

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 397
TO BE ANSWERED ON THE 8TH JANUARY, 2019

SWAMINATHAN COMMITTEE RECOMMENDATION

*397. SHRI BALABHADRA MAJHI:
SHRI DINESH TRIVEDI:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government plans to set the Minimum Support Price (MSP) at 1.5 times the C2 (comprehensive cost) as per the Swaminathan Committee recommendation, if so, the details thereof and the time by which the recommendation of the Swaminathan Committee will be implemented and if not, the reasons therefor;
- (b) whether the Government has received any proposal for implementation of the above recommendation of the Swaminathan Committee, if so, the details thereof and the response of the Government thereto in respect of rice till date;
- (c) whether the system has any impact on rice production in the country and if so, the details thereof, State/UT-wise in the last year;
- (d) whether in October 2018, market price for 10 out of the 14 kharif crops was lower than MSP announced by the Government and if so, the details thereof; and
- (e) the percentage increase in MSP over the past five years along with the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI RADHA MOHAN SINGH)

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO. 397 DUE FOR REPLY ON 8TH JANUARY, 2019.**

(a) & (b): National Commission on Farmers (NCF) headed by Dr. M.S. Swaminathan had recommended that the Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production. However, when the National Policy for Farmers, 2007 was finalized by the then Government, this recommendation of providing 50 per cent returns over cost of production was not included. The report of the NCF, 2006 had discussed different dimensions of cost for determining MSPs, but while finalizing National Policy on Farmers in 2007, the then Government had not accepted the other dimensions and followed the established method of the Commission for Agricultural Costs & Prices (CACP).

Government fixes MSPs of 22 mandated agricultural crops including paddy and Fair and Remunerative Price (FRP) for sugarcane on the basis of recommendations of CACP, after considering the views of State Governments and Central Ministries/Departments concerned and 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.

While recommending MSPs, CACP considers the cost of production and host of factors such as demand-supply situation, trends in domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors and the likely impact of MSP on consumers and overall economy along with rational utilization of scarce natural resources like land and water. 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 Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times the cost of production. Accordingly, Government has increased the MSPs for all notified Kharif, Rabi and other commercial crops with a return of atleast 50 per cent of cost of production for the agricultural year 2018-19 including paddy. This decision of the Government was a historic one as it fulfills the commitment to the farmers to provide 50 per cent return over all-India weighted average cost of production for the first time for all mandated crops.

(c): Price policy in conjunction with other agricultural policies has increased production of rice, whereas the area sown remained more or less stagnant over the years. Production of rice has increased substantially at all India level from 106.65 million tonnes in 2013-14 to 112.91 million tonnes(as per Fourth Advance Estimates) in 2017-18. The state-wise production of rice for the 2017-18 is given at **Annex-1**.

(d): The prices of agricultural produce are determined by supply and demand conditions in the market on a day-to-day basis. The prices of agricultural produce tend to fall immediately after harvest due to increase in market arrival of new crops in a lumpy manner. The MSP and wholesale prices of kharif crops for the month of October, 2018 is given at **Annex-2**.

(e): Details of percentage increase in MSP from 2014-15 to 2018-19 are given at **Annex-3**.

Annex referred to in reply to part (c) of Lok Sabha Starred Question No. 397 due for reply on 08.01.2019.

State-wise Production of Rice

(000' tonnes)

State/ UT	2017-18*
Andhra Pradesh	8176.2
Assam	5164.0
Bihar	7911.2
Chattisgarh	4725.5
Gujarat	2039.0
Haryana	4523.4
Himachal Pradesh	116.6
Jammu & Kashmir	613.9
Jharkhand	4078.0
Karnataka	2807.0
Kerala	499.0
Madhya Pradesh	4123.9
Maharashtra	2712.7
Odisha	6527.9
Punjab	13382.0
Rajasthan	450.9
Tamil Nadu	7277.7
Telangana	6250.0
Uttar Pradesh	13270.6
UttaraKhand	655.0
West Bengal	14967.0
Others	2633.8
All India	112905.5

*Fourth Advance Estimates

Annex referred to in reply to part (d) of Lok Sabha Starred Question No. 397 due for reply on 08.01.2019.

MSP and Wholesale Prices**(Rs.per quintal)**

Sl. No.	Commodity		
	KHARIF CROPS	MSP 2018-19	Wholesale Prices(October, 2018)
1	PADDY(Common)	1750	1688
2	JOWAR (Hybrid)	2430	2320
3	BAJRA	1950	1744
4	MAIZE	1700	1515
5	RAGI	2897	2651
6	ARHAR(Tur)	5675	4077
7	MOONG	6975	5410
8	URAD	5600	4906
9	COTTON (Medium Staple)	5150	5598
10	GROUNDNUT IN SHELL	4890	4713
11	SUNFLOWER SEED	5388	3474
12	SOYABEAN	3399	3316
13	SESAMUM	6249	10043
14	NIGERSEED	5877	4408

Annex referred to in reply to part (e) of Lok Sabha Starred Question No. 397 due for reply on 08.01.2019

Percentage increase in MSP

Sl. No.	Commodity	Variety	2014-15	2015-16	2016-17	2017-18	2018-19
	<u>KHARIF CROPS</u>						
1	PADDY	Common	3.8	3.7	4.3	5.4	12.9
		Grade 'A'	4.1	3.6	4.1	5.3	11.3
2	JOWAR	Hybrid	2.0	2.6	3.5	4.6	42.9
		Maldandi	2.0	2.6	3.8	4.5	42.3
3	BAJRA		0.0	2.0	4.3	7.1	36.9
4	MAIZE		0.0	1.1	3.0	4.3	19.3
5	RAGI		3.3	6.5	4.5	10.1	52.5
6	ARHAR(Tur)		1.2	6.3	9.2	7.9	4.1
7	MOONG		2.2	5.4	7.7	6.7	25.1
8	URAD		1.2	6.3	8.1	8.0	3.7
9	COTTON	Medium Staple	1.4	1.3	1.6	4.1	28.1
		Long Staple	1.3	1.2	1.5	3.8	26.2
10	GROUNDNUT IN SHELL		0.0	0.8	4.7	5.5	9.8
11	SUNFLOWER SEED		1.4	1.3	3.9	3.8	31.4
12	SOYABEAN	Yellow	0.0	1.6	6.7	9.9	11.5
13	SESAMUM		2.2	2.2	6.4	6.0	17.9
14	NIGERSEED		2.9	1.4	4.8	5.9	45.1
	<u>RABI CROPS</u>						
15	WHEAT		3.6	5.2	6.6	6.8	6.1
16	BARLEY		4.5	6.5	8.2	6.4	2.1
17	GRAM		2.4	10.2	14.3	10	5.0
18	MASUR (LENTIL)		4.2	10.6	16.2	7.6	5.3
19	RAPESEED/MUSTARD		1.6	8.0	10.4	8.1	5.0
20	SAFFLOWER		1.7	8.2	12.1	10.8	20.6
21	TORIA		0.0	8.9	8.2	9.6	7.4
	<u>OTHER CROPS</u>						
22	COPRA	Milling	0.0	5.7	7.2	9.2	15.6
	(Calender Year)	Ball	0.0	6.0	7.0	8.7	14.2
23	DE-HUSKED COCONUT (Calender Year)		0.0	5.3	6.7	10.0	15.3
24	JUTE		4.3	12.5	18.5	9.3	5.7
25	SUGARCANE		4.8	4.5	0.0	10.9	7.8
