

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

UNSTARRED QUESTION NO:5721

ANSWERED ON:28.04.2015

PROCUREMENT UNDER MSP

Chautala Shri Dushyant;Phoole Sushree Sadhvi Savitri Bai;Sawant Shri Arvind Ganpat;Tumane Shri Krupal Balaji

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

- (a) whether it is a fact that due to lower procurement price for foodgrains under MSP the farmers are forced to sell their produce to private agencies;
- (b) if so, the details thereof;
- (c) whether the Government proposes to increase the procurement with MSP at par with the price of foodgrains sold in the open market so as to provide benefit to the farmers;
- (d) if so, whether the Government would issue the guidelines to ban the import of wheat and to declare a rational procurement prices of various foodgrains; and
- (e) if so, the details thereof and the action taken by the Government in this regard?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN)

(a) & (b): At present there is a Uniform Policy of procurement by Government Agencies across the country. Under this policy, whatever foodgrains are offered by farmers, within the stipulated period and which conform to the specifications prescribed by Government of India are purchased at Minimum Support Price (MSP) by the Government agencies including Food Corporation of India (FCI) for central pool. However, if any producer/farmer gets better price in comparison to MSP he is free to sell his produce in Open market i.e. to private trader/ anyone.

(c): MSP is fixed by the Government on the basis of recommendations of the Commission of Agriculture Costs & Prices (CACP) and market price of foodgrains varies from location to location and stock to stock. Sometimes the market prices of foodgrains rule below MSP and sometimes above it. It is ultimately the choice of the farmers, if they want to offer their produce to FCI / Government Agencies at MSP.

(d) & (e): Currently there is no need of import of wheat by the Government as there is sufficient stock of foodgrains in the central pool stocks. Also, there is no proposal to ban the import of wheat by the private agencies. Government is procuring foodgrains at MSP, which are declared by the Government prior to every crop season.