

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:153

ANSWERED ON:13.03.2012

CRITERIA FOR MSP

Bhagat Shri Sudarshan; Joshi Shri Mahesh; Rani Killi Krupa; Sainuji Shri Kowase Marotrao; Yadav Shri M. Anjan Kumar

Will the Minister of AGRICULTURE be pleased to state:

- (a) the criteria laid down for determining the Minimum Support Price (MSP) for agricultural produce by the Union Government;
- (b) whether the Government is aware that farmers in many States like Jharkhand, Andhra Pradesh are not getting the remunerative prices for paddy, oil seeds etc.;
- (c) if so, the details thereof alongwith the reasons therefor; and
- (d) whether any incentives has been proposed by the Government for the farmers in the current year?

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) of various crops 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, interalia, 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.

(b) & (c): The Government ensures MSP through procurement operations undertaken by the Central, State and cooperataive agencies in the states.

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

(d): The Government, has raised the MSPs for major agricultural commodities in 2011-12 ranging from Rs.80 per quintal for Paddy (Common & Grade 'A') to Rs. 700 per quintal each for Gram and Safflower.