

Implication of Minimum Support Price (MSP) as an Actual 'Support' to the Paddy Farmers: A Study in Two Districts of West Bengal

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Abstract

Among the economic activities of India, agriculture has always been one of the most important ones. The performance of agricultural and allied industries in this country has always been significant regarding the economic growth. Thus, the socio-economic condition and wellbeing of the farmers in the rural areas of India are of a great concern. As an important part of the nation's agricultural price policy, the Minimum Support Price (MSP) initiative of the Government helps to incentivize the farmers. But, in some parts of West Bengal, despite the state being at the top in production of rice, the earnings of the farmers are quite less than expected. Where some farmers are not even aware of MSP concept, some are not being able to avail the benefit due to a number of constraints. The involvement of brokers or the middlemen in the paddy and rice supply chain puts significant impact in the overall marketing scenario. Plenty of loopholes in the practical execution process of the Minimum Support Price initiative are evident in different districts of West Bengal. Relevant Supply Chain Management aspects of the rice mills as well as of the overall industry involving members like paddy farmers, brokers etc. are of great concern to curb the problems resolving the drawbacks of the system. The reasons of the farmers being dependent on the brokers should be analyzed and the formalities to

avail the benefits being provided to them should be made easier and feasible. Providing better infrastructure for agriculture and safeguarding farmers' interest by suggesting ways to increase their income are so important to boost up rural economy and ensure overall economic growth of the nation.

Keywords: Farming, Supply Chain, Commission-agents, Profit, Central Purchase Centers.

1. Introduction

In Indian economy, agriculture has always been the primary sector. The progress of Indian economic conditions and growth has been dependent on the progress of agriculture since earlier days. So the socio economic conditions of the farmers, satisfying their needs and providing them with necessary supports have always been national interest. But question arises of how the things have so far been helpful for the farmers in reality. During the 1960s, the concept of Minimum Support Price was introduced to guarantee a floor price for the produce of farmers nationwide. The other objectives being food security and keeping buffer stock by Govt. procurements for food supply. But, in the recent years, in West Bengal – the state ranking at the top in paddy or rice production, people are witnessing some critical issues regarding the paddy supply chain involving paddy farmers, the rice mills, the Government and of course the middlemen or commission agents evolving since years as crucial members of the supply chain. To be precise and specific, paddy farmers in different villages of different districts of West Bengal are not being able to capitalize on the initiatives taken by Govt. like MSP (Minimum Support Price) and other policies to benefit the farmers. The food Procurement System of the Govt. is not being able to achieve its ultimate motive due to a lot of factors that are acting as the drawbacks of the system. As a result the farmers are being deprived of the facilities meant for them and getting exploited. Farmers are being dependent on the middlemen or commission agents while harvesting and selling the produced paddy making the involvement and effect of the agents as crucial in the paddy supply chain. Most of the times the farmers are not getting the minimum support price of paddy and thus they are not being able to realize desired profit. This research study makes an attempt to go through the typical and critical issues of the paddy supply chain and enlighten on the loopholes of the system which are causing troubles for the farmers increasing their grievances besides analyzing different aspects to suggest probable and feasible measures which can help in the betterment of the farmers boosting rural economy.

2. Sampling and Methodology

In 2014-15, top three districts, which have shown highest dry yield rate of Aman (clean rice), are Birbhum, Bardhaman and Malda (Source: Bureau of Applied Economics and Statistics Department of Statistics and Programme Implementation Government of West Bengal 2016). According the report of (Primary research) Department of Food Supplies, Govt, of West Bengal- WBPDS (West Bengal Public Distribution System), considering the productivity (k.g. per Hectare) of paddy; the top two Districts in West Bengal are Birbhum and Burdwan respectively in 2018 as well.

