



# Pulse Release from Buffer Stocks

## Why in News

The Union government **plans to release 40,000 tonnes of tur dal** from its buffer stock into the retail market in small lots, in a bid to cool down the recent hike in pulses prices.

## Key Points

### ▪ Hiking Prices:

- Major **consuming centres** (Andhra Pradesh, Kerala, Maharashtra, Bihar and Tamil Nadu) **of urad and tur dal** have seen a **20% spike in prices** over the last two weeks alone.
  - These states have **expressed an interest in buying one lakh tonnes of pulses** from the Central buffer stock at the MSP rates to sell at subsidised prices.
- At an all-India level, the **average retail prices of urad** have shot up **almost 40% in comparison to 2019**, while the **average retail prices of tur dal** have **increased by almost 24%**.

### ▪ Retail Intervention:

- The **Department of Consumer Affairs** (DoCA) has introduced retail intervention, a mechanism to use the buffer stock of the **[National Agricultural Cooperative Marketing Federation of India](#)** (NAFED).
  - NAFED procures pulses from farmers at **[Minimum Support Price](#)** (MSP) rates to moderate retail prices by supplying pulses to the States and the Union Territories.
  - The States are supplied pulses either in bulk or in retail packs for supply through the ration shops of the **[Public Distribution System](#)** (PDS), or through milk and vegetable outlets run by the government or cooperatives.
- For such retail intervention, **offer prices are fixed on the basis of MSP itself**.
- This move will also help clear NAFED's existing stock to make way for procurement from this season's harvest, due to arrive in markets soon.

### ▪ Using Open Market Sale:

- Apart from the retail intervention, the DoCA has also **decided to release 40,000 metric tonnes of tur from the buffer stock in Open Market Sale** (OMS) Scheme in small lots so that the releases may reach the retail market at a faster pace and help in cooling off rising prices.

### ▪ Earlier Measures:

- The Centre extended the procurement window for its **[Price Support Scheme \(PSS\)](#)** up to **90 days from the date of commencement** of the scheme in each State.
  - The PSS is **operationalised on the State governments' request** when the prices fall below the MSP.
- The Centre promised to provide **one kg of pulses per month to all families with ration cards for the three months** as part of a **[Covid-19 relief package](#)** (Pradhan

**Mantri Garib Kalyan Yojana).**

### **National Agricultural Cooperative Marketing Federation of India**

- It is registered under the **Multi-State Cooperative Societies Act, 2002**.
- It was **set up in 1958** with the objective to **promote cooperative marketing of agricultural produce to benefit the farmers**.
- **Agricultural farmers are the members** of the General Body of NAFED, who participate in the decision-making process.

### **Minimum Support Price**

- It is the **rate at which the government buys grains from farmers**.
- The reason behind the idea is to **counter the price volatility** of agricultural commodities **due to the factors like** variations in the supply, lack of market integration and information asymmetry.
- It is fixed on the recommendations of the **[Commission for Agricultural Costs and Prices \(CACP\)](#)**.

### **Open Market Sale Scheme**

- **[Food Corporation of India](#)** (FCI) sells surplus stocks of wheat and rice at **predetermined prices through e-auction in the open market** from time to time to **enhance the supply** of food grains.
- It is done especially **during the lean season to moderate the open market prices** in the deficit regions.

### **Way Forward**

- Food and nutrition security is ensured if all of the citizens of a nation have enough nutritious food available, all of them have the capacity to buy food of acceptable quality and there is no barrier on access to food.
- The right to nutritious food is a well-established principle of international human rights law. It has evolved to include an obligation for state parties to respect, protect and fulfil their citizens' right to food and nutrition security.

**[Source: TH](#)**

PDF Refernece URL: <https://www.drishtias.com/printpdf/pulse-release-from-buffer-stocks>