

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

LOK SABHA
STARRED QUESTION NO. 54
TO BE ANSWERED ON 06TH FEBRUARY, 2024

DEMANDS OF FARMERS' UNIONS

***54. SHRI MANNE SRINIVAS REDDY**
SHRI KANUMURU RAGHU RAMA KRISHNA RAJU

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

- (a) whether the Samyukt Kisan Morcha and 18 other farmers' unions have organized a 'Mahapanchayat' and other stage protests demanding the enactment of a law guaranteeing Minimum Support Price (MSP) for crops and implementation of the Swaminathan Commission report;
- (b) if so, the details of such issues discussed/decisions arrived at so far; and
- (c) if not, the reasons for not holding meetings to resolve farmers issues with regard to MSP till now and the demands of various States in this regard?

ANSWER

MINISTER OF AGRICULTURE & FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI ARJUN MUNDA)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA STARRED QUESTION NO 54 DUE FOR ANSWER ON 06TH FEBRUARY, 2024 REGARDING 'DEMANDS OF FARMERS' UNIONS'

(a) to (c): Government fixes minimum support prices (MSPs) for 22 mandated crops, on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments, Central Ministries/ Departments other stakeholders, concerned. While recommending MSP, CACP considers important factors like overall demand-supply conditions, cost of production, domestic and international prices, intercrop 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.

The National Commission on Farmers (NCF) was constituted under the Chairmanship of Prof. M.S. Swaminathan, in November 2004, with a mandate to examine the various issues which include a medium-term strategy for food and nutrition security, enhancing productivity, profitability and sustainability, policy reform for flow of rural credit, cost competitiveness of farm commodities, among others. The Commission submitted its final report in 2006. It also prepared the Draft National Policy for Farmers, which was subsequently approved by Government as National Policy for Farmers (NPF), 2007. However, one of the recommendations of NCF relating to Agricultural Price Policy -Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production- was not included in NPF.

To give recognition to one of the important recommendations of NCF on Price Policy, Government in its Union Budget for 2018-19 had made an historical 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 return of at least 50 per cent over all India weighted average cost of production, each year, since 2018-19.

The procurement of foodgrain has increased from 761.40 lakh metric tonnes in 2014-15 to 1062.69 lakh metric tonnes in 2022-23 benefitting more than 1.6 crore farmers. The expenditure incurred (at MSP values) on procurement of foodgrains increased from 1.06 lakh crores to 2.28 lakh crores, during the same period.

Moreover, the Government has constituted a committee, consisting of representatives of farmers, eminent agricultural economists and scientists, and senior officers of Central Government. The Committee is to make suggestions so as to make MSP more effective and transparent; to promote natural farming; and to change crop pattern keeping in mind the changing needs of the country. The meetings of the Committee are being held on regular basis actively to deliberate on the subject matters assigned to it. Till date, thirty-seven meetings/workshops have been held by the Committee.
