

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.3664**  
TO BE ANSWERED ON THE 10<sup>TH</sup> DECEMBER, 2019

**INCREASE IN MSP OF RABI CROPS**

3664. SHRIMATI SAJDA AHMED:  
SHRI AJAY KUMAR MISRA TENI:  
SHRI KHAGEN MURMU:  
DR. VIRENDRA KUMAR:

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

- (a) whether the Government has recently increased or is considering to increase the Minimum Support Price for Rabi crops for the year 2019 or during the marketing/procurement season 2020-2021;
- (b) if so, the crop-wise details of the increase in the Minimum Support Price and the extent of the benefits likely to be received by the farmers and if not, the reasons therefor;
- (c) the proportion of the purchase of the Rabi Crops by the Government and the production by farmers during the last year across the country;
- (d) whether the Government has conducted any effective study for assessing the impact of Minimum Support Price on paddy farming; and
- (e) whether it is true that benefit of MSP is not available to 10 per cent of Indian farmers, if so, the policy adopted by the Government to ensure the direct benefit of the MSP to the farmers?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री ( SHRI NARENDRA SINGH TOMAR)

(a) & (b): Union Government has announced the Minimum Support Price (MSP) for six rabi crops viz. wheat, barley, gram, lentil, rapeseed & mustard and safflower on 23<sup>rd</sup> October, 2019. MSP is announced for rabi crops of year 2019-20, to be marketed in Rabi Marketing Season 2020-21.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of cost of production. Accordingly, Government has increased the MSPs for all mandated Kharif, Rabi and other commercial crops with a return of atleast 50 per cent of cost of production for the agricultural year 2018-19. The recent increase in MSP of rabi crops of year 2019-20 to be marketed in Rabi Marketing Season 2020-21 is also in accordance to the principle of providing atleast 50% return over cost of production. The details of increase in MSP and crop-wise return over cost of production for rabi crops are given in **Annexure I**.

(c): Food Corporation of India and other designated state agencies provide price support to the farmers in the case of cereals, while State Governments undertake procurement of coarse grains with the prior approval of Government of India. The Government is implementing Price Support Scheme (PSS) for procurement of pulses & oilseeds at MSP under the umbrella Scheme "Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)". The details regarding procurement of rabi crops and production of rabi crops of year 2018-19 (Rabi Marketing Season 2019-20) is given in **Annexure II**.

(d): No, Sir. Ministry of Agriculture & Farmers Welfare has not conducted any study in this regard. However, NITI Aayog has conducted an evaluation study on efficacy of Minimum Support Prices (MSP) on Farmers in January, 2016.

(e): Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at minimum support price (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.

Apart from increasing MSP, Government has taken several steps to provide remunerative prices to farmers for their produce which include undertaking procurement through designated procurement agencies, implementing 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.

The recently launched Umbrella Scheme "Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)" provides for a holistic arrangement for assurance of a remunerative price for farmers. This Umbrella Scheme comprises Price Support Scheme (PSS) for pulses, oilseeds and copra, Price Deficiency Payment Scheme (PDPS) and Pilot of Private Procurement & Stockist Scheme (PPSS) for oilseeds to ensure MSP to the farmers.

MSP operations are given wide publicity through pamphlets, banners, sign boards, radio, TV and advertisements through print & electronic media. In addition to that farmers are made aware of the quality specifications and purchase system to facilitate the farmers to bring their produce conforming to the specifications.

## Annexure I

Annexure referred to in reply to part (a) & (b) of Lok Sabha Unstarred Question No. 3664 due for reply on 10.12.2019.

### Minimum Support Prices for rabi crops

(Rs. per quintal)

S.No	Crops	Cost* of production for RMS# 2020-21	MSP for RMS# 2019-20	MSP for RMS# 2020-21	Absolute increase in MSP	Return over cost ( in per cent)
1	Wheat	923	1840	1925	85	109
2	Barley	919	1440	1525	85	66
3	Gram	2801	4620	4875	255	74
4	Lentil	2727	4475	4800	325	76
5	Rapeseed & Mustard	2323	4200	4425	225	90
6	Safflower	3470	4945	5215	270	50

\*Refers to comprehensive cost which includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc., miscellaneous expenses and imputed value of family labour.

#RMS refers to Rabi Marketing Season

## Annexure II

Annexure referred to in reply to part (c) of Lok Sabha Unstarred Question No. 3664 due for reply on 10.12.2019.

### Production and Procurement of Rabi crops of year 2018-19

('000 Tonnes)				
S.No	Crops	Production*	Procurement <sup>#</sup>	Proportion of procurement to production(%age)
1	Wheat	102189.9	34132.85	33
2	Barley	1751.5	0	0
3	Gram	10128.8	776.41	8
4	Lentil	1561.9	56.24	3.6
5	Rapeseed & Mustard	9339.0	1088.95	12
6	Safflower	23.95	0	0

\* As per 4th Advance Estimates.

# Rabi crops of year 2018-19 are procured in Rabi Marketing Season 2019-20.

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