

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE & FARMERS WELFARE
DEPARTMENT OF AGRICULTURE & FARMERS WELFARE

RAJYA SABHA
STARRED QUESTION NO. 280
TO BE ANSWERED ON 20/12/2024

PROCUREMENT OF CROPS AT MSP

***280. SHRI SAKET GOKHALE:**

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether Government is procuring crops from farmers at a Minimum Support Price (MSP) of at least one and a half times the comprehensive cost of production according to the C2+50 percent formula where C2 equals all paid out costs plus imputed value of family labour plus rental value of owned land and interest on fixed capital; and
- (b) if not, the reasons therefor?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE
(SHRI SHIVRAJ SINGH CHOUHAN)

- (a) & (b): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF RAJYA SABHA
STARRED QUESTION NO. 280 DUE FOR ANSWER ON 20/12/2024 REGARDING
'PROCUREMENT OF CROPS AT MSP'.**

(a) & (b): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops for the country as a whole and not region or state-specific, on the basis of the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned.

Cost of production (CoP) is one of the important factors in the determination of MSP. While recommending its price policy, the Commission for Agricultural Costs and Prices (CACP) considers all costs in a comprehensive manner which include all paid out costs and imputed value of family labour.

The Union Budget for 2018-19 had announced the pre-determined principle to keep Minimum Support Price (MSP) at levels of one and half times of the cost of production. Accordingly, Government had increased MSP for all mandated Kharif, Rabi and other Commercial crops with a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

Government procures cereals and coarse cereals through Food Corporation of India (FCI) and other designated State Agencies to provide price support to the farmers. Procurement of pulses, oilseeds and copra is done under Price Support Scheme under Umbrella Scheme of Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA), in consultation with the concerned State Government as and when market price of these produce fall below the MSP. Procurement agencies under PM-AASHA Scheme are National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and National Co-operative Consumers' Federation of India Ltd. (NCCF). Cotton and Jute are also procured by Government at MSP through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI), respectively.
