

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

LOK SABHA
UNSTARRED QUESTION NO. 3151
TO BE ANSWERED ON THE 8TH AUGUST, 2023

REMUNERATIVE PRICE OF CROPS

3151. SHRI SUKHBIR SINGH BADAL:

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

- (a) whether the farmers in the country are not able to sell their crops and are not getting remunerative price which is 50% than the input costs and value of production as per the Swaminathan Report as promised by the Government;
- (b) if so, the details thereof and the steps taken by the Government;
- (c) whether the Government has allayed the apprehensions of farmers that the Government's model mechanism of CACP is not faulty that calculates cost of inputs to determine the MSP;
- (d) whether the Government has any proposal to appoint an independent monitoring agency in the matter which can audit the calculations and make a report thereon and if so, the steps taken by the Government in this regard; and
- (e) whether the Government is planning to give relief package to improve the condition of farmers in the country?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (e): The Government fixes Minimum Support Price (MSP) of 22 mandated agricultural crops to ensure remunerative prices to the growers for their produce with a

view to encourage higher investment and production, on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of State Governments and Central Ministries/Departments concerned.

While recommending MSP, CACP considers important factors like overall demand-supply conditions, cost of production, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over cost of production. The Cost of production is one of the important determinants of MSP and its estimation is based on the methodology recommended by Expert Committees from time to time. CACP projects cost for ensuing marketing season on the basis of actual paid out costs and imputed value of family labour and Composite Input Price Index (CIPi).The CIPi are based on latest prices of major inputs like human labour, bullock labour, machine labour, fertilisers and manures, seeds, pesticides and irrigation.

National Commission on Farmers (NCF), constituted under the Chairmanship of Prof. M.S. Swaminathan in 2004, inter alia, recommended that, "MSP should be at least 50 percent more than the weighted average cost of production". To give effect to this recommendation, Government, in its Union Budget for 2018-19, had made an announcement to keep MSP at a level of one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a margin of at least 50 per cent over all India weighted average cost of production since the year 2018-19.

Government is committed to the welfare of farmers and has taken numerous measures to support agriculture across the country. A comprehensive range of schemes and programmes has been implemented to address various aspects of agriculture and benefit farmers across agriculture and allied sectors. These inter alia, include:

- i. Supplementary income transfers under PM-KISAN of Rs. 6000/- per year in three equal instalments to eligible beneficiaries.

- ii. Increase in Minimum Support Price (MSPs) for all Kharif & Rabi crops ensuring a minimum of 50 percent of margin on the cost of production.
- iii. Crop insurance under Pradhan Mantri Fasal Bima Yojna (PMFBY).
- iv. Better access to irrigation under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).
- v. Special attention for creation of infrastructure through Agri Infrastructure Fund (AIF) with a size of Rs. 100,000 crores.
- vi. New procurement policy under PM-AASHA in addition to FCI operations.
- vii. Kisan Credit Cards (KCC) offering production loan to even dairy & fishery farmers besides agricultural crops.
- viii. Formation and promotion of 10,000 Farmer Producer Organisations (FPO).
- ix. National Mission for Sustainable Agriculture (NMSA), which aims to evolve and implement strategies to make Indian agriculture more resilient to the changing climate.
- x. Adoption of drone technologies in agriculture which has potential to revolutionize the Indian agriculture.
- xi. Benefits accruing under Bee-Keeping, Rashtriya Gokul Mission, Blue Revolution, Interest Subvention Scheme, Agro-forestry, Restructured Bamboo Mission, implementation of new generation watershed guidelines, etc.
- xii. Focus on application of digital technology at all stages of agricultural value chain.
- xiii. Supply of fertilizer to farmer at subsidized price so as to reduce input cost.
