

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

LOK SABHA
UNSTARRED QUESTION NO.3865
TO BE ANSWERED ON THE 17TH MARCH, 2020
OBJECTIVES OF MINIMUM SUPPORT PRICE (MSP)

3865. MS. DIYA KUMARI:

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

- (a) the objectives of the Minimum Support Price Policy;
- (b) whether the Government is planning to include more commodities under the Scheme, if so, the details thereof;
- (c) whether the Government is planning to take more factors into consideration for the calculation of MSP and if so, the details thereof and the reasons therefor; and
- (d) the steps taken/being taken by the Department to impart awareness about the said Scheme to farmers?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): The objective of the Minimum Support Price (MSP) Policy is to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production.

(b): Government fixes MSPs of 22 mandated crops on the basis of recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. In addition, MSP for Toria and De-Husked coconut is also fixed on the basis of MSPs of Rapeseed & Mustard and Copra respectively. These MSP crops account for 99 percent of agricultural production (excluding horticulture) in the country.

(c): While recommending MSP, CACP considers various factors viz. cost of production, overall demand-supply situations of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agriculture and non-agriculture sector, likely effect of MSP on consumers and overall economy along with rational utilization of land, water and other production resources.

After announcement of Union Budget for 2018-19, CACP also considered a minimum of 50 per cent as the margin over cost of production while recommending MSP.

(d): 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.