

**F. No. 9-5/2019-FES-ES**  
**Ministry of Agriculture & Farmers Welfare**  
**Department of Agriculture & Farmers Welfare**  
**(Food Economics Division)**

Room No. 450, Krishi Bhawan, New Delhi  
Dated: 5<sup>th</sup> April, 2023

**Shri Riju K K**

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Palakkad,

Kerala, Pin Code- 678552

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**Subject:- RTI of Shri Riju K.K. vide Registration No. DOEAS/R/T/23/00024 dated 13/03/2023.**

Sir,

I am directed to refer to your letter dated 13/03/2023 on the above mentioned subject. In this regard, information pertaining to this Division i.e. about Minimum Support Price of Paddy is given as under:

Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops including two varieties of paddy (common) and paddy (Grade A) on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors. While recommending MSP, 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 MSP. 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. 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 MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif, Rabi and other Commercial crops with a minimum margin of 50 percent over all India weighted average cost of production from year 2018-19 onwards. In line with the same principle Government had increased the MSPs for all mandated Kharif crops for the year 2022-23 including Paddy on **8<sup>th</sup> June, 2022** and for all mandated Rabi crops for the year 2022-23 on **18<sup>th</sup> October, 2022**. Details of MSP of paddy crop from 2010-11 to 2022-23 are attached in the annexure.

*Shweta Sahni*  
(Shweta Sahni) 5/4/2023  
Economic Officer  
Tel. No. 23388005

**Copy to:**

**Shri Anurag Bhatnagar**, AEA & Grievance Officer, Directorate of Economics & Statistics,  
Krishi Bhawan, New Delhi.



Minimum Support Price for Paddy from 2010-11 to 2022-23

Annexure

(Rs per quintal)

Commodity	Variety	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
PADDY	Common	1000	1080	1250	1310	1360	1410	1470	1550	1750	1815	1868	1940	2040
	Grade 'A'	1030	1110	1280	1345	1400	1450	1510	1590	1770	1835	1888	1960	2060