IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

PUBLIC INTEREST LITIGATION NO.88 OF 2024

District : Jalgaon

Satya Shodhak Samaj Sangh,
(Reg. No. F-26931)
Through its Trustee Member -
Vishwasrao Bhaskarrao Patil,
Age: 53 Years, Occu.: Agri.,
Address: Saptashrungi Colony, Plot No. 1,
Amalner, Tq. Amalner, Dist. Jalgaon. ..Petitioner

Vs.

1. The State of Maharashtra,
Through its Chief Secretary
of the Agricultural & Marketing (Panan) Ministry,
department, Mantralaya Mumbai - 32.

2. Food Civil Supplies & Consumer
Protection Department,
Through its Chief Secretary,
Mantralaya Mumbai - 32.

3. The Commissioner,
Agricultural Commissioner Office,
Central Administrative Building,
Commissionerate of Agriculture,
Central Building, 3rd Floor,
Pune 411 001.

4. The Joint Director,
Maharashtra State Agricultural
Prices Commission,
Mantralaya, Mumbai - 32.

5. The District Collector,
Jalgaon, Tq. & Dist. Jalgaon ..Respondents

Mr.Mohanish V. Thorat, Advocate for petitioner
Ms.Neha B. Kamble, AGP for respondent nos.1 to 3 and 5

CORAM : SMT.VIBHA KANKANWADI & AJIT B. KADETHANKAR, JJ.
RESERVED ON : APRIL 24, 2026
PRONOUNCED ON : MAY 07, 2026

JUDGMENT (Per Ajit B. Kadethankar, J.) :-

Rule. We have heard the parties for final disposal of the Public Interest Litigation by their consent. Rule made returnable forthwith.

Subject-matter :-

2.1. We are keen about the cause raised by the Petitioner in the Public Interest Litigation. It is about entitlement of the farmers to receive the difference between the higher Minimum Support Price fixed by the Central Government and the State Government.

2.2 The Petitioner highlights the loss of farmers in receiving adequate consideration against the yield. The sum and substance of the Public Interest Litigation is that, the Minimum Support Price (“MSP” for brevity) for the agricultural yield strictly be adhered to, and that the farmers must get the higher MSP between the prices fixed by the State Government and the Central Government.

2.3 The Public Interest Litigation comes with following substantive prayers:

> B. By issuing writ of mandamus or by way of any other appropriate writ, order or directions in like nature, direct the respondents to implement and execute impugned G.R. dated 23/04/2015 by way of Item No. 17 and to pay the difference amount to the farmers.
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> C. By issuing writ of mandamus or by way of any other appropriate writ, order or directions in like nature, direct the respondents to consider the minimum support price and may kindly be directed to pay the difference taken place in triangle, crops of season Kharip and Rabbi of every agricultural year, are finalized by the Central Govt. i.e. cabinet committee on economic affairs, Delhi and Maharashtra State Agricultural Prices Commission, as well as practically the crops are sold to private traders and to agricultural market produce committee are lower than recommended.
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> D. By issuing writ of mandamus or by way of any other appropriate writ, order or directions in like nature, direct the respondents to implement and execute impugned G.R. dated 23/04/2015 before next cropping season i.e. before June 2023 to avoid further deaths of farmers.
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> E. By issuing writ of mandamus or by way of any other appropriate writ, order or directions in like nature, direct the respondents to compensate the farmers with the difference amount as stated in the above chart.

Submissions of the petitioner :-

3.1 The petitioner submits that the State Government has passed a Government Resolution dated 23-04-2015 which acknowledges the disparity in the pricing of the agricultural yield, however, no effective steps are taken by the Governments to compensate the farmers on the realistic basis.

3.2 The petitioner submits that in order to secure the interest of the farmers, the State Government has engaged agricultural yield purchasing agencies to ensure fair price to the agricultural produce of the farmers. However, the fair pricing needs to be fixed considering the relevant components in realistic manner. He would submit that there is serious discrepancy between the prices fixed by the State government and the Central Government.

3.3 Vide present petition, the Petitioner seeks directions to implement Clause 17 of the Government Resolution of 2015 scrupulously and also seeks further directions to grant to the farmers the difference between the fair prices suggested by the State Government to the Central government, and the prices fixed by the Central Government.

