

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4440
ANSWERED ON:07.12.2010
REFORM IN NORMS OF MSP
Bajwa Shri Partap Singh

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the National Commission on Farmers (NCF) has suggested for reforms in the existing norms of MSP for crops;
- (b) if so, the details thereof alongwith the recommendations of the said commission accepted by the Government; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (c): The National Commission on Farmers under the Chairmanship of Prof. M.S. Swaminathan has recommended that the Minimum Support Price (MSP) should be at least 50% more than the weighted average cost of production. This recommendation, however, has not been accepted by the Government because MSP is recommended by the Commission for Agricultural Costs and Prices (CACP) based on objective criteria and considering variety of relevant factors. Hence, prescribing an increasing of at least 50% on cost may distort market. A mechanical linkage between MSP and cost of production may be counter-productive in some cases.