

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

LOK SABHA
UNSTARRED QUESTION NO. 1434
TO BE ANSWERED ON THE 12TH FEBRUARY, 2019

CACP

1434. SHRIMATI VASANTHI M.:

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

- (a) whether it is a fact that the Commission for Agricultural Costs and Prices has recommended that the Government should bring out a legislation which would give farmers the right to sell their produce at MSP;
- (b) if so, the details thereof;
- (c) whether it is also true that the hike in the minimum support price for paddy and other crops announced by the Government does not meet the criteria recommended by the Swaminathan Commission; and
- (d) 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): Commission for Agricultural Costs and Prices (CACP) in its Price Policy report for Kharif Crops for 2018-19 season has suggested bringing a legislation conferring on farmers the 'Right to Sell at MSP' to instill confidence among farmers so that their produce is not sold/procured below Minimum Support Price (MSP) and farmers are not exploited by traders.

(c) & (d): Government has increased MSPs substantially for all mandated crops including paddy for the season 2018-19. MSP of paddy (common) has been increased by Rs. 200 and fixed at Rs 1750 per quintal and paddy (grade A) has been increased by Rs 180 and fixed at Rs 1770 per quintal for 2018-19 season which provide adequate return over cost of production. The National Commission on Farmers (NCF) headed by Dr. M. S. Swaminathan has recommended that the MSP should be at least 50 percent more than the weighted average cost of production. However, when the National Policy for Farmers, 2007 was finalized, this recommendation of providing 50 per cent returns over cost of production was not included. Dr. M. S. Swaminathan in his Report on NCF had discussed different dimensions of fixing MSPs, but while finalizing National Policy on Farmers, the then Government had accepted the current established methods.

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 MSPs for all mandated crops with a return of at least 50 percent over 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 cost, MSP and percent return over cost for the year 2017-18 and 2018-19 is given at Annexure.

Annexure referred to in reply to part (c) & (d) of Lok Sabha Unstarred Question No.1434 due for reply on 12.02.2019.

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

Sl. No.	Commodity KHARIF CROPS	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
	(Grade A) ^		1590			1770	
2	JOWAR (Hybrid)	1556	1700	9.3	1619	2430	50.1
	(Maldandi) ^		1725			2450	
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
	(Long Staple) ^		4320			5450	
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
7	TORIA ^		3900			4190	
	<u>OTHER CROPS</u>						
1	COPRA (Milling)	4758	6500	36.6	5007	7511	50.0
	(Ball)^		6785	42.6		7750	
2	DE-HUSKED COCONUT ^		1760			2030	
3	JUTE	2160	3500	62.0	2267	3700	63.2
4	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.

^ Cost data are not separately compiled for Paddy(Grade A), Jowar (Maldandi), Cotton (Long staple), Toria, Copra(ball) and De-husked coconut.