

Price Support Scheme

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Price Support Scheme (PSS)

- The Price Support Scheme (PSS) is being implemented by the Government of India in the state.
- Main crops of the state like Bajra, Jowar, Maize, Paddy, Cotton, Tur, Moong, Urad, Groundnut, Sesamum Wheat, Gram, Mustard, and Sugarcane etc. are covered.
- The Department of Agriculture & Cooperation implements the PSS for procurement of oil seeds, pulses and cotton, through NAFED which is the Central nodal agency, at the MSP declared by the government.
- NAFED undertakes procurement as and when prices fall below the MSP. Procurement under PSS is continued till prices stabilize at or above the MSP.

Eligibility

- Farmers of the State

Benefits

- When prices of commodities fall below the MSP, State and central notified procurement nodal agencies purchase commodities directly from the farmers at MSP, Under specified FAQ (fair Average Quality).
- By this way prices of the main commodities are procured and protect the farmers against the economical loss in farming.

How to get benefit of the scheme

- Farmers get benefit of the scheme by selling their produce at support price in APMC centers opened by Nodal procurement agency.

Minimum Support Price (MSP)

- Is market intervention by the GoI to insure agricultural producers against any sharp fall in farm prices.
- Announced at the beginning of the sowing season for certain crops
- MSP on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP).
- MSP is price fixed to protect the producer – farmers – against excessive fall in price during bumper production years.
- The minimum support prices are a guarantee price for their produce from the Government.

Methods of calculation

- In formulating the level of MSP and other non-price measures, the CACP takes into account a comprehensive view of the entire structure of the economy of a particular commodity or group of commodities.
- The CACP makes use of both micro-level data and aggregates at the level of district, state and the country.
- Other factors include
 - cost of production,
 - changes in input prices,
 - input-output price parity,
 - trends in market prices,
 - demand and supply,
 - inter-crop price parity,
 - effect on industrial cost structure,
 - effect on cost of living,
 - effect on general price level,
 - international price situation,
 - parity between prices paid,
 - prices received by the farmers ,
 - effect on issue prices and implications for subsidy.