

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

LOK SABHA  
UNSTARRED QUESTION NO. 1082  
TO BE ANSWERED ON 08<sup>th</sup> FEBRUARY, 2023

**MSP OF CASH CROPS**

1082. ADV. DEAN KURIAKOSE:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has the criteria based on which certain cash crops are selected, for which Minimum Support Prices (MSPs) are declared;
- (b) if so, the details thereof;
- (c) whether the Government has details on why MSP is not declared for cash crops like rubber, cardamom, tea and coffee while MSP is declared for copra and Sugarcane;
- (d) if so, the details thereof;
- (e) whether the Government will declare MSPs for rubber, cardamom, tea and coffee in the coming financial year; and
- (f) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SMT. ANUPRIYA PATEL)

**(a) to (b):** The Government of India fixes Minimum Support Price (MSP) for 22 mandated Crops (Kharif and Rabi) and Fair & Remunerative Price (FRP) for sugarcane on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP), views of State Governments and Central Ministries/Departments concerned and other relevant factors. The mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut-in-shell, soyabean, sunflower, sesamum, nigerseed, cotton and 6 (six) Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed/mustard, safflower; and MSP for two commercial crops viz. jute and copra are also fixed. In addition, MSP for toria and de-husked coconut are also fixed on the basis of MSPs of rapeseed/mustard and copra respectively.

The CACP also considers cost estimates generated under the Comprehensive Scheme for studying the Costs of Cultivation of Principal Crops in India for 25 major crops while making

recommendation for MSP/FRP. The Cost of production (CoP) is one of the important factors in the determination of MSPs. The CACP also considers factors such as domestic and global demand and supply situation of main product and by-products, trends in national and international prices, intercrop price parity, terms of trade between agriculture and non-agriculture sectors, likely impact of MSP on consumers, producers and overall economy along with rational utilization of land, water and other production resources, and a minimum of 50 percent as the margin over cost of production, while recommending MSPs of mandated crops.

**(c) to (f) :** The crops considered under MSP are generally major agricultural commodities which are widely grown and have large area under cultivation; are items of mass consumption with fairly long shelf life; and are necessary for food security. Since, crops like rubber, cardamom, tea and coffee etc. do not meet most of the criteria, these crops are not covered under MSP scheme.

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