

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO-994**  
TO BE ANSWERED ON 28/07/2023

**FIXATION OF MSP OF PADDY**

994. **DR. SASMIT PATRA:**

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

- (a) whether Government has received details about unanimous resolution passed by the Odisha Vidha Sabha for fixation of Minimum Support Price (MSP) of paddy at ₹2,930 per quintal;
- (b) if so, the steps that have been undertaken in this regard;
- (c) if not, whether Government is aware about such resolution and steps undertaken to engage with Government of Odisha in this regard; and
- (d) the steps Government would take to resolve this demand of Odisha Vidhan Sabha?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE  
(SHRI NARENDRA SINGH TOMAR)

(a) to (d): The Government of India fixes MSP for 22 mandated agricultural crops including paddy, 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, for the country as a whole. While recommending MSP, CACP considers important factors like overall demand-supply conditions, cost of production, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over cost of production.

Government of India, in its Union Budget for 2018-19, had made an announcement to keep MSP at a level of one and half times of the cost of production as a pre-determined principle. Accordingly, MSPs for all mandated Kharif, Rabi and other commercial crops have been fixed with a margin of at least 50 per cent over all India weighted average cost of production since the year 2018-19.

Government had fixed the Minimum Support Price (MSP) of Paddy (Common) at ₹ 1550 per quintal, as against the estimated all-India weighted average cost of production at ₹1117 per quintal for Kharif Marketing Season (KMS) 2017-18. The Odisha Legislative Assembly passed the resolution on 25<sup>th</sup> March 2017, for fixation of MSP at ₹ 2930 per quintal of Paddy.

The Government of Odisha was informed about Agriculture Price Policy of the Government of India, highlighting its objectives, scientific approach for fixation of MSP involving CACP, State Governments and other Stakeholders consultations, factor considered while fixing MSP of Paddy, cost components and cost classifications, among others.

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