

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:196

ANSWERED ON:24.02.2015

MINIMUM SUPPORT PRICE

Kateel Shri Nalin Kumar;Maragatham Smt. K.;Pal Shri Jagdambika;Singh Shri Hukum;Singh Shri Uday Pratap

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has constituted a committee to examine the methodological issues in fixation of MSP of agricultural produce;
- (b) if so, the details thereof along with the details of the recommendations made by the committee thereof;
- (c) whether the Government has implemented the recommendations of the committee;
- (d) if so, the details thereof along with the criteria fixed by the Government for fixation of MSP of agricultural produce;
- (e) whether it is a fact that MSP regime benefits only eight percent of the farmers and that too for the larger farmers with substantive marketable surplus whereas small farmers get very little as they have only small quantities to sell; and
- (f) if so, whether the Government is considering to review the MSP system along with the measures taken by the Government to increase the MSP of the agricultural produce and to provide adequate remunerative prices to the farmers for their produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) to (d): Yes, Madam. Government has constituted a Committee in April, 2013 to examine the methodological issues in fixing Minimum Support Prices, under the Chairmanship of Director, National Centre for Agricultural Economics and Policy Research (NCAP). The report of the Committee is awaited.

(e) & (f): The Government's price policy for major agriculture commodities seeks to ensure remunerative prices to the grower for their produce. The price policy seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end the Government announces Minimum Support Prices (MSPs) for major agricultural commodities and organizes purchase operations through Central, State and Cooperative agencies. Government offers procurement at Minimum Support Price (MSP). However, farmers are free to sell their produce either to government procurement agencies or in the open market, as may be advantageous to them.