

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

RAJYA SABHA
UNSTARRED QUESTION NO. 2573
ANSWERED ON- 11/08/2023

IMPLEMENTATION OF MSP

2573#. SHRI JAVED ALI KHAN:

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

- (a) whether the measures and policies adopted by Government to improve income of farmers has failed miserably and has compelled lakhs of farmers to leave their profession and to seek job as labourer in cities;
- (b) if so, the reasons therefor;
- (c) whether Government would legalize and implement Minimum Support Price (MSP) for all crops on the basis of C2 plus 50 per cent formula as recommended by Swaminathan Commission Report;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) & (b): Government has adopted and implemented several policies, reforms, developmental programmes and schemes for achieving higher incomes for the farmers directly or indirectly. The unprecedented enhanced budgetary provisions have been made to facilitate the following efforts of the Government :-

1. Income support to farmers through PM KISAN
2. Pradhan Mantri Fasal Bima Yojana (PMFBY)
3. Institutional credit for agriculture sector
4. Fixing of Minimum Support Price (MSP) at one-and-a half times the cost of production
5. Promotion of organic farming in the country

6. Per Drop More Crop
7. Micro Irrigation Fund
8. Promotion of Farmer Producer Organisations (FPOs)
9. A National Beekeeping and Honey Mission (NBHM)
10. Agricultural Mechanization
11. Providing Soil Health Cards to farmers
12. Setting up of National Agriculture Market (e-NAM) extension Platform
13. Launch of the National Mission for Edible Oils – Oil Palm
14. Agri Infrastructure Fund (AIF)
15. Improvement in farm produce logistics, Introduction of Kisan Rail.
16. MIDH - Cluster Development Programme:
17. Creation of a Start-up Eco system in agriculture and allied sector
18. Achievement in Export of Agri and Allied Agri- Commodities

Implementation of these schemes has yielded remarkable results towards augmenting the income of the farmers. As part of the 'Azadi ka Amrit Mahotsav', Indian Council of Agricultural Research (ICAR) has released a book, which contains compilation of success stories of 75,000 farmers out of innumerable successful farmers who have increased their income more than two times.

(c) to (e): Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops 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. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and cop. 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 margin 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.
