

# Cabinet hikes wheat MSP by ₹105

PNS ■ NEW DELHI

Ahead of the upcoming Assembly polls in five States, the Union Cabinet has approved ₹105 per quintal hike in the minimum support price (MSP) of wheat to ₹1,840 per quintal for 2018-19 season, an increase of six per cent. The MSP of wheat was ₹1,735 per quintal in the 2017-18 crop year. MSP of channa (gram) is also likely to be raised from ₹4,400 to ₹4,620 per quintal, an increase of 5 per cent.

The move is aimed at giving farmers an additional income of ₹62,635 crore and help contain their simmering discontent over high input cost and low sales realisation

The Government announces MSPs for most crops yearly to set a benchmark, although State agencies usually buy limited quantities of staples such as rice and wheat at those prices due to a lack of storage and funds. Market prices for many crops typically run well below MSPs. The support price has been

## Decision part of Govt move to redeem pledge to raise farmers' profit by 50%

- ❖ The move is aimed at giving farmers an additional income of ₹62,635 crore
- ❖ The support price has been increased based on the recommendations of farm advisory body CACP
- ❖ Earlier, the Government had increased the MSP of 14 kharif crops
- ❖ The Government is also likely to raise the MSP of channa (gram) from ₹4,400 to ₹4,620 per quintal



increased based on the recommendations of farm advisory body Commission for Agricultural Costs and Prices (CACP) and is part of the Government's announcement

to provide farmers a 50 per cent profit on the cost of production.

"The decision will help farmers earn an additional income of ₹62,635 crore. The MSP for all rabi crops is high-

er than the cost of production ranging from 50-112 per cent. As per the CCEA decision, the MSP of barley has been increased by ₹30 per quintal to ₹1,440 per quintal, while the masur's MSP has been raised by ₹225 to ₹4,275 per quintal. The support price of rapeseed/mustard has been hiked by ₹200 to ₹4,200 per quintal. Safflower MSP has been increased by ₹845 per quintal to ₹4,945," Union Agriculture Minister Radha Mohan Singh said after the meeting of the Cabinet Committee on Economic Affairs (CCEA) headed by Prime Minister Narendra Modi.

Despite patchy rainfall in some parts, the Agriculture Ministry has set a foodgrain production target of 285.2 million tonnes for 2018-19, a marginal increase from the previous year's harvest of 284.8 million tonnes.

The Modi Government has faced four mega protests by the farmers in the less than seven months this year.

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Earlier, the Government had increased the MSP of 14 kharif crops this year.

In the first four years of the Modi Government, MSPs saw only moderate increases, except in the case of pulses whose MSPs were raised substantially to boost production. A lower hike in MSP was also seen as a tool of fiscal consolidation. "Unless the farmer receives the higher MSPs announced by the Government, he remains only a mute spectator of the games played in his name in an election year," said Benod Kumar Pandey of Rashtriya Kisan Mahasangha.