

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:130

ANSWERED ON:22.11.2011

MSP FOR AGRICULTURAL PRODUCE

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Will the Minister of AGRICULTURE be pleased to state:

- (a) the criteria adopted and components taken into consideration to calculate the cost of production of agricultural produce while deciding the Minimum Support Price (MSP) of paddy, wheat, sugarcane etc., by the Commission for Agricultural Costs and Prices (CACP);
- (b) whether some farmers` associations have raised objections against the current method adopted to calculate the cost of agricultural produce while deciding MSP by CACP;
- (c) if so, the details thereof;
- (d) whether the Government has declared new MSP for agricultural produce during the rabi season;
- (e) if so, the details thereof, crop-wise;
- (f) whether paddy growers are not getting remunerative price for their produces; and
- (g) if so, the steps taken by the Government to ensure remunerative prices to the paddy growers?

Answer

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

(a): The Government fixes the Minimum Support Prices (MSPs) for agricultural commodities including paddy, wheat and sugarcane, interalia, taking into account the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries. The CACP, while formulating

its recommendations on price policy considers, interalia, a number of factors which include cost of production, changes in input prices, 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.

(b)& (c): Representations are received from farmers` organizations from time to time regarding the methodology for estimating the cost of production.

The methodology for estimating the cost of production is reviewed from time to time. In 2009, the methodology was modified on the basis of the recommendations of the Expert Committee under the Chairmanship of Prof. Y.K, Alagh.

(d) & (e): The MSPs of rabi crops of 2011-12 season have been declared. The MSP`s are indicated in the Table below:

(Rs.per Quintal)

Crop	MSP for 2011-12
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Wheat	1285
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Barley 980

Gram 2800

Masur (Lentil) 2800

Rapeseed/Mustard 2500

Safflower 2500

Toria 2425

(f) & (g): The Government fixes the MSPs for major agricultural commodities, including paddy. The Government offers to purchase the produce at MSP. The Government ensures MSP through procurement operations undertaken by the Central, State and cooperative agencies. The State Governments are alerted from time to time to make adequate arrangements to ensure MSP to farmers.