

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:349

ANSWERED ON:01.12.2015

Increase in MSP for Pulses

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Narayanasamy;Reddy Shri J.C. Divakar

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

- (a) the details of the criteria fixed by the Government to determine the MSP of agricultural produce;
- (b) whether the Government proposes to change the formula for determining the MSP, if so, the details thereof;
- (c) the details of the estimated cost of production of major crops including different foodgrain crops and their Minimum Support Price (MSP) after each of the revisions during the last three years and the current year, crop-wise and year-wise;
- (d) whether the Government has increased the MSP for various agricultural produce including pulses during the current year, if so, the details thereof;
- (e) whether the Government proposes to provide bonus to the farmers for cultivating food crops including pulses, if so, the details thereof; and
- (f) the details of the profit margin obtained by the farmers from growing food crops and the measures taken to increase it?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): Government fixes Minimum Support Price (MSP) for the major agricultural produce on the recommendation of the Commission for Agricultural Costs & Prices (CACP), views of the State Governments, concerned Central Ministries/Departments and other relevant factors. While formulating its recommendations on price policy, CACP considers various important factors which, interalia, include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc.

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(b): Methodology for estimating the cost of production is reviewed from time to time. A Committee constituted by the Government under the Chairmanship of Director, National Centre for Agricultural Economics and Policy Research in 2013, to examine the methodological issues in fixing Minimum Support Prices has submitted its Report. The recommendations of the Committee are under consideration of the Government.

(c): All India weighted average all paid out cost of production including family labour as estimated by the Commission for Agricultural Costs & Prices (CACP) of foodgrains and their MSPs since 2012-13 are at Annexure I.

(d) & (e): Government has announced the MSPs for the kharif and rabi crops, including pulses of 2015-16 season. A bonus of Rs. 200 per quintal over and above the MSP is also payable in respect of kharif pulses. A bonus of Rs. 75 per quintal over and above the MSP is payable in respect of rabi pulses of 2015-16 season. The MSPs of kharif and rabi crops, including pulses for 2012-13 to 2015-16 season are at Annexure II.

(f): The difference in cost of production of a crop and its MSP indicates the profit margin of the farmer. However, MSP is only one of the instruments for assuring higher returns to the farmers. Government has taken several steps for increasing productivity which, interalia, include increasing investment, improving farm practices, issuance of soil health cards, micro irrigation, improving rural infrastructure, increase in credit flow, improving delivery of technology and other inputs, extension and marketing etc.