

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

RAJYA SABHA
UNSTARRED QUESTION NO-2104
TO BE ANSWERED ON 13/12/2024

DENIAL OF MSP TO COTTON AND PADDY FARMERS

2104. SHRI K.R. SURESH REDDY :

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

- (a) whether Government is aware about Minimum Support Price (MSP) being denied to cotton and paddy farmers in Telangana by traders and the distress being caused ;
- (b) the crops and the extent to which Government is intending to increase MSP within the next year, as been promised consistently;
- (c) whether Government plans to set up a Debt Relief Commission as modelled by Government of Telangana under the 2016 Act;
- (d) if so, the details thereof; and
- (e) if not, the streamlined measures being taken up for debt relief to farmers?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAM NATH THAKUR)

(a) & (b): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops including Cotton and Paddy for the country as a whole including Telangana, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned. While recommending MSP, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, intercrop price parity, terms of trade between agricultural and non-agricultural sectors, likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over cost of production.

During the current Cotton Season 2024-25 the Cotton Corporation of India (CCI) has opened 110 procurement centers in 30 districts in the state of Telangana and upto 09.12.2024, 86.78 lakh quintal kapas (equivalent to 16.53 lakh bales) has been procured for which MSP value of ₹ 6519 crore has been paid to the farmers. This has benefitted about 3.26 lakh farmers in the State of Telangana.

During the current Kharif Marketing Season (KMS) 2024-25 (upto 10.12.2024) 31.39 Lakh Metric Tones (LMT) of paddy has been procured from the state of Telangana for which MSP value of ₹ 7281.83 crore has been paid to the farmers. This has benefitted about 5.04 lakh farmers in the State of Telangana.

(c) & (d): There is no such proposal.

(e): The government is implementing a 100% centrally funded Central Sector Scheme known as the Modified Interest Subvention Scheme (MISS) for the country as a whole with aim to provide concessional interest rates on short-term agricultural loans obtained by farmers through Kisan Credit Cards (KCC) for their working capital requirements. The total agriculture credit to farmers during the last five years in rupees lakh crore is given as under:

Financial Year	Crop loan (Rs in lakh crore)	Term Loan (Rs in lakh crore)	Total (Rs in lakh crore)
2019-20	8.25	5.68	13.93
2020-21	8.94	6.82	15.76
2021-22	11.00	7.64	18.64
2022-23	13.19	8.36	21.55
2023-24	15.07	10.40	25.47

Source: NABARD

As per priority Sector Lending (PSL) regulation, Govt. has mandated that banks will provide 18% of their total loans to agriculture and allied sector. Since 2016 a sub limit has been fixed for small and marginal farmers which at present is 10% (i.e. 56% of total agriculture credit must go to small and marginal farmers). Besides, Department of Agriculture & Farmers Welfare with the collaboration with Department of Financial Services, Ministry of Finance and Banks regularly organizes campaigns and camps for promotion and saturation of KCC.
