

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3870

ANSWERED ON:16.12.2014

MSP FOR AGRICULTURAL PRODUCE

Dubey Shri Satish Chandra;Sigriwal Shri Janardan Singh

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

- (a) whether it is a fact that many committees have been set up by the Government in the country during the last three years to make suggestion for evolving a formula to fix the sale price of agricultural products;
- (b) if so, the details of these committees along with the recommendations made by these committees;
- (c) whether the Government has made any formulae for determining the sale prices on the basis of recommendations of these committees; and
- (d) if so, the details of the formula and the agricultural products for which support price has been fixed so far on this basis?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE ( SHRI MOHANBHAI KUNDARIA )

(a) to (d): Sale prices of agricultural commodities are determined by the market forces of demand and supply. However, Government is fixing Minimum Support Price (MSP) of various crops on the basis of the recommendations of Commission for Agricultural Costs and Prices (CACP), views of the concerned State Governments and 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 cost of production includes all paid-out costs and imputed value of family labour.

During the last three years, Government has constituted a Committee in April, 2013 to examine the methodological issues in fixing Minimum Support Prices, under the Chairmanship of Director, National Centre for Agricultural Economics and Policy Research (NCAEPR). The report of the Committee is awaited.