



RECORD PRODUCTION, PROCUREMENT AND MSP PAYMENTS (PPPS) IN AGRICULTURE SECTOR

Slew of measures by the Government help raise income of farmers

(Ministry of Agriculture & Farmers Welfare)

March 16, 2022

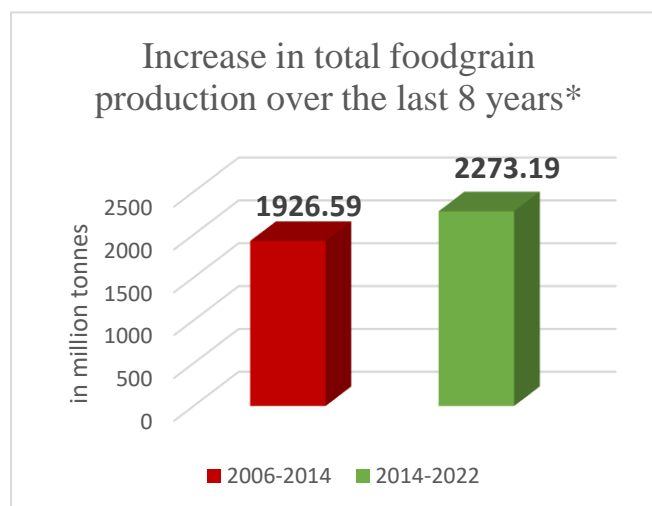
The country is slated to witness record food grains production of estimated 316.06 million tonnes as per the Second Advance Estimates of production of major crops for the year 2021-22 released by the Ministry of Agriculture and Farmers Welfare. Union Minister for Agriculture and Farmers Welfare Shri Narendra Singh Tomar said that the new record of food grains production in the country is the result of hard work of farmers, efficient research of scientists and farmer friendly policies of the Government.¹

A slew of measures by the government in the past seven years have resulted in higher income for the farmers as not only has there been record production in rice, wheat, maize, pulses, gram, rapeseed & mustard oil and sugarcane, there has also been record procurement coupled with highest MSP rates.

As per the [Advance Estimates](#), the estimated production of major crops during 2021-22 is as under:

➤ **Food grains** –316.06 million tonnes

- **Rice** –127.93 million tonnes (record)
- **Wheat** –111.32 million tonnes (record)
- **Nutri / Coarse Cereals** – 49.86 million tonnes
- **Maize** –32.42 million tonnes (record)
- **Pulses** –26.96 million tonnes (record)
- **Tur** –4.00 million tonnes
- **Gram** – 13.12 million tonnes (record)



¹<https://pib.gov.in/PressReleasePage.aspx?PRID=1798835>

➤ **Oilseeds** –37.15 million tonnes.

- Groundnut – 9.86 million tonnes
- Soyabean –13.12 million tonnes
- Rapeseed and Mustard –11.46 million tonnes (record)

➤ **Sugarcane** – 414.04 million tonnes (record)

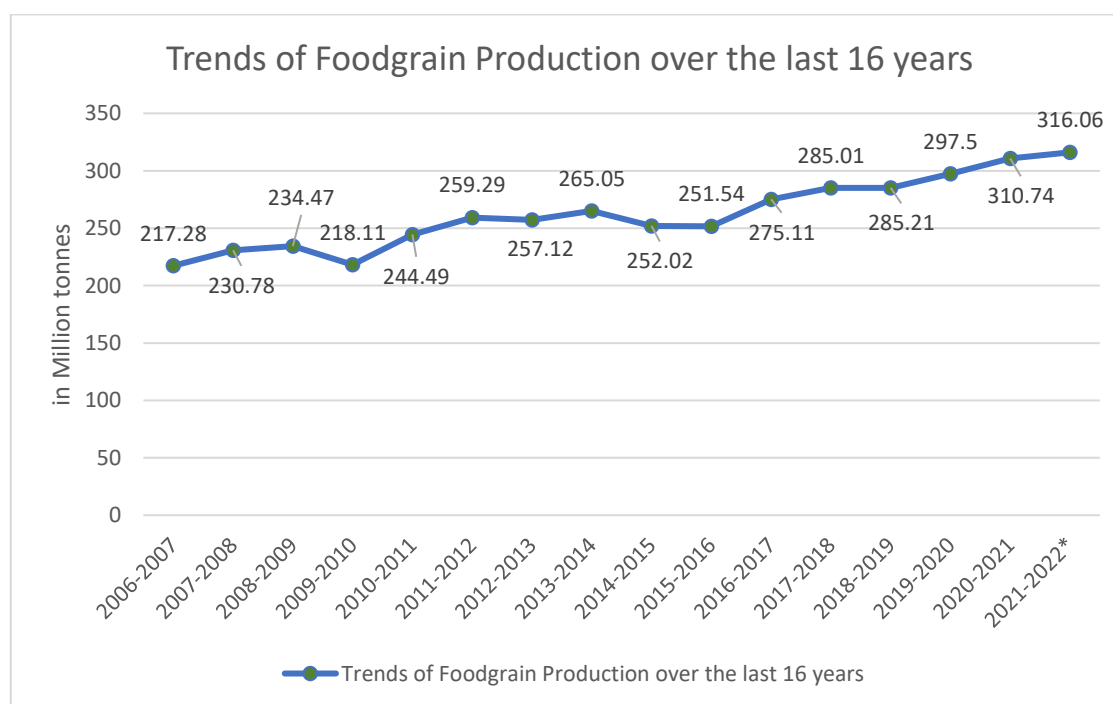
➤ **Cotton** –34.06 million bales (each of 170 kg)

➤ **Jute & Mesta** –9.57 million bales (each of 180 kg)

Increasing trends in Food grains production:

As per 2nd Advance Estimates for 2021-22, total **Food grains** production in the country is estimated at record 316.06 million tonnes which is higher by 5.32 million tonnes than the production of food grain during 2020-21. Further, the production during 2021-22 is higher by 25.35 million tonnes than the previous five years’ (2016-17 to 2020-21) average production of food grains. Given below is the trends and total increase in production of food grains over a period of 16 years.

