

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:802

ANSWERED ON:14.08.2012

CRITERIA FOR FIXATION OF MSP

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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) the criteria for fixation of Minimum Support Price (MSP) for agricultural produce/commodities;
- (b) whether the Union Government has announced the MSP for kharif crops and increase their prices including oilseeds, paddy, sugarcane for the year 2012-13;
- (c) if so, the details thereof, crop-wise;
- (d) whether any monitoring system is working at the Central and State level to ensure remunerative prices of agricultural produce to farmers;
- (e) if so, the details thereof;
- (f) whether the prices of fertilisers, seeds, pesticides, agricultural equipment, diesel have also increased in comparison to increase in support price; and
- (g) if so, the details thereof and the extent to which the prices of fertilisers, seeds, pesticides, diesel etc. have increased?

**Answer**

MINISTER OF THE 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, inter alia, 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 has announced the Minimum Support Prices of Kharif crops season and the Fair & Remunerative Price of Sugarcane for 2012-13. The details are at Annexure.

(d) & (e): 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.

(f) & (g): The increase in the prices of various inputs is considered by CACP while recommending MSPs. The increase in the prices of major agricultural inputs in 2011-12 over 2010-11 in terms of Wholesale Price Index (WPI) is given below:

Input	% age increase
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Fertilisers	13.51
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Electricity (Agricultural)	5.11
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Pesticides	1.08
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Tractors 8.83

Diesel Oil (HSDO) 8.45

The increase in the prices of seeds in terms of Variable Input Price Index prepared by CACP for major Kharif crops ranges from 1 % to 11% in 2012-13 over 2011-12.