

Cabinet approves Minimum Support Prices (MSP) for Kharif Crops for marketing season 2021-22

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The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has approved the increase in the Minimum Support Prices (MSPs) for all mandated Kharif crops for marketing season 2021-22.

Government has increased the MSP of Kharif crops for marketing season 2021-22, to ensure remunerative prices to the growers for their produce. The highest absolute increase in MSP over the previous year has been recommended for sesamum (Rs. 452 per quintal) followed by tur and urad (Rs. 300 per quintal each). In case of groundnut and nigerseed, there has been an increase of Rs 275 per quintal and Rs 235 per quintal respectively in comparison to last year. The differential remuneration is aimed at encouraging crop diversification.

Minimum Support Prices for all Kharif crops for marketing season 2021-22 are as follows:

Crop	MSP 2020-21	MSP 2021-22	Cost* of production 2021-22 (Rs/quintal)	Increase in MSP (Absolute)	Return over cost (in per cent)
Paddy (Common)	1868	1940	1293	72	50
Paddy (GradeA)^ A)A	1888	1960	-	72	-
Jowar (Hybrid) (Hybrid)	2620	2738	1825	118	50
Jowar (Maldandi)^	2640	2758	-	118	-
Bajra	2150	2250	1213	100	85
Ragi	3295	3377	2251	82	50
Maize	1850	1870	1246	20	50
Tur (Arhar)	6000	6300	3886	300	62

Moong	7196	7275	4850	79	50
Urad	6000	6300	3816	300	65
Groundnut	5275	5550	3699	275	50
Sunflower Seed	5885	6015	4010	130	50
Soyabean (yellow)	3880	3950	2633	70	50
Sesamum	6855	7307	4871	452	50
Nigerseed	6695	6930	4620	235	50
Cotton (Medium Staple)	5515	5726	3817	211	50
Cotton (Long Staple)^	5825	6025	-	200	-

** Refers to comprehensive cost which includes all paid on costs such as those incurred on account of hired human labour, bullock labour machine labour, rent paid for leased in land, expenses incurred 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.*

^ Cost data are not separately compiled for Paddy (Grade A), Jowar (Maldandi) and Cotton (Long staple)

The increase in MSP for Kharif Crops for marketing season 2021-22 is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times of the All-India weighted average Cost of Production (CoP), aiming at reasonably fair remuneration for the farmers. The expected returns to farmers over their cost of production are estimated to be highest in case of Bajra (85%) followed by urad (65%) and tur (62%). For rest of the crops, return to farmers over their cost of production is estimated to be at least 50%.

Concerted efforts were made over the last few years to realign the MSPs in favour of oilseeds, pulses and coarse cereals to encourage farmers shift to larger area under these crops and adopt best technologies and farm practices, to correct demand - supply imbalance. The added focus on nutri-rich nutri-cereals is to incentivize its production in the areas where rice-wheat cannot be grown without long term adverse implications for groundwater table.

Besides, the Umbrella Scheme "Pradhan Mantri AnnadataAaySanraksHan Abhiyan' (PM-AASHA) announced by the government in 2018 will aid in providing remunerative return to farmers for their produce. The Umbrella Scheme consists of three sub-schemes i.e. Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) and Private Procurement & Stockist Scheme (PPSS) on a pilot basis.

With an aim to attain self-sufficiency in the production of pulses, a special Kharif strategy has been prepared for implementation in the ensuing Kharif 2021 season. A detailed plan for both area expansion and productivity enhancement for Tur, Moong, and Urad has been formulated. Under the strategy, all the available high-yielding varieties (HYVs) of seeds will be distributed free of cost to increase area through intercropping and sole crop. Similarly, for Oilseeds, the Government of India has approved an ambitious plan for the free

distribution of high-yielding varieties of seeds to the farmers for the Kharif season 2021 in the form of mini-kits. The special Kharif program will bring an additional 6.37 lakh hectare area under oilseeds and is likely to produce 120.26 lakh quintals of oilseeds and edible oil amounting to 24.36 lakh quintals.

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