

# MSP of 14 kharif crops hiked, millet growers to benefit

TNN | Jul 4, 2018, 02.58 PM IST

NEW DELHI: The Centre hiked on Wednesday the minimum support price (MSP) of 14 kharif (summer sown) crops for the 2018-19 marketing season, syncing it with BJP’s 2014 poll promise to provide farmers a profit margin of at least 50% over their cost of production for all the notified crops across the country.

Seven of these 14 crops have reported hikes of nearly 20% or more as compared to the MSP of these crops in 2017-18. The most popular kharif crop, paddy, has, however, got a hike of nearly 13% (from Rs 1,550 per quintal in 2017-18 to Rs 1,750 per quintal in 2018-19).

The new MSPs of these crops were approved by the Cabinet committee on economic affairs (CCEA), chaired by Prime Minister Narendra Modi, on Wednesday. Modi later called it a “historic increase” and tweeted that the government has fulfilled its promise of increasing the MSP to the tune of one and a half times of the cost of production.

<b>COST &amp; PROFIT UNDER NEW REGIME</b>			
Crops	Cost (Rs/Quintal)	MSP (Rs/Quintal)	% return over cost
Bajra	990	1,950	96.9
Arhar (Tur)	3,432	5,675	65.3
Urad	3,438	5,600	62.9
Maize	1,131	1,700	50.3
Paddy*	1,166	1,750	50.1
Jowar**	1,619	2,430	50.1
Ragi	1,931	2,897	50
Cotton***	3,433	5,150	50
Sunflower seed	3,592	5,388	50
Soyabean	2,266	3,399	50
Sesamum	4,166	6,249	50
Nigerseed	3,918	5,877	50
Moong	4,650	6,975	50
Groundnut	3,260	4,890	50

\* Common variety, \*\* Hybrid, \*\*\* Medium staple

The announcement comes against the backdrop of the political imperative to fulfil the commitment to improve the deal for farmers ahead of the crucial round of state elections and the 2019 battle for the control of the Lok Sabha.

Commodity	Variety	MSP for 2017-18 Season	MSP approved for 2018-19 Season	Increase		Return*over cost in percent
				Absolute	Percentage	
Moong	-	5575	6975	1400	25.11	50.00
Urad	-	5400	5600	200	3.70	62.89
Groundnut	-	4450	4890	440	9.89	50.00
Sunflower Seed	-	4100	5388	1288	31.42	50.01
Soyabean	-	3050	3399	349	11.44	50.01
Sesamum	-	5300	6249	949	17.91	50.01
Nigerseed	-	4050	5877	1827	45.11	50.01
Cotton	Medium Staple	4020	5150	1130	28.11	50.01
	Long Staple	4320	5450	1130	26.16	58.75

Interestingly, less-water-consuming and climate-resilient millets (jowar, bajra and ragi) — recently notified by the government as “nutri-cereals” due to their very high nutritional value — got substantial hikes as compared to the water-guzzling paddy. As compared to the acreage of paddy (396 lakh hectares), the millets currently cover nearly 120 lakh hectares of land during kharif season — less than one-third of the acreage of paddy.

Commodity	Variety	MSP for 2017-18 Season	MSP approved for 2018-19 Season	Increase		Return*over cost in percent
				Absolute	Percentage	
Paddy	Common	1550	1750	200	12.90	50.09
	Grade A Grade A	1590	1770	180	11.32	51.80
Jowar	Hybrid	1700	2430	730	42.94	50.09
	Maldandi Maldandi	1725	2450	725	42.03	51.33
Bajra	-	1425	1950	525	36.84	96.97
Ragi	-	1900	2897	997	52.47	50.01
Maize	-	1425	1700	275	19.30	50.31
Arhar(Tur)	-	5450	5675	225	4.13	65.36

The move on millets may help the government politically in the three poll-bound states of Madhya Pradesh, Rajasthan and Chhattisgarh where water-stressed farmers invariably go for cultivation of

coarse cereals, but would also be welcomed by those who have been calling for greater support for the producers of coarse grains citing their nutritional value as well as the fact that they are consumed by the “not-so-privileged”.

Analysis of new MSP shows that paddy farmers will get a return of 50% over the cost of production, but the ones who opt for bajra (pearl millet) will get nearly 97% returns and those who go for arhar (pulse) will get returns of over 65%.

The larger message of the new MSP regime is to encourage farmers to cultivate pulses, oilseeds and millets. Pulses and millets will ensure nutritional security while more oilseed production will help reduce the import bill.

Among nutri-cereals, the MSP of Bajra has been increased by Rs 525 per quintal, jowar (hybrid) by Rs 730 per quintal and ragi by Rs 997 per quintal in absolute terms as compared to the support price of 2017-18. However, the highest percentage increase in MSP over the previous year is seen by ragi (52.5%). As far as returns over the cost of production are concerned, bajra farmers will get the highest profit of 97%.

“This will increase the income of farmers and purchasing capacity, which will have an impact on wider economic activity,” Union home minister Rajnath Singh said.

Experts and farm activists, however, flagged the issue of poor procurement and inadequate cost of production formula.

“The much-hyped MSP increase is of little use for farmers unless supplemented with a robust procurement system. Such a system exists only for paddy at the moment and that too in selected states,” said Sudhir Panwar, former member of the UP planning commission.

Avik Saha, national convener of the Jai Kisan Andolan, said, “While the announcement sounds grand and farmer-friendly, let us not forget that announcing MSP and not doing anything to ensure that farmers get MSP has become a political tool.”

Both agriculture minister Radha Mohan Singh and food minister Ram Vilas Paswan, however, expressed their confidence on the procurement front.

Many farm activists expressed unhappiness over the formula to arrive at the cost of production. They said the government should have taken C2 (comprehensive cost including imputed rent on owned land and interest on value of owned capital assets) formula into account instead of the A2+FL formula.

The A2+FL includes all paid-out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for land, expenses incurred on use of material inputs like seeds, fertilisers, irrigation charges, depreciation on implements, miscellaneous expenses, and imputed value of family labour.

**Source:** <https://timesofindia.indiatimes.com/business/india-business/govt-announces-new-msp-of-kharif-crops-nutri-cereals-millets-got-substantial-hike/articleshow/64854455.cms>