

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3341
ANSWERED ON:23.08.2011
CRITERIA FOR MSP
Patel Shri R.K. Singh

Will the Minister of AGRICULTURE be pleased to state:

- (a) the criteria adopted for determining the Minimum Support Prices of paddy, wheat, sugarcane etc.;
- (b) whether the input cost is taken into consideration while determining the support prices of paddy, wheat, sugarcane etc.; and
- (c) the details of the input cost for the cultivation of crops like paddy, wheat and sugarcane in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): The Government fixes the Minimum Support Prices (MSPs) of various crops including paddy, wheat and sugarcane based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments. While formulating its recommendations on price policy CACP considers a number of important factors which include cost of production, changes in input prices, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc. The cost of cultivation/production, inter alia, includes all input costs.

(c): The all India weighted average cost of production (C2) for 2011-12 estimated by the CACP, which includes all the input costs, is Rs. 742 per quintal for paddy, Rs.102 per quintal for sugarcane and Rs. 826 per quintal for wheat for 2010-11.