District-wise per Hectare production of paddy and average production by a farmer			
Sl. No.	District	District-wise per Hectare production (K.G.)	District-wise production of paddy by farmers (Quintal) (Per Hectare Production x 0.77 Hec. as average holding)
1	Darjeeling	3145	24.2165
2	Jalpaiguri	3629	27.9433
3	Coochbehar	3547	27.3119
4	Uttar Dinajpur	3884	29.9068
5	DakshinDinajpur	4237	32.6249
6	Malda	4822	37.1294
7	Murshidabad	4565	35.1505
8	Nadia	4213	32.4401
9	North 24 Pgn	4284	32.9868
10	South 24 Pgn	3663	28.2051
11	Howrah	3573	28.8981
12	Hooghly	4574	35.2198
13	Burdwan	4868	37.4836
14	Purulia	3213	24.7401
15	Bankura	4100	31.57
16	Birbhum	4884	37.6068
17	PurbaMedinipur	3233	24.8941
18	PaschimMedinipur	4048	31.1696
	Average	4098	31.5546

(Source: Department of Food Supplies, Govt, of West Bengal- WBPDS (West Bengal Public Distribution System))

Thus, Birbhum and Burdwan districts were selected to conduct the study. Respective Blocks Gram Panchayats and villages in these two districts were selected purposively. Two blocks in

each district i.e. Lavpur, Illambazar in Birbhum and Khandagosh, Burdwan I were selected to conduct the survey of the villages of those areas. 10 farmers from each village were interviewed.

3. Observations

The origination of the concept of Minimum Support Price (MSP) can be traced back during the time of Green Revolution when new agricultural policies came into action to counter the “cereals – shortage” problem. The Food Corporation of India (FCI) was set up in 1964. The purposes being procurement of food grains from the farmers against remunerative prices, public distribution for consumptions and maintenance of buffer stock to provide food security whenever and wherever required. Thus, it became important to have a certain pricing policy while buying food grains from the farmers and Agricultural Prices Commission was established. This eventually gave birth to the Price Support Policy to protect the interest of the farmers which has evolved as Minimum Support Price (MSP). This is nothing but a certain guaranteed price beyond which the market price cannot go down and at least the Government will be there to buy food grains from farmers at this Minimum Support Price. According to the recommendations of CACP i.e., the Commission for Agricultural Costs and Prices (Govt. of India), MSPs are declared for 23 commodities which include paddy – the crop which is grown in almost half of the states in India with West Bengal leading the way in production.

The top 10 states ranking according to rice production and area under rice cultivation (2015 -2016)

Rank	State	Rice Production (million tonnes)	Area under rice cultivation (million hectares)
1	West Bengal	15.75	5.46
2	Uttar Pradesh	12.50	5.86
3	Punjab	11.82	2.97
4	Tamil Nadu	7.98	2.04
5	Andhra Pradesh	7.49	2.16
6	Bihar	6.5	3.21
7	Chhattisgarh	6.09	3.82
8	Odisha	5.87	3.94

9	Assam	5.14	2.46
10	Haryana	4.14	1.35

(Source: India Today Web Desk, New Delhi, September 18, 2018)

The sum total of minimum support price and bonus for Kharif crops (paddy) of 2017-18 seasons have been Rs. 1550 per quintal for common paddy and Rs. 1590 per quintal for Grade A, as per the approval of Govt. of India, Ministry of Agriculture & Farmers Welfare- Department of Agriculture, Cooperation & Farmers Welfare (Directorate of Economics and Statistics). Farmers are supposed to sell their paddy in different block level cooperative markets e.g., BENFED (West Bengal State Cooperative Marketing Federation) or ‘Mandis’ to the State Government against this Minimum Support Price. If the paddy is sold in the CPCs i.e., the Central Purchasing Centers, which is popularly known as Govt. tents or ‘Mandis’, the farmers get extra Rs. 20 per quintal as the price becomes Rs. 1570 per quintal. The recent amendments regarding the MSP of paddy have been Rs. 1750 and Rs. 1770 per quintal (2018-19) and then 1815 Rs. and 1835 Rs. (2019-20). Currently there are approximately 350 CPCs operating across the state of West Bengal besides other Cooperative Markets which do procure food grains on behalf of the State Govt. getting some charges from the Govt. for the purpose.

