

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:102
ANSWERED ON:21.07.2015
MSP for Agricultural Produce
Shetti Shri Raju alias Devappa Anna

Will the Minister of AGRICULTURE be pleased to state:

the rate at which the various inputs have been taken into account while calculating the MSP/FRP of various agricultural produce by Commission for Agricultural Costs and Prices (CACP) during the year 2013-14, the details thereof input-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE

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Commission for Agricultural Costs and Prices (CACP) considers various important factors for recommending Minimum Support Price (MSP) which, inter alia, include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc. The data on cost of cultivation are collected mostly by the State Agriculture Universities from the farmers through stratified random sampling method under the Comprehensive Scheme for the Study of Cost of Cultivation. The prices of various inputs actually paid by farmers vary from state to state and the data are collected from the actual cultivators on a sample basis.

Prices of inputs of important crops in the major producing states for 2012-13, as estimated under the Cost of Cultivation Scheme, varied in the range of Rs.17.23 per kg. to Rs.25.37 per kg. in case of seeds; Rs.16.95 per kg. to Rs.28.86 per kg. in case of fertilisers; Rs.14.90 per kg. to Rs.87.96 per kg. in case of manures; Rs.18.48 per hour to Rs.40.76 per hour in case of human labour; Rs.38.34 per hour to Rs.153.21 per hour in case of animal labour. The data on cost of cultivation are however updated by the CACP by using suitable indices such as Wholesale Price Index (WPI) and Variable Price Index to arrive at the total cost of cultivation/production of a crop.
