

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 489**  
TO BE ANSWERED ON THE 23/07/2021

**LOSSES TO FARMERS DUE TO PRICE FLUCTUATIONS OF  
AGRICULTURAL PRODUCE**

489. Sardar Balwinder Singh Bhunder:

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

- (a) whether Government has evolved any mechanism to assess losses to farmers on account of price fluctuations of agricultural produce; and
- (b) if so, the details thereof?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) : Govt. extends MSP operations in order to protect the losses of the farmers on accounts of price fluctuation of MSP notified agricultural produce during harvesting period. Besides, for perishable agriculture and horticulture crops for which MSP is not announced, Market Intervention Scheme is there to help farmers.

(b) The procurement of paddy and wheat at MSP is done through the Food Corporation of India (FCI) and State Agencies. Under this policy, whatever food grains are offered by farmers within the stipulated period & conforming to the specifications prescribed by Government are purchased at Minimum Support Price (MSP) by the State Government agencies including FCI for Central Pool. It aims to service the National Food Security Act (NFSA) and other welfare schemes of the Government so that subsidized food grains are supplied to the poor and needy, and to build up buffer stocks of food grains to ensure food grain security. Further, different types of nutri-cereals and maize are procured by State Governments itself in consultation with FCI to the extent that the concerned State Government may utilise the same for distribution under Targeted Public Distribution System (TPDS) as well as Other Welfare Schemes (OWS).

Oilseeds, Pulses and Copra of Fair Average Quality (FAQ) are procured from registered farmers under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanrakshana Abhiyan (PM-AASHA), as per its prescribed guidelines at MSP in consultation with the concerned State Government. Under PM-AASHA, States / UTs are

offered to choose either Price Support Scheme (PSS) or Price Deficiency Payment Scheme (PDPS) in a given procurement season with respect to particular oilseeds crop for the entire State. Further, States have the option to roll out Private Procurement and Stockist Scheme (PPSS) on pilot basis for MSP notified oilseeds crops in district / selected APMC(s) of district involving the participation of private agencies. Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI).

For making effective procurement by government agencies at MSP and providing maximum benefits of MSP to the farmers, procurement centres are opened by respective State Government Agencies and Central Nodal Agencies like NAFED, FCI etc. after taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation etc. large number of the purchase centres in addition to the existing Mandis and depots / godowns are also established at key points for the convenience of farmers to ensure procurement at MSP.

Under Market Intervention Scheme, on the request of concerned state/UT Govt, procurement of perishable agriculture and horticulture crops are done 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. The condition is that there should be either at least a 10 percent increase in production or a 10 percent decrease in the ruling market prices over the previous normal year.

\*\*\*\*\*