It is notable that the production had stagnated during the years 2011-12 to 2015-16 after touching a high of 259.29 million tonnes in the year 2011-12. Thereafter, a combination of various factors, including an array of measures taken by the government, has resulted in a consistent year on year rise in production.



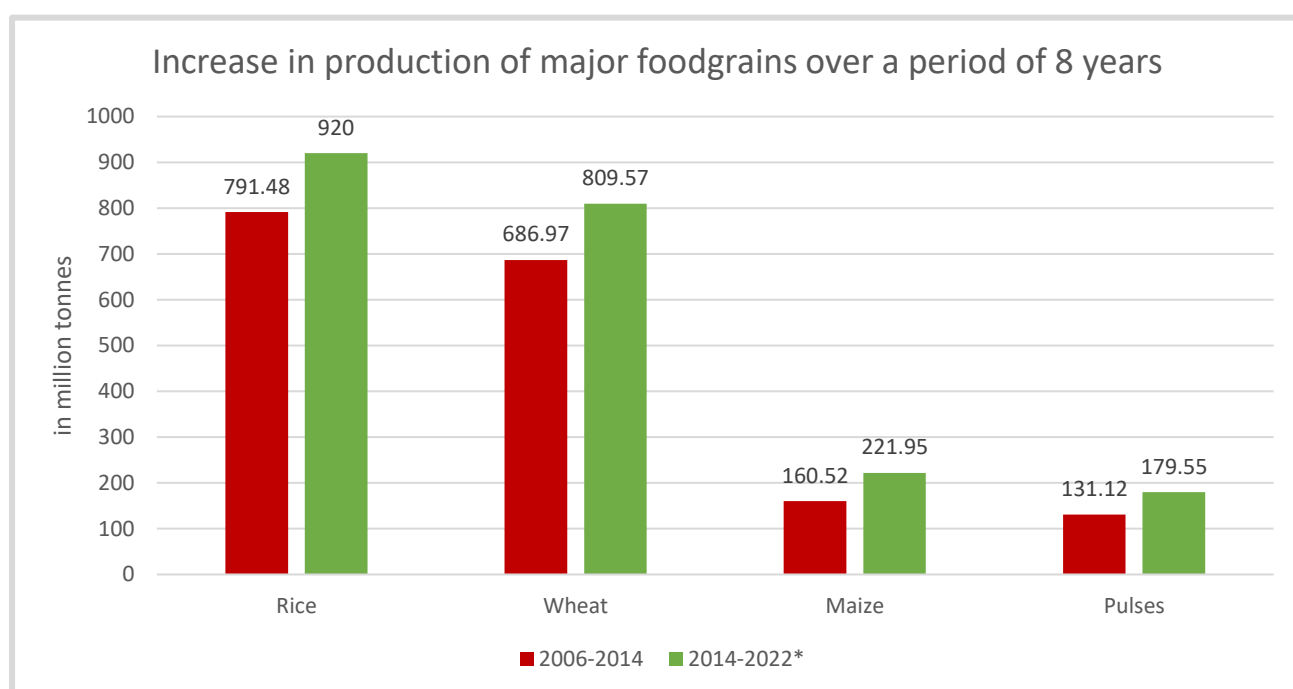
- Includes Kharif and Rabi both.

*Includes second advance estimates for 2021-22 as on 16.02.2022

Record production of major food grains

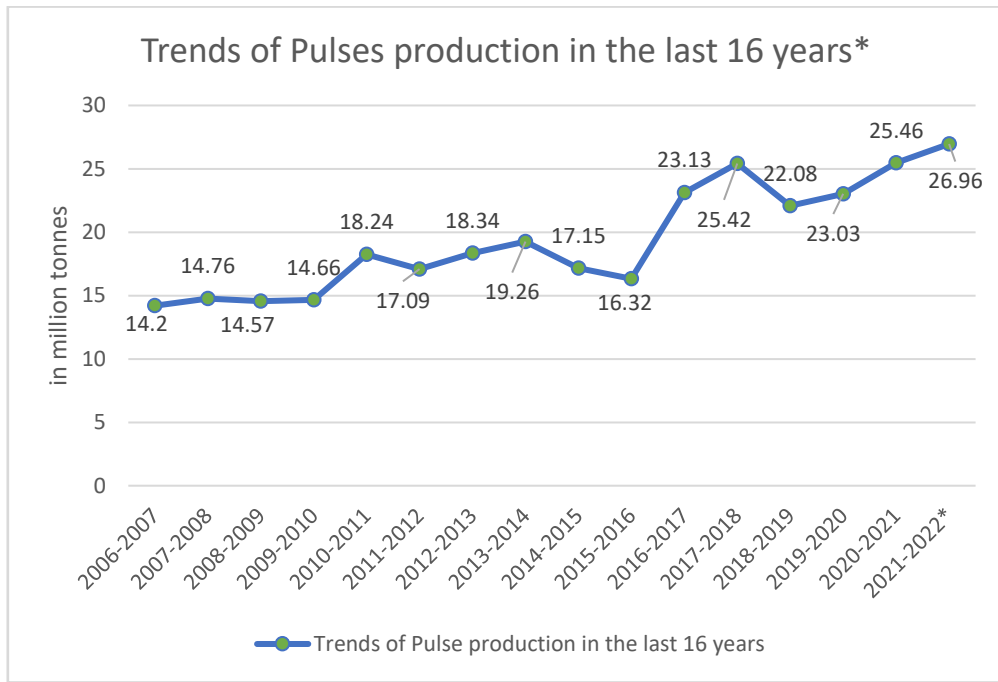
- Total production of **Rice** during 2021-22 is estimated at record 127.93 million tonnes. It is higher by 11.49 million tonnes than the last five years' average production of 116.44 million tonnes.
- Production of **Wheat** during 2021-22 is estimated at record 111.32 million tonnes. It is higher by 7.44 million tonnes than the average wheat production of 103.88 million tonnes.
- Production of **Nutri / Coarse Cereals** estimated at 49.86 million tonnes, which is higher by 3.28 million tonnes than the average production.
- Total **Pulses** production during 2021-22 is estimated at 26.96 million tonnes which is higher by 3.14 million tonnes than the last five years' average production of 23.82 million tonnes.