Statement Showing Minimum Support Prices - Fixed by Government (Rs./quintal)											
Commodity	Variety	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Paddy	Common	1000	1080	1250	1310	1360	1410	1470	1550	1750	1815
	Grade A	1030	1110	1280	1345	1400	1450	1510	1590	1770	1835

[Source: FARMERS’ PORTAL(<https://farmer.gov.in/FarmerHome.aspx>)]

As the formal procedure of enlisting his name in a Purchase Centre or Mandi, the farmers has to register himself filling up a form and submitting necessary documents like papers of landholdings, Bank Account details, identity card documents etc. and collect token from Panchayat level. These registered accounts remain one account for each farmer. The proceedings of the CPCs generally start in the month of November and continue till June of the next year. In this way the Govt. buys crops from the farmers twice a year. The quantity of paddy buying gets on a high during the months of December and January after a moderate start in November. This gets decreased in March and April and May onwards the procurement becomes

negligible. The rule permits up to 90 quintal paddy selling by a farmer in a day in a CPC, although the recent initiatives of the Govt. proposes up to 45 quintal maximum selling by each farmer on a particular day. The selling capacity of a farmer is monitored considering the production capacity of a farmer. Thus, if someone is selling paddy of quantity more than his registered capacity, it is then questionable as far as the accountability of the dealing is concerned. Few fraudulent activities involving some middlemen or commission agents, who are popularly known as ‘aratdars’ or ‘forey dalals’ also become evident at times in different places. The payment procedure so far has been through NEFT System i.e. National Electronic Fund Transfer System. The paddy brought by the farmers at first gets weighed and calculated amount following the MSP (Minimum Support Price) rate is paid on spot through NEFT and after 2 or 3 working days the farmers become able to receive cash from respective branches of Banks. The procedural delay due to some technical issues or unavoidable reasons sometimes create trouble for the farmers as they prefer to get cash as early as possible obviously because of their poverty reasons and day to day expenses. So the recent approaches from the State Government propose issuing cheque to the farmers on spot in the CPCs against their produce. Thus, in this way the initiatives are meant to help the farmers by providing them with MSP for their produced paddy. But, unfortunately this initiative is not being able to achieve success in the grass root level. Due to a number of reasons, so many farmers are not being able to get this minimum support price actually in hand. The actual purpose of the MSP concept is getting trivial as some loopholes of the entire procedure are neither being considered properly, nor being solved. There are many farmers in different villages across the state of West Bengal sell their produce i.e. paddy to the commission agents or middlemen, sometimes due to their own discretions and sometimes even unwillingly. These agents are popularly known as the ‘Aratdars’ (‘Arat’ in Bengali Language means ‘A Market’, thus a trader in Arat is an “Aratdar”) who have evolved as important members of the paddy supply chain in West Bengal. The rate at which the farmers actually sell the paddy to these Aratdars is much lower compared to the MSP (Minimum Support Price) provided by the Government. The survey conducted in the sampled villages of Birbhum and Burdwan district in West Bengal, shows that there are some farmers who consider selling paddy to the agents are beneficial rather than selling that in Mandis (CPCs) or directly to the Rice Mills, while some, despite considering the benefit of MSP in CPS are forced to sell paddy to these agents due to a number of reasons.

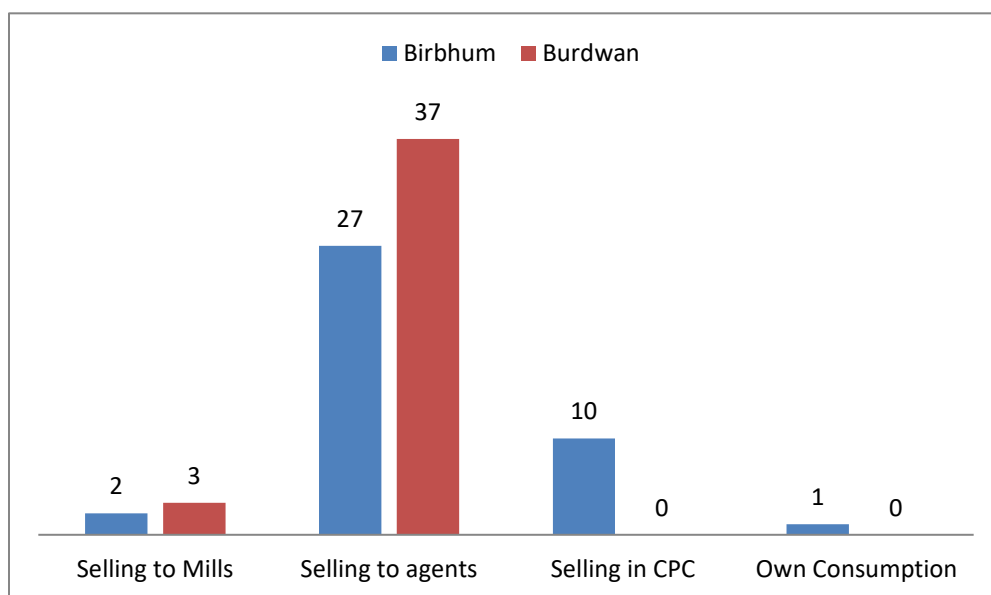
Preference of farmers of Birbhum District while selling paddy								
Block	Gram Panchayat	Village	Farmers consider selling paddy directly to rice mills is beneficial	Farmers consider selling paddy to commission agents is beneficial	Farmers consider selling paddy in Mandi (CPC) is beneficial	Farmers' family consuming all produced paddy	Total	Grand Total
Lavpur	Indas	Indas	0	7	3	0	10	40
	Bipratikuri	Saripa	0	3	7	0	10	
Illambazar	Illambazar	Khayerbuni	0	9	0	1	10	
	Nanashol	Chunpalashi	2	8	0	0	10	
Total			2	27	10	1	40	

