

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

LOK SABHA
UNSTARRED QUESTION NO. 3410
TO BE ANSWERED ON THE 21ST MARCH, 2023

RISING WHEAT PRICE

3410. SHRI RAJENDRA DHEDYA GAVIT :

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

- (a) whether the Government has any plan to tackle the targeted wheat procurement since MSP is about Rs. 200-300 per quintal below the Mandi price keeping in view of the current higher trend of wheat prices in the mandis in Madhya Pradesh, Maharashtra and Gujarat;
- (b) whether the lesser MSP of wheat in comparison to Mandi rates was the reason for low procurement than the target fixed in 2022; and
- (c) if so, the details thereof and whether the Government has any proposal to increase the MSP for wheat during 2023-24 to achieve the target fixed?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (c): The estimates for procurement of Paddy (in terms rice) and wheat are finalized by Government of India in consultation with State Governments and Food Corporation of India, before the commencement of each marketing season based upon estimated production, marketable surplus and agricultural crop pattern. Procurement in a State depends not only production but also upon other multiple factors like marketable surplus, MSP, prevailing market rate, demand & supply situation and participation of private traders etc.

Accordingly, in consultation with States Govt. and Food Corporation of India estimates of 341.50 LMT of wheat for procurement under central pool for RMS (Rabi Marketing Season) 2023-24 has been fixed. Further, all States are also allowed to start procurement as far as possible by 15.03.2023 during RMS 2023-24 as per harvest arrival in mandies/procurement centres.

During RMS 2022-23, the estimated wheat production was lower side due to early summer. Also, there was a rise in global prices of wheat due to various geo-political reasons. Wheat farmers across the country were benefitted from the higher market rates as majority of farmers sold their produce to the private traders at higher market rate in comparison to the MSP.

Further, to contain inflationary trends in food economy and to stabilize the market prices, Open Market Sale Scheme (Domestic) [OMSS(S)] policy for the year 2023, issued on 26.01.2023, was reviewed and subsequently the reserve price of wheat was reduced to Rs. 2150 per Qtl. (Pan India) for FAQ wheat and Rs. 2125 per Qtl. (Pan India) for URS (under relaxed specifications) wheat. In addition to this, 50 LMT of wheat from FCI stock has been decided to offload under OMSS(D), 2023 upto 31.03.2023.

Government fixes Minimum Support Prices (MSPs) of 22 mandated agricultural crops including wheat on the basis of the recommendation of Commission for Agricultural Costs & Prices (CACP), after considering the views of concerned State Governments and Central Ministries/Departments and other relevant factors. While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply situation of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sector, likely effect of price policy on rest of the economy and a minimum of 50 percent as the margin over cost of production.
