

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1995

ANSWERED ON:17.12.2013

MSP FOR WHEAT

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Will the Minister of AGRICULTURE be pleased to state:

- (a) the existing methodology to determine the Minimum Support Price MSP for various agricultural produce;
- (b) whether the Commission for Agricultural Costs and Prices (CACP) has recently recommended to the Government for freezing of the MSP for wheat for the 2013-14 crop marketing season;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the final decision of the Government and the steps taken by the Government to introduce system of announcement of bonus to farmers producing rice and wheat?

Answer

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

(a): 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): Commission for Agricultural Costs & Prices (CACP) in its Report had recommended freezing of MSP of wheat for 2012-13 season to be marketed in 2013-14 at previous years' level of Rs.1285 per quintal as the wheat stocks are way above the buffer stock norms.

(d): Government has fixed the MSP of wheat at Rs.1350 per quintal as against the MSP of Rs.1285 per quintal per quintal recommended by CACP for 2012-13 season to be marketed in 2013-14.

Announcement of bonus by the Government depends on the likely level of procurement of wheat / rice for meeting the needs of Public Distribution Scheme (PDS).