

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 1711
TO BE ANSWERED ON 10TH DECEMBER, 2025

REVIEW OF PROCUREMENT AND COMPENSATION MECHANISMS

1711. SHRI DHARAMBIR SINGH:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government has reviewed current procurement and compensation mechanisms to protect the nation's food security while ensuring remunerative prices to farmers, if so, the details thereof;
- (b) the details of targeted measures is likely to be taken to protect farmers of Bhiwani–Mahendragarh who faced both flood losses and market price shortfalls including improved MSP procurement, interim relief and water-management support;
- (c) the details of central assistance for States to strengthen procurement infrastructure and ensure MSP-based purchase during distress;
- (d) the details of plans to fast-track crop loss assessment and time-bound compensation for affected farmers in Bhiwani–Mahendragarh;
- (e) the details of measures to relax moisture/quality parameters and allocate additional storage/transport to prevent distress sales;
- (f) the details of support for short-term credit/interest relief and compensation-linked credit moratorium; and
- (g) the details of schemes for community rainwater harvesting, micro-irrigation subsidies and crop diversification support to reduce repeated flood/water stress risks?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops and Fair & Remunerative Price (FRP) for sugarcane, on the basis of recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. While recommending MSPs, CACP considers important factors such as cost of production,

overall demand-supply conditions, domestic and international prices, inter-crop price parity, 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.

The Government's policy of procurements of food grains at MSP has broad objectives of ensuring minimum support prices to the farmers and availability of food grains to the weaker sections at affordable rates. Food security remains protected, with adequate operational and buffer stocks of rice and wheat maintained under the central pool.

Further, farmers' interests are prioritised through fair and transparent procurement systems at Minimum Support Price (MSP). Provisions have also been incorporated in the MoU with States to ensure timely payments to farmers, mandating release of payment preferably within 48 hours of procurement.

Besides, DAFW is also implementing various schemes, namely Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) and Market Intervention Scheme (MIS) under the integrated scheme of Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA).

(b): As informed by the Government of Haryana, during procurement of bajra in KMS 2025-26, the differential amount is paid to the farmers under Bhawantar Bharpai Yojna, in case of market price shortfall. During KMS 2025-26, 230.05 MT of Bajra has been procured by State procuring agencies and only 6.47 LMT of Bajra was purchased by Private traders in the state.

(c): There exists a transparent & uniform policy for procurement of foodgrains by Government Agencies across the country. Under this policy, stocks conforming to the Government of India (GoI) specifications which are offered by the farmers at Purchase centers are procured by the Government Agencies at MSP. However, if the farmers get prices better than MSP in open market, they are free to sell their produce.

During KMS 2025-26, Haryana has met its target of 36 MT for procurement of paddy.

(d): Government of Haryana has launched the e-Kshatipurti portal to bring the transparency in the system of crop loss assessment, verification and compensation to the affected farmers due to natural calamities such as Flood/Heavy Rain/Hailstorm/PestAttack/Fire/Cloud Burst/Earthquake etc. The affected farmers can register claims of their crop damage on this portal against Khasra number already entered on Meri Fasal Mera Byora portal. Thereafter, verification of these claims will be done by the field official/officers for actual damage assessment. Before making payment of compensation, entries of Khasra, claim and assessment done on e-Kshatipurti portal will be cross checked with entries of sale of crops on e-kharid portal. Thereafter, disbursement of

compensation shall be made as per Govt. of India Norms as well as State Government Norms.

During the monsoon season 2025, considering the impact of heavy rain/water logging on crop kharif 2025 and recommendations received from all Deputy Commissioners of the State including Mahendergarh and Bhiwani, Government had opened the e-Kshatipurti portal till 15.09.2025 for uploading the claims by the affected farmers towards their crop damage.

(e): In order to safeguard farmers interests and prevent distress sale. Department of Food & Public Distribution (DFPD) considers requests received from the state governments seeking relaxations in Uniform Specifications. No request for relaxation in moisture/quality parameters has been received from the State Government of Haryana for KMS 2025-26.

Department of Food & Public Distribution (DFPD) is augmenting its storage capacity by creating capacities through Food Corporation of India (FCI). FCI continuously assesses and monitors the storage capacity and based on the storage gap assessment, storage capacities are created/hired, through following schemes:

- i. Private Entrepreneurs Guarantee (PEG) Scheme
- ii. Central Sector Scheme (CSS) "Storage & Godowns" (Focus on NE)
- iii. Hiring of godown from CWC/SWCs/State Agencies
- iv. Private Warehousing Scheme (PWS)
- v. Creation of godown under Asset Monetization
- vi. Construction of SILOs under Public Private Partner-ship (PPP) mode

(f): The Government is implementing a 100% centrally funded Central Sector Scheme known as Modified Interest Subvention Scheme (MISS) across the country. This scheme aims to provide concessional interest rates on short term agriculture loans obtained by farmers to Kisan Credit Cards (KCC) for their working capital requirements. Under the scheme, farmers received KCC loans at a subsidized interest rate of 7%. Additionally, farmers who repay their loans promptly receive a 3% Prompt Repayment Incentive, effectively reducing the interest rate to 4% per annum.

(g): Under the category 'Public works relating to Natural Resource Management' of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), measures are being taken for Water Conservation and water harvesting structures to augment and improve ground water like underground dykes, earthen dams, stop dams, check dams and roof top rain water harvesting structures in Government or Panchayat buildings, with special focus on recharging ground water including drinking water sources. Micro and minor irrigation works and creation, renovation and maintenance of irrigation canal and drains are also taken up under the scheme.

The Government is also implementing Crop Diversification Programme (CDP) under Pradhan Mantri - Rashtriya Krishi Vikas Yojana (PM-RKVY) scheme in Haryana, Punjab & Western Uttar Pradesh since 2013-14 to divert the area of water intensive paddy crop to alternative crops, which require less water such as pulses, oilseeds, coarse cereals,

nutri cereals, cotton etc. Under CDP, assistance is given for alternative crop demonstrations, farm mechanization and value addition, site specific activities and contingency for awareness and capacity building. Further, CDP has been extended to major tobacco growing states to encourage tobacco growing farmers to shift to alternate crops/cropping system w.e.f. 2015-16.

A Centrally Sponsored Scheme, 'Per Drop More Crop (PDMC)' is under operation since 2015-16. PDMC focuses on enhancing water use efficiency at farm level through Micro Irrigation, namely Drip and Sprinkler Irrigation Systems. The PDMC is being implemented under the Pradhan Mantri Rashtriya Krishi Vikas Yojana (PM-RKVY) since 2022-23. Under the scheme, financial assistance @ 55% for small and marginal farmers and @ 45% for other farmers is provided for installation of Drip and Sprinkler systems under the PDMC. The assistance for installation of Micro Irrigation systems is limited to 5 hectares per beneficiary.
