

O.I.H.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3376
TO BE ANSWERED ON THE 31/03/2023

ADDING NEW PRODUCTS UNDER MSP

3376. SHRI HARNATH SINGH YADAV:

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

- (a) Whether Government has formulated any action plan to include agricultural products which are not included in Minimum Support Price (MSP) support schemes and market intervention scheme;
- (b) if so, the details thereof;
- (c) whether Government has formulated any action plan to provide financial assistance to farmers under remunerative prices of agricultural and horticulture produce;
- (d) whether Government has devised any policy to protect farmers from price volatility; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) to (c) : Government fixes Minimum Support Prices (MSPs) of 22 mandated agricultural crops on the basis of the recommendation of Commission for Agricultural Costs & Prices (CACP), after considering the views of concerned State Governments and Central Ministries/Departments and other relevant factors. While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply situation of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sector, likely effect of price policy on rest of the economy and a minimum of 50 percent as the margin over cost of production.

The inclusion of crops under MSP framework is dependent on several factors which include relatively large shelf life, widely grown, item of mass consumption, essential for food

security, among others. Time to time, Government examines the above-mentioned factors while considering a crop under the MSP regime.

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 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.

Further, Market Intervention Scheme (MIS) is implemented for procurement of horticultural / agricultural commodities which are perishable in nature and for which MSP is not announced. The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels / cost of production. This scheme is implemented at the request of a State Govt. / UT which is ready to bear 50 percent of the loss (25 percent in case of North-Eastern States), if any, incurred on its implementation. Under the Scheme, in accordance with MIS guidelines, a pre-determined quantity at the fixed Market Intervention Price (MIP) proposed by the State Govt. / UT is procured by the agency designated by the State Govt. / UT for a fixed period or till the prices are stabilized above the MIP, whichever is earlier. The area of operation is restricted to the concerned state only.

(d) & (e) : Government procures the notified agricultural produce of Fair Average Quality (FAQ) at MSP through farmers in consultation with the concerned State Government / Union Territory as and when market price of these produce fall below the MSP, as per prescribed guidelines. Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Further, different types of nutri-cereals and maize are procured by State Governments itself in consultation with FCI to the extent that the concerned State Government may utilise the same for distribution under Targeted Public Distribution System (TPDS) as well as Other Welfare Schemes (OWS). Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme (PSS) 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. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI).

For making effective procurement by Government agencies at MSP and providing maximum benefits of MSP to the farmers, procurement centers are opened by respective State Government Agencies and Central Nodal Agencies after taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation etc. large number of the purchase centers in addition to the existing mandis and depots/godowns are also established at key points for the convenience of farmers.
