

Enhancing MSP as per real cost of production

637. SHRI NEERAJ SHEKHAR:

SHRI RAVI PRAKASH VERMA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to refer to answer to Unstarred Question 1794 given in the Rajya Sabha on 28th December, 2018 and state:

(a) whether Government is aware that cost of production taken into account by Government does not match the real cost of production being borne by farmers and that is the reason why farmers across the country are agitating and demanding implementation of Swaminathan Commission on real cost;

(b) if so, whether Government would consider the cost of production and enhance the MSP on real costs of production;

(c) if so, the details thereof;

(d) if not, the reasons therefor;

(e) whether Government would bring perishable items like vegetables and fruits also under MSP; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE (SHRI GAJENDRA SINGH SHEKHAWAT): (a) to (d) Cost of production is one of the important factors in the determination of Minimum Support Price (MSPs). While recommending its price policy, the Commission for Agricultural Costs and Prices (CACP) considers all costs in a comprehensive manner. CACP uses all India weighted average cost of production while making its recommendations on MSP and recommends uniform MSP which is applicable for all States. The costs include 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 in cash and kind on the 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 and imputed value of family labour. Hence the costs considered are very comprehensive.

National Commission on Farmers (NCF), headed by Dr. M.S. Swaminathan, has recommended that the MSP should be at least 50 per cent more than the weighted average cost of production. However, when the National Policy for Farmers, 2007 was finalized by the then Government, this recommendation of providing 50 per

cent return over cost of production was not included. Dr. M. S. Swaminathan in his Report on NCF had discussed different dimensions of fixing MSPs, but while finalizing National Policy on Farmers, the then Government had accepted the current established methods.

Government has increased the Minimum Support Prices (MSPs) for all notified Kharif and Rabi Crops and other commercial crops for the season 2018-19 with a return of atleast 50 per cent over the all-India weighted average cost of production. Cost of production varies in different States on account of difference in the yield of crops and owing to the levels of irrigation, resource endowment, farm mechanisation, land holding size etc. As such, returns over cost of production may vary across States for MSP crops. All India weighted average projected cost of production, MSP and return for the mandated Kharif and Rabi crops is given in Statement (*See below*).

However, some farmer organisations have continued to protest from time-to-time on a number of issues including the implementation of the NCF Report. Government's decision is fully in line with the recommendations of NCF with regard to weighted average cost of production.

(e) and (f) Minimum Support Price scheme covers those crops which are mostly items of mass consumption of all India nature with fairly long shelf life and/or necessary for food/nutrition security. Government implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural crops which are not covered under the MSP. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production.

Statement

All India Weighted Average Projected Cost of production of mandated Kharif and Rabi crops

Sl. No.	Crop	Cost of Production	MSP	Gross Margin over Cost (%)
1	2	3	4	5
2013-14				
1.	Paddy	961	1310	36.3
2.	Jowar	1269	1500	18.2
3.	Bajra	768	1250	62.8
4.	Maize	860	1310	52.3

1	2	3	4	5
5.	Ragi	1338	1500	12.1
6.	Tur (Arhar)	3090	4300	39.2
7.	Moong	3775	4500	19.2
8.	Urad	3144	4300	36.8
9.	Groundnut	2720	4000	47.1
10.	Soybean\$	1692	2560	51.3
11.	Sunflower	3000	3700	23.3
12.	Sesamum	2919	4500	54.2
13.	Nigerseed	2279	3500	53.6
14.	Cotton#	2485	3700	48.9
15.	Wheat	679	1400	106.1
16.	Barley	676	1100	62.6
17.	Gram	1786	3100	73.6
18.	Lentil (Masur)	1799	2950	64.0
19.	Rapeseed and Mustard	1307	3050	133.4
20.	Safflower	2558	3000	17.3
2016-17				
1.	Paddy	1045	1470	40.7
2.	Jowar	1501	1625	8.3
3.	Bajra	925	1330	43.8
4.	Maize	966	1365	41.3
5.	Ragi	1733	1725	-0.5
6.	Tur (Arhar)	3241	5050	55.8
7.	Moong	4065	5225	28.5
8.	Urad	3584	5000	39.5
9.	Groundnut	3371	4220	25.2
10.	Soybean\$	1852	2775	49.8
11.	Sunflower	3479	3950	13.5
12.	Sesamum	4188	5000	19.4
13.	Nigerseed	3366	3825	13.6

1	2	3	4	5
14.	Cotton#	2889	3860	33.6
15.	Wheat	797	1625	103.9
16.	Barley	816	1325	62.4
17.	Gram	2241	4000	78.5
18.	Lentil (Masur)	2174	3950	81.7
19.	Rapeseed and Mustard	1871	3700	97.8
20.	Safflower	3049	3700	21.4
2017-18				
1.	Paddy	1117	1550	38.8
2.	Jowar	1556	1700	9.3
3.	Bajra	949	1425	50.2
4.	Maize	1044	1425	36.5
5.	Ragi	1861	1900	2.1
6.	Tur (Arhar)	3318	5450	64.3
7.	Moong	4286	5575	30.1
8.	Urad	3265	5400	65.4
9.	Groundnut	3159	4450	40.9
10.	Soybean\$	2121	3050	43.8
11.	Sunflower	3481	4100	17.8
12.	Sesamum	4067	5300	30.3
13.	Nigerseed	3912	4050	3.5
14.	Cotton#	3276	4020	22.7
15.	Wheat	817	1735	112.4
16.	Barley	845	1410	66.9
17.	Gram	2461	4400	78.8
18.	Lentil (Masur)	2366	4250	79.6
19.	Rapeseed and Mustard	2123	4000	88.4
20.	Safflower	3125	4100	31.2
2018-19				
1.	Paddy	1166	1750	50.1

1	2	3	4	5
2.	Jowar	1619	2430	50.1
3.	Bajra	990	1950	97.0
4.	Maize	1131	1700	50.3
5.	Ragi	1931	2897	50.0
6.	Tur (Arhar)	3432	5675	65.4
7.	Moong	4650	6975	50.0
8.	Urad	3438	5600	62.9
9.	Groundnut	3260	4890	50.0
10.	Soybean\$	2266	3399	50.0
11.	Sunflower	3592	5388	50.0
12.	Sesamum	4166	6249	50.0
13.	Nigerseed	3918	5877	50.0
14.	Cotton#	3433	5150	50.0
15.	Wheat	866	1840	112.5
16.	Barley	860	1440	67.4
17.	Gram	2637	4620	75.2
18.	Lentil (Masur)	2532	4475	76.7
19.	Rapeseed and Mustard	2212	4200	89.9
20.	Safflower	3294	4945	50.1

\$ The MSP is for Soydeam (Yellow).

The MSP is for Cotton Long Staple (LS).

Reduction in amount of subsidy and assistance provided to farmers

†638. DR. KIRODI LAL MEENA: Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the financial assistance/subsidy provided to farmers during last three years and current financial year, year-wise;

(b) whether subsidy/assistance being provided to Indian farmers is relatively less than the amount being granted to farmers of developed countries like United States of America;

(c) if so, the reaction of the Government in this regard;

† Original notice of the question was received in Hindi.