Thus, only 10 out of 40 farmers surveyed in Birbhum district consider selling to the CPC against Minimum Support Price is beneficial while most of the farmers opined that selling to the agents or aratdars is convenient.

Preference of farmers of Burdwan District while selling paddy								
Block	Gram Panchayat	Village	Farmers consider selling paddy directly to rice mills is beneficial	Farmers consider selling paddy to commission agents is beneficial	Farmers consider selling paddy in Mandi (CPC) is beneficial	Farmers' family consuming all produced paddy	Total	Grand Total
Khandaghosh	Berugram	Berugram	0	10	0	0	10	40
	Lodhna	Dubrajhat	0	10	0	0	10	
Burdwan I	Belkash	Fagupur	2	8	0	0	10	
	Rayan I	Rayan	1	9	0	0	10	
Total			3	37	0	0	40	

Most of the farmers surveyed in Burdwan consider selling their produced paddy to the aratdars is beneficial and only 3 farmers opined for selling directly to the Rice Mills.

The comparative study in this regard in both of the districts shows that very less farmers consider selling paddy in Central Purchase Centers is actually beneficial for them.



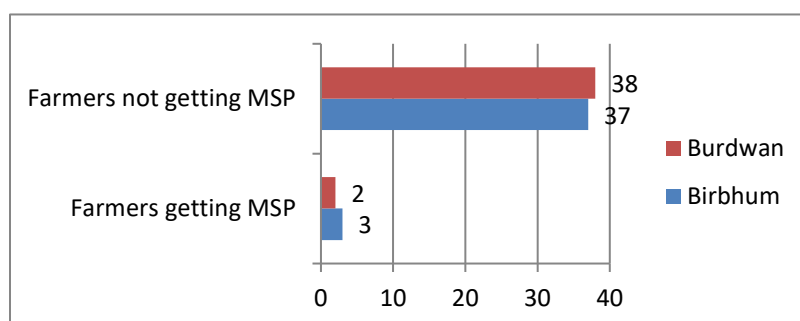
Awareness of farmers of Birbhum District about MSP						
Block	Gram Panchayat	Village	Farmers aware of current MSP	Farmers not aware of current MSP	Total	Grand Total
Lavpur	Indas	Indas	10	0	10	40
	Bipratikuri	Saripa	10	0	10	
Illambazar	Illambazar	Khayerbuni	0	10	10	
	Nanashol	Chunpalashi	10	0	10	
Total			30	10	40	

25 % of farmers surveyed in Birbhum District are not aware of current MSP of paddy

Awareness of farmers of Burdwan District about MSP						
Block	Gram Panchayat	Village	Farmers aware of current MSP	Farmers not aware of current MSP	Total	Grand Total
Khandaghosh	Berugram	Berugram	5	5	10	40
	Lodhna	Dubrajhat	10	0	10	
Burdwan I	Belkash	Fagupur	6	4	10	
	Rayan I	Rayan	2	8	10	
Total			23	17	40	

58 % of farmers surveyed in Burdwan District are not aware of current MSP of paddy

The figure below shows how many farmers are actually getting MSP of Paddy:



So many farmers i.e. 75 out of the 80 farmers thus surveyed in these two districts are not getting MSP of their produced paddy

It is evident from the research study that many farmers are not getting the minimum support price of their produced paddy. The reason being they are selling paddy to the commission agents or local aratdars mostly. The aratdars pay them much lower price than the minimum support price of the central purchase centers.

