

**WRITTEN ANSWERS TO STARRED QUESTIONS****Bringing transparency and objectivity in computing MSP**

\*140. SHRI K. C. TYAGI: Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) the details of Minimum Support Price (MSP), cost of production and profit margins over cost of production in respect of all principal crops during the last one year, crop/produce-wise;
- (b) the latest data of projected cost of production of all 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 for crops, if so, the details thereof; and
- (d) whether Government proposes to announce the MSP for various agricultural produces for the current year, if so, the details thereof, produce-wise?

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE (SHRI RADHA MOHAN SINGH): (a) to (d) Government has fixed the Minimum Support Prices (MSPs) for Kharif and Rabi crops for the current year (2015-16).

All India weighted average cost of production along with family labour (A2+FL), MSP and profit margin over cost of production for 2014-15 and 2015-16 is given in the Statement (*See* below).

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 & Prices (CACP), the views of State Governments and Central Ministries/Departments and other relevant factors. Before finalizing its 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. Government offers to procure farmers' produce at MSP, however, they are free to sell it to Government agencies or in the open market as is advantageous to them.

**Statement***MSP, Cost of Production (A2+FL) and Profit Margin of Major Crops*

(₹ per quintal)

Commodity	2014-15			2015-16		
	MSP	A2+FL	Profit Margin over cost of production (%)	MSP	A2+FL	Profit Margin over cost of production (%)
<b>Kharif Crops</b>						
Paddy	1360	978	39.1	1410	1020	38.2
Maize	1310	914	43.3	1325	941	40.8
Arhar (Tur)	4350	3105	40.1	4425^	3237	36.7
Cotton (Medium Staple)	3750	2510	49.4	3800	2753	38.0
Cotton (Long Staple)	4050	2510	61.4	4100	2753	48.9
Groundnut in shell	4000	3232	23.8	4030	3314	21.6
Soyabean	2560	1729	48.1	2600	1770	46.9
<b>Rabi Crops</b>						
Wheat	1450	744	94.9	1525	785	94.3
Gram	3175	1902	66.9	3425*	2124	61.3
Rapeseed/ Mustard	3100	1504	106.1	3350	1702	96.8

^ Bonus of ₹ 200 per quintal is payable over and above MSP.

\*Bonus of ₹ 75 per quintal is payable over and above MSP.

A2+FL = All paid out costs + imputed value of family labour.

**Subsidy for establishing oil palm processing units**

\*141. SHRI BHUPINDER SINGH: Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether subsidy would be made available to establish oil palm processing units in the country, particularly in Odisha; and