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Do you think Deficiency Price Payments can be considered as an alternative to MSP? Comment

There has been increasing demands from farmers group to get legal backing for minimum support price. Models such as deficiency price payments can be alternative for MSP.

MSP concerns

the branchlet of green revolution, benefited mostly large farmers of Punjab, Haryana, It resulted in cultivation of water guzzling crops which reduced the groundwater table.

It doesn't insulate farmers from market fluctuations, price volatility even during bumper harvest. The physical procurement is also cumbersome.

Deficiency Price payment benefits

It compensates the farmers the difference between MSP and the market price if the latter falls.

It doesn't entail any physical procurement thus reducing storage and transport expenses.

The DPP coupled with income support schemes can greatly benefit farmers. Schemes such

as PM-NRSHA, PM-KISAN can be converged.

It would result in crop diversification and better price discovery.

However, traders can manipulate the difference between MSP and market price which must be controlled.

States schemes such as Kalvi, Rythi Bandhu and Bhawanor Bhuktan Yojana can be extrapolated to the national level.