

New govt mechanism to ensure MSP for farmers

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The government will soon announce a new mechanism to ensure that farmers get the minimum support price (MSP) if market prices fall below the benchmark rate, minister of state for agriculture Gajendra Singh Shekhawat said today.

The minister said the government has increased the MSP of Kharif (summer-sown) crops substantially and farmers community are now happy with this decision.

Asked when the government will come up with a new mechanism to ensure MSP to farmers, Mr Shekhawat said "it will be announced soon". The minister was speaking on the sidelines of 'Agriculture Growth Summit 2018' organised by event management firm E3 Integrated.

In his Budget 2018 speech, Union minister Arun Jaitley had announced that think-tank Niti Aayog in consultation with Central and state governments will put in place a fool-proof mechanism to ensure farmers get benefit of the MSP. Sources had earlier said the Centre may have to bear Rs 12,000-15,000 crore annually to compensate farmers in case prices fall below the MSP in various crops, except rice and wheat being already procured by state-run Food Corporation of India (FCI).

Senior officials of Niti Aayog has recently made a presentation before the Prime Minister on the proposed procurement mechanism and its financial implication.

Addressing the summit, Shekhawat stressed that the agriculture and MSME (Micro, Small & Medium Enterprises) sectors need to work together.