Submissions of the Respondents :-

4.1 Learned Assistant Government Pleader Ms. Neha Kamble submits that the State Government is bound by the policy enumerated in the Government Resolution of 2015. Ms.Kamble submits that the State Government is sensitive about the welfare of the Farmers and that after undertaking a keen study with the help of the units and components as mentioned in the Government Resolution of 2015, fair price fixation is done. The said fixation is shared with the Central Government, and accordingly the minimum support prices are fixed.

4.2 Ms. Kamble, learned Assistant Government Pleader would however points out that the Clause 17 of the Government Resolution of 2015 merely provide to recommend the Government as to whether the difference between the price-fixed by the State Government and the price fixed by the Central Government be paid.

Consideration :-

5.1 We find that the Government Resolution dated 23-04-2015 plays a key role in the subject-matter. Vide the Government Resolution of 2015, the State Government converted the State Agricultural Produce Pricing Committee into State Agricultural Value Commission.

5.2 Since 1980, a permanent system was developed to gather the statistical data pan-state in respect of the agricultural production expenditures. This mechanism was brought into force to gather such information of the agricultural yield expenditure and to share the same with the Central Government for facilitating fair price fixation. This scheme was being operated with the aid of four agricultural universities in the State.

5.3 Vide a Government Resolution dated 29-03-2012, the aforesaid scheme was sought to be streamlined. The State Agricultural produce Pricing Committee was reformed and its structure was changed. This reformed committee was operational till issuance of the Government Resolution of 2015.

5.4 With an object to provide fair pricing to the farmers against their agricultural yield and to ensure moderate rate to the consumers, the State Government introduced the Government Resolution of 2015. The Committee came to be transformed as State Agricultural Price Commission. The Government Resolution laid down the jurisdiction of the Commission which consisted in all 18 factors to work on. Looking to the nature of the jurisdiction of the Commission, its clear that its merely entrusted an advisory job. The Commission is expected to study on fair price fixation and to suggest recommendations to the State government on various aspects including fair price fixation, the ratio of agricultural expenses, preservation of the agricultural yield, operating agriculture portal etc.

5.5 Clause 17 of the Government Resolution of 2015 lays down that 'if the minimum support price fixed by the Central Government is lesser than the price fixed by State Government, the Commission shall recommend as to whether if the difference between two prices should be given to the farmers or otherwise.'

5.6 Clause 17 of the Government Resolution of 2015 makes it clear that since the price so fixed by the State government is set up taking into account the components realistically, it is advisable that the pricing fixed by the State Government should prevail over the prices fixed by the Central Government.

5.7 Now, we turn to the prayers made by the Petitioner in this Public Interest Litigation. The substantive prayers are to direct the State government to award the farmers the price fixed by the State Government or the Central Government, whichever is higher. The Petitioner seeks the difference between the two pricing to secure the higher pricing.

5.8 We are aware that the fixation of the Minimum Support prices for agricultural produce falls within the domain of the Central Government which has entrusted this job to CACP. The fair prices in the State are recommended by the Commission (supra) to the State Government. The State Government then recommends those to the Central Commission for Agricultural Costs and Prices (CACP).

5.9 What we find is the reply filed by the Respondent no.4 which is quite descriptive. Paragraph 5 to 16 of the reply affidavit are reproduced herewith for ready reference:-

> 05. I say and submit that, The Commission for Agricultural Costs and Prices hereinafter mentioned as CACP for abbreviation purpose, is an attached office to Cabinet Committee on Economic Affairs (CCEA) of the Ministry of Agriculture and Farmers Welfare, Government of India. The role of State Agriculture Price Commission (SAPC) is to calculate and recommend the prices to CACP. CACP is the authority to declare Minimum Support Prices, hereinafter mentioned as (MSP) for "Fair Average Quality" of crops, which applies to entire India. Rest of Para is not related with respondent hence No comments.
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> 06. I say and submit that, the respondent No.4 is not an implementing authority to start procurement center. The respondent No.4 is only concerned to recommend prices of "Fair Average Quality" of crop for MSP on the basis of calculation of Cost of Production as derived by Cost Accounting Method.
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> 07. I say and submit that, as petitioner mentioned, the prices are recommended since 1980, under the scheme of Cost of Cultivation by State Agriculture Price Committee. Later on by said GR same Committee is converted in SAPC. As well the SAPC formed by said G. R. is also not a Statutory Establishment like State Agricultural Price Committee. Therefore the prices recommended by SAPC are not mandatory to State Govt. Only the list of assigned crops is modified over the time.

