

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

LOK SABHA
UNSTARRED QUESTION NO. 3931
TO BE ANSWERED ON THE 25TH MARCH, 2025

PROCUREMENT OF AGRICULTURAL PRODUCE AT MSP

3931. SHRI K RADHAKRISHNAN:

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

(a) the details of the percentage of total agricultural produce is actually procured at MSP and the reasons as to do many farmers still have to sell their crops below MSP; and

(b) the steps taken to improve procurement infrastructure in States where farmers struggle to sell their produce at MSP?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAM NATH THAKUR)

(a) & (b): Every year, Government fixes Minimum Support Price (MSP) for 22 mandated agricultural crops for the country as a whole, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned.

Government procures cereals and coarse cereals through Food Corporation of India (FCI) and other designated State Agencies to provide price support to the farmers. Procurement of pulses, oilseeds and copra is done under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA), in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Procurement agencies under PM-AASHA Scheme are National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and National Co-operative Consumers' Federation of India Ltd. (NCCF). Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI), respectively.

Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. However, farmers are free to sell their produce to the Government procurement agencies at MSP or in the open market, whichever is advantageous to them. The details of procurement of Kharif Crops, Rabi Crops and Jute & Copra for the year 2023-24 alongwith the percentage are given below in the Table.

Procurement details of Kharif, Rabi and Jute & Copra

(figures in LMT)

S. No.	Crops	Procurement (2023-24)	% of crop-wise procurement over total Procurement
1	Kharif Crops	805.34	73.95
2	Rabi Crops	281.05	25.81
3	Other Crops	2.66	0.24
	Total	1089.05	100.00

For making effective procurement at MSP by Government Agencies and providing maximum benefits of MSP to the farmers, procurement centers are opened by respective State Government Agencies and Central Nodal Agencies like National Agricultural Cooperative Marketing Federation of India Ltd (NAFED), National Cooperative Consumers' Federation of India Ltd. (NCCF), Food Corporation of India (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. In addition to the existing Mandis and Depots/Godowns, a large number of the procurement centres are also set up at key points for the convenience of farmers.
