

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

LOK SABHA
UNSTARRED QUESTION NO. 361
TO BE ANSWERED ON THE 05TH DECEMBER, 2023

NEW FORMULA FOR MSP

361. MS. RAMYA HARIDAS:
SHRI S. VENKATESAN:

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

- (a) whether the Government is providing Minimum Support Price (MSP) for all agricultural products as per C2 plus 50 per cent formula recommended by Swaminathan Commission;
- (b) if not, the time by which the Government would provide the MSP to farmers as per C2 plus 50 per cent formula;
- (c) whether the Government has taken any note of Farmers frustration that it has not kept it's promise given to them to call off their Delhi protest in November 2021;
- (d) if so, the progress made in ensuring MSP at C2 + 50% as recommended by the Committee headed by renowned Agricultural scientist M.S. Swaminathan and the likely MSP for the important agricultural products if C2 + 50 is applied and actual MSP given as of now;
- (e) whether farmers are compelled to leave their unremunerative profession and thereafter to facilitate the big corporates to acquire their lands and agriculture of the country; and
- (f) if so, the details thereof and the reasons therefor?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (f): Government fixes minimum support prices (MSPs) for 22 mandated agricultural crops viz. paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton, wheat, barley, gram, masur (lentil), rapeseed/mustard, safflower, jute and copra and Fair & Remunerative Price (FRP) for sugarcane on the basis of the recommendations of the Commission for Agricultural Costs

&Prices (CACP), after considering the views of State Governments and Central Ministries/ Departments concerned and other relevant factors.

While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources.

The Cost of production is one of the important determinants of MSP and its estimation is based on the methodology recommended by Expert Committees from time to time. CACP projects cost for ensuing marketing season on the basis of actual paid out costs and imputed value of family labour and Composite Input Price Index (CIPI) which is based on latest prices of major inputs like human labour, bullock labour, machine labour, fertilisers and manures, seeds, pesticides and irrigation.

One of the recommendations of National Commission of Farmers (NCF), set up under the Chairmanship of Prof. M.S. Swaminathan, was that, Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production. Accordingly, the Government in its Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at a level of one and half times of the cost of production. Accordingly, Government has increased the MSP for all mandated Kharif, Rabi and other commercial crops with a margin of atleast 50 per cent over all India weighted average cost of production from the agricultural year 2018-19 onwards.

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.

Moreover, 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.
