

O.I.H.

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

LOK SABHA
UNSTARRED QUESTION NO.2924
TO BE ANSWERED ON THE 13TH MARCH, 2018

COST OF PRODUCTION OF AGRICULTURAL PRODUCE

2924. SHRI BODHSINGH BHAGAT:

Will the Minister of AGRICULTURE AND FARMERS WELFARE ऋदुशुआओा एवं किसान कल्याण ½ãã"ããè be pleased to state:

- (a) the details of norms fixed by the Government regarding cost of production while determining the support prices for rice, wheat, soyabean and other kharif and rabi crops in 2017-18;
- (b) whether the Government has announced new support prices for rabi and kharif crops by increasing the cost of production by one and a half time during the budget session of 2017-18; and
- (c) if so, the details regarding projected cost of production of kharif and rabi crops and likely minimum support price to be determined by the Government in future?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

ऋदुशुआओा एवं किसान कल्याण ½ãã"ããè ½ãã"ããè (SHRI GAJENDRA SINGH SHEKHAWAT)

(a): Government has fixed Minimum Support Prices (MSPs) of 20 mandated crops including rice, wheat, soyabean and other kharif and rabi crops for 2017-18 on the basis recommendation of Commission for Agricultural Costs & Prices (CACP). CACP considers all paid out cost and imputed value of wages of family labour and depreciation of farm machinery & building in recommending MSPs.

The estimates of cost of cultivation/cost of production are made available to the CACP through the *Comprehensive Scheme for Studying the Cost of Cultivation of Principal Crops*, operated by Directorate of Economics and Statistics, Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India. These data are collected with the help of State Agricultural Universities (SAUs)/Institutions located in various states.

Cost of production varies in different States on account of difference in levels of irrigation, resource endowment, farm mechanization, land holding size, yield of crops etc. CACP uses all India weighted average cost of production while making its recommendations on MSP and recommends uniform MSP which is applicable for all States.

(b) & (c): The Government has already announced the MSPs for 2017-18 of kharif crops on 7th June, 2017 and of rabi crops on 24th October, 2017 on the basis of all-India weighted average cost of production (A2+FL) projected by CACP. The MSPs fixed by Government, projected cost of production (A2+FL) and returns over A2+FL of kharif and rabi crops for 2017-18 is at **Annexure**.

Out of 20 mandated kharif and rabi crops (**14** kharif crops and **6** rabi crops), the MSPs fixed by the Government for 2017-18 for **3** kharif crops viz. bajra, tur and urad; 5 rabi crops viz. wheat, barley, gram, masur and rapeseed/mustard; provide returns of more than 50 per cent over weighted average projected cost of production (A2+FL).

The Union Budget for 2018-19 has announced the pre-determined principle to keep MSPs at levels of one and half time the cost of production for kharif crops also in the lines of that already implemented for majority of rabi crops in October 2017.

Annexure

**Annexure referred to in reply to parts (b) and (c) of Lok Sabha Unstarred Question
No.2924 due for reply on 13.03.2018.**

**Minimum Support Prices (MSPs), Projected cost of production (A2+FL) and return
Over A2+FL of Kharif and rabi crops for 2017-18**

(Rs.per quintal)

Sl. No.	Crops	2017-18		
	KHARIF CROPS	A2+FL	MSP	% Return over A2+FL
1	PADDY	1117	1550	38.76
2	JOWAR	1556	1700	9.25
3	BAJRA	949	1425	50.16
4	MAIZE	1044	1425	36.49
5	RAGI	1861	1900	2.10
6	ARHAR(Tur)	3318	5450	64.26
7	MOONG	4286	5575	30.07
8	URAD	3265	5400	65.39
9	COTTON (Medium Staple)	3276	4020	22.71
	(Long Staple)	3276	4320	31.87
10	GROUNDNUT IN SHELL	3159	4450	40.87
11	SUNFLOWER SEED	3481	4100	17.78
12	SOYABEEN	2121	3050	43.80
13	SESAMUM	4067	5300	30.32
14	NIGERSEED	3912	4050	3.53
	<u>RABI CROPS</u>			
1	WHEAT	817	1735	112.36
2	BARLEY	845	1410	66.86
3	GRAM	2461	4400	78.79
4	MASUR (LENTIL)	2366	4250	79.63
5	RAPESEED/MUSTARD	2123	4000	88.41
6	SAFFLOWER	3125	4100	31.20
