

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

UNSTARRED QUESTION NO:2749

ANSWERED ON:01.08.2017

MSP for Agricultural Produce

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

(a) whether it is true that the various farmers organizations across the country have been protesting for the last couple of months in various States including Madhya Pradesh and Maharashtra demanding higher remunerative prices for their produce including agricultural and horticultural produce as well as complete loan waiver, if so, the details thereof along with the response of the Government thereto;

(b) whether the Government has fixed any action plan to redress the grievances of the farmers in the country and if so, the details thereof;

(c) the details of the MSP announced by the Government for various agricultural produce so far, commodity-wise;

(d) whether the Government has received requests from various States, farmer's associations and other stakeholders to announce higher support price for agricultural commodities during the current year for kharif and rabi crops, if so, the details thereof and the action taken by the Government on these requests; and

(e) whether the Government proposes to procure the agricultural commodities through its agencies directly from the farmers without the involvement of middlemen and if so, the steps taken by the Government to ensure that the farmers get adequate remunerative/support price for their produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

श्री. आ. लुवालिया (SHRI S.S. AHLUWALIA)

(a) & (b): There are various reasons for farmers' protests in the country including Madhya Pradesh and Maharashtra, inter alia, include higher Minimum Support Price (MSP) for agricultural produce, waiver of farm loans etc.

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Agriculture being a State subject, the State Governments take appropriate measures for development of agriculture in the State. However, Government of India supplements the efforts of States through appropriate policy measures and budgetary support.

Government has taken several initiatives to increase agricultural production and productivity and to enhance income of farmers which, inter alia, include National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY), Bringing Green Revolution to Eastern India (BGREI), National Mission on Oilseeds and Oil Palm (NMOOP), National Mission for Sustainable Agriculture (NMSA), Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Soil Health Card, initiatives of Government of doubling the farmers' income etc.

(c) to (e): The MSPs fixed by Government from 2015-16 to 2017-18 are at Annexure.

Suggestions from State Governments and various farmer organizations are received from time to time for increasing the MSP of crops. Government fixes Minimum Support Price (MSP) for twenty two (22) major crops and Fair and Remunerative Price (FRP) for Sugarcane on the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments. While formulating its recommendations on price policy, CACP considers various important factors that include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc.

The Government offers to procure the agricultural produce through procurement agencies at MSP. Food Corporation of India (FCI) is central nodal agencies for undertaking price support operations for foodgrains. The National Agricultural Cooperative Marketing Federation of India Limited (NAFED), FCI, National Cooperative Consumers' Federation (NCCF), Central Warehousing Corporation (CWC) and Small Farmers Agri - Business Consortium (SFAC) undertake price support operations for pulses and oilseeds. However, farmers are free to sell their produce to Government procurement agencies at MSP or in the open market as is advantageous to them.

Government also implements Price Stabilization Fund (PSF) for market intervention through the Ministry of Consumer Affairs, Food

and Public Distribution. The PSF scheme promotes direct purchase from farmers/farmers' association at farm gate/Mandi of agricultural commodities like onion, potato and pulses to ensure remunerative prices to farmers.

Government also implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities not covered under the Minimum Support Price on the request of State/UT Government. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States).

In addition, Government is also implementing e-National Agriculture Market and promoting Farmer Producer Organizations (FPOs) to ensure remunerative prices to farmers.