



Ministry of Consumer Affairs, Food & Public Distribution

# Price Stabilization Fund

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The Price Stabilization Fund (PSF) was set up in 2014-15 under the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) to help regulate the price volatility of important agri-horticultural commodities like onion, potatoes and pulses were also added subsequently. The PSF scheme was transferred from DAC&FW to the Department of Consumer Affairs (DOCA) w.e.f. 1st April, 2016.

The scheme provides for maintaining a strategic buffer of aforementioned commodities for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation. For building such stock, the scheme promotes direct purchase from farmers/farmers' association at farm gate/Mandi. The PSF is utilized for granting interest free advance of working capital to Central Agencies, State/UT Governments/Agencies to undertake market intervention operations. Apart from domestic procurement from farmers/wholesale mandis, import may also be undertaken with support from the Fund.

The fund allocated under PSF has been primarily utilized towards building the buffer of upto 20 lakh tonnes of pulses. In addition, other activities like creation of a buffer of 17,747 tonnes of Onions; import of 5000 tonnes of Tur and 2000 tonnes of Onions; purchase of 6011 tonnes of Onions by NAFED and SFAC ; financial assistances to States like West Bengal ( Rs. 2.5 crores), Andhra Pradesh ( Rs. 25 crores) and Telangana ( Rs. 9.15 crores) for setting State Level PSF; etc. were also undertaken.

This information was given by Shri C.R. Chaudhary, the Minister of State for Consumer Affairs, Food & Public Distribution, in written reply to a question in Lok Sabha today.

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