

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

RAJYA SABHA
UNSTARRED QUESTION NO-37
TO BE ANSWERED ON 02/02/2024

ENACTMENT OF LAW GUARANTEEING MSP FOR CROPS

37. SHRI B. LINGAIAH YADAV:

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

(a) whether Samyukt Kisan Morcha and 18 other farmers' unions organised a 'mahapanchayat' and staged protests demanding the enactment of a law guaranteeing Minimum Support Price (MSP) for crops and implementation of the Swaminathan Commission report, if so, the details of such issues discussed/decisions arrived at so far, State/product-wise and reports prepared in this regard; and

(b) if not, the reasons for not holding meetings to resolve farmers issues with regard to MSP till now and demands of various States in this regard?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI ARJUN MUNDA)

(a) & (b): Government fixes minimum support prices (MSPs) for 22 mandated crops, on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments, Central Ministries/ Departments other stakeholders, concerned. While recommending MSP, CACP considers important factors like overall demand-supply conditions, cost of production, domestic and international prices, intercrop 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.

National Commission on Farmers (NCF), constituted under the Chairmanship of Prof. M.S. Swaminathan in 2004, inter alia, recommended that MSP should be at least 50 percent more than the weighted average cost of production. To give effect to this recommendation, 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.

Moreover, the Government has constituted a committee, consisting of representatives of farmers, eminent agriculture economist and scientists, and senior officers of Central Government. The Committee is to make suggestions so as to make MSP more effective and transparent; to promote natural farming; and to change crop pattern keeping in mind the changing needs of the country. The meetings of the Committee are being held on regular basis actively to deliberate on the subject matters assigned to it. Till date, six main meetings and thirty-one sub-group meetings/workshops have been held by the Committee.
