

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.

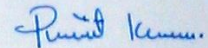
Shri Mohanraj
GMGR Nagar, Gopalapuram ,
Dist- Salem,
State- Tamilnadu-636107

Subject: - Application sought under Right to Information Act, 2005 vide Registration No. DOEAS/R/2017/80003 dated 19.01.2017.

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.

MSP is in the nature of a minimum price offered by the Government. 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