

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

LOK SABHA
UNSTARRED QUESTION No.1098
TO BE ANSWERED ON 08TH FEBRUARY, 2022

MINIMUM SUPPORT PRICE

1098. SHRI N.K. PREMACHANDRAN:

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

- (a) whether the Government proposes legislation for Minimum Support Price (MSP), if so, the details thereof;
- (b) whether the Government has conducted any study regarding the difficulties of farmers due to the lack reasonable of price agricultural produce, if so, the details thereof;
- (c) whether the Government proposes to give MSP for more agricultural produce, if so, the details thereof;
- (d) the criteria fixed by the Government for fixing MSP;
- (e) whether the Government proposes to conduct any study regarding the actual expense for the agricultural produce and its market value, if so, the details thereof;

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(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). In addition, MSP for toria and de-husked coconut is also fixed on the basis of MSPs of rapeseed & mustard and copra respectively. Government also extends remunerative price to farmers through its various interventions schemes. 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.

Government extends price support for paddy and wheat through the Food Corporation of India (FCI) and State Agencies. 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. 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 centers 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 centers in addition to the existing mandis and depots/godowns are also established at key points for the convenience of farmers.

(c) to (g) : Government fixes MSP for those crops which are mostly items of mass consumption of all India nature with fairly long shelf life and /or necessary for food/nutrition security. MSPs are fixed based on the recommendations of Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments. While recommending price policy, the CACP considers, inter-alia, a number of important factors which include 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 and a minimum of 50 percent as the margin over cost of production in case of MSPs. Government fixes MSP for country as a whole and not state specific.
