

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

LOK SABHA
UNSTARRED QUESTION NO. 1249
TO BE ANSWERED ON THE 27th JULY, 2021

INCLUSION OF FUEL PRICE IN MSP

1249. SHRI DEEPAK BAIJ:

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

- (a) whether the Government is likely to take into account the regularly rising prices of petrol, diesel and domestic gas while determining the Minimum Support Price (MSP) for crops, and fix it at the rate of per kilogram basis to adjust for per litre increase in fuel;
- (b) the increased cost incurred by farmers due to constant rising prices of petrol, diesel and domestic gas during the last five years; and
- (c) the manner in which rising cost incurred by farmers is assessed in determining the Minimum Support Price?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): Government fixes Minimum Support Prices (MSP) on the basis of recommendations of Commission for Agriculture Cost & Prices (CACP) as well as consultation with other stakeholders. CACP considers various factors including actual cost of cultivation as well as Composite Input Price Index (CIPI) while recommending MSP, which is expressed in terms of Rs. per quintal.

(b): The details of cost of production in the last five years for mandated MSP crops are given in **Annex**.

(c): Cost of production is one of the important factors in the determination of MSP. While recommending its price policy, the CACP considers all costs in a comprehensive manner. The costs include 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 in cash and kind on the 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.

In addition to cost of production CACP also considers various other factors while recommending MSP which include 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.

Annex referred to in reply to part (b) of Lok Sabha Unstarred Question No. 1249 due for reply on 27.07.2021

Cost of Production (A2+FL) (2016-2021) in Rs per quintal

S. NO.	COMMODITY/YEAR	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	KHARIF CROPS						
1	PADDY(Common)	1045	1117	1166	1208	1245	1293
2	JOWAR (Hybrid)	1501	1556	1619	1698	1746	1825
3	BAJRA	925	949	990	1083	1175	1213
4	RAGI	1733	1861	1931	2100	2194	2251
5	MAIZE	966	1044	1131	1171	1213	1246
6	TUR (Arhar)	3241	3318	3432	3636	3796	3886
7	MOONG	4065	4286	4650	4699	4797	4850
8	URAD	3584	3265	3438	3477	3660	3816
9	COTTON (Medium Staple)	2889	3276	3433	3501	3676	3817
10	GROUNDNUT IN SHELL	3371	3159	3260	3394	3515	3699
11	SUNFLOWER SEED	3479	3481	3592	3767	3921	4010
12	SOYABEAN	1852	2121	2266	2473	2587	2633
13	SESAMUM	4188	4067	4166	4322	4570	4871
14	NIGERSEED	3366	3912	3918	3960	4462	4620
	<u>RABI CROPS</u>						
1	WHEAT	797	817	866	923	960	
2	BARLEY	816	845	860	919	971	
3	GRAM	2241	2461	2637	2801	2866	
4	MASUR (LENTIL)	2174	2366	2532	2727	2864	
5	RAPESEED & MUSTARD	1871	2123	2212	2323	2415	
6	SAFFLOWER	3049	3125	3294	3470	3551	
	<u>OTHER CROPS</u>						
1	COPRA (Milling)	4676	4758	5007	6347	6639	6805
2	JUTE	2125	2160	2267	2535	2709	2832

Cost 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.
