

Centre announces hike in MSP for paddy, pulses, oilseeds

June 09, 2021



Farmers plant paddy saplings in a field at a village in the Arnia Sector near the India-Pakistan border, about 35 km from Jammu on June 7, 2021. | Photo Credit: PTI

Farmer groups unhappy with the increase in paddy price.

The Central government has hiked the minimum support price (MSP) for common paddy to ₹1,940 a quintal for the coming kharif season, close to 4% higher than last year's price of ₹1,868.

The decision was taken by the Cabinet Committee on Economic Affairs on Wednesday.

In a bid to encourage crop diversification, there were slightly higher increases in the MSP for pulses, oilseeds and coarse cereals. Both tur and urad dal saw the MSP rise by ₹300, a 5% increase to ₹6,300 a quintal, while the highest absolute increase was for sesamum, whose MSP rose 6.6% to ₹7,307. Groundnut and nigerseed saw an increase of ₹275 and ₹235 respectively. However, maize saw a minimal hike of just ₹20 to ₹1,870 a quintal.

The MSP is the rate at which the government purchases crops from farmers, and is based on a calculation of at least one-and-a-half times the cost of production incurred by the farmers. This year, the MSP for bajra was set at 85% above the cost of production, while the MSP for urad and tur will ensure 60% returns. The MSPs for the remaining crops were mostly set around the stipulated 50% above the cost of production.

The announcement comes at a time when farm unions have been protesting for more than six months on Delhi's outskirts, demanding legislation to guarantee MSP for all farmers for all crops, and a repeal of three contentious farm reform laws.

Terming the announcement a jumla (false promise) as it did not account for the full cost of production, farmers' groups under the Samyukt Kisan Morcha (SKM) noted that some increases, especially for maize, did not even keep pace with inflation. "There is no mechanism that guarantees that every farmer can get at least the MSP as the floor price in the market.

Therefore, this is a meaningless concept as far as farmers are concerned, and that is why this movement has been asking for a statutory entitlement for all farmers so that a remunerative MSP can be ensured for all farmers,” said the SKM.

Briefing the press after the meeting, Agriculture Minister Narendra Singh Tomar reiterated that the MSPs were here to stay.

The hike in rates was proof of the Centre’s commitment, the Agriculture Minister said. On the protests, he said the Centre was always ready to hold talks, but the unions had not accepted the options presented to them for suspending the three laws.

“If they want to talk about any other option other than a repeal of these laws, we are ready to discuss and arrive at a solution,” he told journalists earlier.

‘Deliberate policy move’

The Centre said the higher rate of returns being promised for urad, tur and oilseeds was a deliberate policy move. “The differential remuneration is aimed at encouraging crop diversification,” an official statement said.

“Concerted efforts were made over the last few years to realign the MSPs in favour of oilseeds, pulses and coarse cereals to encourage farmers shift to larger area under these crops and adopt best technologies and farm practices, to correct demand - supply imbalance. The added focus on nutri-rich nutri-cereals is to incentivise its production in the areas where rice-wheat cannot be grown without long term adverse implications for groundwater table,” it added.

Source: <https://www.thehindu.com/news/national/centre-announces-hike-in-msp-for-paddy-pulses-oilseeds/undefined>