

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 320
TO BE ANSWERED ON THE 5TH DECEMBER, 2023

IMPLEMENTATION OF MSP

320. SHRI KANUMURU RAGHU RAMA
KRISHNA RAJU:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

(a) whether the ineffective implementation of Minimum Support Price (MSP) and non-procurement of all the crops at the MSP is one of the main concerns of farmers and this scenario builds a strong rationale for giving 'legal status' to MSP as it is the floor or reference price and which will certainly bind the private players to procure those crops at least at the MSP;

(b) if so, the details thereof;

(c) whether a rise in their income could be the long-term answer to farmers' financial distress and to ensure this rise in income, the Government should focus on setting up an effective system to provide assured purchase and returns to farmers for all major crops at the MSP, as it was done in the case of wheat and rise or extend subsidies on input costs; and

(d) if so, the details thereof and the corrective measures being taken by the Government to alleviate the problems of farmers?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (d): Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops and Fair & Remunerative Price (FRP) for sugarcane on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), after considering the views of the State Governments and Central Ministries/Departments concerned. While recommending MSPs for crops, CACP factor in the input cost incurred by the farmers. Besides, the Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of the cost of production. Accordingly, Government has increased the MSPs for all mandated Kharif, Rabi (including wheat) and other commercial crops with a margin of at least 50 per cent over all India weighted average cost of production from the agricultural year 2018-19.

Further, to realise the objective of MSP policy, Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Under this policy, whatever food grains are offered by farmers within the stipulated period & conforming to the specifications prescribed by Government, are purchased at MSP by the State Government agencies including FCI for Central Pool. Additionally, Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA), as per its prescribed guidelines.

Besides Government has adopted and implemented several policies, developmental programmes, schemes and reforms for achieving higher incomes for the farmers, which are as follow:

- i. Supplementary income transfers under PM-KISAN of Rs. 6000/- per year in three equal instalments to eligible beneficiaries.
- ii. Increase in Minimum Support Price (MSPs) for all Kharif & Rabi crops ensuring a minimum of 50 percent of profit margin on the cost of production.
- iii. Crop insurance under Pradhan Mantri Fasal Bima Yojna (PMFBY).
- iv. Better access to irrigation under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).
- v. Special attention for creation of infrastructure through Agri Infrastructure Fund (AIF) with a size of Rs. 100,000 crores.
- vi. New procurement policy under PM-AASHA in addition to FCI operations.
- vii. Kisan Credit Cards (KCC) offering production loan to even dairy & fishery farmers besides agricultural crops.
- viii. Formation and promotion of 10,000 Farmer Producer Organisations (FPO).
- ix. National Mission for Sustainable Agriculture (NMSA), which aims to evolve and implement strategies to make Indian agriculture more resilient to the changing climate.
- x. Adoption of drone technologies in agriculture which has potential to revolutionize the Indian Agriculture.
- xi. Benefits accruing under Bee-Keeping, Rashtriya Gokul Mission, Blue Revolution, Interest Subvention Scheme, Agro-forestry, Restructured Bamboo Mission, implementation of new generation watershed guidelines, etc.
- xii. Focus on application of digital technology at all stages of agricultural value chain.
- xiii. Supply of fertilizer to farmer at subsidized price so as to reduce input cost.
- xiv. Production and availability of quality seeds to farmers.
