

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE & FARMERS WELFARE
DEPARTMENT OF AGRICULTURE & FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO- 641
TO BE ANSWERED ON 22/07/2022

LEGAL GUARANTEE FOR MINIMUM SUPPORT PRICE

641. SHRI JOHN BRITTAS

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

- (a) whether it is a fact that there has been widespread demand for bringing legal guarantee for Minimum Support Price (MSP) for agriculture produce;
- (b) if so, the stand of Government thereon;
- (c) the details of steps initiated in this regard;
- (d) whether the current MSP rates will ensure profit of at least 50 per cent over the All India Weighted Average Cost of Production, in the wake of sky rocketing prices of fertilizers and other raw materials; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) to (e): Government fixes Minimum Support Prices (MSP) for 22 mandated agricultural crops and Fair and Remunerative Price (FRP) for sugarcane on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors.

The Government in its 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 for all mandated Kharif, Rabi and other commercial crops with a return of atleast 50 per cent over all India weighted average cost of production from the agricultural year 2018-19 onwards.

Cost of production is one of the important factors in the determination of MSP. Additionally, while recommending its price policy, the CACP considers all costs in a comprehensive manner. CACP projects the cost of cultivation for the current year on the basis of Composite Input Price Index (CIPi) which measures the change in input price over previous year. The CIPis are based on latest prices of major inputs like human labour, bullock labour, machine labour, fertilisers and manures, seeds, pesticides and irrigation as per data available from different ministries/ departments.