Farmers' sale of their paddy						
District	Farmers selling paddy directly to rice mills	Farmers selling paddy to commission agents	Farmers selling paddy in Mandi (CPC)	Farmers' family consuming all produced paddy	Total	Grand Total
Birbhum	2	34	3	1	40	80
Burdwan	2	38	0	0	40	
Total	4	72	3	1	80	

Evidently, most of the farmers are selling their produced paddy to the commission agents or the 'aratdars' who are actually the middlemen in the paddy supply chain. This includes those farmers also who does not consider selling to the commission agents at all beneficial, but they

helplessly sell their produce to them. In Indas village of Lavpur block in Birbhum district, three farmers sell their paddy in mandi (CPC). In Saripa village of the same Block, for an instance, there are six farmers who think that selling in CPC would fetch them good price, but they have no other option but selling to the aratdars or commission agents.

The reasons why these farmers either willingly or unwillingly selling the paddy to the commission agents or middlemen are as follows:

I.Loan – due to their poverty reasons, many farmers take loans from these local aratdars or middlemen throughout the year. Sometimes for family ceremonies, sometimes to buy farming materials and tool and also for medical purposes the farmers take loan from them. To repay this loan, they remain obliged to sell their paddy after harvesting every season. The commission agents buy paddy from them according to market rate which is much lower than minimum support price after adjusting with the quantity according to the loan taken by farmers. So, in practice it becomes a kind of obligation for the farmers to sell their produce to these agents as they help them with money when needed.

II.Cash in Hand – in the central purchase centers or in the mandi, the farmers are paid either through NEFT or issued cheque. In case of NEFT, 2/3 working days is needed to credit cash in the bank accounts of the farmers. And for cheques, it also takes some time to deposit in bank before getting cash. But the farmers do need cash in hand for their daily needs and expenses. Cash is also required on an urgent basis as many farmers harvest potato during winter. Thus they do not like any delay in payment of price. It often takes a week or more to get the liquid cash of paddy being sold in CPCs. So the farmers prefer selling the paddy to these commission agents as they pay the price in cash on spot.

III.Improper locations of the Mandis or CPCs – there are so many villages and some remote villages where there are no Central Purchase Centers (CPC) or Mandis operating as such. Farmers have to bear the cost of additional Rs.30 per 60 k.g. sack of paddy that includes Rs. 20 on an average carriage cost and Rs. 10 labor cost for carrying the paddy in faraway CPCs. This extra burden of carriage expenses makes it very difficult for the farmers to avail the facility of MSP support in CPCs. That is why the farmers opt for selling paddy to the aratdars or commission agents who collects paddy from farmers paying the spot rate of market which is lower than MSP but balances for the carriage cost to the CPCs that the farmers have to bear with if opted for CPC.

IV. Limited capacity of production – there are many farmers who have limited or less capacity of paddy production. For some, after own consumptions, the quantity that remains for sale becomes very less compared to the hazards of carriage costs, labor costs etc.

Tradable quantity of paddy for different farmers											
District	Below 10 Qtl.	10 to 30 Qtl.	30 to 50 Qtl.	50 to 75 Qtl.	75 to 100 Qtl.	100 to 130 Qtl.	130 to 150 Qtl.	More than 150 Qtl.	Own Consumption	Total	Grand Total
Birbhum	1	5	8	7	4	4	4	6	1	40	80
Burdwan	2	2	9	6	2	6	1	12	0	40	
Total	3	7	17	13	6	10	5	18	1	80	

Hence it is clear from the survey that 22.5 % of the total number of farmers surveyed in these two districts fall in the category of those farmers who on an average have more than 150 quintal paddy for sale in a particular year span. But 21.25% of farmers are also there who have 30 to 50 quintal of paddy for selling and earning through that in a year, which is quite significant as production capacity within this range, does not earn profit if carriage costs and additional labor costs are added while carrying the produce to the far away CPCs or even to Rice Mills. In CPCs a particular farmer can sell maximum 90 quintal (now proposed for 45 quintal by each farmer a day) of paddy on a day. So having 30 to 50 quintal of tradable paddy overall cannot earn profit if there is no mandi or procurement center nearby.