Given below is the chart depicting increase in production of major food grains:



Includes Kharif and Rabi both.

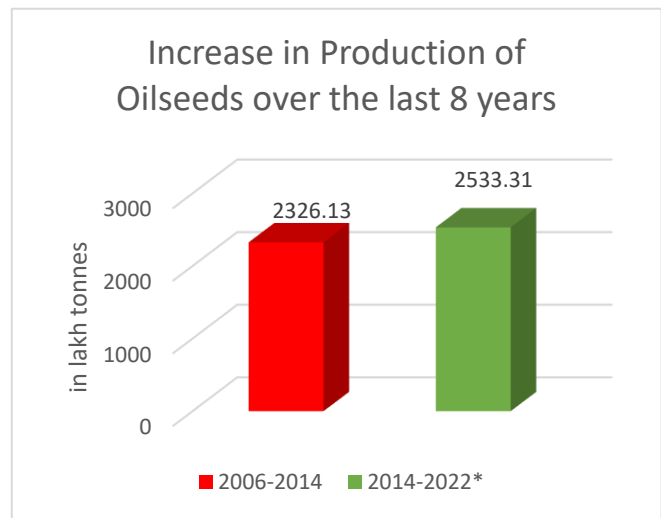
*Includes second advance estimates for 2021-22 as on 16.02.2022



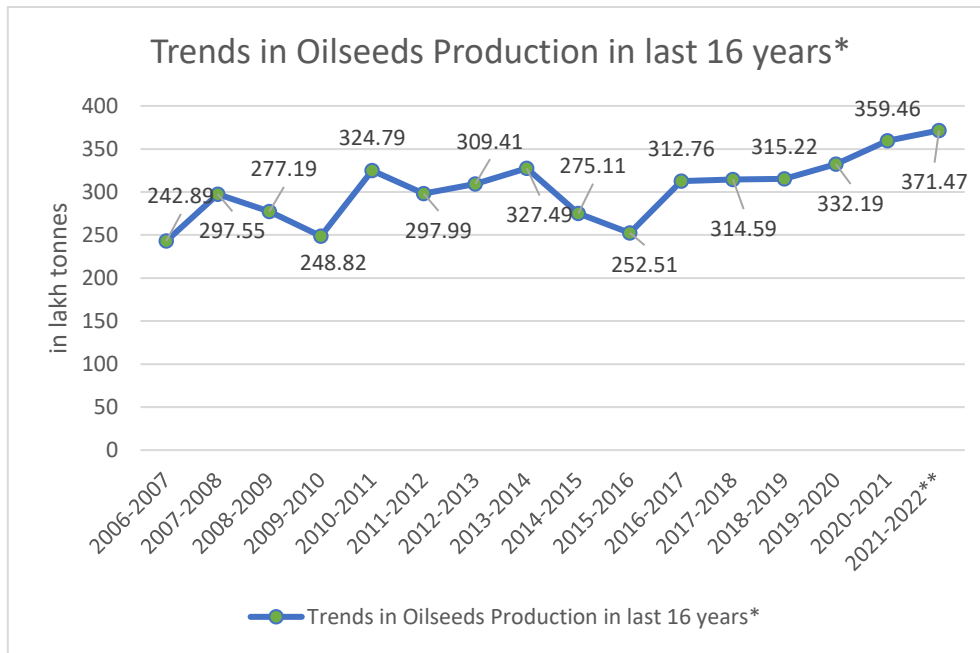
*Includes second advance estimates for 2021-22 as on 16.02.2022

Increase in production of Commercial Crops

- Total **Oilseeds** production in the country during 2021-22 is estimated at record 37.15 million tonnes which is higher by 1.20 million tonnes than the production of 35.95 million tonnes during 2020-21. Further, the production of oilseeds during 2021-22 is higher by 4.46 million tonnes than the average oilseeds production.
- Total production of **Sugarcane** in the country during 2021-22 is estimated at 414.04 million tonnes which is higher by 40.59 million tonnes than the average sugarcane production of 373.46 million tonnes.
- Production of **Cotton** is estimated at 34.06 million bales (each of 170 kg) is higher by 1.12 million bales than the average cotton production of 32.95 million bales.
- Production of **Jute & Mesta** is estimated at 9.57 million bales (each of 180 kg).

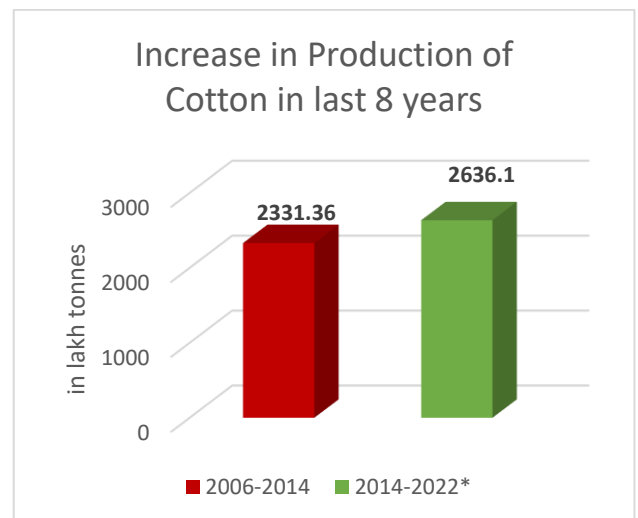
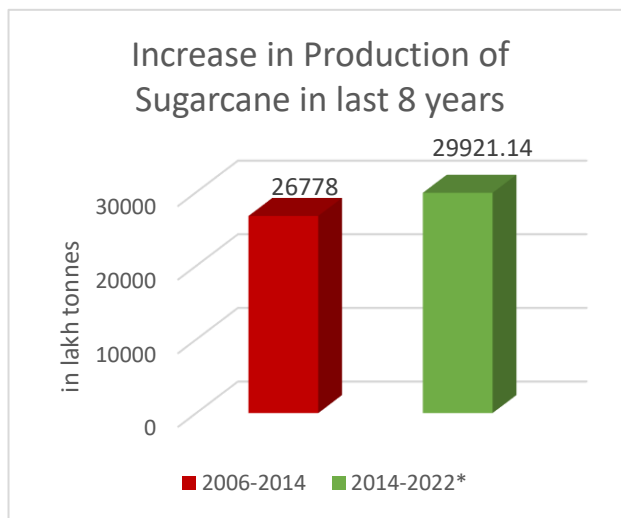


Given below is the trend of Oilseeds, Sugarcane and Cotton over the last 16 years



* Oilseeds include figures of Groundnut, Castor seed, Sesamum, Niger seed, Soyabean, Sunflower, Rapeseed & Mustard, Linseed and Safflower.

