

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4093

ANSWERED ON:16.12.2002

MINIMUM SUPPORT PRICE

CHANDRA NATH SINGH;KAILASH MEGHWAL;SADASHIVRAO DADOBBA MANDLIK

Will the Minister of AGRICULTURE be pleased to state:

- (a) the details of the policy followed for fixing the Minimum Support Price (MSP) of various agriculture products;
- (b) the support price fixed by the Government for agricultural and horticulture products at present, product-wise;
- (c) whether there is any resentment at the national level to the said policy of the Government;
- (d) if so, the reaction of the Government thereto;
- (e) whether the Government are contemplating to effect changes in the said policy of the Government;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)&(b): The main objectives of the Government's price policy for agricultural produce are aimed at ensuring remunerative prices to the growers for their produce with a view to encourage higher investment and production, and to safeguard the interests of consumers by making available supplies at reasonable prices. The price policy seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end, Government announces each season Minimum Support Prices (MSPs) for major agricultural commodities and organizes purchase operations through public and cooperative agencies such as Food Corporation of India (FCI), Jute Corporation of India (JCI), Cotton Corporation of India (CCI), National Agricultural Cooperative Marketing Federation (NAFED), Tobacco Board, besides other agencies designated by the State Governments.

2. The Government decide on the MSPs for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of State Governments and Central Ministries as well as such other relevant factors which, in the opinion of the Government are important for fixation of support prices.

3. While making its recommendations on price policy, the CACP considers a number of important factors like cost of production, changes in input prices, input/output price parity, parity between prices paid and prices received by the farmers (terms of trade) etc. A statement showing the MSPs of major agricultural commodities fixed by the Government in recent years is enclosed.

4. The Government is also implementing the Market Intervention Scheme (MIS) for procurement of horticultural commodities on the request of a State/U.T., Government which is ready to bear 50% losses, if any, in its implementation and their proposal for implementing the MIS should be supported with full justification. The MIS is implemented in order to protect the growers of horticultural commodities from making distress sale in the event of bumper crop during the peak arrival period when prices tend to fall below economic levels.

(c) to (g): Keeping in view the current economic situation and the factors mentioned in para 3 above, the Government fixes the MSPs of major agricultural commodities each season. Necessary changes in the policy, whenever required, are made.

ANNEXURE

MINIMUM SUPPORT PRICES (According to Crop Year)

(Rs. per quintal)

Sl.No. Comodity Variety 1998-99 99-2000 2000-01 2001-02 2002-03 Special (#)increase in
Drought MSP 2002-03
relief over 2001-02
price

1	PADDY Common	440	490	510	530	530	20	-
	Grade-	470	520	540	560	560	20	-
	`A`							
2	JOWAR	390	415	445	485	485	5	-
3	BAJRA	390	415	445	485	485	10	-
4	MAIZE	390	415	445	485	485	5	-
5	RAGI	390	415	445	485	485	5	-
6	WHEAT	550	580	610	620			
7	BARLEY	385	430	500	500			
8	GRAM	895	1015	1100	1200			
9	ARHAR(Tur)	960	1105	1200	1320	1320	5	-
10	MOONG	960	1105	1200	1320	1330	5	10(0.8)
11	URAD	960	1105	1200	1320	1330	5	10(0.8)
12	MASUR (LENTIL)	-	-	1200	1300			
13	SUGARCANE@	52.70	56.10	59.50	62.05	64.50	2.45	(3.9)
14	COTTON F-414/	1440	1575	1625	1675	1675	20	-
	H-777/							
	J34							
	H-4	1650	1775	1825	1875	1875	20	-
15	GROUNDNUT	1040	1155	1220	1340	1355	20	15(1.1)
	IN SHELL							
16	JUTE	650	750	785	810	850	40	(4.9)
17	RAPESEED/MUSTARD	1000	1100	1200	1300			
18	SUNFLOWER SEED	1060	1155	1170	1185	1195	15	10(0.8)
19	SOYABEEN BLACK	705	755	775	795	795	10	-
	YELLOW	795	845	865	885	885	10	-
20	SAFFLOWER	990	1100	1200	1300			
21	TORIA	965	1065	1165	1265			
22	TOBACCO(VFC) Black	22.50	25.00	26.00	27.00	28.00	1	(3.7)
	Soil							
	(F2 Gr)							
	(Rs. per kg.) Light	25.50	27.00	28.00	29.00	30.00	1	(3.4)
	Soil							
	(L2 Gr)							
23	COPRA Miling	2900	3100	3250	3300	3300		-
	(Calender Year) Ball	3125	3325	3500	3550	3550		-
24	SESAMUM	1060	1205	1300	1400	1450	5	50(3.6)
25	NIGERSEED	850	915	1025	1100	1120	20	(1.8)

@ Statutory Minimum Price linked to a basic recovery of 8.5 percent with proportionate premium for every 0.1 percent increase in recovery above that level.

The MSP for masur(lentil) has been fixed from the crop year 2000-01.

Figures in brackets indicate percentage increase.