

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:74
ANSWERED ON:06.12.2004
MSP OF COTTON AND SUGARCANE
Gaikwad Shri Eknath Mahadeo

Will the Minister of AGRICULTURE be pleased to state:

- (a) the Minimum Support Prices of different non-cereal agricultural products especially in respect of cotton and sugarcane for the current and ensuing years yield;
- (b) whether the State Governments are authorized to fix Minimum Support Prices of agricultural products above that fixed by the Union Government under a recent decision of the Apex Court; and
- (c) if so, the Minimum Support Prices if any fixed by each State Governments for cotton and sugarcane?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 74 DUE FOR REPLY ON 6TH DECEMBER, 2004.

(a): The Minimum Support Prices (MSPs) of non cereal commodities fixed by the Government for 2004-05 are given at Annexure. As regards MSPs for the ensuing year, the MSPs will be announced by the Government on the basis of the recommendations made by Commission for Agricultural Costs & Prices (CACP), the views of State Governments and concerned Central Ministries as well as such other relevant factors, which in the opinion of the Government, are important for fixation of MSPs.

(b): The Statutory Minimum Price (SMP) of sugarcane payable by sugar factories for each sugar season is required to be fixed by Government under clause 3 of the Sugarcane (Control) Order, 1966 having regard to the following factors:

- (i) cost of production of sugarcane;
- (ii) return to the growers from alternative crops and the general trend of prices of agricultural commodities;
- (iii) availability of sugar to consumers at a fair price;
- (iv) price at which sugar produced from sugarcane is sold by sugar producers; and
- (v) recovery of sugar from sugarcane.

However in Civil Appeal No.460 of 1997 filed in the Supreme Court of India, the Hon'ble Supreme Court has held that States which have enacted legislation regarding regulation of supply and purchase of sugarcane have the right to fix price for sugarcane purchased by sugar mills which can be higher than the SMP fixed by the Central Government. The judgement of Supreme Court does not in any way go against the intentions of the Central Government for fixing the SMP.

(c): The SMP of sugarcane fixed by the Government is uniformly applicable to all the States in the country. However, SMP payable by sugar mills varies from mill to mill depending on the recovery level. As regards Cotton, MSPs are fixed for two basic varieties, which are shown in the statement (Annexure). Based on the support prices for the two basic varieties and taking into account the quality differential, normal price differential and other relevant factors the support prices for other varieties of cotton of Fair Average Quality are fixed by the Ministry of Textiles.

Annexure

MINIMUM SUPPORT PRICES (According to Crop Year)

(Rs. per quintal)

Sl. No.	Commodity	Variety	2000-01	2001-02	2002-03	2003-04	2004-05
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S D R
price

1	SUGARCANE		59.50	62.05	69.50	- 73	74.50
2	COTTON	F-414/H-777/J34	1625	1675	1675	20	1725 1760
		H-4	1825	1875	1875	20	1925 1960
3	GROUNDNUT IN SHELL		1220	1340	1355	20	1400 1500
4	JUTE	TD-5	785	810	850	-	860 890
5	RAPESEED/MUSTARD		1200	1300	1330	10	1600 1700
6	SUNFLOWER SEED		1170	1185	1195	15	1250 1340
7	SOYABEEN	BLACK	775	795	795	10	840 900
		YELLOW	865	885	885	10	930 1000
8	SAFFLOWER		1200	1300	1300	5	1500 1550
9	COPRA	Miling	3250	3300	3300	-	3320 3500
		(Calender Year)	Ball	3500	3550	3550	- 3570 3750
10	SESAMUM		1300	1400	1450	5	1485 1500
11	NIGERSEED		1025	1100	1120	-	1155 1180
12	GRAM		1100	1200	1220	5	1400 1425
13	ARHAR (Tur)		1200	1320	1320	5	1360 1390
14	MOONG		1200	1320	1330	5	1370 1410
15	URAD		1200	1320	1330	5	1370 1410
16	MASUR (LENTIL)		1200	1300	1320	5	1500 1525

Note : SDR price : Special Drought Relief Price