



# Chhattisgarh Government Transfers Funds Under 'Krishak Unnati' Scheme

## Why in News?

Recently, Chhattisgarh Government launched the '**Krishak Unnati Yojna**' to provide input assistance to farmers, mainly paddy cultivators and released **₹13,320 crore to 2.472 million farmers** under the scheme.

## Key Points

- The paddy procurement for the **2023-24 kharif season** was held between November 1 and February 4, and around **145 lakh Metric Tonnes (MT) of paddy was procured** from over 2.4 million farmers at **Minimum Support Price (MSP)**.
  - The MSP for common grade paddy was ₹2183 per quintal and ₹2203 for Grade A paddy.
  - The difference amount over the MPS was given to farmers as input assistance at the rate of ₹917 per quintal.
- The state government also gave an outstanding paddy bonus for two years (2014-15 and 2015-16) worth ₹3,716 crore to the farmers on the occasion of former PM Atal Bihari Vajpayee's birthday in December 2023.

## Note

Rice varieties are **classified as 'Grade A' and 'Common'** based on shape length:breadth (L:B ratio) for fixing the procurement price of paddy and for trading of milled rice.

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# 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)

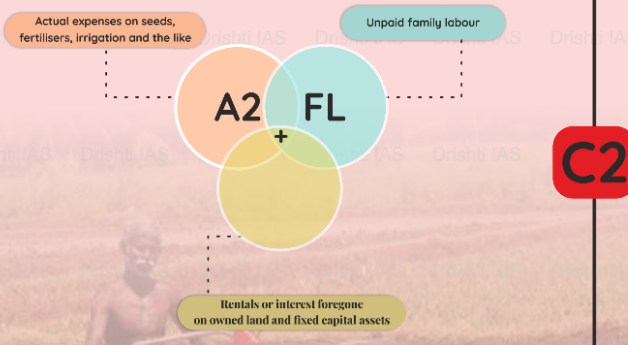
- 7 CEREALS** Paddy, Wheat, Barley, Jowar, Bajra, Maize And Ragi
  - 5 PULSES** Gram, Arhar/tur, Moong, Urad And Lentil
  - 7 OILSEEDS** Groundnut, Rapeseed/mustard, Soyabean, Sunflower, Sesamum, Safflower And Niger Seed
- RAW COTTON**      **RAW JUTE**      **COPRA**

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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