

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 304**  
TO BE ANSWERED ON THE 15<sup>TH</sup> SEPTEMBER, 2020

**PAYMENT OF MSP TO FARMERS**

304. ADV. A.M. ARIFF:

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

- (a): whether the Government is aware that farmers are not getting due price for their products in the country;
- (b): if so, the action taken by Government to secure higher and fixed revenue for farmers in the country;
- (c): whether the Government would conduct awareness campaign for providing maximum prices for agricultural products than artificial and consumer products; and
- (d): if so, the details thereof?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a)& (b): Government fixes the Minimum Support Prices (MSP) of 22 mandated agricultural crops and Fair and Remunerative Price (FRP) for Sugarcane based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop price, 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.

Accordingly, as per prescribed guidelines of present procurement mechanism, Government, through Central Nodal agencies, procures notified farm produce of Fair Average Quality (FAQ) at Minimum Support Price (MSP) in consultation with the concerned State Government when market price of these farm produce goes below the MSP. However, if farmers get better price in comparison to MSP, they are free to sell their produce in open market.

(c) & (d): At present, Government already provides a minimum of 50 percent as the margin over cost of production in case of MSPs and reasonable margins over cost of production in case of FRP to farmers for their agricultural produce.

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