

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 298**  
TO BE ANSWERED ON THE 20<sup>TH</sup> JULY, 2021

**ROLE OF MSP IN DOUBLING FARMERS INCOME**

298. DR. T. SUMATHY (A) THAMIZHACHITHANGAPPANDIAN:  
SHRI SHANMUGA SUNDARAM K.:

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

- (a) the steps taken by the Government to double the income of the farmers and the role of Minimum Support Price (MSP);
- (b) whether the Union Government is aware of the fact that the cost incurred for farming and agriculture production has doubled in the last seven years due to the increase in the remuneration of farm workers, escalation of fuel/fertilizer/farm equipment prices which does not commensurate with the net income generated by farmers;
- (c) if so, the details thereof and the effective steps taken by the Government to provide adequate support to farmers and thereby double their income;
- (d) the targets fixed by States for MSP allocation for the year 2020 and the achievements made against the target till date;
- (e) whether the Government has any legislation to procure farm products at MSP, if the prices of agricultural products purchased by the States are below the MSP;
- (f) if so, the details thereof and if not, the reasons therefor;
- (g) the steps taken by the Government to increase the MSP provided and bring all agricultural produce under the ambit of MSP; and
- (h) whether the Government proposes to introduce "Bhavantar Price" system throughout the country for compensating farmers for the difference between MSP and actual market price, if so, the details thereof?

## ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (c): The Government constituted an Inter-ministerial Committee in April, 2016 to examine issues relating to “Doubling of Farmers Income” and recommend strategies to achieve the same, The Committee submitted its final Report to the Government in September, 2018 containing the strategy for doubling of farmers’ income by the year 2022. After acceptance of the DFI Committee recommendations, the Government has constituted an ‘Empowered Body’ to review and monitor the progress.

The Government has adopted several developmental programmes, schemes, reforms and policies that focus on higher incomes for the farmers. All these policies & programmes are being supported by higher budgetary allocations, non-budgetary financial resources by way of creating Corpus Funds like Micro Irrigation Fund and Agri-marketing scheme to strengthen eNAM and GrAMs, as also in the Ministry of Fisheries, Animal Husbandry and Dairying to promote dairy and fishery sectors. There have been several reforms to unleash the potential and these include Market Reforms like Model APLMC (Promotion & Facilitation) Act, 2017; Establishment of Gramin Agriculture Markets (GrAMs); Agri-Export Policy, 2018; The Farmers Produce Trade and Commerce (Promotion & Facilitation) Act, 2020; The Farmers (Empowerment & Protection) Agreement on Price Assurance and Farm Services Act, 2020; Amendments to Essential Commodities Act, 1955; Promotion of 10,000 FPOs with necessary financial support under Atma Nirbhar Package (Agriculture) and Supplementary Income transfers under PM-KISAN; Pradhan Mantri Fasal Bima Yojna (PMFBY); Pradhan Mantri Krishi Sinchai Yojana (PMKSY); Increase in Minimum Support Price (MSPs) for all Kharif & Rabi Crops ensuring a minimum of 50 percent of profit margin on the cost of production; Har Med Par Ped; Bee-Keeping; Rashtriya Gokul Mission; Blue Revolution; Interest Subvention Scheme; Kisan Credit Card (KCC) that now offers production loan to even dairy & fishery farmers besides agricultural crops etc. In the Budget Announcement 2021-22, allocation to Micro Irrigation Fund has been doubled to Rs 10,000 crore and Institutional Credit has

been increased to Rs 16.50 lakh crore. A list of various interventions and schemes launched for the benefit of farmers is at **Annexure I**.

(d): Before the onset of each marketing season, Department of Food and Public Distribution, Government of India holds a consultative meeting with officials of Food Corporation of India (FCI), State Governments and others to make assessment of availability of wheat and paddy/rice for procurement at MSP based on the prospects of production and market situation. The procurement estimates of the State Government/UTs and the procurement achievement made against the estimates for wheat and rice (for Marketing Season 2019-20 and 2020-21) is at **Annexure II**.

(e) & (f): The 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.

(g): MSPs are fixed for those crops which are widely grown, have large area under cultivation, items of mass consumption and non-perishable in nature with fairly long shelf life and necessary for maintaining food security. Government announces Minimum Support Prices (MSPs) for 22 mandated crops based on the recommendations of the Commission for Agricultural Costs & Prices (CACP) after considering the views of concerned State Governments and Central Ministries/Departments. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut, soybean (yellow), sunflower seed, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed and mustard, safflower and two commercial crops viz. jute and copra. In addition to that, MSP for toria and de-husked coconut are also fixed on the basis of MSPs of rapeseed & mustard and copra respectively.

