

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.5854**  
TO BE ANSWERED ON THE 3<sup>RD</sup> APRIL, 2018

**FIXATION OF MINIMUM SUPPORT PRICE**

5854. SHRI RAM CHARITRA NISHAD:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether it is a fact that the issue of fixation of minimum support price needs a comprehensive reorientation in order to ensure remunerative prices for agriculture produce, if so, the details thereof;
- (b) whether it is also true that there is a need to work for comprehensive justice to farmers; and
- (c) if so, the steps proposed to be taken up by the Government in this regard?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI GAJENDRA SINGH SHEKHAWAT)

(a): From time to time, expert committees have been constituted to review the methodology for fixation of MSP and to suggest various features for improvement. Government fixes minimum support prices (MSPs) of 22 mandated agricultural crops and fair and remunerative price (FRP) for sugarcane on the basis of recommendations of Commission for Agricultural Costs and Prices (CACP), after considering the views of State Governments and Central Ministries/Department concerned and other relevant factors in order to ensure remunerative prices for agriculture produce. While recommending MSPs, CACP takes into account the cost of production, overall demand-supply, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non agricultural sectors, the likely effect on the rest of economy, besides ensuring rational utilization of production resources like land and water.

The Union Budget for 2018-19 has announced the pre-determined principle to keep MSPs at levels of one and half time the cost of production. The Budget for 2018-19 has also indicated that NITI Aayog in consultation with central and state governments will put in place a fool proof mechanism so that farmers will get adequate price for their produce.

(b) & (c): Government is committed to farmers welfare and towards this objective it has changed its strategy from being production centric to an income centric one. Government constituted an Inter-Ministerial Committee on 13.04.2016 under the Chairmanship of Chief Executive Officer, National Rainfed Area Authority, Department of Agriculture, Cooperation and Farmers Welfare to examine issues relating to doubling of farmers' income and recommend a

strategy to achieve the same by the year 2022. Alongside working on a comprehensive strategy, the Committee has been parallelly suggesting various interventions like Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017, a five year roadmap for pulses production for achieving a level of production of 24 million tonnes and comprehensive roadmap for increasing the production of oilseeds in the country.

At present, the Government is implementing various schemes and recalibrating them based on the suggested intervention to synchronise with higher gains for the farmers which include Soil Health Cards (SHC), production and availability of quality seeds, Pradhan Mantri Krishi Sinchai Yojana (PMKSY), e- National Agriculture Market (e-NAM), Pradhan Mantri Fasal Bima Yojana (PMFBY), Paramparagat Krishi Vikas Yojana (PKVY), National Mission for Sustainable Agriculture (NMSA) and promotion of allied activities like dairying, poultry, beekeeping and fisheries.

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