

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

STARRED QUESTION NO:101

ANSWERED ON:15.07.2014

AGRICULTURAL PRODUCE

Adityanath Shri Yogi; Venugopal Shri K. C.

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

- (a) the existing methodology adopted to determine the Minimum Support Price (MSP) for various agricultural produce;
- (b) whether the Government is contemplating to review the procedure and norms to fix MSP for agricultural produce, if so, the details thereof and if not, the reasons therefor; and
- (c) whether the Government has announced MSP for kharif crops including paddy for 2014-2015 and if so, the details thereof?

**Answer**

MINISTER OF AGRICULTURE (SHRI RADHA MOHAN SINGH)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 101 DUE FOR REPLY ON 15TH JULY, 2014.

(a) & (b): Government fixes Minimum Support Prices (MSPs) of various crops based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), views of concerned State Governments and Central Ministries/Departments, and other relevant factors. While formulating its recommendations on price policy, the CACP considers, inter alia, a number of important factors including cost of production and changes in input prices. The cost of production, inter alia, includes all paid out costs including imputed value of family labour.

Methodology for estimating the cost of production is reviewed from time to time. With effect from 2009, premium paid by farmers for crop insurance, marketing and transport charges have been included as additional items in the cost of production on the basis of the recommendations of an Expert Committee under the Chairmanship of Dr. Y.K. Alagh that was constituted to Examine Methodological Issues in Fixing Minimum Support Price (MSP).

Government has constituted a Committee 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.

(c): Government has announced the MSPs for Kharif crops of 2014-15 season. MSPs of Kharif crops fixed by the Government for 2014-15 season are at Annexure.