(h): There is no scheme by the name of "Bhavantar Price" under implementation by the Central Government.

## Annexure I

### List of various interventions and schemes launched for the benefit of farmers.

- (i) With a view to provide income support to all farmers' families across the country, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs, the Central Government started a new Central Sector Scheme, namely, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). The scheme aims to provide a payment of Rs. 6000/- per year, in three 4-monthly installments of Rs. 2000/- to the farmers families, subject to certain exclusions relating to higher income groups.
- (ii) Further with a view to provide social security net for Small and Marginal Farmers (SMF) as they have minimal or no savings to provide for old age and to support them in the event of consequent loss of livelihood, the Government has decided to implement another new Central Sector Scheme i.e. Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY) for providing old age pension to these farmers. Under this Scheme, a minimum fixed pension of Rs. 3000/- will be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.
- (iii) With a view to provide better insurance coverage to crops for risk mitigation, a crop insurance scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 season. This scheme provides insurance cover for all stages of the crop cycle including post-harvest risks in specified instances, with low premium contribution by farmers.
- (iv) Giving a major boost for the farmer's income, the Government has approved the increase in the Minimum Support Price (MSPs) for all Kharif & Rabi crops for 2018-19 season at a level of at least 150 percent of the cost of production.
- (v) Implementation of flagship scheme of distribution of Soil Health Cards to farmers so that the use of fertilizers can be rationalized.
- (vi) "Per drop more crop" initiative under which drip/sprinkler irrigation is being encouraged for optimal utilization of water, reducing cost of inputs and increasing productivity.
- (vii) "Paramparagat Krishi Vikas Yojana (PKVY)" for promoting organic farming.
- (viii) Launch of e-NAM initiative to provide farmers an electronic transparent and competitive online trading platform.
- (ix) Under "HarMedh Par Ped", agro forestry is being promoted for additional income. With the amendment of Indian Forest Act, 1927, Bamboo has been removed from the definition of trees. A restructured National Bamboo Mission has been launched in the year 2018 to promote bamboo plantation on non forest government as well as private land and emphasis on value addition, product development and markets.
- (x) Giving a major boost to the pro-farmer initiatives, the Government has approved a new Umbrella Scheme 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PMAASHA)'. The Scheme is aimed at ensuring remunerative prices to the farmers

for their produce as announced in the Union Budget for 2018. This is an unprecedented step taken by Govt. of India to protect the farmers' income which is expected to go a long way towards the welfare of farmers.

- (xi) Bee keeping has been promoted under Mission for Integrated Development of Horticulture (MIDH) to increase the productivity of crops through pollination and increase the honey production as an additional source of income of farmers.
- (xii) To ensure flow of adequate credit, Government sets annual target for the flow of credit to the agriculture sector, Banks have been consistently surpassing the annual target. The agriculture credit flow target has been set at Rs. 13.50 lakh crore for the F.Y.2019-20, Rs.15.00 lakh crore for F.Y. 2020-21 and Rs 16.50 lakh crore for FY 2021-22.
- (xiii) Extending the reach of institutional credit to more and more farmers is priority area of the Government and to achieve this goal, the Government provides interest subvention of 2% on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 4% per annum on prompt repayment.
- (xiv) Further, under Interest Subvention Scheme 2018-19, in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2% shall continue to be available to banks for the first year on the restructured amount. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against negotiable receipts, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rate as available to crop loan.
- (xv) The Government has extended the facility of Kisan Credit Card (KCC) to the farmers practicing animal husbandry and fisheries related activities. All processing fee, inspection, ledger folio charges and all other services charges have been waived off for fresh renewal of KCC. Collateral fee loan limit for short term agri-credit has been raised from Rs.1.00 lakh to Rs.1.60 lakh. KCC will be issued within 14 days from the receipt of completed application.
- (xvi) Several market reforms have been rolled out . These include
  - a. Model APLMC (Promotion & Facilitation) Act, 2017
  - b. Establishment of 22,000 number of Gramin Agriculture Markets (GrAMs) as aggregation platforms
  - c. Agri-Export Policy, that targets to double agri-exports by 2022
  - d. The Farmers Produce Trade and Commerce (Promotion & Facilitation) Act., 2020
  - e. The Farmers (Empowerment & Protection) Agreement on Price Assurance and Farm Services Act., 2020
  - f. Amendments to Essential Commodities Act, 1955, that deregulates various agri-commodities
  - g. Promotion of 10,000 FPOs by 2024

