

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

LOK SABHA
UNSTARRED QUESTION NO.5886
TO BE ANSWERED ON THE 3RD APRIL, 2018

PROCUREMENT OF AGRICULTURAL PRODUCE AT MSP

5886. SHRI A.P. JITHENDER REDDY:

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

- (a) whether the Government is not procuring the entire quantum of crops produced in the State under the MSP operations in a scenario where the open market prices have fallen;
- (b) if so, the details of the quantum restrictions, if any, which are imposed on the purchasing of agriculture produce under the MSP purchases;
- (c) whether the MSP for commodities like chillies, turmeric and tamarind have been announced, if so, the details thereof, if not, the reasons therefor; and
- (d) whether the Swaminathan Committee recommendations for fixing MSP at a minimum of 50 per cent more than the weighted average cost of production is being implemented, if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) & (b): The Government extends price support to paddy and wheat through the FCI and State Agencies across the country. The procurement policy is open ended. Under this policy, whatever food grains are offered by farmers, within the stipulated period & conforming to the specifications prescribed by Government are purchased at Minimum Support Price (MSP) by the State Government agencies including Food Corporation of India (FCI) for Central Pool. Further, oilseeds and pulses of Fair Average Quality (FAQ) are procured from farmers under Price Support System (PSS), as per its prescribed guidelines at Minimum Support Price (MSP) in consultation with the concerned State Government as and when market price of these produce fall below the MSP. However, if producer/farmer gets better price in comparison to MSP, they are free to sell their produce in open market.

(c): Government fixes MSP of agricultural produce which generally have mass consumption of all India nature. However, commodities like chillies, turmeric and tamarind are not covered under MSP.

(d): National Commission on Farmers headed by Dr. M.S. Swaminathan submitted its report in 2006. One of the recommendations of Commission was that MSP should be at least 50 percent more than the weighted average cost of production. However, this recommendation was not incorporated in the National policy for Farmers 2007. However, Government has increased MSP of mandated crops for 2017-18 season, which provides adequate returns over weighted average cost of production (A2+FL) as estimated by the CACP.
