

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:44

ANSWERED ON:23.02.2010

MINIMUM SUPPORT PRICE

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Will the Minister of AGRICULTURE be pleased to state:

(a) the details of percentage rise in the Minimum Support Price (MSP) during the last three years and the current year alongwith the names of agricultural products for which MSP is fixed including pulses;

(b) the procedure followed for fixation of MSP;

(c) the steps taken/being taken by the Government to ensure stability of remunerative returns of agricultural produces to the farmers for which MSP are not fixed; and

(d) the action plan formulated by the Government for the welfare of the small and marginal farmers including to check activities of intermediaries affecting procurement and retail prices and losses to the farmers in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): The percentage increase in Minimum Support Prices of agricultural commodities, including pulses, fixed during the last three years are given in Annexure.

The Government fixes the MSPs for agricultural produce, inter-alia, taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of concerned State Governments and Central Ministries. The CACP, while formulating its recommendations on price policy considers, inter-alia, a number of factors which include cost of production, changes in input prices, input/output price parity, trends in market prices, demand and supply situation, inter-crop price parity, effect on industrial cost structure, effect on general price level, effect on cost of living, suggestions received from farmers/others etc.

(c) & (d): Government fixes MSPs for major agricultural commodities with the objective to ensure remunerative prices to the growers. The farmers are free to sell their produce in the open market, if the market offers higher price than the MSP. Government also implements Market Intervention Scheme (MIS) on the request of State/UT Government for procurement of agricultural and horticultural commodities not covered under the Price Support Scheme.

The Government implements a number of programmes/schemes with a view to increasing agricultural productivity and production and in the overall interests of the farmers, including small and marginal farmers, which includes, inter-alia, National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY), Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) etc.

The Government has amended the Agricultural Produce Marketing Committee (APMC) Act, in order to check the activities of intermediaries apart from providing more options to the farmers to sell their produce to prospective buyers and improving their income.