

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1421**  
TO BE ANSWERED ON THE 12<sup>TH</sup> FEBRUARY, 2019

**INCREASE IN MSP OF PADDY AND OTHER KHARIF CROPS**

1421. ADV. NARENDRA KESHAV SAWAIKAR:

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

- (a) whether the Government has recently increased the Minimum Support Price (MSP) for Paddy and other Kharif crops;
- (b) if so, the details thereof;
- (c) the extent to which the Government will have to incur additional expenditure as a result of hike in MSP; and
- (d) whether the cost is covered under the Budget provisions for food subsidy and if so, the details thereof?

**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) & (b): The Government has increased the Minimum Support Prices (MSPs) for all mandated kharif crops including paddy for 2018-19 Season on 4<sup>th</sup> July 2018. This decision of the Government was a historic one as it redeemed the promise of the pre-determined principle of fixing the MSPs at a level of at least 150 per cent of the cost of production announced by the Union Budget for 2018-19.

MSP of paddy (common) has been increased by Rs.200 and fixed at Rs.1750 per quintal and of Paddy (Grade A) has been increased by Rs.180 and fixed at Rs.1770 per quintal for 2018-19 season. Details of MSPs of Kharif crops are given at **Annexure**.

(c) & (d): Paddy/rice is procured for distribution under Public Distribution System (PDS). The difference between the economic cost of the grains/cereals procured and their central issue prices under PDS is the subsidy outgo which is borne on the Budget. The additional financial implication on account of higher MSP for paddy for 2018-19 is Rs12,167 crore as estimated by Department of Food and Public Distribution (DFPD) on account of the operationalisation of the principle of keeping MSPs at a level of atleast 150 percent of the cost of production.

Government has made budget allocation of Rs.1,40,098 crore in 2018-19(RE) for food subsidy payable to Food Corporation of India (FCI) and other procurement agencies on food grains transaction under National Food Security Act (NFSA). Further an allocation of Rs.31,000 crore has been made in 2018-19 (RE) for subsidy payable to State Governments on Decentralized Procurement (DCP) of Foodgrains under (NFSA).

Besides, Government procures pulses, oilseeds, cotton, jute & copra based on assessed requirement through designated nodal procurement agencies. Government provides guarantee based on which the procurement agencies conduct their operations and the losses incurred by them in the process is borne on the Budget.

Annex referred to in reply to part (a) and (b) of Lok Sabha Unstarred Question No. 1421 due for reply on 12.02.2019

(Rs. per quintal)

Sl. No.	Commodity	Variety	2017-18	2018-19	(#) increase in MSP 2018-19 over 2017-18
	<b><u>KHARIF CROPS</u></b>				
1	PADDY	Common	1550	1750	200(12.9)
		Grade 'A'	1590	1770	180(11.3)
2	JOWAR	Hybrid	1700	2430	730(42.9)
		Maldandi	1725	2450	725(42.3)
3	BAJRA		1425	1950	525(36.9)
4	MAIZE		1425	1700	275(19.3)
5	RAGI		1900	2897	997(52.5)
6	ARHAR(Tur)		5450^	5675	225(4.1)
7	MOONG		5575^	6975	1400(25.1)
8	URAD		5400^	5600	200(3.7)
9	COTTON	Medium Staple	4020	5150	1130(28.1)
		Long Staple	4320	5450	1130(26.2)
10	GROUNDNUT IN SHELL		4450^	4890	440(9.9)
11	SUNFLOWER SEED		4100*	5388	1288(31.4)
12	SOYABEEN		3050^	3399	349(11.5)
13	SESAMUM		5300*	6249	949(17.9)
14	NIGERSEED		4050*	5877	1827(45.1)

# Figures in brackets indicate percentage increase.

\* Including Bonus of Rs. 100 per quintal.

^ Including Bonus of Rs. 200 per quintal.

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