

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:223
ANSWERED ON:24.02.2015
MINIMUM SUPPORT PRICE
Singh Shri Ravneet

Will the Minister of AGRICULTURE be pleased to state:

- (a) the key recommendations/suggestions contained in the report of Swaminathan Commission on farmers and the action taken by the Government to implement those recommendations/suggestions;
- (b) whether the Government has received any proposal for implementation of the report of Swaminathan Commission on Minimum Support Price (MSP) at the rate of 1.5 times of the cost of agricultural production;
- (c) if so, the details thereof and the response of the Government thereto;
- (d) whether the Government propose to provide MSP at the rate of 1.5 times of the cost of agricultural production from next crop season; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) to (e): Major recommendations contained in the Report of National Commission for Farmers (NCF) are:

- i) Asset Reforms covering land, water, livestock, fisheries and bio-resources.
- (ii) Farmer-friendly Support Services including setting up of Bio-Technology Regulatory Authority and National Agricultural Bio-security System, thrust on extension services including agro-metrology, training and knowledge connectivity, credit and insurance, and remunerative marketing opportunities, inputs and services.
- iii) Curriculum reforms in the Agriculture Universities in order to promote entrepreneurship amongst the students.
- iv) Approach towards Special Categories of Farming, increase in farmers' income through cooperative farming, contract farming, promoting small holders' estates in order to improve viability of small and marginal farmers and entrusting the Panchayat Raj Institutions with responsibility for agriculture.
- v) National Loan Use Advisory Service to provide timely advice to farmers about optimum use of land, taking into account the climatic and market conditions.
- vi) Setting up of market Price Stabilization Fund and Agriculture Risk Fund and coverage of farmers under a comprehensive National Society Security Scheme.
- vii) Creation of a National Food Security and Sovereignty Board and a well defined Food Security Policy.
- viii) Rural non-farm livelihood initiatives to create non-farm employment opportunities in rural areas.
- ix) MSP should be at least 50% more than the weighted average cost of production.

Based on the draft prepared by the NCF and after consultations with State Governments and the Central Ministries concerned, Government of India approved the National Policy for Farmers (NPF), 2007. Government monitors the status of implementation of the plan of action prepared for operationalisation of NPF 2007. Action on major recommendations has been completed.

NCF's recommendation that the Minimum Support Price (MSP) should be at least 50% more than the weighted average cost of production was not accepted by the Government as MSP is recommended by Commission of Agricultural Costs and Prices (CACP) on objective criteria, considering a variety of relevant factors and prescribing an increase of at least 50% of cost may distort the market.