

Relevant for: Indian Economy | Topic: Issues related to direct & indirect Farm Subsidies and MSP

Increase in MSP

Government fixes Minimum Support Prices (MSPs) of 22 mandated Kharif and Rabi crops and Fair & Remunerative Prices (FRP) for Sugarcane on the basis of recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. In addition, MSP for Toria and De-Husked coconut is also fixed on the basis of MSPs of Rapeseed/Mustard and Copra respectively.

Government generally increases the MSPs of all notified crops which provide adequate return over cost of production. Government has increased MSPs substantially for all mandated crops for the season 2018-19. This decision of the Government was a historic one as it fulfills the commitment to the farmers to provide 50 per cent return over cost of production for the first time for all mandated crops. Details of MSP, cost and percent return over cost for 2016-17, 2017-18 & 2018-19 is given at Annexure.

While recommending MSPs, CACP considers a host of factors including all India weighted average cost of production of crops. The costs considered are comprehensive and 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 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. The MSPs fixed by Government for most of the crops provide atleast a return of 50 per cent over cost of production for the year 2018-19.

Annexure

Annexure referred to in reply to part (a) of Lok Sabha Unstarred Question No.227 due for reply on 11.12.2018.

Cost*, Minimum Support Price (MSP) and percent return over cost (Rs/quintal)

[illegible]

	KHARIF CROPS	Cost	MSP	% Return o v e r cost	Cost	MSP	% Return o v e r cost	Cost	MSP	% Return o v e r cost
1	PADDY(Common)	1045	1470	40.7	1117	1550	38.8	1166	1750	50.1
	(Grade A) ^		1510			1590			1770	
2	JOWAR (Hybrid)	1501	1625	8.3	1556	1700	9.3	1619	2430	50.1
	(Maldandi) ^		1650			1725			2450	
3	BAJRA	925	1330	43.8	949	1425	50.2	990	1950	97.0
4	MAIZE	966	1365	41.3	1044	1425	36.5	1131	1700	50.3
5	RAGI	1733	1725	-0.5	1861	1900	2.1	1931	2897	50.0
6	ARHAR(Tur)	3241	5050	55.8	3318	5450	64.3	3432	5675	65.4
7	MOONG	4065	5225	28.5	4286	5575	30.1	4650	6975	50.0
8	URAD	3584	5000	39.5	3265	5400	65.4	3438	5600	62.9
9	COTTON (Medium Staple)	2889	3860	33.6	3276	4020	22.7	3433	5150	50.0
	(Long Staple) ^		4160			4320			5450	
10	GROUNDNUT IN SHELL	3371	4220	25.2	3159	4450	40.9	3260	4890	50.0
11	SUNFLOWER SEED	3479	3950	13.5	3481	4100	17.8	3592	5388	50.0
12	SOYABEEN	1852	2775	49.8	2121	3050	43.8	2266	3399	50.0
13	SESAMUM	4188	5000	19.4	4067	5300	30.3	4166	6249	50.0
14	NIGERSEED	3366	3825	13.6	3912	4050	3.5	3918	5877	50.0
	<u>RABI CROPS</u>									
1	WHEAT	797	1625	103.9	817	1735	112.4	866	1840	112.5
2	BARLEY	816	1325	62.4	845	1410	66.9	860	1440	67.4
3	GRAM	2241	4000	78.5	2461	4400	78.8	2637	4620	75.2
4	MASUR (LENTIL)	2174	3950	81.7	2366	4250	79.6	2532	4475	76.7
5	RAPSEED/MUSTARD	1871	3700	97.8	2123	4000	88.4	2212	4200	89.9
6	SAFFLOWER	3049	3700	21.4	3125	4100	31.2	3294	4945	50.1
7	TORIA ^		3560			3900			4190	
	<u>OTHER CROPS</u>									
1	COPRA (Milling)	4676	5950	27.2	4758	6500	36.6	5007	7511	50.0
	(Ball)^		6240			6785	42.6		7750	
2	DE-HUSKED COCONUT ^		1600			1760			2030	
3	JUTE	2125	3200	50.6	2160	3500	62.0	2267	3700	63.2
4	SUGARCANE	140	230	64.3	152	255	67.8	155	275	77.4

* Includes 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 on 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.

^ Cost data are not separately compiled for Paddy(Grade A), Jowar (Maldandi), Cotton (Long staple), Toria, Copra(ball) and De-husked coconut.

This information was given by Minister of State for Ministry of Agriculture & Farmers Welfare
Shri Gajendra Singh Shekhawat.

APS/RCS

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