08. I say and submit that, as petitioner mentioned the Establishment of SAPC in said Government Resolution dated 23/4/2015. Not much disputed. While Prices are recommended by calculating Cost of Production taking in account direct and indirect expenditure for entire Maharashtra. Prices are not calculated and recommended by considering geographical area and weather Condition.

09. I say and submit that, as per para no 5 (V) of the petition, Sub clause no. 1 & 2 of clause B of said G.R. is the regular work practice of SAPC hence, no comments. For Sub Clause no.17 of Clause B of the said G R understanding it is explained as below

SAPC is formed by Government to know the Statistics of Cost of Production of assigned crops that help government at different forum and helpful for so many policy decision related to agriculture. As well as for recommendation of prices to Central Government for declaration of MSP of "Fair Average Quality" crops.

As stated above the main work of SAPC is to calculate cost of production for assigned crops for Fair Average Quality. For that SAPC collects data from four Agriculture Universities of Maharashtra State through their agricultural assistants. For the data collection throughout the State, farmers/cultivators are selected by sampling method. Agricultural assistants visit the particular farmer and collect the data, which is tabulated and partially processed at university level. This data is later on sent to SAPC. SAPC collects other related data from Agriculture Commissioner Pune, Marketing Boards, Fertilizer Association of India, selected Agricultural Produce Market Committees (APMC), Food and Civil supply department etc. SAPC calculates Cost of Production by Cost Accounting Method.

This above acquired (calculated) price by cost accounting method is further added with-

1. Average market fee and transportation charges are added which are collected from some selected APMCS.

2. Managerial (supervision) cost @10% is added for management and supervision other than family labour charges. (Family labour charges are already taken in account at the time of deriving Cost of Production).

3. Again 15% profit per quintal on Cost of Production is added in favour and benefits of the farmers. And then this calculated amount is recommended to CACP.

These 3 items which are later on added in the cost of Production is for the favour and benefit of farmers. And this is the State Policy for demanding maximum MSP to the Central Government through CACP.

If all above 3 items taken into account, Naturally, State Govt. always recommends around 30% more than actual cost of production. While taking into consideration allegations regarding numeric difference between recommended prices and declared MSP, made by the petitioner, State Government cannot cease to demand for more MSP to Central Government at the time of recommending the cost of production.

Same is admitted by petitioner in next para of his petition.

At the same time CACP also independently calculate prices for "Fair Average Quality" crops, collects data regarding the crops independently and calculates cost of production by the help of their own machinery. CACP declares MSP taking all the factors in account i.e. prices recommended by all State/UT, export/import policy of crop, last year stock, expected production of current year. The declared MSP are applicable for entire India. Therefore, MSP cannot be declared individually for each State/U.T.

The main thing, CACP declares MSP for next year marketing season to assure farmer for minimum prices and to promote for cultivation of certain crop, it does not mean to procure all the crop.

After taking into consideration the above facts, the original cost of production calculated by State and the prices declared by CACP/Central Government have a plus/minus difference of approximately 10% to 15%. As per Statistical Analysis, considering the different agricultural, climatic, geographical, manpower and other conditions in the country such 10% to 15% difference is expected and it is admissible. Therefore, it is definitely not expected the SAPC should comment to State Government to give a difference between the recommended prices and declared MSP by the central government.

So contents of said para regarding the applicability of said G R clauses is not true and correct as it is read by petitioner.

10. I say and submit that, considering above facts, in normal process it is not needed to comment about difference. The clause is enlisted if any specific condition arises and State Government asks for advice or comments. Considering above things misleading the interpretation of clause and asking for difference is not logical. Now as per sub clause 17 of the 2015 G.R. it is nowhere mentioned that State Government has to pay the difference between MSP & recommended prices by SAPC. Or there is no any such understanding /obligation to pay the numeric difference between proposed prices and declared prices. So claim for the compensation of difference is denied.