(xvii) Creation of Corpus Funds

- a. Micro Irrigation Fund – Rs. 10,000 crore
- b. Agri-marketing Fund to strengthen eNAM and GrAMs – Rs. 2,000 crore
- c. Agricultural Infrastructure Fund (AIF) to build agri-logistics (backward & forward linkages) – Rs. 100,000 crore including Rs 500 crores for Bee-keeping

## Annexure II

## ESTIMATE AND PROCUREMENT OF RICE

(Figures in LMT)

STATE/UT	KMS 2019-20				KMS 2020-21			
	Estimate	Procurement			Estimate	Procurement#		
		Kharif	Rabi	total		Kharif	Rabi	total
A&N ISLANDS								
ANDHRA PRADESH	63.37	32.05	23.28	55.32	72.00	31.71	23.40	55.11
TELANGANA	91.92	31.55	42.99	74.54	105.00	32.66	61.33	94.00
ASSAM	1.67	1.28	0.84	2.11	5.60	1.26		1.26
BIHAR	12.00	13.41		13.41	30.00	23.84		23.84
CHANDIGARH	0	0.15		0.15	0.00	0.19		0.19
CHHATISGARH	48.00	52.23		52.23	60.00	39.76		39.76
DELHI	0				0.00			
GUJARAT	0.35	0.14		0.14	0.84	0.74		0.74
HARYANA	40.00	43.07		43.07	44.00	37.89		37.89
HIMACHAL PRADESH	0.01				0.00			
JAMMU & KASHMIR	0	0.10		0.10	0.27	0.26		0.26
JHARKHAND	2.00	2.55		2.55	3.00	4.27		4.27
KARNATAKA	2.12	0.37	0.05	0.41	12.25	1.38		1.38
KERALA	4.50	2.16	2.66	4.82	5.80	2.58	2.62	5.20
MADHYA PRADESH	14.00	17.40		17.40	27.00	24.97		24.97
MAHARASHTRA	12.70	8.51	3.16	11.67	15.88	9.07	2.70	11.77
NAGALAND	0			0.00	0.00			0.00
ODISHA	43.50	36.25	11.73	47.98	48.00	42.80	9.82	52.62
PUDUCHERRY	0.5	0.00	0.00	0.00	0.10			
PUNJAB	114.00	108.76		108.76	113.00	135.89		135.89
TRIPURA	0.34	0.09	0.06	0.14	0.34	0.08	0.07	0.15
RAJASTHAN	0				0.00			
TAMIL NADU	13.44	13.80	8.24	22.04	29.00	18.34	7.07	25.42
UTTAR PRADESH	33.00	37.90		37.90	37.00	44.78		44.78
UTTRAKHAND	5.00	6.82		6.82	6.70	7.12		7.12
WEST BENGAL	26.00	15.18	3.21	18.38	26.80	15.73	0.11	15.84
OTHERS	0.64				0.00			
<b>ALL INDIA TOTAL :</b>	<b>529.05</b>	<b>423.77</b>	<b>96.21</b>	<b>519.97</b>	<b>642.58</b>	<b>475.32</b>	<b>107.13</b>	<b>582.45</b>

# as on 13.07.2021

## ESTIMATE AND PROCUREMENT OF WHEAT

(Figures in LMT)

STATE/UT	RMS 2019-20		RMS 2020-21	
	Estimate	Procurement	Estimate	Procurement
<b>Punjab</b>	125.00	129.12	135.00	127.14
<b>Haryana</b>	85.00	93.20	95.00	74.00
<b>Uttar Pradesh</b>	50.00	37.00	55.00	35.77
<b>Uttarakhand</b>	2.00	0.42	2.00	0.39
<b>Madhya Pradesh</b>	75.00	67.25	130.00	129.42
<b>Gujarat</b>	0.50	0.05	1.25	0.77
<b>Rajasthan</b>	17.00	14.11	21.74	22.25
<b>Bihar</b>	2.00	0.03	2.00	0.05
<b>Jharkhand</b>				
<b>Karnataka</b>				
<b>Delhi</b>				0.00
<b>J &amp; K</b>				0.00
<b>Maharashtra</b>			0.17	
<b>Odisha</b>				
<b>Himachal Pradesh</b>		0.01	0.33	0.03
<b>Chandigarh</b>		0.12		0.11
<b>West Bengal</b>				
<b>Chhattisgarh</b>				
<b>Andhra Pradesh</b>				
<b>Assam</b>				
<b>Telangana</b>				
<b>Others</b>	0.50		0.00	
<b>All India Total :</b>	<b>357.00</b>	<b>341.33</b>	<b>442.49</b>	<b>389.93</b>

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