

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

RAJYA SABHA
STARRED QUESTION NO. 364
TO BE ANSWERED ON 26/7/2019

BENEFIT OF MSP TO MAJORITY OF FARMERS

*364. SHRI K. K. RAGESH:

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

- (a) whether it is a fact that the MSP is not benefiting the majority of farmers in the country;
- (b) if so, the reasons therefor;
- (c) if so, the volume and percentage of farmers who have availed MSP in each foodgrains category during the last five years;
- (d) whether any specific steps are being taken to provide the benefit of MSP to majority of farmers; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(**SHRI NARENDRA SINGH TOMAR**)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (e) OF THE RAJYA SABHA STARRED QUESTION NO. 364 FOR 26.7.2019 REGARDING BENEFIT OF MSP TO MAJORITY OF FARMERS.

(a) to (c): To provide the benefit of Minimum Support Price (MSP) to farmers, Government agencies procure the notified agricultural produce of Fair Average Quality (FAQ) at MSP directly from farmers in consultation with the concerned State Government / Union Territory as and when market price of these produce fall below the MSP, as per prescribed guidelines. The payments to the farmers are made through Real Time Gross Settlement (RTGS)/National Electronic Fund Transfer (NEFT) and account payee cheque by the procuring agencies. However, if farmers gets better price in comparison to MSP, they are free to sell their produce in open market. The details of total number of farmers who received MSP for the notified foodgrains during the last five years are at annexure-I and annexure-II. Moreover, another benefit of procurement at MSP is that some of the excess supply of the commodity is sucked out of the market through these operations, so that better prices are offered even by market to the other farmers. In such a way the benefit of MSP procurement reaches even those farmers whose harvest was not directly procured under MSP.

(d) & (e): To provide benefit of Minimum Support Price (MSP) to farmers, an umbrella scheme of “Pradhan Mantri Annadata Aay SanraksHan Abhiyan” (PM-AASHA), comprising Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), and pilot of Private Procurement & Stockist Scheme (PPSS) and existing schemes of Department of Food & Public Distribution and Ministry of Textiles are being undertaken by Government. The Government extends price support to paddy and wheat through the FCI and State Agencies across the country. The procurement policy is open ended. Under this policy, whatever food grains are offered by farmers, within the stipulated period & conforming to the specifications prescribed by Government are purchased at MSP by the State Government agencies including Food Corporation of India (FCI) for Central Pool. Besides, the

different types of coarse grains are procured by State Governments itself in consultation with FCI to the extent that the concerned State Government may utilize the same for distribution under National Food Security Act (NSFA) as well as other welfare schemes.

Further, oilseeds, pulses and copra of FAQ are procured from farmers under Price Support System (PSS), as per prescribed guidelines at Minimum Support Price (MSP) in consultation with the concerned State Government as and when market price of these produce fall below the MSP.

Annexure-I

Number of farmers benefited to MSP under procurement of paddy and wheat (Marketing season-wise) (as on 03.07.2019)			
Paddy		Wheat	
Season	Benefited Farmers	Season	Benefited Farmers
KMS 2015-16	7831399	RMS 2016-17	2046766
KMS 2016-17	7423783	RMS 2017-18	3187229
KMS 2017-18	7232216	RMS 2018-19	3977029
KMS 2018-19*	9564112	RMS 2019-20*	3557080
Total	32051510		12768104

*KMS 2018-19 and RMS 2019-20 is under progress. Data is available from KMS 2015-16 and RMS 2016-17 onwards

KMS - Kharif Marketing Season

RMS - Rabi Marketing Season

Details of farmers benefited for procurement of pulses at MSP under PSS/PSF during the last five year (as on 16.07.2019)							
Commodity	Schemes (PSS/PSF)	Year-wise number of farmers benefited					Grand Total
		2014-15	2015-16	2016-17	2017-18	2018-19	
GRAM	PSS	–	–	–	1244833	356293	1601126
MASOOR	PSS	–	–	–	175341	45700	221041
MOONG	PSS	–	–	59973	188321	285316	620152
	PSF	–	–	86542	–	–	
	Sub total	–	–	146515	–	–	
TOOR	PSS	–	–	218861	995524	299782	2209396
	PSF	–	–	695229	–	–	
	Sub total	–	–	914090	–	–	
URAD	PSS	–	–	7482	301694	442972	752148
Total				1068087	2905713	1430063	5403863

PSS - Price Support Scheme; PSF - Price Stabilization Fund

Note:-

1. During 2014-15 and 2015-16, procurement of pulses was not undertaken due to price ruling above the MSP
2. During Kharif 2016-17 season, procurement of Toor and Moong at MSP was also undertaken under PSF for buffer stock of pulses
3. During 2016-17 season, procurement of Gram & Masoor was not undertaken due to price ruling above the MSP
