

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3843
TO BE ANSWERED ON THE 27/03/2026

MEASURES TO ENSURE FAIR AND PROFITABLE PRICES FOR FARMERS

3843. SHRI SANT BALBIR SINGH:

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

- (a) the steps taken by Government to ensure that farmers receive fair and profitable prices for their crops;
- (b) the manner in which Government is planning to strengthen and expand the Minimum Support Price (MSP) system to benefit more farmers; and
- (c) the measures being taken to reduce the role of middlemen and allow farmers to sell directly in markets?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a) to (c): Government of India announces Minimum Support Prices (MSP) for 22 major agricultural commodities of Fair Average Quality (FAQ) each year in both the Crop seasons on the basis of recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. In addition, MSP for toria and de-husked coconut is also fixed on the basis of MSPs of rapeseed & mustard and copra respectively. Government also extends remunerative price to farmers through its various schemes. Government implements integrated Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) to ensure remunerative price to the farmers with the components of Price Support Scheme (PSS), Price Deficit Payment Scheme (PDPS) and Market Intervention Scheme (MIS).

PSS is implemented on the request of State/UT Government for procurement of prescribed Fair Average Quality (FAQ) of notified pulses, oilseeds and copra at Minimum Support Price (MSP) through Central Nodal Agencies (CNAs) within the stipulated period as and when the market prices of these commodities fall below the notified MSP during peak harvesting period to provide remunerative price to pre-registered farmers.

To encourage domestic production & ensure remunerative prices to farmers, procurement of Tur, Urad and Masur from the pre-registered farmers is undertaken as much as offered by them through the Central Nodal Agencies under Mission for Aatmanirbharta in Pulses till 2030-31.

PDPS provides direct payment of the difference between the MSP and the selling / modal price to pre-registered farmers selling oilseeds of prescribed FAQ norms within the stipulated period in the notified market yard through a transparent auction process. This scheme does not involve any physical procurement. Under PDPS full compensation of difference between MSP and Sale/Modal price i.e. Price Deficiency is directly transferred to the farmers' bank account.

MIS is implemented across the country to provide remunerative price to the farmers for agricultural and horticultural commodities which are perishable in nature and are not covered under the Minimum Support Price regime. The objective is to protect the farmers from distress sale in the

event of a bumper crop during the peak arrival, when prices tend to fall below cost of production. There should be at least a 10% decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government, which is ready to bear 50 % of the loss (25% in case of North-Eastern States), if any, incurred on its implementation.

New component of Price Difference Payment (PDP) with an option to make direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers for the crops traded in the APMC mandis has been added. Additionally, reimbursement for transportation and storage cost of TOP crops (Tomato, Onion and Potato) to central nodal agencies & State designated agencies for storing and transporting them from producing state to consuming state are allowed.

For strengthening of MSP procurement and expanding its benefits to more farmers, procurement centres are opened by respective State Government Agencies and CNAs, 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 temporary purchase centres, in addition to the existing Mandis and depots/godowns are also established at key points for the convenience of the farmers.

Wide publicity is done by State Government, Central Nodal Agencies and State Agencies for providing information on FAQ quality parameters, procurement dates, procurement centers so that farmers may bring their produce and sell in the Procurement Centers. All the payments of MSP are made directly to the registered farmers' bank accounts through Direct Benefit Transfer (DBT).

From 2025-26 season, for procurement under PSS, it has been made mandatory to use farmer biometric through Aadhaar enabled PoS machine or facial authentication through mobile app in the procurement centres for authentication of genuine farmers before the purchase of produce from them. Further, Central Nodal Agencies have also been allowed to procure pulses (Tur, Masur, Urad and Gram) directly from pre-registered farmers through their procurement centres.

Announcement of MSP by the Government and sanction of procurement at MSP by CNAs, impacts markets positively improving market price, even at or above MSP. Farmers participating in procurement as well as those selling in the open market benefit from the MSP announcement. Farmers decide the quantity of produce for sale at MSP based on their marketable surplus. Further, they are free to sell their produce anywhere if they get better price than the MSP.

Government has launched the National Agriculture Market (e-NAM), an online trading platform integrating Agricultural Produce Market Committee (APMC) to facilitate transparent price discovery and better market access. So far, 1,656 mandis across 23 States and 4 Union Territories have been integrated and transacted Rs.4.82 Lakh Crore trade.

Government is promoting Farmer Producer Organisations (FPOs) under the Central Sector Scheme for Formation and Promotion of 10,000 FPOs to strengthen collective marketing and improve farmers' bargaining power. So far, 5,048 FPOs are registered on e-NAM and 6,070 FPOs are onboarded on the Open Network for Digital Commerce (ONDC) for online marketing.
