

F. No. 9-1/2017-FES-ES  
Ministry of Agriculture & Farmers Welfare  
(Department of Agriculture, Cooperation & Farmers Welfare)  
Directorate of Economics and Statistics  
(FE Division)

Room No. 450, Krishi Bhawan,  
New Delhi- 110001  
Dated - 8 february 2016.

Shri Ranjeet Kumar  
Village- Beldarichak,  
Post- Mudika, P/S-Sigori,  
Dist-Patna- 801110,  
Bihar

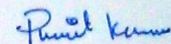
Subject: - Application sought under Right to Information Act, 2005 vide Registration No. DOEAS/R/2017/80004 dated 19.01.2017 & DOEAS/R/2017/80007 dated 24.01.2017.

Dear Sir,

Kindly refer to your letter dated 19.01.2017 on above mentioned subject. Government fixes the Minimum Support Prices (MSPs) of various crops on the recommendations of the Commission for Agricultural Costs & Prices (CACP), views of the State Governments and concerned Central Ministries/Departments as well as other relevant factors. Cost of production (A2+FL) which includes all paid out costs incurred by the farmer including imputed value of family labour is one of the major factor considered by the CACP, while recommending MSPs of various crops. Beside cost of production, CACP also considers a number of important factors which include interlia, demand and supply situation, inter-crop price parity, terms of trade between agriculture and non agriculture and likely implications of MSP on consumers of that product.

Cost of production is one of the important factors taken into account in fixing the Minimum Support Price (MSPs). The estimates of cost of cultivation/cost of production are made available to the commission through the Comprehensive Scheme for Studying the Cost of Cultivation of Principal Crops, operated by directorate of economics and statistics, Department of Agriculture and cooperation, Ministry of Agriculture, government of india. These data are collected with the help of State Agricultural Universities/Institutions located in various states.

Food Corporation of India is the designated Central Nodal Agency for procurement of foodgrains. Government offer to procure at MSP whenever prices fall below that level. However, farmers have the option to sell their produce to the Government agencies or in the open market as is advantageous to them.



(Punit Kumar)  
Assistant Director