

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:290

ANSWERED ON:25.11.2014

MSP FOR PADDY

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

- (a) whether the Government has taken note that paddy growers in various States are in great distress due to its low support price and huge difference between the MSP fixed by the Government and the price of foodgrains in the open market;
- (b) if so, the criteria adopted by the Government for fixation of MSP of various agricultural produce including paddy, pulses and various rabi crops;
- (c) whether the Government takes into consideration the representations of various farmers` Unions/stakeholders before finalizing MSP of various crops and if so, the details thereof;
- (d) whether the Government has increased the MSP of major agricultural crops including paddy and pulses considerably during each of the last three years and the current year and if so, the details thereof, crop-wise; and
- (e) the other steps taken by the Government for ensuring adequate/proper price to the farmers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (DR. SANJEEV KUMAR BALYAN)

(a) to (c) Government fixes Minimum Support Prices (MSPs) of various crops including paddy, pulses and various rabi 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 and family labour.

Minimum Support Prices (MSPs) for agricultural produce fixed by the Government are uniform throughout the country. MSP is in the nature of minimum price offered by the Government. Producers of crops covered under MSP have the option to sell their produce to Government agencies or in the open market as is advantageous to them.

While recommending MSPs for various agricultural commodities the CACP holds consultations with different stake holders including farmers' representatives.

(d) : Minimum Support Prices (MSPs) fixed for various agricultural crops for the period 2011-12 to 2014-15 are at Annexure.

(e) : The States/UTs have been advised to amend their respective State APMC Acts on the lines of Model Act, 2003. The Model Act provides for direct marketing, contract farming, farmers/consumer markets, setting up of markets in private and cooperative sectors, e-trading etc. Further, in order to encourage investment in marketing infrastructure development, Government is, inter alia, implementing capital investment subsidy schemes such as development/strengthening Agricultural Marketing Infrastructure, Grading and Standardisation (AMIGS) and Gramin Bhandaran Yojana (GBY). in addition, Government is also implementing Marketing Research and Information Network (MRIN) with the objective to collect and disseminate prices and arrival data for the benefit of farmers and other stakeholders to facilitate the farmers in taking better production and marketing decisions to get more remunerative prices for their produce.