

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

**LOK SABHA**  
**STARRED QUESTION NO. 107**  
TO BE ANSWERED ON 30<sup>TH</sup> JULY, 2024

**MSP INFRASTRUCTURE**

**\*107. SHRI SHYAMKUMAR DAULAT BARVE:**  
**SHRI OMPRAKASH BHUPALSINH ALIAS PAVAN RAJENIMBALKAR:**

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

(a) whether there is a proposal to give legal guarantee to Minimum Support Price (MSP) as demanded by the Farmers' Unions, if so, the details thereof and if not, the reasons therefor;

(b) whether MSP infrastructure is not available in some States and if so, the reasons therefor;

(c) whether there is a proposal to create MSP infrastructure in each State so that farmers can easily access the godowns for their products, if so, the details thereof and if not, the reasons therefor;

(d) whether there is a need to ensure farmers get some easy credit so that they don't fall for the middlemen's advance money trap which ultimately compels the farmers to sell their products at low prices; and

(e) if so, the steps taken by the Government in this regard?

**ANSWER**

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI SHIVRAJ SINGH CHOUHAN)

(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 107 DUE FOR ANSWER ON 30<sup>TH</sup> JULY, 2024 REGARDING 'MSP INFRASTRUCTURE'**

(a): The Government is committed that the full benefits of MSP reach the farmers of the country. Hence a committee has been constituted by the government to provide MSP to the farmers of the country and to give suggestions on making the system more effective and transparent. Additionally, the Committee was asked to examine the feasibility of giving greater autonomy to the Commission for Agricultural Costs and Prices (CACP) and ways to make it more scientific; and with a view to ensuring higher prices, mandate has also been given to give suggestions for strengthening the agricultural marketing system as per the changing needs of the country. This committee is also working on the topics of natural farming and crop diversification. The meetings of this committee are being organized regularly and since July 22, 2022, 6 meetings have been held till now. Additionally, 35 meetings of various sub-committees have also been held on the above subjects.

(b) & (c): In order to improve storage facilities, Government is implementing Agricultural Marketing Infrastructure (AMI), a sub-scheme of the Integrated Scheme for Agricultural Marketing (ISAM) under which assistance is provided for the construction/ renovation of godowns/ warehouses in the rural areas in the States to enhance the storage capacity for agriculture produce. Under the scheme, Government provides subsidy at the rate of 25% and 33.33 % on capital cost of the project based on the category of eligible beneficiary.

Since inception of scheme i.e. from 01.04.2001 and up to 30.06.2024, a total of 48,512 storage infrastructure projects (Godowns) in 27 States, with storage capacity of 940 Lakh Tonnes have been sanctioned under the scheme and subsidy of Rs. 4,734.73 crore has been released.

In order to abridge the existing infrastructure gaps and mobilize investment in agriculture infrastructure, Agriculture Infrastructure Fund (AIF) was launched under Aatmanirbhar Bharat Package during July 2020. AIF is a medium - long term debt financing facility to be financed by lending institutions for investment in viable projects for post-harvest management infrastructure and community farming assets through incentives and financial support.

Under the scheme, ₹1 Lakh Crore loan is provided by banks and financial institutions with the interest rate capped at 9%. All loans under this financing facility have interest subvention of 3% per annum up to a limit of ₹2 crores. This subvention is available for a

maximum period of 7 years. In case of loans beyond ₹2 crores, interest subvention is limited up to ₹2 crores.

As on 26.07.2024, ₹46,080 Crores have been sanctioned for 72,222 projects in 31 States/UTs under AIF. Major projects sanctioned under AIF include 13,469 warehouses, 3,021 sorting & grading units, 1852 cold store projects, around 20,338 other kinds of post-harvest management projects and community farming assets.

(d) & (e): Government of India has taken several steps to enhance access to easy credit to farmers. Government announces annual target of agriculture credit every year. The Ground Level Credit (GLC) has shown consistent progress over the year which has risen from 7.30 lakh crore in 2013-14 to 25.10 lakh crore in 2023-24.

Government is providing Kisan Credit Card (KCC) to farmers through Banks for improving easy access to agriculture credit so that farmers may use them to readily purchase agriculture inputs such as seeds, fertilizers, pesticides etc. and draw cash for their production needs.

Government is implementing Modified Interest Subvention Scheme (MISS) with a view to provide short term Agri-loans through KCC to the farmers at concessional rate of interest. Under the scheme, farmers are given upfront interest subvention of 1.5%. Therefore, short term crop loan upto ₹3.00 lakh become available to farmers engaged in Agriculture and other allied activities at an interest rate of 7%. Additional 3% subvention is also given to the farmers for prompt and timely repayment of loans; thus the effective rate of interest comes down to 4% per annum. Some State governments also top up the interest subsidy to bring it further down.

With Government efforts institutional credit in agriculture has shown significant improvement which risen from 64% in 2013 to 75% in 2022.

To protect the farmers against distress sale of their produce, the benefit of Interest subvention (IS) is also available for post-harvest loans against Negotiable Warehouse Receipts (NWRs) which is given at par with the interest subvention on crop loans for a further period of six months post-harvest to small and marginal farmers (SMFs) having Kisan Credit Cards (KCCs). In last 10 years the total amount of interest subvention released (from 2014 to 2024) is ₹144,673.76 crores.

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