

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

LOK SABHA
UNSTARRED QUESTION NO.1353
TO BE ANSWERED ON THE 18TH DECEMBER, 2018

SHORTCOMING IN MSP

1353. SHRI SUMEDHANAND SARSWATI:
SHRI NARANBHAI KACHHADIYA:
SHRI BIDYUT BARAN MAHATO:
SHRI CHANDRA PRAKASH JOSHI:
SHRI RAMDAS C. TADAS:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government is aware that the average or Minimum Support Price (MSP) provided by the Government to the farmers for their produce is less than the cost of production of crops;
- (b) if so, whether the Government proposes to formulate any concrete policy in this regard;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor along with the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

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

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times the cost of production. Accordingly, Government has increased the Minimum Support Prices (MSPs) for all notified Kharif, Rabi and other commercial crops with a return of at least 50 percent of cost of production for the season 2018-19. This decision of the Government was also a historic one as it redeemed the promise of fixing the MSPs at least at a level of 50 per cent return over cost of production. Details of MSP, cost and percent return over cost for 2017-18 and 2018-19 is given at **Annexure.**

The Government is working on a new market architecture, so as to ensure that farmers get remunerative prices on their produce. These include setting up of Gramin Agricultural Markets (GrAMs) so as to promote 22,000 number of retail markets in close proximity of farm gate; competitive and transparent wholesale trade at APMC through e-NAM; and a robust and pro-farmer export policy. The recently launched Umbrella Scheme “Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)” provides for a holistic arrangement for assurance of a remunerative and stable price environment for growers /farmers to increase agriculture production and productivity. This Umbrella Scheme comprises Price Support Scheme (PSS) for pulses & oilseeds, Price Deficiency Payment Scheme (PDPS) and Pilot of Private Procurement & Stockist Scheme (PPSS) for oilseeds to ensure MSP to the farmers.

Annexure

Annexure referred to in reply to part (a) to (d) of Lok Sabha Unstarred Question No. 1353 due for reply on 18.12.2018.

Cost*, Minimum Support Price (MSP) & percent return over cost

Sl. No.	Commodity	2017-18			2018-19		
		Cost	MSP	% Return over cost	Cost	MSP	% Return over cost
	KHARIF CROPS						
1	PADDY(Common)	1117	1550	38.8	1166	1750	50.1
2	JOWAR (Hybrid)	1556	1700	9.3	1619	2430	50.1
3	BAJRA	949	1425	50.2	990	1950	97.0
4	MAIZE	1044	1425	36.5	1131	1700	50.3
5	RAGI	1861	1900	2.1	1931	2897	50.0
6	ARHAR(Tur)	3318	5450	64.3	3432	5675	65.4
7	MOONG	4286	5575	30.1	4650	6975	50.0
8	URAD	3265	5400	65.4	3438	5600	62.9
9	COTTON (Medium Staple)	3276	4020	22.7	3433	5150	50.0
10	GROUNDNUT IN SHELL	3159	4450	40.9	3260	4890	50.0
11	SUNFLOWER SEED	3481	4100	17.8	3592	5388	50.0
12	SOYABEAN	2121	3050	43.8	2266	3399	50.0
13	SESAMUM	4067	5300	30.3	4166	6249	50.0
14	NIGERSEED	3912	4050	3.5	3918	5877	50.0
	<u>RABI CROPS</u>						
1	WHEAT	817	1735	112.4	866	1840	112.5
2	BARLEY	845	1410	66.9	860	1440	67.4
3	GRAM	2461	4400	78.8	2637	4620	75.2
4	MASUR (LENTIL)	2366	4250	79.6	2532	4475	76.7
5	RAPESEED/MUSTARD	2123	4000	88.4	2212	4200	89.9
6	SAFFLOWER	3125	4100	31.2	3294	4945	50.1
	<u>OTHER CROPS</u>						
1	COPRA (Milling)	4758	6500	36.6	5007	7511	50.0
2	JUTE	2160	3500	62.0	2267	3700	63.2
3	SUGARCANE #	152	255	67.8	155	275	77.4

* Includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc, miscellaneous expenses and imputed value of family labour.

Fair and Remunerative Price (FRP)
