

- (vi) Prophylactic spraying of insecticides and curative measures like fumigation are carried out regularly for the control of insects, pests and rodents.
- (vii) Fortnightly inspection of stocks is done to check the quality of foodgrains.
- (viii) Further surveillance/inspections of sample stocks at monthly and quarterly intervals are also done to ensure compliance with stipulated storage procedures.

### Objectivity in computing MSP

\*210. SHRI AHMED PATEL: Will the Minister of AGRICULTURE be pleased to state:

- (a) the data of Minimum Support Price (MSP), cost of production and profit margins over cost of production of all principal crops during the last three years and the current year;
- (b) the latest data of projected cost of production of all the principal crops in the current year and the next year;
- (c) whether Government proposes to bring objectivity and transparency in the procedure to compute the MSP of crops; and
- (d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF AGRICULTURE (SHRI RADHA MOHAN SINGH): (a) to (d) The objective of Government's price policy is to ensure remunerative prices to the farmers. Towards this end Government fixes the Minimum Support Prices (MSPs) of various crops after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of State Governments and Central Ministries/Departments and other relevant factors. Before finalizing the recommendations, CACP holds consultations with various stakeholders including State Governments and farmers' representatives. While formulating 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, *inter-alia*, includes all paid out costs and imputed value of family labour (A2 + FL).

Cost of production (A2+FL) of major kharif crops and their MSPs for the period 2012-13 to 2015-16, and of rabi crops for the period 2012-13 to 2014-15 is given in the Statement (*See* below).

Profit margin depends on the price of a crop received by the farmer which may be higher than the MSP fixed by the Government. MSP is in the nature of minimum price offered by the Government. Producers have the option to sell their produce to Government agencies or in the open market as is advantageous to them.

**Statement**

*Cost of Production (A2+FL) and MSP of Major Kharif Crops*

(₹ per quintal)

Crop	2012-13		2013-14		2014-15		2015-16	
	Cost of Prod.	MSP	Cost of Prod.	MSP	Cost of Prod.	MSP	Cost of Prod.	MSP
Paddy (Common)	814	1250	961	1310	978	1360	1020	1410
Paddy (Grade A)	814	1280	961	1345	978	1400	1020	1450
Bajra	779	1175	768	1250	832	1250	893	1275
Maize	814	1175	860	1310	914	1310	941	1325
Arhar	2765	3850	3090	4300	3105	4350	3237	4225*
Moong	3430	4400	3775	4500	3890	4600	3993	4650*
Urad	3102	4300	3144	4300	3225	4350	3455	4425*
Groundnut	2873	3700	2720	4000	3232	4000	3314	4030
Soyabean	1726	2200	1692	2500	1729	2500	1770	2600
Cotton (Medium Staple)	1970	3600	2485	3700	2510	3750	2753	3800
Cotton (Long Staple)	1970	3900	2485	4000	2510	4050	2753	4100

\* Bonus of ₹ 200 per quintal is also payable over and above the MSP.

*Cost of Production (A2+FL) and MSP of Major Rabi Crops*

(₹ per quintal)

Crop	2012-13		2013-14		2014-15	
	Cost of Prod.	MSP	Cost of Prod.	MSP	Cost of Prod.	MSP
Wheat	716	1285	679	1400	744	1450
Barley	620	980	676	1100	735	1150
Gram	1696	3000	1786	3100	1902	3175
Rapeseed/Mustard	1260	3000	1307	3050	1504	3100