

F. No. 9-5/2019-FES-ES
Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers Welfare
Directorate of Economics and Statistics
(FE Division)

Room No. 450, Krishi Bhawan, New Delhi
Dated: 5th May, 2022

Shri Surya Kumar Nayak,
Sambhalpur, Bar Association
Uttar Pradesh – 768001

Subject:- Application under Right to Information Act, 2005 received vide Registration No. DOEAS/R/T/22/00036, DOEAS/R/T/22/00037, DOEAS/R/T/22/00038 & DOEAS/R/T/22/00039 dated 05/04/2022.

Sir,

I am directed to refer to your RTI Application dated 05/04/2022 seeking information under RTI Act 2005 regarding Minimum Support Price of agricultural produce. In this regard, the information pertaining to this Division is as follows:

Government fixes Minimum Support Prices (MSPs) of 22 mandated agricultural crops including wheat & paddy on the basis of recommendation of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors. While recommending MSPs, CACP considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over cost of production

Cost of production is one of the important factors in the determination of MSPs. While recommending its Price policy, CACP considers all costs in a comprehensive manner. The costs 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 the 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. Hence the costs considered are very comprehensive and based on the methodology recommended by Expert Committees from time to time. As cost of production varies across states, CACP uses all India weighted average cost

of production while making its recommendations on MSP and recommends uniform MSP which is applicable for all States.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of the cost of production. Accordingly, Government has increased the MSPs for all mandated Kharif, Rabi and other commercial crops with a return of atleast 50 per cent over all India weighted average cost of production from the agricultural year 2018-19. In line with the same principle, Government has announced the increase in MSP for all mandated kharif crops of year 2021-22 on **9th June, 2021** and for all mandated rabi crops of year 2021-22 on **8th September 2021**.

The details of Appellate Authority for making appeal, if any, against the reply is Shri P. Sangeeth Kumar, Adviser & Appellate Authority, Room No 445A, Krishi Bhawan, New Delhi (Ph. No 011-23382236).

Yours faithfully


(Shweta Sahni) 5/5/2022
Economic Officer

Copy to:

Shri Anurag Bhatnagar, CPIO Room No 416, Krishi Bhawan, New Delhi.