

Farmers consortium for enhancing MSP

HYDERABAD , DECEMBER 25, 2019



The contribution of agriculture to GDP has remained constant in spite of increased productivity. | Photo Credit: [Nagara Gopal](#)

‘Ensure that those living in rural areas have a level-playing field vis-a-vis urban India’

The Consortium of Indian Farmers Associations (CIFA) wants the Centre to frame and implement a stable long-term agricultural and rural policy to ensure that those living in the rural areas have a level-playing field vis-a-vis people of urban India.

A release from CIFA on the views it presented during pre-budget discussions recently said the Consortium wanted MSP to be fixed at cost – consisting of actual cost, family labour and land lease cost – plus 50% profit as recommended by the M.S. Swaminathan Committee.

The contribution of agriculture to GDP has remained constant in spite of increased productivity as the prices of agricultural produce have either remained constant or reduced. Thus, inflation needs to be a factor while determining the MSP. Also, The Commission for Agricultural Costs and Prices (CACP) must be made into an autonomous statutory commission with adequate representation of farmers organisations, CIFA said.

Secretary General Bojja Dasaratha Rami Reddy said credit availability remained a big issue for farmers due to which they remain at the mercy of moneylenders. In spite of the initiatives taken by the Central and State governments timely credit is not available to the farmers, and more so to the tenant farmers. The need to revitalise the farm credit as also the institutions which provide farm credit is of paramount importance. Also, an effective and transparent method of annually recording the tenant farmers for each crop season must be documented for enabling data-supported equitable distribution of loans and subsidies to the tenant farmers, he said.

One of the appeals CIFA made was for a reduction in the Compensation Cess rates on cigarettes to the pre-GST level. Such a move will benefit the tobacco farming community, as illicit trade will reduce and demand for domestic tobacco will restore to earlier levels which will bring stability in tobacco crop prices and farmer earnings.

The release said CIFA appealed to Union Finance Minister Nirmala Sitharaman to include measures, in the budget, for enhancing agricultural productivity, irrigation and MSP enhancement.

Towards enhancing demand for agri-value added products, all foods, processed or otherwise, should be zero rated for GST so that a large part of the agri-produce is processed thereby reducing the agri wastage which in turn will increase the income of the farmers.

Source: <https://www.thehindu.com/news/national/telangana/farmers-consortium-for-enhancing-msp/article30397214.ece>