

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2659

ANSWERED ON:10.05.2016

MSP for Agricultural Produce

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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether the majority of farmers particularly small and marginal farmers are not aware of Government schemes and policies including Minimum Support Price (MSP);
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether the Government has conducted any survey to find out the number and percentage of farmers who have received the benefits of the Government's schemes including Minimum Support Price, if so, the details thereof along with the outcome thereof;
- (d) whether the Government has taken cognizance of the recent NITI Aayog report on Minimum Support Price if so, the details thereof;
- (e) whether the Government proposes to frame guidelines for meaningful consultations with the State Governments on the methodology of computation of MSP, if so, the details thereof; and
- (f) the steps taken by the Government to eliminate the role of middlemen in agricultural procurement and to provide remunerative prices to the farmers for their agricultural produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): A study conducted by NITI Aayog on efficacy of Minimum Support Price (MSP) has found that 81% of farmers are aware of MSP fixed by the Government for different crops. The study also found that MSP declared by the Government has encouraged 78% of the farmers covered under the study for adopting improved methods of farming such as high yielding varieties of seeds, organic manure, chemical fertilizer, pesticides and improved methods of harvesting etc. due to remunerative price. The study has also revealed that majority of farm households are in favour of MSP since it ensures guaranteed income to the farmers by acting as a floor price.

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Government has taken several initiatives to give wider publicity for Government Schemes and Policies including Minimum Support Price (MSP) through audio and visual media, dedicated television channels and use of Information Technology.

Data on the number and percentage of farmers who have received the benefits of the Government's schemes including Minimum Support Price are not readily available. However, 30.37% of the total production of 105.48 million tonnes of rice and 32.38% of the total production of 86.53 million tonnes of wheat were procured at MSP in 2014-15. Procurement under MSP is undertaken by the designated central and state government agencies and cooperatives. States are advised from time to time to ensure MSP to the farmers.

(e): While formulating the recommendations on price policy, Commission for Agricultural Costs & Prices (CACP) holds consultations with various stakeholders before finalizing its recommendations. Government fixes the MSPs of various crops based on the recommendations of the CACP, the views of State Governments, concerned Central Ministries /Departments and other relevant factors.

(f): Government offers to procure farmers' produce at MSP, however, they are free to sell it to Government agencies or in the open market as is advantageous to them. Government has initiated the Central Sector Scheme for promotion of National Agriculture Market through Agri-Tech Infrastructure Fund (A-ITF). The Scheme provides for a pan-India electronic trading portal which seeks to network the existing Agricultural Produce Marketing Committee (APMC) and other market yards to create a unified national market for agricultural commodities. Further, to ensure that farmers get adequate price for their produce, States/UTs have been advised to amend their respective State APMC Acts on the lines Model Act, 2003. The Model Act provides for direct marketing, contract farming, farmers/consumers markets, setting up of markets in private and cooperative sectors etc.

Payment for procurement of wheat and paddy is either made directly to the farmers or through arthias/co-operative societies through A/c payee cheque/electronic mode as per prevailing situation in the states.
