

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

LOK SABHA
STARRED QUESTION NO. 2
TO BE ANSWERED ON THE 2ND FEBRUARY, 2021

LEGALISATION OF MSP

†*2. SHRI DEEPAK BAIJ:
SHRI KAUSHALENDRA KUMAR:

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

- (a) whether the Government intends to legalise Minimum Support Price (MSP) for various produce of farmers and make MSP a legal right to the farmers;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the percentage of farmers getting the benefit of MSP at present;
- (d) the details of the steps taken to provide the benefit of MSP to more and more farmers; and
- (e) the measures undertaken/proposed to be undertaken by the Government to prevent procurement outside mandis below MSP?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO. 2 DUE FOR REPLY ON 2ND FEBRUARY, 2021.**

(a) & (b): Government of India announces Minimum Support Prices (MSP) for 22 major agricultural commodities of Fair Average Quality (FAQ) each year in both the Crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP). Government also extends remunerative price to farmers through its various interventions schemes.

(c): The procurement at MSP is being done by Central and State Agencies under various schemes of Government. Besides, the overall market also responds to declaration of MSP and Government's procurement operations which results in private procurement on or above the MSP for various notified crops. Therefore, accurate number of farmers benefiting from MSP declaration is difficult to assess. However, the farmers benefitted from Government procurement at MSP for major crops is attached at Annexure-I.

(d) & (e): Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. Under this policy, whatever food grains are offered by farmers within the stipulated period & conforming to the specifications prescribed by Government are purchased at Minimum Support Price (MSP) by the State Government agencies including FCI for Central Pool. It aims to service the National Food Security Act (NFSA) and other welfare schemes of the Government so that subsidized food grains are supplied to the poor and needy, and to build up buffer stocks of food grains to ensure food grain security. Further, different types of nutri-cereals and maize are procured by State Governments itself in consultation with FCI to the extent that the concerned State Government may utilise the same for distribution under Targeted Public Distribution System (TPDS) as well as Other Welfare Schemes (OWS).

Oilseeds, pulses and copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA), as per its prescribed guidelines at MSP in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Under PM-AASHA, States / UTs are offered to choose either Price Support Scheme (PSS) or Price Deficiency Payment Scheme (PDPS) in a given procurement season with respect to particular oilseeds crop for the entire State. Further, States have the option to roll out Private Procurement and Stockist Scheme (PPSS) on pilot basis in district / selected APMC(s) of district involving the participation of private stockist for oilseeds. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI).

For making effective procurement by government agencies at MSP and providing maximum benefits of MSP to the farmers, procurement centres are opened by respective State Government Agencies and Central Nodal Agencies like NAFED, FCI etc after taking into account the production, marketable surplus, convenience of farmers and availability of other logistics/ infrastructure such as storage and transportation etc. Large number of the purchase centres in addition to the existing Mandis and depots/godowns are also established at key points for the convenience of farmers to ensure procurement at MSP and also to prevent sale below MSP.

ANNEXURE-I

Farmers benefitted on Govt. Procurement at MSP	
Commodity	2019-20
Pulses	11,00,720
Copra	3,439
Oilseeds	8,42,238
Wheat	35,57,080
Paddy	1,24,59,354
Cotton	21,50,000
Jute	3,744

Note:-

- 1) Presently, the procurement for Kharif Marketing Season 2020-21 is ongoing.
- 2) Some farmers are also selling multiple crops.
- 3) The number of farmers benefitted due to procurement of Nutri-cereal and maize is not included.
- 4) Some procurement made at MSP by the State Agencies under State/UT account is not included.
- 5) The market rates of some MSP notified crops also prevails above its MSP, hence no procurement at MSP is required in such cases.
