

**Press Information Bureau
Government of India
Cabinet Committee on Economic Affairs (CCEA)**

01-June-2016 16:12 IST

Minimum Support Prices (MSP) for Kharif Crops of 2016-17 season

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for Minimum Support Prices (MSPs) for Kharif Crops of 2016-17 season.

The prices would be effective from 1.10.2016. The higher MSPs would increase investment and production through assured remunerative prices to farmers.

The approved MSP is based on recommendations of Commission for Agricultural Costs and Prices (CACP) which takes into account the cost of production, overall demand-supply, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect of the Price Policy on the rest of economy, besides ensuring rational utilization of production resources like land and water, while recommending MSPs.

The CACP being the expert body, its recommendations are generally accepted as such. However, in view of the gap in the demand and domestic supply of pulses and oilseeds, the CCEA has decided to give a bonus, over and above the recommendations of the CACP of Rs.425/- per quintal for Kharif pulses, namely Arhar (Tur), Urad and Moong, a bonus of Rs.200/- per quintal for Sesamum and a bonus of Rs.100/- per quintal for kharif oilseeds namely, Groundnut-in-shell, Sunflowerseed, Soyabean, and Nigerseed. This is expected to give a strong price signal to farmers to increase acreage and invest for increase in productivity of pulses and oilseeds.

The Minimum Support Prices (MSPs) for all Kharif Crops of 2016-17 season have been increased and are given below:

Commodity	Variety	MSP for 2015-16 season Rs./ quintal	MSP for 2016-17 season Rs./ quintal	Increase Absolute Rs./ quintal	Increase %age	Bonus Rs./ quintal
Paddy	Common	1410	1470	60	4.3	---
	Grade A	1450	1510	60	4.1	---
Jowar	Hybrid	1570	1625	55	3.5	---
	Maldandi	1590	1650	60	3.8	---
Bajra	---	1275	1330	55	4.3	---
Maize	---	1325	1365	40	3.0	---
Ragi	---	1650	1725	75	4.5	---
Tur (Arhar)	---	4625 (includes Rs.200/- Bonus)	5050 (includes Rs.425/- Bonus)	425	9.2	425
Moong	---	4850 (includes Rs.200/- Bonus)	5225 (includes Rs.425/- Bonus)	375	7.7	425

Urad	---	4625 (includes Rs.200/- Bonus)	5000 (includes Rs.425/- Bonus)	375	8.1	425
Groundnut-in-shell	---	4030	4220 (includes Rs.100/- Bonus)	190	4.7	100
Soyabean	Yellow	2600	2775 (includes Rs.100/- Bonus)	175	6.7	100
Sunflower Seed	---	3800	3950 (includes Rs.200/- Bonus)	150	3.9	100
Nigerseed	---	3650	3825 (includes Rs.100/- Bonus)	175	4.8	100
Sesamum	---	4700	5000 (includes Rs.200/- Bonus)	300	6.4	200
Cotton	Medium Staple	3800	3860	60	1.6	---
	Long Staple	4100	4160	60	1.5	---

Food Corporation of India (FCI) will be the designated central nodal agency for price support operations for cereals, pulses and oilseeds. Cotton Corporation of India (CCI) will be the central nodal agency for undertaking price support operations for Cotton.

Other farmer friendly initiatives:

Besides increase in MSP of Kharif crops, Government has taken several farmer friendly initiatives over the last one year. These, amongst other things, include the following:

- The Government had declared a bonus, over and above the MSP of Rs.200 per quintal for Kharif pulses of 2015-16 season and a bonus of Rs.75 per quintal for Rabi pulses of 2016-17 marketing season.
- A new crop insurance scheme "Pradhan Mantri Fasal Bima Yojana" has been launched by the Government. Under this scheme, the premium rates to be paid by farmers are very low— 2% of sum insured for all Kharif crops, 1.5% for all Rabi crops and 5% for commercial and horticulture crops. The new insurance scheme involves use of simple and smart technology through phones & remote sensing for quick estimation and early settlement of claims. The Government has also launched a Mobile app "Crop Insurance" which will help farmers to find out complete details about insurance cover available in their area and to calculate the insurance premium for notified crops.
- The Government has also launched a scheme to develop a pan India electronic trading platform under 'National Agriculture Market' (NAM) scheme with the aim to integrate 585 regulated markets with the common e-market platform by March 2018. The reform will result in three major changes - electronic trading, a single license valid for all States and single entry point market fee. It will also enable farmers to discover better prices for their produce.
- Soil Health Cards are being issued to farmers across country. The card provides information on fertility status of soil and an advisory on soil test based use of fertilizers. As of 24.05.2016, 189 lakh Soil Cards have been distributed to

farmers.

- Under Paramparagat Krishi Vikas Yojna (PKVY) the Government is promoting organic farming and development of potential market for organic products.
- The Pradhan Mantri Krishi Sinchai Yojana is being implemented in mission mode. Focus is on targeted completion of irrigation projects lying incomplete for a long period and on increasing water use efficiency by promoting drip and sprinkler irrigation.
- A dedicated Kisan Channel has been started by the Doordarshan to provide 24 x 7 information in the hands of farmers regarding weather updates, agri-mandi data etc.
- Government is also encouraging formation of Farmer Producer Organisations.
- To stabilize prices of pulses and onions. Government has decided to create buffer stocks of pulses and has imported pulses and onions under the Price Stabilization Fund.
- A handbook for women farmers 'Farm Women Friendly Hand Book' containing special provisions and package of assistance which women farmers can claim under various on-going Missions / Submissions / Schemes of department of Agriculture, Cooperation and Farmers Welfare has been brought out. Women farmers / beneficiaries could approach the nearest Project Director (ATMA) / Deputy Director (Agriculture) office at District or Block Technology Manager / Assistant Technology Managers at Block level for instant help and facilitation for availing the benefits.

AKT/VBA/NT