

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:861

ANSWERED ON:10.12.2013

HIKE IN MSP

Baitha Shri Kameshwar ;Jindal Shri Naveen;Patel Shri Devji

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government had constituted the Swaminathan Commission to fix the parameters for determining the support price of the agricultural commodities;
- (b) if so, whether the Commission has submitted its report;
- (c) if so, the details thereof alongwith the difficulties being faced by the Government in implementing the report of the Swaminathan Commission;
- (d) whether the Government proposes to increase the support price of agricultural commodities considering the spiralling prices in the country;
- (e) if so, the details thereof; and
- (f) whether the Government has any monitoring system to ensure procurement of agri-commodities on the basis of MSP and if so, the details thereof?

Answer

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

(a) to (c): 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 in its Report 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.

(d) to (f): 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. While formulating its recommendations on price policy, CACP considers a number of important factors including cost of production.

The MSPs of major crops fixed for the years 2012-13 and 2013-14 are at Annexure.

The Government ensures MSP through procurement operations undertaken by the Central, State and cooperative agencies in the states.

Implementation of MSP is ensured by the State Governments and also by the Central Government. Periodic reports are received on procurement at MSPs. In addition the State Governments have been alerted from time to time to make adequate arrangements to ensure MSP to farmers.

Statement referred to in reply to parts (d) to (f) of Unstarred Question No. 861 for answer on 10.12.2013 regarding "Hike in MSP"