

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1786
TO BE ANSWERED ON THE 04/08/2023

IMPROVING MARKET LINKAGE FOR LANDLESS FARMERS

1786. SHRI AYODHYA RAMI REDDY ALLA:

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

- (a) whether any efforts have been made by Government to improve market linkages for landless farmers, connecting them to local, regional, and national markets;
- (b) whether there are any mechanisms in place for price discovery, such as transparent auction systems, electronic trading platforms, or price information systems, which enable landless farmers to access real-time and fair market prices; and
- (c) whether Government is intervening in Minimum Support Price (MSP) or Price Support Scheme (PSS) for ensuring price stability and protecting farmers from market volatility?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) & (b): In order to improve market linkages for small, marginal and landless farmers, Government is implementing the Central Sector Scheme for “Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)” scheme to form and promote 10,000 new FPOs, with focus on market linkages. Such farmer-members have option to sell their produce locally or sell their value added and packaged produce at regional or national level including in the export market. Further, Implementing Agencies under 10,000 FPOs scheme are facilitating FPOs to onboard on various online marketing platforms, participate in various exhibitions/ fairs, buyer- seller meets etc.

In addition to above, Small, marginal and landless farmers in their individual capacity or in their collectives as FPOs can sell their produce through e-National Agriculture Market (e-NAM) platform. The mechanism facilitates such farmers to transparently discover competitive price for their produce through online bidding system. The system also keeps the farmers abreast about the real time and fair market prices to take the informed marketing decision.

(c): Government is implementing an umbrella Scheme ‘Pradhan Mantri Annadata Aay SanraksHan Abhiyan’ (PM-AASHA) to provide Minimum Support Price (MSP) to farmers for their

produce of notified oilseeds, pulses & copra. PM-AASHA comprises Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) and Private Procurement and Stockist Scheme (PPSS). Under this, States / UTs are offered to choose either PSS or PDPS in a given procurement season with respect to particular oilseeds crop for the entire State. The pulses and copra are procured under PSS. Only one scheme i.e. PSS or PDPS will be made operational in one State with respect to one commodity. Further, States have the option to roll out Private Procurement and Stockist Scheme (PPSS) on pilot basis in district / selected APMC(s) of district involving the participation of private stockist for oilseeds.

Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops on the basis of the recommendation of Commission for Agricultural Costs & Prices (CACP), after considering the views of 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 Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards. On the basis of above mentioned principle, Government had increased the MSPs for all mandated Rabi crops for marketing season 2023-24 on 18th October, 2022 and recently for all mandated Kharif crops for marketing season 2023-24 on 7th June 2023.
