

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

RAJYA SABHA
UNSTARRED QUESTION NO-1775
TO BE ANSWERED ON 04/08/2023

LOSS SUFFERED BY FARMERS DUE TO LOW MSP

1775. SHRI B. LINGAIAH YADAV:

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

- (a) whether farmers in the country have incurred loss of around Rs. 215 lakh crores between 2000-2017 due to low Minimum Support Price (MSP) and if so, the details thereof, State-wise including Andhra Pradesh, Telangana and Punjab along with reasons therefor; and
- (b) whether due to low MSP, farmers are incurring losses, especially farmers of Telangana, despite increasing their production in Yasangi period to about 68 lakh acres, are incurring huge losses and if so, the details thereof and corrective steps being taken?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) & (b): The Government fixes Minimum Support Price (MSP) of 22 mandated agricultural crops to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production, on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of State Governments and Central Ministries/Departments concerned, for the country as whole.

From 2000-01 to 2023-24, the Government has regularly and substantially raised the MSP for agricultural crops keeping in view cost of production, overall demand and supply, domestic & 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. Moreover, Government, in its Union Budget for 2018-19, had made an announcement to keep MSP at a level of one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a margin of at least 50 per cent over all

India weighted average cost of production since the year 2018-19. The details of MSP for 2000-01, 2017-18 and 2023-24 are given in the **Annexure**.

During the last five years starting from 2018-19 to 2022-23, the total procurement of paddy and wheat at all India-level stood at 403 million tonnes and 171 million tonnes, respectively. Out of these, in the state of Telangana, Punjab and Andhra Pradesh, the procurement of paddy was 57 million tonnes, 90 million tonnes and 35 million tonnes, respectively. Moreover, total area under foodgrain production in the state of Telangana, has witnessed an increase from 4.15 million hectares in 2020-21 to 4.73 million hectares in 2021-22.

Besides, Government has adopted several developmental programmes, schemes, reforms and policies for achieving higher incomes for the farmers, among other. These inter alia, include:

- (i) Supplementary income transfers of Rs. 6,000 per year to all land-holding farmer families, providing them socio-economic security under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN).
- (ii) The Pradhan Mantri Fasal Bima Yojana (PMFBY) is being implemented to protect farmers from the financial losses caused by natural calamities, pests, and diseases by providing comprehensive insurance coverage.
- (iii) Formation and promotion of 10,000 FPOs along with necessary financial support under Atma Nirbhar Package (Agriculture)
- (iv) Creation of infrastructure through Agri Infrastructure Fund (AIF) with a size of Rs. 100,000 crores.
- (v) Better access to irrigation under Pradhan Mantri Krishi Sinchai Yojana (PMKSY).
- (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) National Mission for Sustainable Agriculture (NMSA), which aims to evolve and implement strategies to make Indian agriculture more resilient to the changing climate.
- (ix) Focus on application of digital technology at all stages of agricultural value chain.
- (x) Adoption of drone technologies in agriculture which has a potential to revolutionize the Indian agriculture.

Annex referred to in reply to part (a) & (b) of Rajya Sabha Unstarred Question No. 1775 due for reply on 04.08.2023

Minimum Support Price (MSP) of Mandated Crops

(MSP in ₹ per quintal)

Sl. No.	Commodity	Variety	2000-01	2017-18	2023-24
	<u>KHARIF CROPS</u>				
1	PADDY	Common	510	1550	2183
		Grade 'A'	540	1590	2203
2	JOWAR		445	1700	3180
3	BAJRA		445	1425	2500
4	RAGI		445	1900	3846
5	MAIZE		445	1425	2090
6	ARHAR(Tur)		1200	5450	7000
7	MOONG		1200	5575	8558
8	URAD		1200	5400	6950
9	COTTON	Medium Staple	1625	4020	6620
		Long Staple	1825	4320	7020
10	GROUNDNUT		1220	4450	6377
11	SUNFLOWER SEED		1170	4100	6760
13	SOYABEAN	Yellow	865	3050	4600
13	SESAMUM		1300	5300	8635
14	NIGERSEED		1025	4050	7734
	<u>RABI CROPS</u>				
15	WHEAT		610	1735	2125
16	BARLEY		500	1410	1735
17	GRAM		1100	4400	5335
18	MASUR (LENTIL)		1200	4250	6000
19	RAPSEED/MUSTARD		1200	4000	5450
20	SAFFLOWER		1200	4100	5650
	<u>OTHER CROPS</u>				
21	COPRA	Milling	3250	6500	10860
		Ball	3500	6785	11750
22	JUTE		785	3500	5050
