

Difference between MSP and selling price of agricultural produces

2973. SHRI P. BHATTACHARYA:

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

- (a) whether there is a vast difference between MSP of the agricultural produces and their selling price in the markets;
- (b) if so, the reasons therefor along with the reaction of Government thereto;
- (c) whether farmers are getting lesser price for their crops/produce; and
- (d) if so, the steps taken by Government to remove the role of middlemen so that farmers could get more prices for their crops/produce and the consumers could get them at low prices?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE (SHRI S.S. AHLUWALIA): (a) to (c) Market/ selling price of agricultural produces is determined by market forces of demand and supply. Minimum Support Prices (MSPs) is fixed by Government based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of concerned State Governments and Central Ministries/Departments and other relevant factors. While formulating its recommendations on price policy, the CACP considers, *inter alia*, a number of important factors which include cost of production, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc.

The objective of the Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. However farmers are free to sell their produce to Government procurement agencies or in the open market as is advantageous to them.

(d) To facilitate better price realization to farmers in competitive and transparent manner and to provide quality produce at reduced cost to consumers Government has launched 'National Agriculture Market (e-NAM)' Scheme on 14th April, 2016. Under the Scheme, a PAN India electronic trading portal (e-NAM) is being deployed in selected regulated wholesale markets in States across the country and is aimed to integrate 585 markets with e-NAM. At present 23 wholesale regulated agricultural markets of 8 states in the country have been linked with e-NAM portal.