11. I say and submit that, as stated above SAPC calculate cost of production for assigned crops for Fair Average Quality. For that SAPC collects data from four Agriculture Universities of Maharashtra State through their agricultural assistants. For the data collection throughout the State, farmers/cultivators are selected by sampling method. Agricultural assistants visit the particular farmer and collect the data, which is tabulated and partially processed at university level. This data is later on sent to SAPC. SAPC collects other related data from Agriculture Commissioner Pune, Marketing Boards, Fertilizer Association of India, selected Agricultural Produce Market Committees (APMC), Food and Civil supply department etc. SAPC calculates Cost of Production by Cost Accounting Method. CACP declares MSP taking all the factors in account i.e. prices recommended by all State/UT, crop export/import policy, last year stock, expected production of current year. The MSP declared are applicable for entire India. Therefore, as per petitioner's demand MSP cannot be declared individually for each State/U.T.

So allegation made by petitioner about recommendations are bluff and manipulated and made without having any sound reasoning is denied.

12. I say and submit that, as stated above the issue of difference between recommended prices and declared MSP explored in Exhibit C has not any significance, so denied. Rest of para No Comments

> 13. I say and submit that, contents read by the petitioner about private trading is denied in above facts. Rest of para explored in Exhibit D is not related to Respondent no. 4. It is different and separate issue and related with Rehabilitation Cell under Revenue Department. Hence, no comments
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> 14. I say and submit that, the contents in para 5 part II XI is not much disputed with respect to the submission of representation. Adverse allegation of the said para are denied.
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> 15. I say and submit that, for para 6 of petition, Every year CACP declares MSP of selected main crops for Average Fair Quality. If rates go down than the declared MSP in open market, Marketing department takes care to open the procurement centres, to purchase the crops from the farmers at MSP. Adverse allegation in the said para is denied. Rest Para pertains to Marketing department.
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> 16. I say and submit that, for prayer of petition B, C & E. State Government has no any such understanding/obligation as per Sub Clause no 17 of Clause B of the said G R. to pay the numeric difference between proposed prices and declared prices. For the same procedure of proposed prices is already described in above comments. So same is denied.

5.10 From the reply affidavit filed by the Respondent no.4, it is clear that the CACP declares the Minimum Support Prices for the next year's marketing season. Its stated that there is usually difference of 10%- 15% between the cost of production calculated by the State and the prices declared by the CACP. The difference is justifiable on account of difference in agriculture, climatic difference, geographical differences, cost of manpower, etc. The Authority has, therefore, sought to justify that the Commission may not be justified in recommending the State to give the difference price to the farmers.

5.11 Fixation of MSP is a policy decision of the Central Government. True, that the MSP fixation has to be meaningfully done by co-ordination with the State Government. The petitioner has not made the Union of India party to this P.I.L. Hence, we cannot observe anything more. The SAPC/State cannot go beyond its authority as regards the policy of the U.O.I.

5.12 On the backdrop of the above, we are of the opinion that the Public Interest Litigation can be disposed of with following observations.

6. Hence, the following order:-

ORDER

(i) The Government Resolution dated 23-04-2015 shall be implemented by the State authorities scrupulously;

(ii) In terms of Clause 17 of the Government Resolution dated 23-04-2015, the State Agriculture Commission for Pricing shall meticulously work out the difference between the price declared by the Central Government and the State Government, and shall accordingly make its recommendations.

(iii) We hope and trust that the State Authorities shall make every endeavor to ensure that the farmers will receive adequate and appropriate pricing for their agricultural yield. For that, taking the benefit of the data collected from the State Agriculture Pricing Commission and the Central Agriculture Commission for Pricing shall be compared positively.

(iv) Since the Petitioner has not arrayed the Agriculture Ministry under the Union of India, we refrain for now to issue any directions to such authority at this juncture.

(v) Leave to the Petitioner to approach this court again, if needed for any further directions.

(vi) Public Interest Litigation stands disposed of accordingly.

[AJIT B. KADETHANKAR, J.] **[SMT.VIBHA KANKANWADI, J.]**

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KBP