

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

LOK SABHA
UNSTARRED QUESTION NO. 14
TO BE ANSWERED ON THE 11TH DECEMBER, 2018

HIKE IN MSP

14. SHRI SISIR KUMAR ADHIKARI:

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

- (a) whether the Government has announced a 50 per cent hike in MSP for crops to boost up farmer's income;
- (b) if so, the items on which the Government compensates farmers with fair and remunerative prices thereof;
- (c) whether the Government has released MSP to solve the distress of the farmers of the country during the last six months period;
- (d) if so, the details of the report thereof along with the details of MSP paid and the average production costs of crops, State-wise; and
- (e) the time by which the incentives will go to all the beneficiaries of the country?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI GAJENDRA SINGH SHEKHAWAT)

(a) to (c): Government fixes Minimum Support Prices (MSPs) of 22 mandated agricultural crops and Fair & Remunerative Price (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 and other relevant factors. In addition, MSP for Toria and De-Husked coconut is also fixed on the basis of MSPs of Rapeseed/Mustard and Copra respectively. The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times the cost of production for all mandated crops. Accordingly, Government has increased MSPs for all mandated agricultural crops for the season 2018-19. Details of cost, MSP and percent return over cost for the year 2017-18 & 2018-19 is at Annexure I. This decision of the Government was a historic one as it fulfills the commitment to the farmers to provide 50 per cent return over cost of production for the first time.

Government is committed to farmers welfare and towards this objective it has changed its strategy from being production centric to an income centric one. The above MSP policy is another progressive step forward in a series of reforms that the Government has been rolling out for the last 4 years, committed as it is to doubling farmers' income by 2022 and improving the welfare substantively.

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(d) & (e): Region specific parameters are kept in view by the CACP while recommending MSP for agricultural crops. Since the cost of production varies in different States on account of differences in levels of irrigation, resource endowment, farm mechanization, land holding size etc., CACP uses all-India weighted average cost of production while making its recommendations and recommends uniform MSP which is applicable to all states. Details of State-wise cost of production for the year 2018-19 is given at Annexure II. As per the existing arrangements, procurement is made of the crops for which MSPs are announced through Central and State agencies. In so far as cereals/nutri cereals are concerned, they are procured through FCI and decentralized procurement system mainly for distribution under the public distribution system (PDS), for welfare schemes and buffer stocking for food security. Government implements Price Support Scheme (PSS) for procurement of oilseeds, pulses and cotton through Central Nodal Agencies at MSP declared by the Government. A new Umbrella Scheme 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA) has been announced by the government. The scheme consists of three sub-schemes i.e. Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) and Private Procurement & Stockist Scheme (PPSS) on a pilot basis.

The payments to the farmers are made through Real Time Gross settlement (RTGS)/ National Electronic Fund Transfer (NEFT) and account payee cheque by the procuring agencies. However, if producer/farmers gets better price in comparison to MSP, they are free to sell their produce in open market.

Annexure referred to in reply to part (a) to (c) of Lok Sabha Unstarred Question No.14 due for reply on 11.12.2018.

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

(Rs/Qtl)

Sl. No.	Commodity	2017-18			2018-19		
		Cost	MSP	% Return over cost	Cost	MSP	% Return over cost
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	SOYABEEN	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)

Annexure-II

Annexure referred to in reply to part (d)&(e) of Lok Sabha Unstarred Question No. 14 due for reply on 11.12.2018

(Rs../Qtl.)

Year	2018-19																			
Crop	Paddy	Jowar	Bajra	Maize	Ragi	Arhar (Tur)	Moong	Urad	Cotton	Ground nut	Soya bean	Sunflower	Sesamum	Niger seed	Wheat	Barley	Gram	Masur	Rapeseed/ Mustard	Safflower
MSP	1750	2430	1950	1700	2897	5675	6975	5600	5150	4890	3399	5388	6249	5877	1840	1440	4620	4475	4200	4945
State	Cost*																			
Andhra Pradesh	1067	1302		803		4552	3411	1860	3562	2757		3667	5752				3245			
Assam	1259																		4195	
Bihar	1065			814											972			1951	1904	
Chhattisgarh	1002							2567			2679						2443			
Gujarat	1080		982	1819		3772			3018	3364			5912		1122					2140
Haryana	1068		1085						3114						783					1788
Himachal Pradesh	1071			1526											1485					
Jharkhand	1369			915											1149					
Karnataka	1095	1936	1555	1010	2139	3276	4724		3272	4767		3682					3064			1992
Kerala	1342																			
Madhya Pradesh	1306	1412		1011		2704		2812	3653		1984		3685		845		2402	2281	1475	
Maharashtra	2102	1685	2119	1415	2097	3693	6688	5697	3990	4253	2777	2988			1717		2942			4438
Odisha	1382			1159		4304	4497	4700	4056	3543			5427	3918						
Punjab	702			961					3304						654					
Rajasthan		1410	867	1612			4587	4927	2656	1554	2378		5205		903	850	2277			2269
Tamil Nadu	1174	1147	995	1111	1471		3921	4152	4342	4240			5825							
Uttar Pradesh	1119		811	1279		3320		4004					4516		917	881	3362	3103	2315	
Uttarakhand	1012				1050										913					
West Bengal	1379												2823						2626	2922
All India	1166	1619	990	1131	1931	3432	4650	3438	3433	3260	2266	3592	4166	3918	866	860	2637	2532	2212	3294

Source: CACP

* 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.
