

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2671**  
TO BE ANSWERED ON THE 19<sup>TH</sup> DECEMBER, 2023

**MSP COMMITTEE**

2671. SHRI SUKHBIR SINGH BADAL:

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

- (a) whether the Government had agreed to the demands of the farmers' body bilaterally who had suspended farmers agitation on the promise of rolling back of three farm bills and formation of a committee on guaranteed MSP along with other demands;
- (b) the details of the promises made by the Government;
- (c) whether the Government has formed the committee on guaranteed MSP as promised bilaterally to the farmers' joint body but have not made farmers' unions part of the committee; and
- (d) the reasons for not making farmers' body as a part of the MSP committee despite agreeing with them bilaterally with farmers' joint body?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI ARJUN MUNDA)

(a) to (d): The Farm Laws, namely - (i) the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020; (ii) the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020; and (iii) the Essential Commodities (Amendment) Act, 2020 were repealed vide the Farm Laws Repeal Act, 2021 (No. 40 of 2021) vide notification dated 30<sup>th</sup> November, 2021.

The Government of India announces Minimum Support Prices (MSP) for 22 mandated agricultural crops based on recommendations from the Commission for Agricultural Costs and Prices (CACP). The CACP takes into account various factors when suggesting MSP, including overall demand-supply conditions, cost of production, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, and the potential impact on the economy. Ensuring rational utilization of land, water, and production resources is also a key consideration.

In the Budget for 2018-19, the Government made a decision to maintain MSP at a level of one and a half times the cost of production as a predetermined principle. Consequently, MSPs for all mandated Kharif, Rabi, and other commercial crops have been set with a margin of at least 50 per cent over the all India weighted average cost of

production since 2018-19. The Government has formed MSP Committee in July, 2022 which consists of representatives of farmers, Central Government, State Governments, Agricultural Economists & Scientists, etc.

The committee is to make suggestions so as to make MSP more effective and transparent; to promote natural farming, to change crop pattern keeping in mind the changing needs of the country. The meetings of the committee are being held on regular basis to deliberate on the subject matter assigned to it. So far, 35 rounds of meetings have taken place.

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