** Includes second advance estimates for 2021-22 as on 16.02.2022

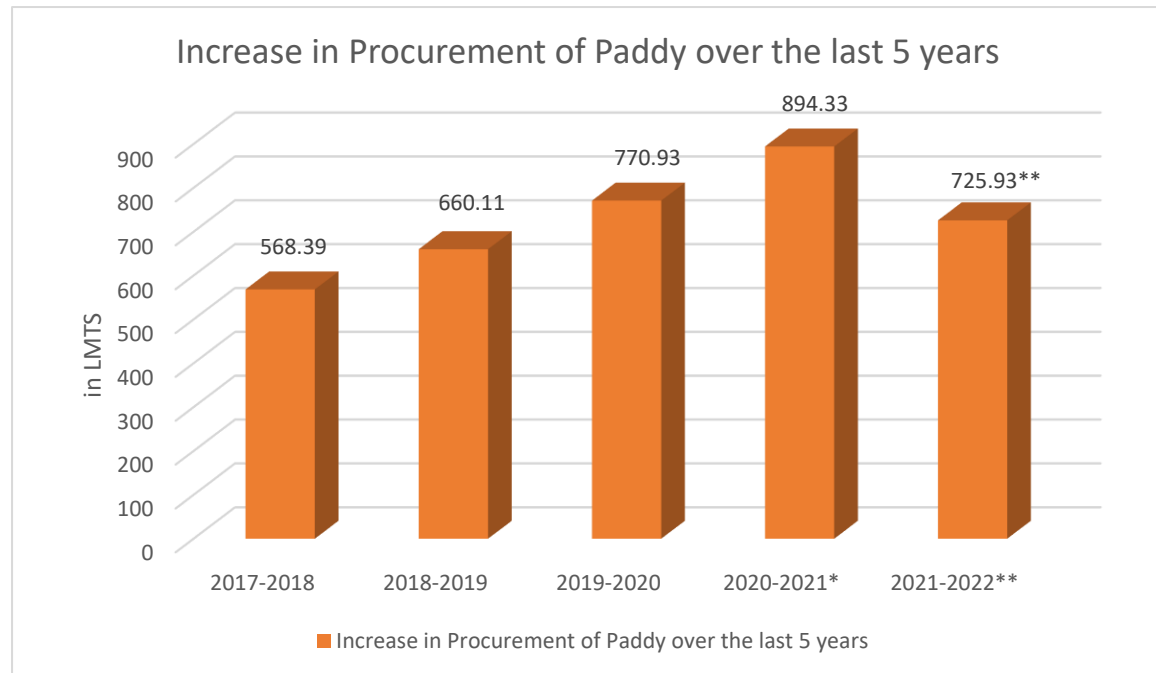


* Includes second advance estimates for 2021-22 as on 16.02.2022

SIGNIFICANT INCREASE IN CROP PROCUREMENT

Union government had promised timely increases in MSP and delivered on it with multiple increases. Modi government has not only announced regular MSP hikes but has also ensured multi-fold increase in procurement of crops at MSP.

As on March 06, 2022, about **102.29 Lakh farmers have been benefitted with MSP value of Rs. 1,42,282.68 crore from Paddy procurement.**²



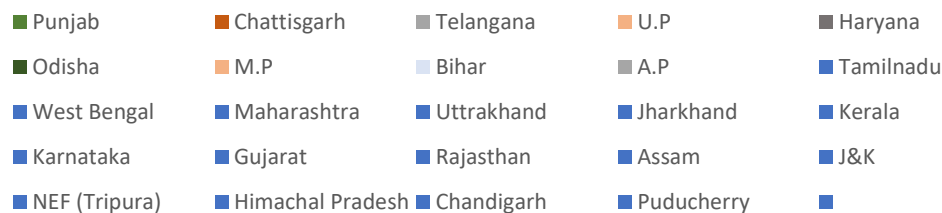
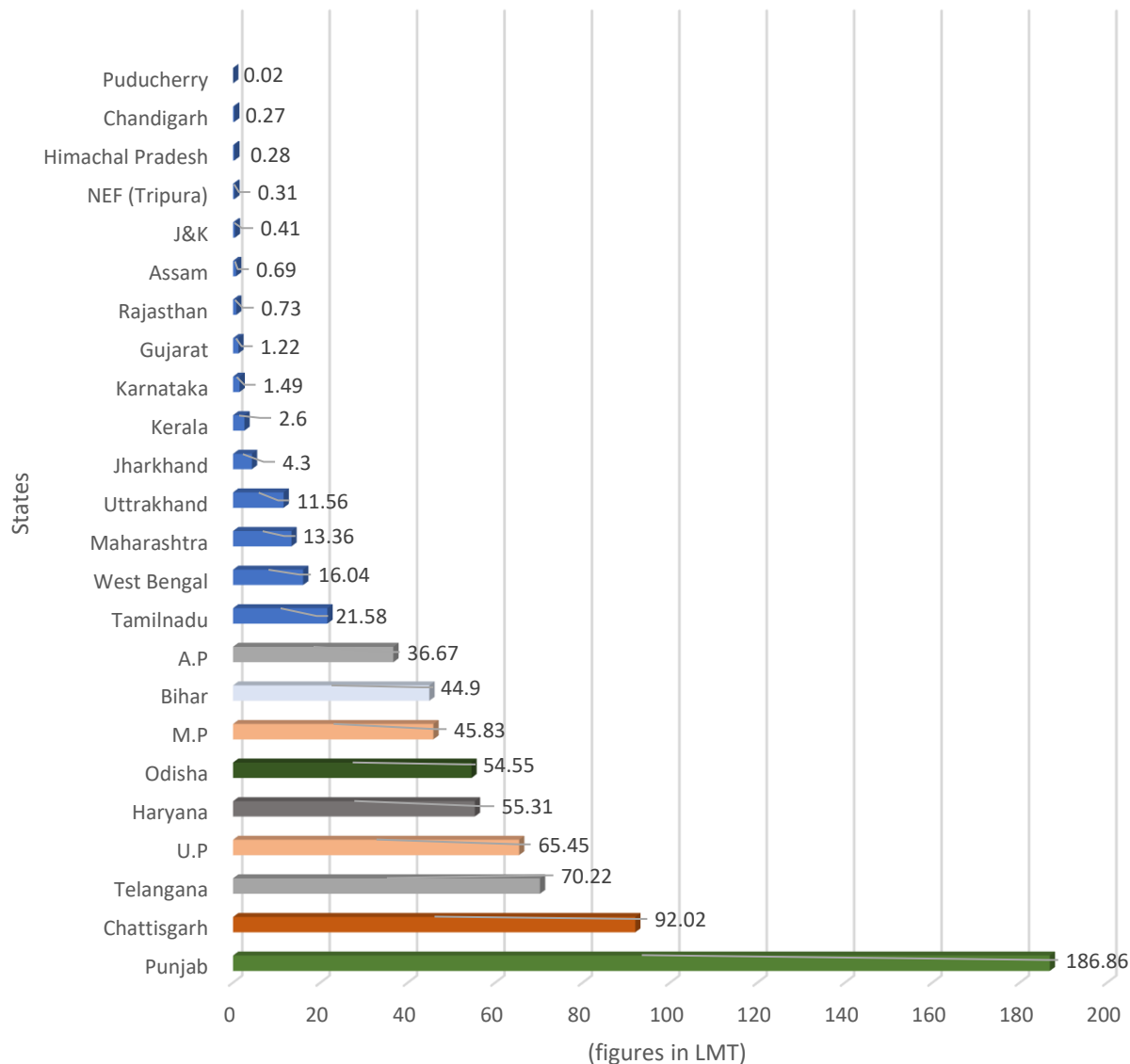
Given below are the graphs showing increase in procurement of paddy:

