

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.3739**  
TO BE ANSWERED ON THE 17<sup>TH</sup> MARCH, 2020  
**MINIMUM SUPPORT PRICE FOR KHARIF CROPS**

3739. SHRIMATI MEENAKASHI LEKHI:

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

- (a) the amount which will be given as Minimum Support Price(MSP) to farmers for kharif crops;
- (b) the basis for deciding the MSP for crops;
- (c) whether the Government is planning to increase the MSP and if so, the details thereof and if not, the reasons therefor; and
- (d) whether the Government is planning more interventions with respect to MSP since farmers are still under distress, if so, the details thereof?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): The details of increase in Minimum Support Price (MSP) for kharif crops for 2018-19 and 2019-20 are given in Annex.

(b): Government fixes MSPs on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors.

While recommending MSP, CACP considers various factors viz. cost of production, overall demand-supply situations of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agriculture and non-agriculture sector, likely effect of price policy on rest of economy and a minimum of 50 percent as the margin over cost of production.

(c) & (d): The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of the cost of production. Accordingly, Government has increased the MSP for all mandated Kharif, Rabi and other commercial crops with a return of atleast 50 per cent of cost of production for the agricultural year 2018-19 and 2019-20.

Apart from increasing MSP, Government has taken several steps to provide remunerative prices to farmers for their produce which include undertaking procurement through designated procurement agencies, implementing e-National Agriculture Market (eNAM), enacting the Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 and promoting Farmer Producer Organizations (FPOs).

MSP operations are given wide publicity through pamphlets, banners, sign boards, radio, TV and advertisements through print & electronic media. In addition to that farmers are made aware of the quality specifications and purchase system to facilitate the farmers to bring their produce conforming to the specifications.

Interim Union Budget 2019 had announced a historic programme namely “Pradhan Mantri Kisan SAMman Nidhi (PM-KISAN)”. Under this programme, landholding farmer families will be provided direct income support at the rate of Rs. 6,000 per year. The PM-KISAN scheme aims to supplement the financial needs of the farmers in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income at the end of the each crop cycle.

Annex referred to in reply to part (a) of Lok Sabha Unstarred Question No. 3739 due for reply on 17.03.2020

**Cost\*, MSP and Return**

(Rs per quintal)

Sl. No.	Commodity	2018-19			2019-20		
	KHARIF CROPS	Cost*	MSP	% Return over Cost	Cost*	MSP	% Return over Cost
1	PADDY(Common)	1166	1750	50.1	1208	1815	50.2
	(Grade A)^		1770			1835	
2	JOWAR (Hybrid)	1619	2430	50.1	1698	2550	50.2
	(Maldandi) ^		2450			2570	
3	BAJRA	990	1950	97.0	1083	2000	84.7
4	MAIZE	1131	1700	50.3	1171	1760	50.3
5	RAGI	1931	2897	50.0	2100	3150	50.0
6	ARHAR(Tur)	3432	5675	65.4	3636	5800	59.5
7	MOONG	4650	6975	50.0	4699	7050	50.0
8	URAD	3438	5600	62.9	3477	5700	63.9
9	COTTON (Medium Staple)	3433	5150	50.0	3501	5255	50.1
	(Long Staple)^		5450			5550	
10	GROUNDNUT IN SHELL	3260	4890	50.0	3394	5090	50.0
11	SUNFLOWER SEED	3592	5388	50.0	3767	5650	50.0
12	SOYABEAN (Yellow)	2266	3399	50.0	2473	3710	50.0
13	SESAMUM	4166	6249	50.0	4322	6485	50.0
14	NIGERSEED	3918	5877	50.0	3960	5940	50.0

\*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 & imputed value of family labour.

^ Cost is not separately compiled for Paddy (Grade A), Jowar (Maldandi) and Cotton (long staple),

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