

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:184

ANSWERED ON:21.07.2015

MSP for Agricultural Produce

Adsul Shri Anandrao ;Choudhary Col. (Retd) Sona Ram;Ering Shri Ninong;Galla Shri Jayadev;K. Shri Parasuraman;Kesineni Shri Srinivas;Reddy,Kotha Prabhakar;Scindia Shri Jyotiraditya Madhavrao

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) the details of the existing methodology to determine the Minimum Support Price for various agricultural produce;
- (b) whether the Government is contemplating to review the procedure and norms to fix MSP for agricultural produce on the basis of production cost of agricultural produce, if so, the details thereof;
- (c) whether the Government has announced MSP for the kharif crops including paddy, pulses, maize, groundnut etc. for 2015-16, if so, the details thereof along with the MSP of various agricultural produce crop-wise during the last three years and current year, commodity, year-wise;
- (d) the details of the increase in MSP for various crops including wheat, paddy, cumin etc. for 2015-16 crop-wise; and
- (e) whether the increase in MSP of various crops is not made as per the recommendations made by the Commission for Agricultural Costs and Prices (CACP), if so, the details thereof along with the steps taken by the Government to provide adequate MSP to the farmers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE

श्री. मोहनभाई कुन्दरिया ( SHRI MOHANBHAI KUNDARIA )

(a): Government fixes Minimum Support Price (MSP) for the major agricultural produce on the recommendation of the Commission for Agricultural Costs & Prices CACP ), views of the State Governments, concerned Central Ministries/Departments

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and other relevant factors. While formulating its recommendations on price policy, CACP considers various important factors that 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.

(b): Methodology for estimating the cost of production is reviewed from time to time. A Committee constituted by the Government under the Chairmanship of Director, National Centre for Agricultural Economics and Policy Research in 2013, to examine the methodological issues in fixing Minimum Support Prices has submitted its Report. The recommendations of the Committee are under consideration of the Government.

(c) & (d): Government has announced the MSPs for the kharif crops of 2015-16 season. MSPs of rabi crops, including wheat, for 2015-16 season have not been announced. The MSPs of kharif crops for 2012-13 to 2015-16 season are at Annexure-I and of rabi crops for 2011-12 to 2014-15 season are at Annexure -II.

(e): MSPs of all kharif crops for 2015-16 season have been fixed as recommended by CACP. Government has, however, announced a bonus of Rs.200 per quintal over and above the MSPs for pulses.

Procurement under MSP is undertaken by the designated Central and State Government agencies and Cooperatives. MSP is in the nature of minimum price offered by the Government. Producers have the option to sell their produce to Government agencies or in the open market as is advantageous to them.

