

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 319
TO BE ANSWERED ON THE 22ND JULY, 2025

STRATEGY TO ENSURE MSP FOR CROPS OTHER THAN PADDY AND WHEAT

319. SMT. BHARTI PARDHI:
SHRI SHRIRANG APPA CHANDU BARNE:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the details of strategy of the Union Government to ensure that farmers get MSP for all their notified crops, particularly for crops other than paddy and wheat;
- (b) the details of steps taken to strengthen the procurement infrastructure in the States where it is weak;
- (c) the manner in which the Union Government is addressing concerns about the effectiveness or in areas with limited market access; and
- (d) whether there are any plans to explore alternative price support mechanisms or introduce a legal guarantee for MSP to provide greater certainty to farmers and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (c): Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soyabean, sunflower, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed & mustard, safflower and two commercial crops viz. jute and copra.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with a minimum

return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

Government procures cereals and coarse cereals through Food Corporation of India (FCI) and other designated State Agencies to provide price support to the farmers. Procurement of pulses, oilseeds and copra is done under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA), in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Procurement agencies under PM-AASHA Scheme are National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and National Co-operative Consumers' Federation of India Ltd. (NCCF). Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI), respectively.

Under the integrated Scheme of Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA), Government is implementing Price Support Scheme (PSS) and Price Deficiency Payment Scheme (PDPS).

Price Support Scheme (PSS) is implemented on the request of the State Govt./ UT that agrees to exempt from levy of Mandi tax on the procurement of notified pulses, oilseeds and copra and make arrangements like booking of CWC/SWC Godowns/scientific storage facility, identification of procurement centers, arrangement of gunny bags, GPRS enabled transportation facilities, weighing machines. Moisture/foreign matters/oil content testing machines etc. in consultation with Central Nodal Agencies (CNAs) like National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and National Co- operative Consumers' Federation of India Ltd. (NCCF) and State level agencies.

From the procurement year 2024-25, the sanction for the procurement of notified Pulses, Oilseeds and Copra under PSS is given to the State/UT initially upto a maximum of 25% of the production of the State for that particular season. Subsequently, if the State/UT achieves the overall procurement against sanctioned quantity and further intends to procure more beyond the sanctioned quantity, the proposal for the procurement under the PSS is put up for the consideration of the Committee of Secretaries (COS) restricted upto a maximum of 25% of the national production. However, in order to incentivize the farmers contributing in enhancement of domestic production of pulses and to reduce the dependence on imports, the Government has allowed the procurement of Tur, Urad and Masur under PSS equivalent to 100% of the production of the State for the procurement year 2024-25.

Price Deficit Payment Scheme (PDPS) envisages the direct payment of the price difference between the MSP and the selling / modal price in notified market upto 15% of MSP value (including 2% administrative cost) by the Central Government to the pre- registered farmers selling the oilseeds upto 40% of its production to the prescribed Fair Average Quality (FAQ) in the notified market yard through a transparent auction process within the stipulated period. However, the States/UTs have the option to implement either PSS or PDPS for the particular oilseeds for the particular year/season. If any State is willing to cover quantities beyond 40%, they can do so from it's resources.

For perishable agricultural and horticultural commodities including vegetables and fruits which are not covered under the MSP, Government implements Market Intervention

Scheme (MIS) on the request of State/UT Government concerned. The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production.

(d): To make Minimum Support Prices (MSPs) more effective and transparent, a committee has been constituted on 12th July 2022. The subject matter of the committee also include (i) Suggestions on practicality to give more autonomy to Commission for Agricultural Costs and Prices (CACP) and measures to make it more scientific, and (ii) To strengthen the Agricultural Marketing System as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic and export opportunities.