* As on 31.12.2021

** KMS 2021-22 is under progress. Data reported up to 06.03.2022

²<https://pib.gov.in/PressReleasePage.aspx?PRID=1803616>

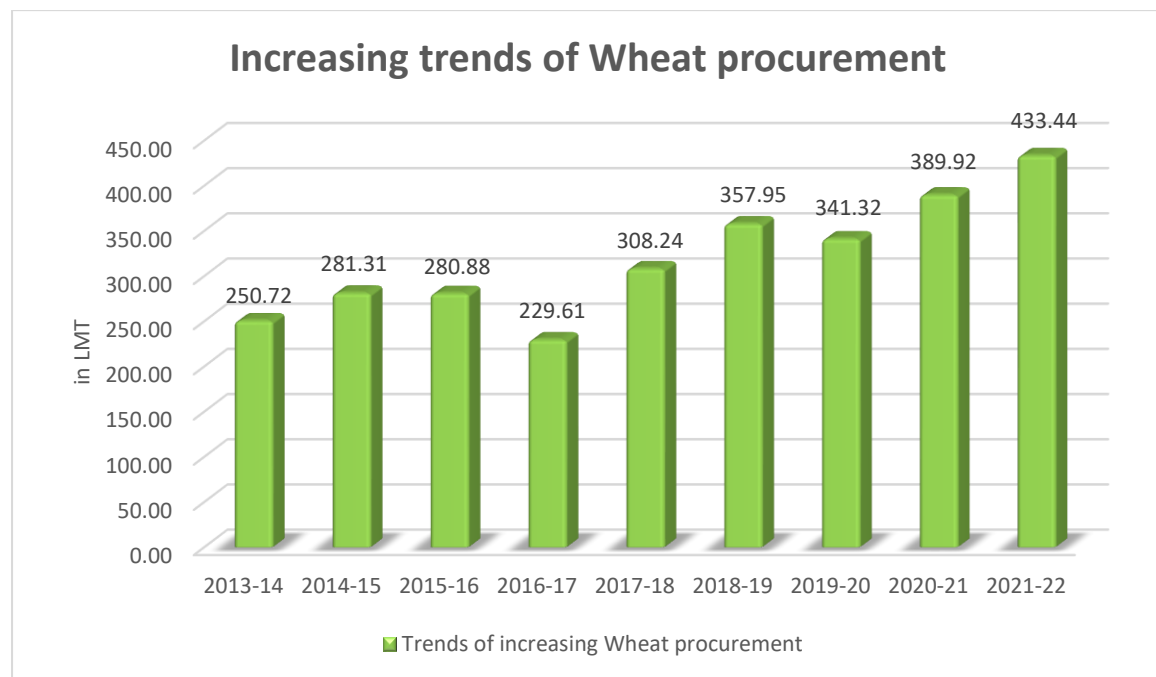
State wise Paddy procurement for KMS 2021-22**



