

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

LOK SABHA
UNSTARRED QUESTION NO. 3833
TO BE ANSWERED ON THE 17TH MARCH, 2020

INCREASE IN MSP

3833. DR. VISHNU PRASAD M.K.:

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

- (a) whether the Union Government has recently announced an increase in the Minimum Support Price (MSP) for Paddy, wheat, pulses and oilseeds;
- (b) if so, the details thereof along with the details of the increase in MSP for various agricultural produce during the last three years and the current year, crop-wise;
- (c) the criteria/formula adopted in increasing the MSP for wheat, pulses and oilseeds and the reaction of farmers/farmers' federations to the increase of MSP for wheat, pulses and oilseeds;
- (d) whether some State Governments have urged the Union Government to review the increase in MSP for Paddy, wheat, pulses and oilseeds in line with the recommendations of the Swaminathan Commission's report; and
- (e) if so, the details thereof along with the action taken by the Government in this regard?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): The Union Government has increased the Minimum Support Price (MSP) for Kharif and Rabi crops of 2019-20 season including Paddy, wheat, pulses and oilseeds on the line of fixing the MSP at a level of 1.5 times of the cost of production as announced in Union Budget 2018-19. The detail regarding increase in MSP during the last four years is given in Annex.

(c): Government fixes MSPs of 22 mandated crops including wheat, pulses and oilseeds on the basis of recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & 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.

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, rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over cost of production.

The views of the farmer and farmer's association are also considered by CACP before recommending MSP.

(d) & (e): Government receives suggestions from state government regarding various aspect of increasing MSP. CACP seeks suggestions from different stakeholders including State Governments before recommending MSP.

National Commission on Farmers (NCF) headed by Dr. M.S. Swaminathan had recommended that the MSP should be at least 50 percent more than the weighted average cost of production.

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 all India weighted average cost of production for the agricultural year 2018-19 and 2019-20.

Annex referred to in reply to part (a) & (b) of Lok Sabha Unstarred Question No. 3833 due for reply on 17.03.2020

Minimum Support Prices

(Rs per quintal)

Sl. No.	Commodity	2016-17	2017-18	2018-19	2019-20	Absolute Increase in MSP in 2019-20 over 2018-19
	<u>KHARIF CROPS</u>					
1	PADDY(Common)	1470	1550	1750	1815	65
	(Grade A)	1510	1590	1770	1835	65
2	JOWAR (Hybrid)	1625	1700	2430	2550	120
	(Maldandi)	1650	1725	2450	2570	120
3	BAJRA	1330	1425	1950	2000	50
4	MAIZE	1365	1425	1700	1760	60
5	RAGI	1725	1900	2897	3150	253
6	ARHAR(Tur)	5050	5450	5675	5800	125
7	MOONG	5225	5575	6975	7050	75
8	URAD	5000	5400	5600	5700	100
9	COTTON (Medium Staple)	3860	4020	5150	5255	105
	(Long Staple)	4160	4320	5450	5550	100
10	GROUNDNUT IN SHELL	4220	4450	4890	5090	200
11	SUNFLOWER SEED	3950	4100	5388	5650	262
12	SOYABEAN (Yellow)	2775	3050	3399	3710	311
13	SESAMUM	5000	5300	6249	6485	236
14	NIGERSEED	3825	4050	5877	5940	63
	<u>RABI CROPS</u>					
1	WHEAT	1625	1735	1840	1925	85
2	BARLEY	1325	1410	1440	1525	85
3	GRAM	4000	4400	4620	4875	255
4	MASUR (LENTIL)	3950	4250	4475	4800	325
5	RAPESEED & MUSTARD	3700	4000	4200	4425	225
6	SAFFLOWER	3700	4100	4945	5215	270
7	TORIA	3560	3900	4190	4425	235
	<u>OTHER CROPS</u>					
1	COPRA (Milling)	5950	6500	7511	9521	2010
	(Ball)	6240	6785	7750	9920	2170
2	DE-HUSKED COCONUT	1600	1760	2030	2571	541
3	JUTE	3200	3500	3700	3950	250
