



Haryana: First State to Buy all Crops from Farmers at MSP

Why in News?

Recently, **Haryana Chief Minister** announced the **procurement of all crops** in the state at the [Minimum Support Price \(MSP\)](#), thus becoming the **first in the country** to procure all crops at MSP.

Key Points

- The Chief Minister also announced the **waiving of Rs 133 crore** in **outstanding canal water irrigation charges**.
 - The payment of pending **compensation of Rs 137 crore** within a week to farmers who suffered **crop damage** because of **natural calamity** in Rohtak, Nuh, Fatehabad and Sirsa before 2023 was also announced.

Minimum Support Price (MSP)

- MSP is the **guaranteed amount paid to farmers** when the **government buys their produce**.
- MSP is based on the recommendations of the [Commission for Agricultural Costs and Prices \(CACP\)](#), which considers **various factors such as cost of production, demand and supply**, market price trends, inter-crop price parity, etc.
 - CACP is an attached office of the **Ministry of Agriculture and Farmers Welfare**. It came into existence in January 1965.
- The [Cabinet Committee on Economic Affairs \(CCEA\)](#) chaired by the Prime Minister of India takes the **final decision (approve) on the level of MSPs**.
- The MSP is aimed at ensuring **remunerative prices to growers for their produce** and encouraging [Crop Diversification](#).

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