

Market Intervention Scheme

The Market Intervention Programme (MIS) is an ad hoc programme that covers horticulture and other agricultural goods that are perishable in nature and are not covered by the minimum price support scheme. At the request of a State Government, the government adopts M.I.S. for a specific commodity to safeguard growers of certain horticultural/agricultural commodities from making distress sales in the case of a large crop during the peak arrival time when prices fall to very low levels. The losses are split 50:50 between the union government and the state government(s).

The topic has a very high chance of being asked as a UPSC Prelims Economy Question or as a Current Affairs Question, as it has been in the news recently.

About Market Intervention Scheme

- In the case of a drop in market prices, MIS is a price support instrument for the procurement of perishable and horticultural goods, adopted at the invitation of state governments.
- Whenever there is at least a 10% gain in production or a 10% fall in ruling rates over the preceding normal year, it is deployed.
- MIS is an ad hoc system that functions in a similar way to the Minimum Support Price based procedures for food grains.
- Its goal is to safeguard growers of various horticultural/agricultural commodities from having to sell their crops at a loss if there is a bumper crop.
- Support can be supplied under MIS in specific years, for a restricted but defined duration, in specific essential markets, and by purchasing specific amounts. The initiative must come from the state in question.
- Apples, garlic, oranges, grapes, mushrooms, clove, black pepper, pineapple, ginger, red chillies, coriander seed, chicory, onions, potatoes, cabbage, mustard seed, castor seed, copra, palm oil, and other commodities have all been covered by the MIS.
- In the event of a surplus in production and a drop in prices, MIS offers farmers remunerative rates.
- The proposal of MIS is accepted on the particular request of the state/UT government if they are willing to face a 50% loss (or 25% in the case of the North-Eastern States) if it is implemented.
- In addition, the total amount of loss shared is limited to 25% of the overall procurement value, which covers the cost of the commodities procured plus allowed overhead charges.

Implementation of Market Intervention Scheme

Market Intervention Price (MIP)

- The scheme is implemented by the Department of Agriculture and Cooperation.
- [National Agricultural Cooperative Marketing Federation of India](#) (NAFED), as the central agency, procures a pre-determined amount at a fixed MIP under the MIS.
- Other state-run agencies have been designated for a set amount of time or until prices stabilise above the MIP, whichever comes first.
- The operation's scope is limited to the state in question.

Funds Transfer

- Grants are not distributed to the states through MIS.
- Alternatively, the central share of losses is distributed to the State Governments/UTs for which MIS has been authorised, depending on particular proposals submitted from them, in accordance with MIS standards.

Recent Developments

- The Market Intervention Scheme (MIS) for the procurement of apples in Jammu and Kashmir (J&K) has been extended for the current season, 2020-21 as well, under the same terms and conditions as the previous season, 2019-20. It will secure remunerative apple pricing, resulting in an increase in overall income for growers in J&K.

