

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:77

ANSWERED ON:27.11.2006

MSP FOR CROPS

Pathak Shri Brajesh;Tripathy Shri Braja Kishore

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Union Government has set the Minimum Support Price (MSP) for various crops to be procured for the Public Distribution System;
- (b) if so, the details thereof, crop-wise;
- (c) whether the private entrepreneurs had in the recent past offered better prices to farmers which resulted in low procurement by the Government agencies;
- (d) if so, whether the Union Government has considered these aspects while announcing the MSP;
- (e) if so, whether the Union Government proposes to review/has reviewed MSP for wheat and rice for 2006-07;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (g): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO.77 DUE FOR REPLY ON 27TH NOVEMBER, 2006.

(a) & (b): Yes, Sir. Minimum Support Price (MSP) for various kharif and rabi crops of 2006-07 season are given below:

Minimum Support Prices for the Kharif Crops of 2006-07 Season (Fixed on 27.7.2006)

Commodity Variety Minimum Support Price
(Rs. per quintal)

Paddy Common 580
 Grade A 610
Jowar
Hybrid - 540
Maldandi 555

Bajra - 540
Maize - 540
Ragi - 540
Tur (Arhar) - 1410
Moong - 1520
Urad - 1520
Groundnut-in-shell - 1520
Soyabean Yellow 1020
 Black 900
Sunflower Seed - 1500
Sesamum - 1560
Nigerseed - 1220
Cotton Medium 1770
 staple length
 Long 1990

staple Length

Minimum Support Prices for the Rabi Crops of 2006-07 Season to be Marketed in 2007-08
(fixed on 27/30th October, 2006)

Crop Minimum Support Price
(Rs. per quintal)

Wheat	750
Barley	565
Gram	1445
Masur (lentil)	1545
Rapeseed/Mustard	1715
Safflower	1565

In the case of paddy crop of 2006-07 season, Government announced an additional incentive bonus of Rs.40 per quintal over the MSP of Rs.580 and Rs.610 per quintal respectively fixed for Common and Grade A varieties. MSP of Wheat crop of 2006-07 season has been increased by Rs.100 per quintal over the preceding season i.e. 2005-06 to Rs.750 per quintal.

(c) to (g): The changes brought in the Agricultural Produce Marketing Committee (APMC) Act, with the objective of providing more options to the farmers by way of having the choice to sell their produce to prospective buyers, has also brought in greater degree of competition in the market. As a consequence of such reforms, farmers have got better prices. This can be observed from the fact that the Government could not procure the required quantity of wheat at the fixed MSP.

The Government fixes the MSPs for various agricultural commodities taking into account the recommendations of Commission for Agricultural Costs & Prices (CACP), the views of State Governments and concerned Central Ministries as well as considers other relevant factors, which in the opinion of the Government, are important for fixation of MSPs. In view of this, currently there is no other proposal to review MSP for wheat and rice for 2006-07.