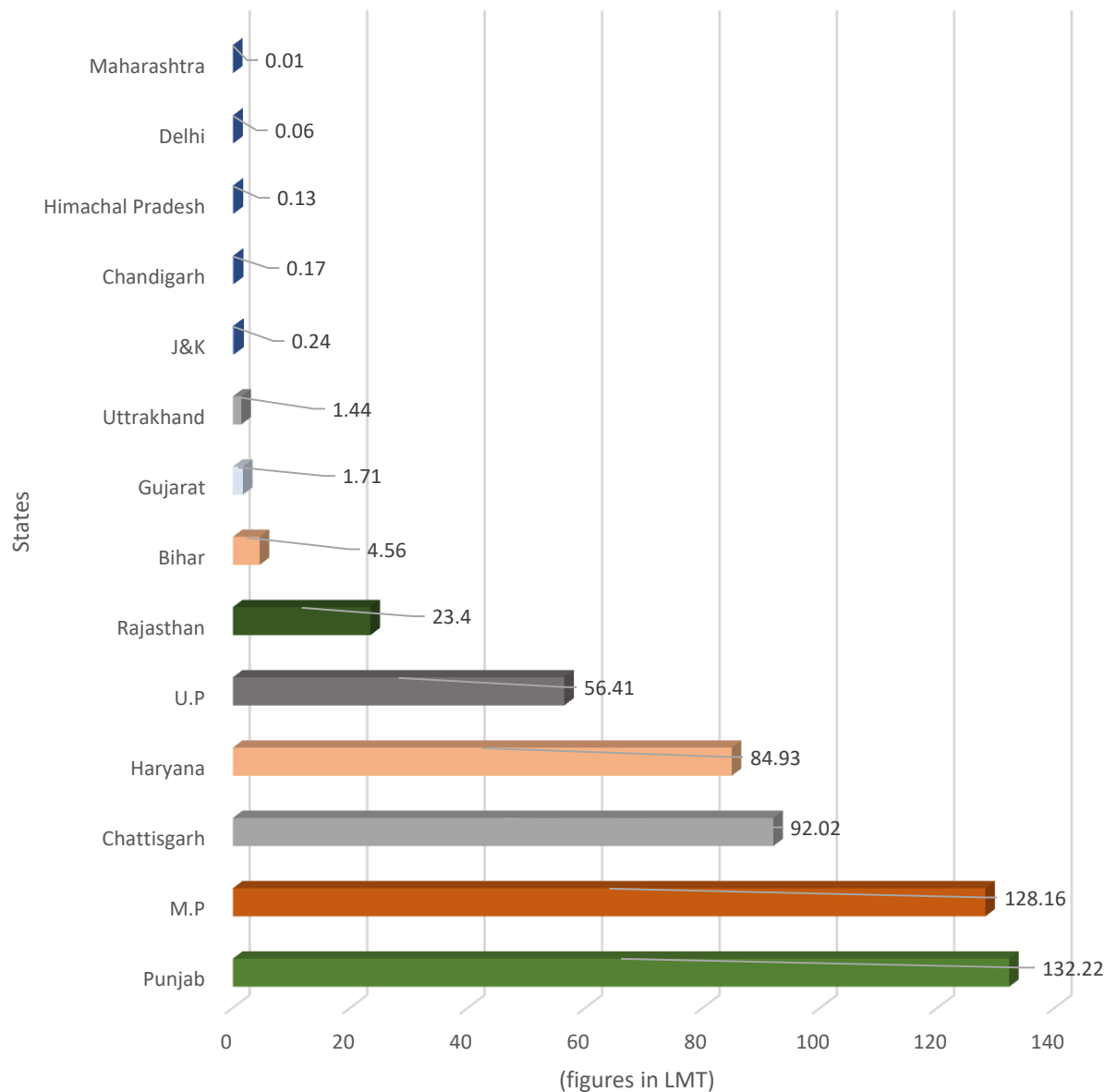
** KMS 2021-22 is under progress. Data reported up to 16.02.2022

Wheat Procurement

Not only the production, but also the procurement and MSP on wheat has increased considerably over the last few years benefitting the farmers at large. The quantity of wheat procured has increased from **250.72 LMT in RMS 2013-14 to 433.44 LMT in RMS 2021-22**.



State wise Wheat procurement for RMS 2021-22

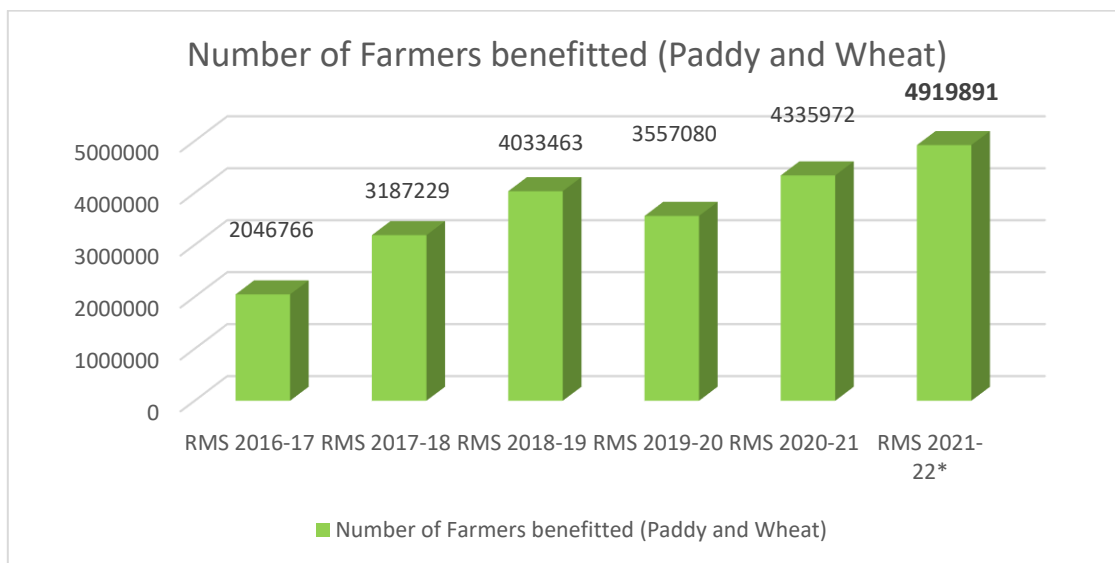
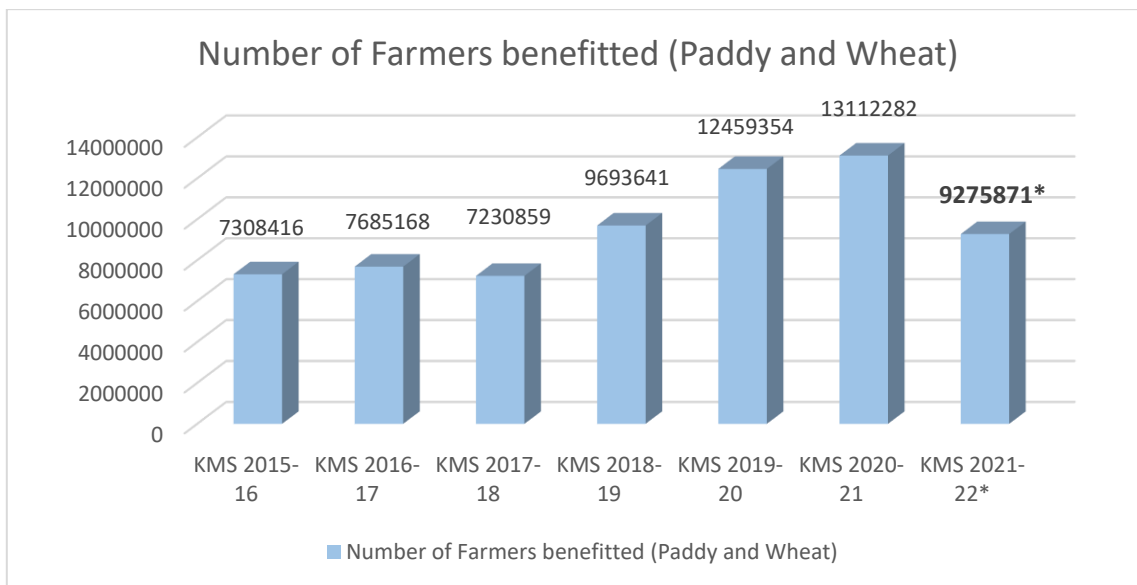