V. Less headache and hazards – if the farmers sell their produced paddy to the commission agents or the middlemen (popularly known as ‘aratdars’ in rural areas of West Bengal), the other associated things like packaging, arranging the laborers, weighing the paddy and even transportation also remain the responsibility of the buyer i.e. the agents themselves. The farmer has to bother about nothing of these hazards or headaches. Thus it becomes convenient for the farmers to sell the paddy to the agents or middlemen even against the price much lower than the MSP. The rate offered by the agents generally varies according to the open market rates and depends on the quality of paddy also. Wet paddy is sold in lower price compared to properly dried paddy lessening the moisture content.

VI. Quality issue in CPC – the Central Government has benchmarked the process of quality analysis of paddy following FAQ i.e. that is Fair Average Quality policy. In addition to that,

in the mandis or in the Central Purchase Centers the farmers get dissatisfied when huge quantity of paddy gets rejected for added impurities or if it is wet paddy. Eventually the farmers, most often are asked to sell 64 or 65 K.G. of paddy against the price of 60 K.G. as typically a sack of paddy means 60 K.G. of paddy. This adds to the grievances of the farmers and then out of sheer dissatisfaction they choose to sell paddy to the aratdars or the middlemen where they do not face this rejection in the name quality issues. But after all it is a double edged sword kind of situation for the farmers as the agents offer much low rate compared to the MSP.

VII. *Documentations and other formalities* -many farmers are there who do not want to go through the apparently complex documentations and formal paper works while dealing through the CPCs. On this note, Rajkumar Mondal, a farmer of Rayan village of Rayan I Gram Panchayat in Burdwan I Block opined that so many formalities in the Central Purchase Centers push him back from selling in CPCs and it remains easier to deal with the commission agents. On the other hand, according to Nitai Chandra Pal- aged 79, a farmer of Indas Village of Birbhum, too long distance of the CPC, delay of payment and having not enough tradable quantity of paddy which can actually be feasible to realize profit are the reasons why he sells paddy to the local commission agent.

VIII. *Selling in Rice mills* – although in very less numbers, there are some farmers who sell their paddy directly to the rice mills. But in the rice mills also they get a price of their produce which is lower compared to MSP. The mills offer Rs. 20 more per quintal than the rate offered by the commission agents in general, but here also the carriage costs and transportation hazards bother the farmers.

So, these are broadly the reasons of many of the farmers getting a price less than the Minimum Support Price of paddy. Comparing the sales price with the production cost (per K.G.) of paddy, a clear indication of the amount of loss that the farmers are realizing, comes.

Number of Farmers according to Production Cost of Paddy (Rs. Per K.G.) during Kharif i.e. July- October season								
District	Below 10	10 – 12	12 – 15	15 – 18	18 – 20	Above 20	Total	Grand Total
Birbhum	6	4	5	21	2	2	40	80
Burdwan	24	3	6	1	2	4	40	
Total	30	7	11	22	4	6	80	

Farmers getting different ranges of sales price of produced paddy (Rs. Per Quintal)								
District	Below 1000	1000 to 1200	1200 to 1400	1400 to 1550	MSP (1550/ 1750) or more	Consume himself	Total	Grand Total
Birbhum	0	1	18	17	3	1	40	80
Burdwan	0	0	3	33	4	0	40	
Total	0	1	21	50	7	1	80	

8.75% farmers are getting MSP or more than MSP

Standard deviation analysis can be done to estimate the dispersion of the different sales price being offered to the farmers from the mean or average sales price in these surveyed villages of the respective districts.

The arithmetic means of the different sales price (per quintal) being offered to the farmers of the villages surveyed in Birbhum i.e. Indas, Saripa, Khayerbuni and Chunpalashi respectively are Rs. 1465, Rs. 1380, Rs. 1402 and Rs. 1343. So taking these mean values of each villages into account the overall District wide (as par surveyed areas) arithmetic mean of sales price of paddy being offered remains Rs. 1398 (per quintal).

$$\sigma = \sqrt{\frac{1}{n} \sum (x_i - \bar{x})^2} = 44.32$$

Thus, the standard deviation value 44.32 of the sales price that the farmers are getting in Birbhum gives an idea about how the sales prices are dispersing from the average sales price of Rs. 13.98 per K.G. prevailing in the district.

