GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO-506
TO BE ANSWERED ON 05/02/2021

MSP FOR KHARIF CROPS

506. Shri Neeraj Dangi:
Shri Syed Nasir Hussain:
Smt. Ambika Soni:
Shri Kumar Ketkar:
Smt. Phulo Devi Netam:

Will the Minister of AGRICULTURE & FARMERS WELFARE be pleased to state:

(a) whether Government has received any representations from States stating that the Minimum Support Prices (MSP) for kharif crops in 2020-21 set by the Central Government are not high enough to meet production costs in their States;

(b) if so, the details thereof, including the names of such States and the redressal sought;

(c) the remedial steps taken by Government to ensure remunerative prices to farmers as recommended by Swaminathan Commission;

(d) whether Government intends to announce State-specific MSP interventions; and

(e) if so, the details thereof, and if not, the reasons therefor?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) & (b): Government receives representations from time to time on various issues concerning agriculture sector. Since the cost of production varies in different States on account of differences in levels of irrigation, resource endowment, farm mechanization, land holding size, yield etc., Commission for Agricultural Cost & Prices (CACP) uses all-India weighted average cost of production while making its recommendations for MSP. However, CACP ensures that all paid out costs including family labour are covered in the MSPs recommended by them. The objective is to promote regionally differentiated production strategy and encourage an efficient state of agricultural production in the country.

In addition to cost of production, CACP also considers other important factors while recommending MSP which include overall demand and supply, domestic & international prices, inter-crop price parity, the likely effect of the price policy on the rest of the economy, rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over the cost of production.

(c): The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of the cost of production. Accordingly, Government has increased the MSP

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for all mandated Kharif, Rabi and other commercial crops with a return of atleast 50 per cent of cost of production from the agricultural year 2018-19 onwards.

(d) & (e): MSP is determined for the country as a whole and not region or state-specific. The objective is to promote regionally differentiated production strategy and encourage an efficient state of agricultural production in the country. However, region specific parameters are kept in view by the CACP while formulating price policy for agricultural commodities.

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