

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3102
ANSWERED ON:15.03.2011
MSP OF FOODGRAINS
Chaudhary Shri Jayant

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government proposes to increase the Minimum Support Price (MSP) of foodgrains in view of the increased cost of production due to increase in the price of urea;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI ARUN YADAV)

(a) to (c): The Government fixes the Minimum Support Prices (MSPs) for agricultural produce, inter-alia, taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of concerned State Governments and Central Ministries.

The CACP, while formulating its recommendations on price policy considers, inter-alia, a number of factors which include cost of production, changes in input prices including the price of fertilisers, trends in market prices, demand and supply situation, inter-crop price parity, effect on industrial cost structure, effect on general price level, effect on cost of living, suggestions received from farmers / others etc.

The Government's Price policy (MSP) for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production, and to safeguard the interest of consumers by making available supplies at reasonable prices.