Similar analysis in the district of Burdwan gives a different value. The average sales prices of the four different villages surveyed in Burdwan are Rs. 1547, Rs.1482, Rs.1420 and Rs. 1620 respectively. Thus, the average selling price of paddy prevailing in the district is Rs. 1517.

Here the standard deviation $\sigma = \sqrt{\frac{1}{n} \sum (x_i - \bar{x})^2}$ gives the value 74.40

So, in Burdwan the sales price of paddy in the surveyed villages are varying with standard deviation 74.40 from an average or mean price of Rs. 15.17 per K.G.

In this sort of a scenario, say for an example, in Birbhum, if a farmer's production cost of one K.G. of paddy remains Rs. 10 he will be able to earn profit of Rs. 3.98 per K.G. (mean rate Rs. 1398 per quintal) while a farmer whose production cost is Rs. 20 per K.G. for example, is making a loss of Rs. 6.02 per K.G. This amount of profit can be more or this amount of loss can be reduced to some extent if the produce is sold against the MSP.

Same thing can be said about the farmers of Burdwan also. Here the mean sales price being Rs. 15.17 per K.G. a farmers profit or loss can be increased or reduced if sold in MSP being offered. But as so many farmers are not being able to sell their produce against MSP, as they are not being able to make the dealing through Central Purchase Centers convenient – the actual purpose of providing them with support is not being achieved.

On the other hand, the commission agents, after buying paddy from the farmers, sell them either to the rice mills adding some brokerage in the price or to the CPCs by exploiting the loopholes of the operating procedures in the CPCs. While selling paddy to the rice mills, the brokerage that the agents charge varies from Rs. 20 to Rs. 50 per quintal considering different issues like paddy quality, transportations, labor costs etc.

4. The loopholes in the operating systems of the Central Purchase Centers

There are so many issues involved in the executive procedures being followed in the mandis or the CPCs which are going against the farmers. These are the scopes that are being exploited by the middlemen or commission agents. The CPCs although have formalities regarding registration of names of farmers, do not have proper database management or verification

systems. Using own names besides using relatives' names the agents are registering their accounts. Sometimes, fake accounts are also created providing with their own bank account numbers. While buying the paddy it becomes difficult to identify whether it is being sold by the registered farmer himself or by any middleman. Sometimes these fraudulent activities are overlooked too; courtesy - some corrupt officials. In most of the cases, settlement between the farmers and the middlemen are done beforehand. The middlemen collect the tokens of selling paddy from the farmers who have no options but to surrender them as they deal with the middlemen. If MSP is paid to the accounts of the farmers or if cheques are issued to them as per the MSP of their produce, the commission agents keep the withdrawal slips duly signed by the farmers beforehand. Not only that, they also keep the passbooks of the farmers as deposit. In rural areas of West Bengal this malpractice are known as "renting of passbooks" these days. When the middlemen or commission agents collect the cash, they give those passbooks back to the farmers. Considering all pros and cons of the running system, the farmers feel there is no such huge difference of profit margin and dealing with agents are convenient. In this way, the MSP amount is actually going in the pockets of the 'aratdars' or the 'forey dalals' who are the middlemen or commission agents.

Thus, besides the objectives like food procurement, maintaining buffer stocks and food security, the objective of Minimum Support Price initiative to support the farmers with guaranteed fixed price is not being achieved successfully in the grass root level. The execution of the plan is not being done properly. Not only in Birbhum or Burdwa, paddy farmers of other places of Bengal are also getting much less price of their produce dealing through the commission agents. Recent report says that, the selling prices per quintal paddy while selling to the middlemen in places like North 24 Pdns, Balurghat, Malda and Howrah are prevailing as Rs. 1330, Rs. 1350, Rs. 1360, Rs. 1430 respectively (*Source: Ananda Bazar Patrika*).