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|--|--|--|--|---|
| ■ Punjab | ■ M.P | ■ Chattisgarh | ■ Haryana | ■ U.P |
| ■ Rajasthan | ■ Bihar | ■ Gujarat | ■ Uttrakhand | ■ J&K |
| ■ Chandigarh | ■ Himachal Pradesh | ■ Delhi | ■ Maharashtra | |

[Source](#)

Constant Rise in Number of Farmers benefitted from procurement in different Marketing Seasons (for Paddy and Wheat):

Rs. 2.37 lakh crore direct payment to 1.63 crore farmers for procurement of wheat and paddy.³



** Data as on 16.02.2022

** KMS 2021-22 is under progress. Data is available from KMS 2015-16 and RMS 2016-17 onwards

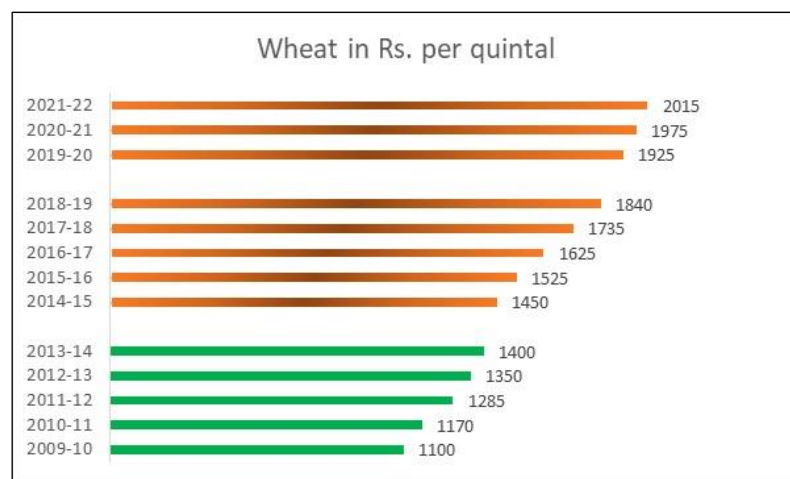
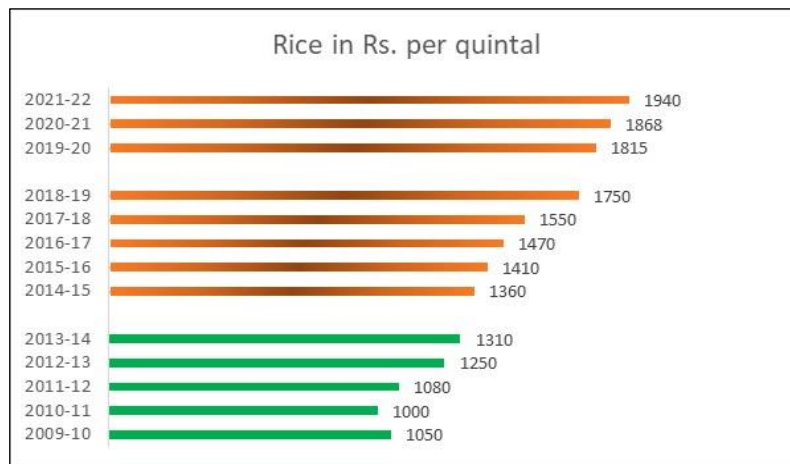
➤ For State wise list of number of Framers benefitted, [Click here.](#)

³<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1794165>

INCREASE IN MSP⁴ - Rice MSP up 42 %; Wheat up 39% over 2014-15

- Payments to farmers in the form of MSP have shot up manifold, ensuring that the MSP hikes actually benefit the farmers.
- **MSP for Rice, which was Rs 1360 in the year 2014-15 has shot up to Rs 1940 in the year 2021-22 ie an increase of 42.64 per cent**
- **MSP for Wheat, which was Rs 1450 in the year 2014-15 has shot up to Rs 2015 in the year 2021-22 ie an increase of nearly 39 per cent**
- Modi government announced MSP hikes based on the formula that farmers will get at least 1.5 times the cost of production. This was a promise made and delivered.
- This formula also included factors like family labor in the cost of production, which is a way of recognizing the work of the whole family rather than just individual farmers.
- The government ensured greater procurement and greater payments to farmers, ensuring that MSP hikes did not remain on paper but actually reached farmers.

Below are the trends of increase in MSP per quintal (Year on Year)



For source of above two graphs, [Click here](#).

