## Gap between MSP and cost of production

## 2971. SHRIMATI KUSUM RAI:

SHRI ARVIND KUMAR SINGH:

SHRI PRABHAT JHA:

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether Government has increased the MSP of rabi and Kharif grains recently;
  - (b) if so, the details thereof, grain-wise;
- (c) whether as per the report of the Ministry, in dozen of States, cost of production of most of the cereals is more than the present MSP and the recent increase in MSP has not bridged this gap;
  - (d) if so, the details thereof;
- (e) whether Government would reconsider the increase in MSP and bridge the gap between cost of production and the MSP;
  - (f) if so, the details thereof; and

## (g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HARISH RAWAT): (a) and (b) The Government has announced the Minimum Support Prices (MSPs) of Kharif crops for 2012-13 season recently. The details are given in Statement-I (*See* below).

(c) and (d) The Minimum Support Prices of Kharif crops for 2012-13 season are higher than the paid out costs (all India weighted average) including imputed value of family labour as estimated by the Commission for Agricultural Costs and Prices (CACP). The details are given in Statement-II (See below).

The Government fixes the Minimum Support Prices (MSPs) of various crops on the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of concerned State Governments and Central Ministries/Departments to ensure a minimum return to the growers. While formulating its recommendations on price policy, CACP considers a number of important factors which include, *inter-alia*, cost of production, changes in inputs prices, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc.

Minimum Support Price (MSP) is in the nature of a minimum guaranteed price for the farmers offered by the Government for their produce in case the market prices fall below that level. If the market offers higher price than MSP, the farmers are free to sell at that price.

- (e) No, Sir.
- (f) and (g) Does not arise.

Statement-I

Minimum Support Prices

(Rs. per quintal) Commodity Variety 2011-12 2012-13 %age increase over 2011-12 5 1 2 3 4 KHARIF CROPS Paddy Common 1080 1250 15.7 Grade A 1280 1110 15.3 Jowar Hybrid 980 1500 53.1 Maldandi 1000 1520 52.0 Bajra 980 19.9 1175 Maize 980 1175 19.9

Written Answers to	)	[7 SEP., 2012]	Unstarred Questions 67	
1	2	3	4	5
Ragi		1050	1500	42.8
Arhar (Tur)		3200*	3850	20.3
Moong		3500*	4400	25.7
Urad		3300*	4300	30.3
Cotton	Medium Staple	2800	3600	28.6
	Long Staple	3300	3900	18.2
Groundnut in shell		2700	3700	37.0
Sunflower seed		2800	3700	32.1
Soyabean	Black	1650	2200	33.3
	Yellow	1690	2240	32.5
Sesamum		3400	4200	23.5
Nigerseed		2900	3500	20.7
RABI CROPS				
Wheat		1285		
Barley		980		
Gram		2800		
Masur (Lentil)		2800		
Rapeseed/Mustard		2500		
Safflower		2500		

<sup>\*</sup>Additional incentive of Rs. 500 per quintal payable in respect of kharif pulses sold to procurement agencies during the harvest/arrival period of two months.

Statement-II

Minimum Support Prices

Commodity	•	Cost of production (2012-13)	
KHARIF CROPS	C2	A2+FL	
1	2	3	4
Paddy (Common)	1152	814	1250

Note: C2: Actual expenses in cash and kind, including rent paid for leased-in land and imputed value of wages for family labour, rent for owned land and interest on fixed capital.

Sesamum

Nigerseed

A2+FL: Actual expenses in cash and kind, including rent paid for leased-in land and imputed value of family labour.

Commodity	•	production 1-12)	MSP (2011-12)
RABI CROPS	C2	A2+FL	
Wheat	927	611	1285
Barley	734	530	980
Gram	2121	1451	2800
Masur (Lentil)	2592	1688	2800
Rapeseed/Mustard	1786	1189	2500
Safflower	3322	2701	2500