

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

UNSTARRED QUESTION NO:1593

ANSWERED ON:26.07.2016

MSP for Agricultural Produce

Adityanath Shri Yogi; Chandrappa Shri B.N.; Joshi Shri Chandra Prakash; Kachhadia Shri Naranbhai; Kharge Shri Mallikarjun ; Patil Shri Kapil Moreshwar; Suresh Shri Doddaalahalli Kempegowda; Tiwari Shri Manoj Kumar

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

- (a) whether it is a fact that 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 steps taken to disseminate information about various schemes to farmers;
- (c) whether the Government has conducted any survey to find out the number and percentage of farmers who have been benefited under various Government schemes including MSP and if so, the details thereof;
- (d) whether the Government has any proposal to revamp the current mechanism of fixation/declaration of MSP for crops, if so, the details thereof; and
- (e) the steps taken by the Government to focus its various agricultural schemes to reach the target groups such as marginal, small and medium farmers and make the regulatory mechanism system more farmer friendly?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

श्री अहलुवालिया जी (श्री एस.एस. अहलुवालिया)

(a) to (c): 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

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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.

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.

Till 19th July, 2016, 2,26,99,971 soil health cards have been issued to the farmers under Soil Health Card Scheme in 33 States/UTs in the country. Regarding MSP the data on the number and percentage of farmers who have received the benefits are not available. However, 33.01% of the total production of 103.36 million tonnes of rice and 29.87% of the total production of 94.04 million tonnes of wheat were procured at MSP in 2015-16.

(d): Methodology for estimating the cost of production is reviewed from time to time. Government has constituted a Committee under the Chairmanship of the then Director, National Centre for Agricultural Economics and Policy (NCAP) in 2013, to examine the methodological issues in fixing Minimum Support Prices. One of the Terms of Reference (ToR) of the Committee was to examine the cost concepts for the purpose of fixing Minimum Support Prices and suggest various factors for improvement so as to make its more realistic. The report has been submitted and is under consideration of the Government.

(e): Department of Agriculture, Cooperation & Farmers Welfare implements various schemes for development of agriculture and the welfare of farmers through State Governments, under which support is provided to all farmers including marginal, small and medium farmers.
