

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:97
ANSWERED ON:13.03.2012
MSP OF AGRICULTURAL COMMODITIES
Singh Shri Ganesh

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government had constituted the Swaminathan Commission to determine the norms for fixing the Minimum Support Price (MSP) for agricultural commodities;
- (b) if so, the details thereof and the hurdles being faced by the Government to implement the Swaminathan report;
- (c) whether the Government proposes to hike the support price of agricultural commodities;
- (d) if so, the details thereof;
- (e) whether there is any monitoring by the Union Government in case of procurement of agricultural commodities by the States is not as per the MSP; and
- (f) if so, the details thereof?

Answer

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

(a) & (b): The terms of reference of the National Commission on Farmers (NCF) constituted by the Government under the Chairmanship of Dr. M.S. Swaminathan covered the whole gamut of Indian Agriculture and not merely to determine the norms for fixing the Minimum Support Price (MSP) for agricultural commodities.

NCF had recommended that the MSP should be at least 50 percent 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 & Prices (CACP) based on objective criteria and considering variety of relevant factors. Hence, prescribing an increase of at least 50 percent on cost may distort market. A mechanical linkage between MSP and cost of production may be counterproductive in some cases.

(c) & (d): The Government fixes the Minimum Support Prices (MSPs) of various crops on the recommendations of the Commission for Agricultural Costs & Prices (CACP) and in consultation with the concerned State Governments and Central Ministries/Departments.

(e) & (f): The Government ensures MSP through procurement operations undertaken by the Central, State and cooperative agencies in the States.

State Governments have been alerted from time to time to make adequate arrangements to ensure MSP to farmers.