

MSP for Kharif Crops

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Government announces minimum support prices (MSPs) for 22 mandated crops and fair and remunerative price (FRP) for sugarcane on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors. The mandated crops are 14 crops of the kharif season viz. paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut-in-shell, soyabean, sunflower, sesamum, nigerseed and cotton; 6 rabi crops viz. wheat, barley, gram, masur(lentil), rapeseed/mustard and safflower and two other commercial crops viz. jute and copra. In addition, the MSPs of toria and de-husked coconut are fixed on the basis of the MSPs of rapeseed/mustard and copra, respectively.

Government has announced its historic decision on 04.07.2018 to fix MSP at a level of at least 150 per cent of the cost of production for kharif crops 2018-19 which redeems the promise made in the Union Budget for 2018-19. The MSPs fixed by Government, cost and returns over all-India weighted average cost of production of crops for 2017-18 and 2018-19 is at **Annexure**. Cost of production varies in different states on account of difference in levels of irrigation, resource endowment, farm mechanization, land holding size, yield of crops etc.

From time to time, some farmers and farmers' organizations have been agitating and making certain demands like increase in Minimum Support Prices (MSPs) for agricultural crops and other agricultural policies.

Recent increase in MSP of Kharif crops at a level of at least 150 per cent of the cost of production will ensure remunerative price to farmers. Government has taken several steps to provide remunerative prices to farmers for their produce which include implementing e-National Agriculture Market and framing model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017, promoting Farmers Producer Organization (FPO) and stepping up the levels of procurement for pulses and oilseeds through the Price Support Scheme (PSS). PSS is implemented at the request of the state government concerned which agrees to exempt the procured commodities from levy of mandi tax & other state duties. The basic objectives of PSS are to provide remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of the consumers by making available supplies at reasonable price with low cost of intermediation. Under PSS, payments to the farmers are made strictly through Real Time Gross Settlement (RTGS)/National Electronic Fund Transfer (NEFT) and account payee cheque by the procuring agencies within three days of purchase of their produce.

ANNEXURE

Annexure referred to in reply to part (a) and (b) of Rajya Sabha Unstarred Question No. 1934 due for reply on 03.08.2018.

Cost*, Minimum Support Prices (MSPs) and Return over Cost

(Rs/quintal)

Sl. No.	Commodity	2017-18			2018-19		
		Cost	MSP	% Return over cost	Cost	MSP	% Return over Cost
1	PADDY(Common)	1117	1550	38.76	1166	1750	50.09
	(Grade A) ^		1590			1770	
2	JOWAR (Hybrid)	1556	1700	9.25	1619	2430	50.09
	(Maldandi) ^		1725			2450	
3	BAJRA	949	1425	50.16	990	1950	96.97
4	MAIZE	1044	1425	36.49	1131	1700	50.31

5	RAGI	1861	1900	2.10	1931	2897	50.01
6	ARHAR(Tur)	3318	5450	64.26	3432	5675	65.36
7	MOONG	4286	5575	30.07	4650	6975	50.00
8	URAD	3265	5400	65.39	3438	5600	62.89
9	COTTON (Medium Staple)	3276	4020	22.71	3433	5150	50.01
	(Long Staple) ^		4320			5450	
10	GROUNDNUT IN SHELL	3159	4450	40.87	3260	4890	50.00
11	SUNFLOWER SEED	3481	4100	17.78	3592	5388	50.01
12	SOYABEEN	2121	3050	43.80	2266	3399	50.01
13	SESAMUM	4067	5300	30.32	4166	6249	50.01
14	NIGERSEED	3912	4050	3.53	3918	5877	50.01

**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 & imputed value of family labour.*

^ Cost is not separately compiled for Paddy (GradeA), Jowar(Maldandi) & Cotton (long staple).

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

APS/RCS

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