

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:34

ANSWERED ON:26.02.2013

FIXATION OF MSP

Meghwal Shri Arjun Ram ;Sivasami Shri C.

Will the Minister of AGRICULTURE be pleased to state:

- (a) the details of the Minimum Support Price (MSP) fixed by the Government for kharif, rabi and other crops for the years 2011-12 and 2012-13;
- (b) whether several associations of farmers, Chief Ministers of States have demanded hike in the MSP of the above crops in view of the increasing prices of agricultural inputs;
- (c) if so, the response of the Union Government thereto;
- (d) whether the Commission for Agricultural Costs and Prices (CACP) proposes to modify its methodology for fixation of MSP for agricultural produce in the country and if so, the details thereof; and
- (e) the steps taken/proposed to be taken by the Union Government to revise the MSP of agricultural produce keeping in view the demands of farmers and Chief Ministers of various States?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 34 DUE FOR REPLY ON 26TH FEBRUARY,2013.

(a) The Minimum Support Prices (MSPs) fixed by the Government for 2011-12 and 2012-13 season are at Annexure.

(b) to (e) Representations have been received from time to time from various farmers' organizations and State Governments requesting for increase in the Minimum Support Prices (MSPs) of various crops. Government fixes the MSPs of various crops based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments and other relevant factors. While formulating its recommendations on price policy, the CACP considers, inter alia, a number of important factors including cost of production and changes in input prices. The cost of production, inter alia, includes all input costs including labour charges and addresses the issue of increase in prices of agricultural inputs.

The methodology for estimating the cost of production is reviewed from time to time. An Expert Committee under the Chairmanship of Dr. Y.K. Alagh was constituted to Examine Methodological Issues in Fixing Minimum Support Price (MSP). The premium paid by farmers for crop insurance, marketing and transport charges have been included as additional items in the cost of production with effect from 2009 on the basis of the recommendations of this Committee.