

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1438**  
TO BE ANSWERED ON THE 12<sup>TH</sup> DECEMBER, 2023

**REMUNERATIVE PRICE**

1438. SHRI ASHOK MAHADEORAO NETE:

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

- (a) whether the farmers of the country are not getting remunerative prices for their crops including vegetables;
- (b) if so, the reaction of the Government in this regard; and
- (c) the details of the steps taken by the Government to ensure remunerative prices to the farmers for their crops and to protect them from middlemen and commission agents, till date?

**ANSWER**

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI ARJUN MUNDA)

(a) to (c): Each year, Government fixes Minimum Support Prices (MSP) for 22 mandated agricultural crops, on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned.

Moreover, Government in its Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of the cost of production. Accordingly, Government has increased the MSP for all mandated Kharif, Rabi and other commercial crops with a margin of at least 50 per cent over all India weighted average cost of production from the agricultural year 2018-19 onwards.

In order to realize the objectives of MSP Policy, Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Under this

policy food grains offered by farmers within the stipulated period & conforming to the specifications prescribed by Government are purchased at MSP by the State Government agencies and FCI for Central Pool. Additionally, Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme under Umbrella Scheme of PM-AASHA, as per its guidelines, at MSP, in consultation with the concerned State Governments, when market prices of these products fall below the MSP. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI), respectively. Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. However, farmers are free to sell their produce to the Government procurement agencies at MSP or in the open market whichever is advantageous to them.

Besides, for crops not included under the MSP regime, such as agricultural/horticultural commodities, which are perishable in nature, Government implements the Market Intervention Scheme (MIS). The scheme is implemented at the request of a state / UT government with the objective to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production.

In addition, Government has taken several steps to provide remunerative prices to farmers for their produce which include followings: -

1. Implementing National Agriculture Market (e-NAM): Government is implementing National Agriculture Market (e-NAM) scheme wherein online trading of agricultural and horticultural commodities is done for transparent price discovery for farmers for their produce through competitive online bidding system.
2. Promoting Farmer Producer Organizations (FPOs): The Government of India has launched the Central Sector Scheme for "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)" in the year 2020 with a total budgetary outlay of ₹ 6865 crores which will enable farmers to enhance their bargaining power, leverage economies of scale, reduce cost of production and enhance farmers' incomes through aggregation of their agricultural produce.

\*\*\*\*\*