

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO.2265**  
TO BE ANSWERED ON THE 31<sup>ST</sup> JULY, 2018

**INCREASE IN MSP**

2265. DR. RAGHU SHARMA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE †ãðŠãäÓã एवं किसान कल्याण ½ãâ"ããè  
be pleased to state:

- (a) the budget allocated by the Government for the announcement made by the Government about increasing MSP by 1.5 times for the crops of the farmers, State-wise and the details of action plan formulated by the Government in order to provide benefit of the said announcement to the farmers;
- (b) whether the Government has fixed the cost prices of various agro-products and if so, the details thereof, product-wise;
- (c) whether the Government proposes to provide 1.5 times MSP of the cost on the basis of the same and if so, the details thereof along with the time by which it is likely to be provided to the farmers; and
- (d) whether the Government has formulated any action plan in order to provide relief to the cattle rearers which are more than 40 per cent of the population, if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

†ãðŠãäÓã एवं किसान कल्याण ½ãâ"ããÈã¾ã ½ãñâ Åã¾ã ½ãâ"ããè ( SHRI GAJENDRA SINGH SHEKHAWAT)

(a): In order to provide benefit of announcement about increasing of Minimum Support Price (MSP) by 1.5 times to farmers, Government extends price support for procurement operations of wheat, rice and coarse grains to the procuring agencies of the State Governments by reimbursing the expenses on procurement of foodgrains which includes MSP through allocated food subsidy budget regularly. Further, to ensure smooth procurement of oilseeds, pulses and cotton at MSP, Government Guarantee has been provided to central procuring agencies (which is revised from time to time based on the requirement) to undertake procurement operations. However, Budget is allocated for reimbursement of the losses, if any, incurred by Central procuring agencies. Under the present procurement mechanism of oilseeds and pulses, Central procuring agencies procure the notified agricultural produce of Fair Average Quality (FAQ) at MSP from farmers through concerned State Government as and when market price of these produce fall below the Minimum Support Price (MSP), as per the prescribed guidelines of Price Support Scheme (PSS).

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(b) & (c): Government announces Minimum Support Prices (MSPs) for twenty two (22) mandated crops and Fair and Remunerative Price (FRP) for Sugarcane based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. The mandated crops are 14 crops of the Kharif season viz., paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut-in-shell, soyabean, sunflower, sesamum, nigerseed and cotton; 6 rabi crops viz., wheat, barley, gram, masur(lentil), rapeseed/mustard and safflower and two other commercial crops viz., jute and copra. In addition, the MSPs of Toria and de-husked coconut are fixed on the basis of the MSPs of rapeseed/mustard and copra, respectively. Recently, Government has announced the MSP for Kharif 2018-19 season, which is 150 percent of the cost of production. The MSP fixed by Government, cost and returns over all-india weighted average cost of production of crops for 2017-18 and 2018-19 is at Annexure-I.

(d): In order to provide assistance to cattle rearers, Government is implementing 'Dairy Entrepreneurship Development Scheme'. In addition, Government is also implementing following schemes for enhancing the milk production in order to make milk production more remunerative to farmers of the country:-

- (a) Rashtriya Gokul Mission.
- (b) National Dairy Plan-I.
- (c) National Programme for Dairy Development.

## Annexure-I

### Cost\*, Minimum Support Prices (MSPs) and Return over Cost

(Rs/quintal)

Sl. No.	Commodity	2017-18			2018-19		
		Cost	MSP	% Return over cost	Cost	MSP	% Return over Cost
1	<b>PADDY(Common)</b>	1117	1550	38.76	1166	1750	50.09
	<b>(Grade A) ^</b>		1590			1770	
2	<b>JOWAR (Hybrid)</b>	1556	1700	9.25	1619	2430	50.09
	<b>(Maldandi) ^</b>		1725			2450	
3	<b>BAJRA</b>	949	1425	50.16	990	1950	96.97
4	<b>MAIZE</b>	1044	1425	36.49	1131	1700	50.31
5	<b>RAGI</b>	1861	1900	2.10	1931	2897	50.01
6	<b>ARHAR(Tur)</b>	3318	5450	64.26	3432	5675	65.36
7	<b>MOONG</b>	4286	5575	30.07	4650	6975	50.00
8	<b>URAD</b>	3265	5400	65.39	3438	5600	62.89
9	<b>COTTON (Medium Staple)</b>	3276	4020	22.71	3433	5150	50.01
	<b>(Long Staple) ^</b>		4320			5450	
10	<b>GROUNDNUT IN SHELL</b>	3159	4450	40.87	3260	4890	50.00
11	<b>SUNFLOWER SEED</b>	3481	4100	17.78	3592	5388	50.01
12	<b>SOYABEEN</b>	2121	3050	43.80	2266	3399	50.01
13	<b>SESAMUM</b>	4067	5300	30.32	4166	6249	50.01
14	<b>NIGERSEED</b>	3912	4050	3.53	3918	5877	50.01

\* Includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc, miscellaneous expenses & imputed value of family labour.

^ Cost is not separately compiled for Paddy (Grade A), Jowar (Maldandi) & Cotton (long staple).

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