

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

LOK SABHA
UNSTARRED QUESTION NO.4917
TO BE ANSWERED ON THE 23RD JULY, 2019

INCREASE IN MSP FOR KHARIF CROPS

4917. SHRI SYED IMTIAZ JALEEL:
SHRI ASADUDDIN OWAISI:
SHRI DIBYENDU ADHIKARI:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether it is a fact that cost of production of agriculture produce has increased manifold and if so, whether to give relief to farmers, the Government has increased MSP for more than 14 kharif crops;
- (b) if so, the details thereof and percentage increase in MSP for these produce;
- (c) the number of agricultural produce left whose MSP price have not been increased;
- (d) the extent to which this step of the Government is likely to give relief to farmers and impose a burden on consumers;
- (e) the further steps taken or being taken by the Ministry to encourage farmers to increase agricultural production especially in the drought situation;
- (f) whether the Government has made or is aware of any study to evaluate the impact of the MSP on rice cultivation in India; and
- (g) whether large parts of North India are facing excessive depletion of water affecting wheat and rice cultivation and if so, the steps taken by the Government to reserve water for cultivation thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): On the recommendations of Commission for Agricultural Costs & Prices (CACP), Minimum Support Prices (MSPs) for 22 mandated crops are announced by the Government which includes 14 kharif crops.

CACP uses all-India weighted average cost of production while making its recommendations. This cost of production is all comprehensive cost as projected by the CACP after factoring inflation of agricultural inputs.

Contd..2/-

The Union Budget for 2018-19 had announced the pre-determined principle to keep minimum support prices (MSP) at a level of atleast one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated crops with a return of at least 50 percent over all India weighted average cost of production for the season 2018-19. Government has recently increased the MSPs for all kharif crops for 2019-20 season in line with the principle of providing at least 50 percent return over all India weighted average cost of production. Details of MSP, cost, return over cost and percent increase for 2018-19 and 2019-20 are given in **Annexure I**.

(c): These mandated MSP crops cover approximately 99 per cent of the total agricultural output (does not include horticulture) in the country. Government implements on the request of State/UT Governments concerned, Market Intervention Scheme (MIS) for horticultural crops which are perishable in nature and some agricultural crops which are not covered under the MSP.

(d): Government generally increases MSPs of all mandated crops over their previous year's MSPs. Higher MSP will ensure higher returns/income to the farmers. Higher MSP does not necessarily imply a proportionate increase in the market price. Price depends on, among others, demand and supply conditions and even as MSPs have been increased inflation in terms of these Consumer Price Index (CPI) have remained low and benign.

(e): Government has taken several initiatives to reduce the cost of production, raise the yield levels and provide remunerative price to farmers which include Soil Health Card, Pradhan Mantri Krishi Sinchai Yojana (PMKSY), neem-coated urea (NCU), bio pesticides for promoting integrated pest management, production and supply of quality seeds, promoting water saving devices like sprinkler sets, drip irrigation system etc.

In addition, Progress of Monsoon and Area coverage etc. are monitored weekly through Crop and Weather Watch Group meetings as well as video conferencing, advising the States to take steps according to the prevailing situation. District Agriculture Contingency Plans for 648 districts have been prepared by Central Research Institute for Dry land Agriculture (CRIDA) to mitigate the situation in drought affected areas. There is a provision of distribution of seeds of contingency crops such as pulses, millets, oilseeds, which are drought hardy and survive with minimal available water in rain fed/ drought affected areas under National Food Security Mission (NFSM).

(f) & (g): The NITI Aayog has conducted a study entitled "Efficacy of minimum support prices on farmers". The study covered 14 States, 36 Districts, 72 Blocks, 144 Villages and 1440 Households. The study is based on both the primary and secondary data. The study reference period was from the year 2007-08 to 2010-11. The study has found that MSP declared by the Government has encouraged 78 % of the farmers covered under the study for adopting improved methods of farming such as high yielding varieties of seeds, organic manure, chemical fertilizer, pesticides and improved methods of harvesting etc. due to remunerative price.

Ground water levels in various parts of the country including North India are declining because of continuous withdrawal due to increased demand of fresh water for various uses, vagaries of rainfall, increased population, industrialization & urbanization etc.

Government has taken several steps, which among others, include Crop Diversification Programme (CDP) in original green revolution states viz. Punjab, Haryana and Western Uttar Pradesh as a sub scheme of Rashtriya Krishi Vikas Yojana (RKVY) since 2013-14 to divert the area of water guzzling paddy crop to alternate crops like pulses, oilseeds, coarse/nutri-cereals, cotton and agro forestry.

Annexure referred to in reply to part (a) & (b) of Lok Sabha Unstarred Question No. 4917 due for reply on 23.07.2019.

Cost*, MSP and Return

(Rs. Per quintal)

Sl. No.	Commodity	2018-19		2019-20			
		Cost*	MSP	Cost*	MSP	% Return over Cost	Percentage increase in 2019-20 over 2018-19
1	PADDY(Common)	1166	1750	1208	1815	50.2	3.7
	(Grade A)^		1770		1835		3.7
2	JOWAR (Hybrid)	1619	2430	1698	2550	50.2	4.9
	(Maldandi) ^		2450		2570		4.9
3	BAJRA	990	1950	1083	2000	84.7	2.6
4	MAIZE	1131	1700	1171	1760	50.3	3.5
5	RAGI	1931	2897	2100	3150	50.0	8.7
6	ARHAR(Tur)	3432	5675	3636	5800	59.5	2.2
7	MOONG	4650	6975	4699	7050	50.0	1.1
8	URAD	3438	5600	3477	5700	63.9	1.8
9	COTTON (Medium Staple)	3433	5150	3501	5255	50.1	2.0
	(Long Staple) ^		5450		5550		1.8
10	GROUNDNUT IN SHELL	3260	4890	3394	5090	50.0	4.1
11	SUNFLOWER SEED	3592	5388	3767	5650	50.0	4.9
12	SOYABEAN (Yellow)	2266	3399	2473	3710	50.0	9.1
13	SESAMUM	4166	6249	4322	6485	50.0	3.8
14	NIGERSEED	3918	5877	3960	5940	50.0	1.1
	<u>RABI CROPS</u>						
1	WHEAT	866	1840				
2	BARLEY	860	1440				
3	GRAM	2637	4620				
4	MASUR (LENTIL)	2532	4475				
5	RAPESEED/MUSTARD	2212	4200				
6	SAFFLOWER	3294	4945				
	<u>OTHER CROPS</u>						
1	COPRA (Milling)	5007	7511	6347	9521	50.0	26.8
	(Ball)^		7750		9920		28.0
2	JUTE	2267	3700	2535	3950	55.8	6.8

*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) and Copra(ball).
