

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:2916

ANSWERED ON:15.03.2016

MSP for Agricultural Produce

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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) the details of MSP for various kharif and rabi crops, cost of production and profit margins over cost of production of all principal crops during the last three years and the current year, crop/produce-wise;
- (b) the latest data of projected cost of production of all the principal crops in the current year and the next year;
- (c) the percentage of increase made in the MSP during the last three years, yearwise;
- (d) whether it is true that due to hike in the prices of various fertilizers and other agricultural inputs farmers are not getting remunerative prices for their produce, if so, the corrective steps taken by the Government in this regard to provide relief to the farmers;
- (e) whether the Government proposes to bring objectivity and transparency in the procedure to compute the MSP for crops, if so, the details thereof; and
- (f) whether the Government proposes to announce the MSP for various agricultural produce including paddy for the current year, if so, the details thereof, produce-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

श्री अजमल मल्लाना बुदरुद्दीन, श्री गोपाल चिनाय्या, श्री हेमन्त तुकाराम गोडसे, श्री अजय शेट्टी (श्री मोहनभाई कुन्दरिया)

(a) to (c): The details of Minimum Support Prices (MSPs), estimated cost of production (A2+FL) and profit margins over cost of production for major kharif and rabi crops for the current year and last three years i.e. from 2012-13 to 2015-16 are at Annexure I. Contd@2/-

-2-

The estimated cost of production of principal crops is available upto 2015-16.

Percentage increase in MSP during the last three years i.e. 2012-13, 2013-14 and 2014-15 are at Annexure II.

(d) & (e): Government fixes Minimum Support Price (MSP) for the major agricultural produce on the recommendation of the Commission for Agricultural Costs & Prices (CACP), views of State Governments, Central Ministries/ Departments and other relevant factors. 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.

The objective of the Government's price policy is to ensure remunerative prices to farmers by offering to procure their produce at MSP. However, farmers are free to sell their produce to Government procurement agencies or in the open market as is advantageous to them.

Government has taken several initiatives to increase production and productivity of farmers which, inter alia, includes Soil Health Card (SHC) scheme; promotion of use of Neem Coated Urea; Paramparagat Krishi Vikas Yojana (PKVY); Pradhan Mantri Krishi Sinchai Yojana (PMKSY); National Food Security Mission (NFSM); Mission for Integrated Development of Horticulture (MIDH); National Mission on Oilseeds & Oilpalm (NMOOP); National Mission for Sustainable Agriculture (NMSA); National Mission on Agricultural Extension & Technology (NMAET); National Crop Insurance Programme (NCIP); Unified National Agriculture Markets; Kisan Credit Card (KCC) and Rashtriya Krishi Vikas Yojana (RKVY) etc.

(f): Government has announced the Minimum Support Prices (MSPs) for various agricultural produce including paddy for 2015-16 season as mentioned in Annexure I.