According the reports of WBPDS (West Bengal Public Distribution System), during November-December of 2018, near about Rs.1200 Crore has been spent for paddy procurement buying 6.9 Lakh Ton paddy. In 2017, this quantity had been 2.25 Lakh Ton which shows an increment of more than 3 times in paddy procurement quantity, the equivalent monetary value being more than Rs. 800 Crores compared to the procurement in 2017. But the subsequent market price is more or less the same. This questions the success of the mission i.e. the MSP initiative. In spite of this increment, the earnings or profit realization of farmers has not grown. The registered

number of farmers in the mandis or the CPCs has been projected to show an increment of nearly 3 times than in 2017. In 2018 the actual number of farmers registered is 3.6 Lakhs while in 2017 this has been 1.1 Lakh. (*Source: The Ananda Bazar Patrika*). But this growth does not justify the actual benefit in terms of monetary gains of the farmers. A large section of paddy farmers in West Bengal do not have land related documents. Despite having land in their possession nearly half of the total farmers do not have papers and this is the reason behind a low number of registration of farmers in the e-procurement of paddy by the Government of West Bengal. As there is not enough verification system or database management system in CPCs, which is being exploited by the commission agents or the middlemen by fraudulent activities while registration. The actual utilization of funds allotted for infrastructural activities including irrigations, agricultural markets, cold storages etc. has not been up to the mark. Thus the Central Purchase Centers and broadly the executive efforts behind the Minimum Support Price initiatives are not being able to fulfill the farmers' expectations and needs unless these loopholes or drawbacks are corrected or duly taken care of.

5. Conclusion and Recommendations

The ultimate objective of introducing the Minimum Support Price concept has been providing with the farmers a price against their produce which will be fixed and guaranteed beyond which the price cannot fall. During the highly productive seasons, if prices fall, MSP will act as the floor price. But this objective of providing support to the farmers in different places of West Bengal is not being achieved. It is getting evident from the scenario of different villages. The mandi concept or the CPCs are just remaining as mere formalities. The actual problems of the farmers are not being solved and their actual needs are not taken care of. The probable solutions lie in certain steps which can be taken to make the system more efficient and beneficial for the farmers.

- The number of registered farmers and overall procurement of paddy by the Govt. have increased, but the number of CPCs have not increased that much. There are total 25 CPCs in Birbhum presently and 32 in Burdwan -30 in East Burdwan and 2 in West Burdwan as the district has been divided presently (*Source: Govt. of West Bengal, Department of Food and Supplies; <https://procurement.wbfood.in/>*). Central Purchasing Centers and mandis must be more in numbers and most importantly making things easier for remote villages also. This may need to open up more than two, three CPCs in each and every block.

- There is an upper limit of the quantity that a farmer can sell in CPC i.e. 90 quintal per farmer (recent proposal asks for 45 quintal per farmer). But, for the benefit of the farmers, they should be allowed to sell whatever they have or wish to sell in CPC.
- The procedure of buying paddy from the farmers by the Govt. through the CPCs can start proceedings even before November each year. Getting their produce sold and cash in hand soon after harvesting will help them to engage in farming activities like potato farming following the 'Kharif' (July – October) season.
- Credit facilities, subsidies, cooperatives are there to help farmers while buying pesticides and fertilizers, buying farming tools in cheap rates. But fraudulent activities prevail in these activities also. Influential traders often buy these in discounted rate and resell them to the farmers offering higher rate and thus instead of availing the facility, farmers often get exploited. So to ensure transparency and benefit for the farmers, formal registration besides document submissions and database management, verifications should be included to run the systems properly.
- Credit facilities should be provided to the farmers for logistics or transportations also to carry their paddy to the Central Purchase Centers or mandis if they are situated far away. Regarding this aspect, collaborative approaches from the farmers themselves can also solve the problem of too much expenses for carriage of the paddy to the rice mills or to the CPCs and can reduce the involvement of commission agents, hence reducing chances to get exploited.

Taking these practical issues into account and resolving the problems can help the farmers in getting the Minimum Support Price for their produce. In this way encouragement for better farming will be there. Rural economy depends on the betterment of the farmers that includes income growth and up gradation of their socio economic conditions. Thus their dealings with the rice mills, with the Central Purchase Centers and even with the middlemen or commission agents in more profitable manner is important. Safeguarding the farmers' interest and better infrastructure for agriculture is of utmost importance as far as Indian Economy, so as economy of West Bengal is concerned.

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