

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

LOK SABHA
UNSTARRED QUESTION NO.1660
TO BE ANSWERED ON THE 2ND JULY, 2019

EXTENSION OF MSP TO ALL CROPS

1660. SHRI SRIRANGA APPA BARNE:
DR. PRITAM GOPINATHRAO MUNDE:
DR. SHRIKANT EKNATH SHINDE:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI VINAYAK RAUT:

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

- (a) whether the Government has extended the market-distorting Minimum Support Price (MSP) programme to all crops;
- (b) if so, whether in the absence of effective procurement infrastructure and market reforms, it didn't make much a difference;
- (c) if so, the details thereof;
- (d) whether it is a fact that most agricultural commodities are selling 10 to 30 per cent below their floor prices or MSPs, if so, the facts in this regard;
- (e) whether the Government has conducted any study in this regard, if so, the findings thereof; and
- (f) the action taken by the Union Government on the findings of the aforesaid study and whether there is any special suggestion for Bundelkhand, if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): Government fixes Minimum Support Prices (MSPs) of 22 mandated crops and fair and remunerative prices (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/Departments concerned and 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. These major agricultural crops account for around 99 per cent of the agricultural output (excluding horticulture).

(b)&(c): As per the existing arrangements, procurement is made of the crops for which MSPs are announced through Central and State agencies. In so far as cereals/nutri cereals are

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concerned, they are procured through Food Corporation of India (FCI) and decentralized procurement system mainly for distribution under the public distribution system (PDS), for welfare schemes and buffer stocking for food security. Government also implements Price Support Scheme (PSS) under the Umbrella Scheme “Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)” for procurement of oilseeds and pulses. Cotton is procured by Cotton Corporation of India.

To strengthen the market infrastructure government is implementing various programs including e-National Agriculture Market (e-NAM), enacting the Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 and promoting Farmer Producer Organizations (FPOs). The Government is working on market architecture so as to ensure that farmers get remunerative prices on their produce. These include setting up of Gramin Agricultural Markets (GrAMs) with a view to promote 22,000 number of retail markets in close proximity of farm gate; competitive and transparent wholesale trade at APMC through e-NAM; and a robust and pro-farmer export policy.

(d): The prices of agricultural produce are determined by supply and demand conditions in the market on a day-to-day basis. The prices of agricultural produce tend to fall immediately after harvest due to increase in market arrival of new crops in a lumpy manner. The wholesale prices of major agricultural commodities are given below:

(in Rs. per quintal)

Crops/ Commodity	MSP (2018-19)	Wholesale Prices	
		Apr-19	May-19
Paddy	1750	1780	1793
Bajra	1950	2171	2207
Barley	1440	1745	1795
Gram	4620	4679	4796
Jowar	2430	2637	2625
Maize	1700	1943	1973
Ragi	2897	2715	2690
Wheat	1840	2108	2120
Arhar Whole	5675	5108	5557
Masur Whole	4475	4768	4902
Moong Whole	6975	5952	6211
Urad Whole	5600	5230	5441
Groundnut	4890	5035	5132
Copra	7511	11148	10583
Safflower/ Kardiseed	4945	3757	4047
Mustard Seed	4200	3978	4073
Nigerseed	5877	4732	4700
Sesamum Seed	6249	9883	9782
Soyabean	3399	3675	3742
Sunflower Seed	5388	3705	3567
Cotton/Kapas	5150	5785	5839

Source: Directorate of Economics & Statistics

(e)&(f): There is no study conducted in this regard by the government.
