

O.I.H.

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

RAJYA SABHA
STARRED QUESTION NO. 116
TO BE ANSWERED ON 16/12 2022

PROPOSED MSP BY UTTAR PRADESH FOR RABI CROPS

***116. SHRI SANJAY SINGH**

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether Government is aware of the fact that the Minimum Support Price (MSP) declared for the Rabi marketing season 2022-23 is not sufficient for the State of Uttar Pradesh;
- (b) if so, the details thereof and if not, the details of MSP declared by Central Government and proposal of Uttar Pradesh in this regard;
- (c) whether Government of Uttar Pradesh had lodged any objection with regard to the declared MSP; and
- (d) if so, the details thereof and the steps taken by Central Government to provide fair price to the farmers of Uttar Pradesh?

ANSWER

MINISTER OF AGRICULTURE & FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

- (a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF RAJYA SABHA STARRED QUESTION NO 116* DUE FOR ANSWER ON 16.12.2022 REGARDING 'PROPOSED MSP BY UTTAR PRADESH FOR RABI CROPS.

(a) to (d): Government has announced Minimum Support Prices (MSP) of 6 mandated Rabi crops for Rabi Marketing Season (RMS) 2023-24, on the basis of recommendation of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments including Uttar Pradesh and concerned Central Ministries/Departments. The MSPs for the mandated 6 Rabi crops for the RMS 2022-23 and 2023-24 are given as under:

| Sl. No. | Commodity | Minimum Support Prices (₹ per quintal) | | Absolute Increase in 2023-24 over previous year |
|---------|--------------------|---|---------------|---|
| | | 2022-23(RMS)* | 2023-24(RMS)* | |
| 1 | WHEAT | 2015 | 2125 | 110 |
| 2 | BARLEY | 1635 | 1735 | 100 |
| 3 | GRAM | 5230 | 5335 | 105 |
| 4 | MASUR (LENTIL) | 5500 | 6000 | 500 |
| 5 | RAPESEED & MUSTARD | 5050 | 5450 | 400 |
| 6 | SAFFLOWER | 5441 | 5650 | 209 |

* Rabi Marketing Season (RMS)

Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. In line with this objective, 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, MSPs for all mandated Kharif, Rabi and other commercial crops has been fixed with a return of at least 50 per cent over all India weighted average cost of production since the year 2018-19.

While recommending MSP for the crops, CACP considers factors such as cost of production, overall demand and supply, domestic & international prices, inter-crop price parity, the likely effect of the price policy on the rest of the economy, rational utilization of land, water and other production resources. In the process of recommending MSP for rabi crops, CACP also consults State Governments including Uttar Pradesh and seeks their inputs on cost of cultivation/cost of production, MSP, among other things. CACP uses standard cost concept and methodology while announcing MSP for the country as a whole.

Government extends price support to 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. Further, 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 at MSP in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI).

Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. However, farmers are free to sell their produce to the Government procurement agencies at MSP or in the open market whichever is advantageous to them.

Moreover, Government has been consistently focusing on measures to reduce cost of production and enhance farm productivity, which include, providing soil health card to the farmers; better access to irrigation under Pradhan Mantri Krishi Sinchai Yojana (PMKSY); Pradhan Mantri Fasal Bima Yojana (PMFBY) for affordable crop insurance scheme for farmers against all non-preventable natural risks; creation of infrastructure through Agri Infrastructure Fund (AIF), formation and promotion of 10,000 FPO; Integrated Scheme for Agriculture Marketing (ISAM) to develop marketing infrastructure to effectively handle and manage marketable surpluses; Sub-Mission on Agriculture Mechanization (SMAM) to increase the reach of farm mechanization to small and marginal farmers; and adoption of drone technologies in agriculture which has a potential to revolutionize the Indian agriculture.
