization fund to tackle the potato glut. Meanwhile, the state's Director General of School Education had recently ordered government schools to increase the use of potatoes in the mid-day-meal offered to over 19 lakh students. Apparently, more efforts must be directed to contain the bumper crop and secure income for the farmers.

Despite, being a good producer of potatoes, India hasn't extensively explored the export opportunity. The Punjab government had asked agencies to explore the feasibility of export potential of potatoes to countries such as Russia, the UAE, Iran, Sri Lanka and others for which the state government would subsidize the freight. In December 2015, the government had removed minimum export price of potato. In July last year, the government had imposed MEP of \$360 per tonne on potato for increasing domestic supplies. The country's potato output is estimated to increase to 43.88 million tonne in 2016-17 crop year (July-June) from 43.41 million tonne last year.

National Agricultural Cooperative Marketing Federation of India (Nafed) was also asked to intervene in the market for stopping distress sales by farmers. Farmers have not been able to transport potato to the mandis because of low prices. In the event of the state government providing some subsidy to potato growers, transportation cost from Punjab to Azadpur mandi in Delhi could be met.

Plenty can also cause problems. The abundance of produce and lack of facilities to dispose them off has been of habitual occurrence in the Indian situation. Despite having the prior knowledge of the situation, most often the governments wait for the misfortune to strike the farmers. Glut should be treated as a calamity and there should be preparedness at the government level to wear the situation.