

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:3937
ANSWERED ON:18.02.2014
PRICE BENEFITS TO FARMERS
Singh Shri Pashupati Nath

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

- (a) whether a disparity has been noticed between the minimum support price and the market price of foodgrains;
- (b) if so, the details thereof;
- (c) whether the benefits of the rising prices have reached the farmers; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b) Yes, a disparity between Minimum Support Prices(MSP) and market prices of foodgrains has been observed. MSP of wheat and rice are the prices announced by Government for purchase from farmers under the price support operations and relate to the normal varieties, whereas market prices are for common, coarse, damaged as well as of premium varieties of wheat and rice. For Rabi Marketing Season (RMS) 2013-14 ,the MSP declared by Government was Rs.1350/- per quintal. In addition, bonus of Rs.100/- per quintal to Rs.150/- per quintal was announced by State Governments, over and above the MSP of wheat declared by Central Government. However, as per reports received from the procuring states, the open market prices then prevailing mostly were in the range of Rs.1350/- to 2600/- per quintal. For Kharif Marketing Season (KMS) 2013-14, Government has announced MSP of Paddy as Rs.1310/- per quintal for 'Common' variety and Rs.1345/- per quintal for Grade 'A' variety. In addition, bonus between Rs.50 per quintal to Rs.490 per quintal have been announced by State Governments over and above the MSP declared by Central Government. Current market prices of paddy have been reported to be between Rs.1000 per quintal to Rs. 6000 per quintal.

(c) & (d) Government has been purchasing large quantities of foodgrains from the farmers under price support operations at declared MSP and a large no.of farmers have benefitted from this. For RMS 2013-14, out of total reported Mandi arrival of 293.16 lakh tonnes of wheat , 250.92 lakh tonnes was procured by the Govt. agencies at MSP plus Bonus. During the ongoing KMS 2013-14 , out of reported total market arrival of 418.99 lakh tonnes (as on 12.2.2014), 295.30 lakh tonne paddy has been procured by the Govt. agencies. Besides, the rice millers also procure the paddy at MSP to deliver levy rice for which payment of MSP by millers to the farmers are verified /ensured by the State authorities while issuing the MSP/enforcement certificate to the millers. Government has also issued instructions to State Governments to ensure that payment of MSP for the paddy by millers to the farmers are made by account payee cheques so that the trail of payment can be established, as and when required.