

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

LOK SABHA
UNSTARRED QUESTION NO. 1353
TO BE ANSWERED ON THE 30th July, 2024

SWAMINATHAN COMMITTEE REPORT

1353. SHRI VARUN CHAUDHRY:

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

(a) the formula adopted for calculating Minimum Support Price (MSP) by National Commission on Farmers chaired by Sh. M. S. Swaminathan and the formula adopted by the Department;

(b) whether there is any proposal under consideration to calculate MSP as per Swaminathan Committee Report. If yes, the time frame by which it is proposed to adopted and if not, the reasons therefor; and

(c) whether there is any proposal under consideration to provide legal guarantee on MSP to farmers, if so the time frame by which it is proposed to be adopted and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): and (b): Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP) and in consultation with State Governments and a stake holder Central Ministries / Departments. While recommending MSP, Commission for Agricultural Costs and Prices (CACP) considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, intercrop price parity, terms of trade between agricultural and non-agricultural sectors, 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.

National Commission on Farmers (NCF), constituted under the Chairmanship of Prof. M.S. Swaminathan in 2004, inter alia, recommended that MSP should be at least 50 percent more than the weighted average cost of production. To give effect to this recommendation, Government, in its Union Budget for 2018-19, had made an announcement to keep MSP at a level of one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a margin of at least 50 per cent over all India weighted average cost of production.

(c): To make MSP more effective and transparent, a committee has been constituted on 12th July, 2022. The subject matter of the committee include three points, such as, (i) Suggestions to make available MSP to farmers of the country by making the system more effective and transparent, (ii) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (iii) To strengthen the Agricultural Marketing System as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities.