For complete information on Minimum Support Prices for various crops, [Click here](#)

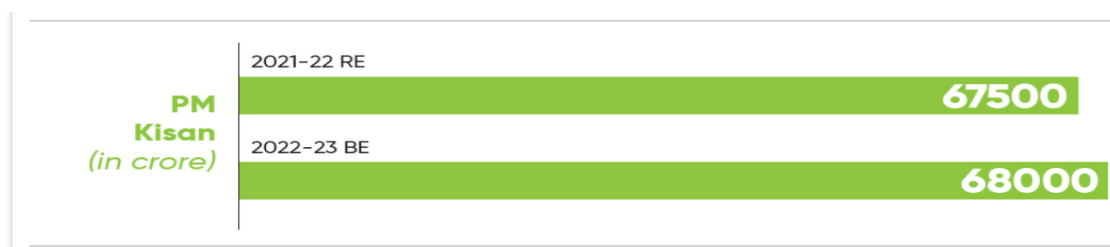
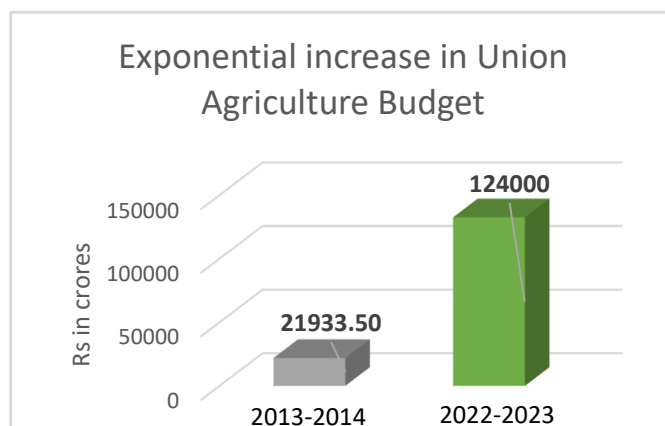
⁴<https://transformingindia.mygov.in/wp-content/uploads/2020/12/Putting-Farmers-First.pdf>

Putting Farmers First

Agriculture being a State subject, the State Government is primarily responsible for the growth and development of agriculture sector and developing perspective plans for their respective States and ensuring effective implementation of the programmes/schemes. However, Government of India supplements the efforts of the State Governments through various Schemes / Programmes.

The details of various schemes, reforms and policies are given below.⁵

- **Unprecedented enhancement in budget allocation:** In the year 2022-23, the Budget allocation has been increased by more than five times to Rs. 1,24,000 crore.⁶ The Budget allocation for Department of Agriculture in the year 2013-14 was only Rs. 21933.50⁷ crore.
- **Fixing of MSP at one-and-a half times the cost of production**
- **Increase in procurement from farmers**
- **Income support to farmers through PM KISAN**



- [Pradhan Mantri Fasal Bima Yojana \(PMFBY\)](#)
- Institutional credit for agriculture sector
- Providing Soil Health Cards to farmers
- Promotion of [organic farming](#) in the country
- [Neem Coating of Urea](#)
- Agri Infrastructure Fund
- Promotion of [FPOs](#) Scheme
- National Bee and Honey Mission (NBHM)
- [Pradhan Mantri KrishiSinchai Yojana \(PMKSY\)](#)
- Micro Irrigation Fund
- Agricultural Mechanization
- Changes in Disaster Relief Standards
- Setting up of [E-NAM](#) extension Platform
- Improvement in farm produce logistics,
- **Creation of a Start-up Eco system in agriculture and allied sector**
- Government of India has launched the **Aatmanirbhar Bharat Abhiyan (ABA)** to strengthen Infrastructure, Logistics, Capacity Building, Governance and Administrative Reforms for Agriculture.

⁵<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1741942>

⁶<https://www.indiabudget.gov.in/doc/eb/sumsbe.pdf>

⁷<https://pib.gov.in/PressReleasePage.aspx?PRID=1685570>

Major Boost to Agriculture Sector in Budget 2022

Slew of multi modal developments during Amrit Kaal to benefit farmers

- **Chemical-free Natural Farming** to be promoted throughout the country, with a focus on farmers' lands in 5-km wide corridors along river Ganga, at the first stage.
- 2023 announced as **International Year of Millets**: Support will be provided for post-harvest value addition, enhancing domestic consumption, and for branding millet products nationally and internationally.
- A rationalized and comprehensive **scheme to increase domestic production of oilseeds** to be implemented to reduce dependence on imports.
- Scheme for delivery of **digital and hi-tech services to farmers** with involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of agri-value chain will be launched in PPP mode.
- Use of '**Kisan Drones**' to be promoted for crop assessment, digitization of land records, spraying of insecticides, and nutrients.
- Startups to be promoted to facilitate '**Drone Shakti**' through varied applications and for **Drone-As-A-Service (DrAAS)**. In select ITIs, in all states, the required courses for skilling to be started.
- Implementation of the **Ken-Betwa Link Project**, at an estimated cost of Rs. 44,605 crores to be taken up.
- Contracts for laying optical fibre in all villages, including remote areas, to be awarded under the Bharatnet project through PPP in 2022-23. Completion expected by 2025.



[PM on launch of 100 Kisan drones by Garuda Aerospace on 19th February 2022](#)

For details on major announcements for Agriculture in Union Budget 2022, [Click here](#).

Sources:

- <http://fci.gov.in/app/webroot/upload/Procurement/1.%20RICE%20KMS%2021-22.pdf>
- <http://fci.gov.in/app/webroot/upload/Procurement/2.%20Paddy%202021-22.pdf>
- <http://fci.gov.in/app/webroot/upload/Procurement/3.No%20of%20farmers%20benefited.pdf>
- [https://eands.dacnet.nic.in/Advance_Estimate/Time%20Series%20%20AE%202021-22%20\(English\).pdf](https://eands.dacnet.nic.in/Advance_Estimate/Time%20Series%20%20AE%202021-22%20(English).pdf)
- <http://fci.gov.in/app/webroot/upload/Procurement/Wheat%20Proc-10%20Years.pdf>
- <https://dfpd.gov.in/writereaddata/Portal/Magazine/webupdataDecember2021.pdf>
- <https://eands.dacnet.nic.in/PDF/English%20MSP%202021.pdf>

- <https://agricoop.nic.in/sites/default/files/FirstEstimate2020-21.pdf>
- <https://transformingindia.mygov.in/wp-content/uploads/2020/12/Putting-Farmers-First.pdf>

AG/HP/RC/AKP