

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:293

ANSWERED ON:06.08.2013

MSP FOR AGRICULTURAL CROPS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has substantially raised the Minimum Support Price of major farm crops including paddy for 2012-13 and 2013-14 in the country and if so, the details thereof, crop-wise;
- (b) whether the Government is aware that the support price fixed by the Government is lesser than the open market price of foodgrains;
- (c) if so, whether the Government proposes to increase the MSP of such foodgrains above the market prices to help the farmers and if so, the details thereof;
- (d) the details of the criteria adopted by the Government for finalisation of Minimum Support Price of various farm crops; and
- (e) whether the Union Government considers the representations of various farmers' associations and other stakeholders before finalisation of MSP of various crops in the country and if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

- (a): The Minimum Support Prices (MSPs) of major agricultural crops including paddy fixed by the Government for 2011-12, 2012-13 and kharif crops of 2013-14 season are given in the Annexure. The MSP for Rabi Crops for 2013-14 season has not yet been fixed.
- (b) & (c): MSP is in the nature of a minimum guaranteed price for the farmers offered by the Government for their produce in case the market prices fall below that level. If the market offers higher price than MSP, the farmers are free to sell at that price.
- (d): 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.
- (e): While recommending MSPs for various agricultural commodities the CACP holds consultations with different stake holders including farmers representatives.