



# Government Approves Procurement Under PSS

## Why in News?

The Government has approved the procurement of **Moong in Haryana, Uttar Pradesh, and Gujarat**, as well as **Groundnut in Uttar Pradesh**, under the **Price Support Scheme (PSS)** for the 2025-26 summer crop season.

## Key Points

- **Procurement of Pulses:**
  - To boost domestic pulse production and reduce import dependency, the Government allowed procurement of **Tur (Arhar), Urad, and Masur** up to 100% of state production under the **PSS** for the procurement year 2024-25.
  - In the **Union Budget 2025**, the Government extended PSS initiative for four more years till 2028-29, authorizing Central Nodal Agencies **National Agricultural Cooperative Marketing Federation of India Limited (NAFED)** and **National Calamity Contingency Fund (NCCF)** to procure pulses up to full state production levels.
- **PM-AASHA:**
  - **Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA)**, launched in **2018**, has been approved for continuation during the **15th Finance Commission** Cycle up to 2025-26.
  - In September 2024, the government approved the continuation of the Integrated scheme of PM AASHA with the **Price Support Scheme (PSS)**, **Price Deficiency Payment Scheme (PDPS)** & **Market Intervention Scheme (MIS)** as its components.
  - The scheme aims to ensure **assured and fair prices for farmers' produce**, protect their income, and safeguard them against market volatility.
  - The PSS is triggered when market prices of notified pulses, **oilseeds**, or copra fall below the **Minimum Support Price (MSP)** during peak harvest, ensuring farmers receive remunerative prices.

### Note:

- The Government implements the **Market Intervention Scheme (MIS)** to safeguard farmers from distress sales during sharp price drops, especially for perishable agricultural and horticultural produce during peak harvest periods.
- The **Price Deficiency Payment Scheme (PDPS)** is a mechanism to compensate farmers for price fluctuations when the market price of their produce falls below the MSP.

## National Agricultural Cooperative Marketing Federation of India Ltd

- NAFED is registered under the **Multi-State Cooperative Societies Act, 2002**.
- It was set up in 1958 with the objective **to promote Cooperative marketing of Agricultural Produce to benefit the farmers**.

# MINIMUM SUPPORT PRICE (MSP)

The rate at which the govt. purchases crops from farmers; based on a calculation of at least 1.5x the cost of production incurred by the farmers

## RECOMMENDED BY

Commission for Agricultural Costs & Prices (CACP) (recommends MSPs for 22 mandated crops and Fair and Remunerative Price for Sugarcane)

## 22 MANDATED CROPS

(14 Kharif, 6 Rabi and 2 Other Commercial crops)

- 7 CEREALS** Paddy, Wheat, Barley, Jowar, Bajra, Maize And Ragi
- 5 PULSES** Gram, Arhar/tur, Moong, Urad And Lentil
- 7 OILSEEDS** Groundnut, Rapeseed/mustard, Soyabean, Sunflower, Sesamum, Safflower And Niger Seed

RAW COTTON

RAW JUTE

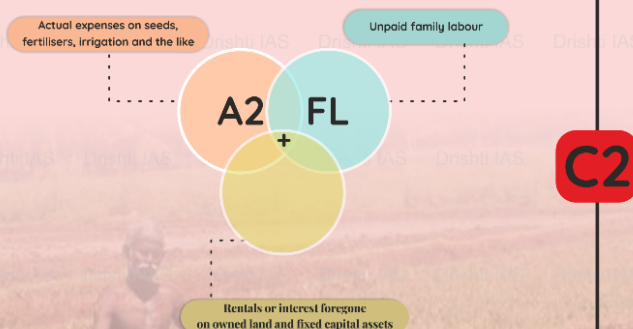
COPRA

MSP is the price at which the govt. is supposed to procure the mandated crops from farmers if the market price falls below it

## FACTORS FOR RECOMMENDING MSP

- Cost of cultivation
- Demand-Supply situation for the crop
- Market price trends
- Inter-crop price parity
- Implications for consumers (inflation)
- Environment (soil and water use)
- Terms of trade b/w agri and non-agri sectors (ratio of farm inputs and outputs)

Considers both A2+FL and C2 costs



MSP has no statutory backing — a farmer cannot demand MSP as a matter of right

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