

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE & FARMERS WELFARE
DEPARTMENT OF AGRICULTURE & FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO. 3858
TO BE ANSWERED ON THE 27/03/2026

PRICE STABILISATION MECHANISMS FOR PLANTATION CROPS

3858. SHRI A. A. RAHIM:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether the Ministry has conducted any assessment of price volatility and income distress faced by farmers cultivating plantation and spice crops such as pepper, rubber and cardamom during the last five years;
- (b) the details of the average farm-gate prices of these crops vis-à-vis the cost of cultivation during the same period;
- (c) whether any proposals or representations have been received from State Governments or farmers' organisations seeking inclusion of these crops under MSP or assured procurement mechanism; and
- (d) whether Government proposes to examine the feasibility of extending MSP or any alternative price-stabilisation mechanism for pepper, rubber and cardamom?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a): The prices of pepper, rubber and cardamom are determined in the open market based on demand and supply. International prices also influence domestic prices. The National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation (MoSPI) conducted a Situation Assessment Survey (SAS) of Agricultural Households during NSS 77th round (January, 2019-December, 2019) with reference to the agricultural year July, 2018- June, 2019 in the rural areas of the country. According to the survey, the estimated average monthly income per agricultural household increased from ₹6,426 in 2012-13 (NSS 70th round) to ₹10,218 in 2018-19 (NSS 77th round). In respect of State of Kerala, it increased from ₹11,888 to ₹17,915 for the same period.

(b): The details of the average prices and production of pepper, cardamom and rubber over the last five years are given at **Annexure-I**. The cost of cultivation/ production of these commodities is given at **Annexure-II**.

(c) & (d): Government of India fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops for the country every year including Kerala, based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/ Departments concerned. Pepper, rubber and Cardamom are not mandated agricultural crops under MSP.

Ministry of Agriculture & Farmers Welfare implements Market Intervention Scheme (MIS) under Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) for procurement of agricultural and horticultural commodities, which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and the cost of production. The condition is that there should be at least a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/ UT government, which is ready to bear 50 percent of the loss (25 percent in case of North-Eastern States), if any, incurred on its implementation.

Government has introduced a new component of Price Differential Payment (PDP) under Market intervention scheme (MIS) from 2024-25 season for direct payment of the price difference between the Market Intervention Price (MIP) and the selling price to the farmers of perishable crops. States/UTs have an option to choose either to do physical procurement of the crop or to make the differential payment between the MIP & Sale Price to the farmers.

Average prices and production of pepper, cardamom and rubber over the last five years

Year	Farm Gate Price- Black Pepper (Local)- Kerala (Rs/kg)	Production (000'MT) Black Pepper	Cardamom (Small)- All India weighted average auction price (Rs/kg)	Production (000'MT) Cardamom	Yearly Average price [Rs/ kg] Natural Rubber (RSS4 Grade)	Production (000'MT) Natural Rubber
2020-21	326.25	140.64	1553.99	33.95	-	715.00
2021-22	439.62	95.32	993.16	37.00	171.01	775.00
2022-23	471.67	117.07	987.17	36.00	156.52	839.00
2023-24	553.04	126.04	1542.75	35.00	155.72	857.00
2024-25	624.58	104.75	2452.17	31.00	199.85	875.00
2025-26 (April to February)	660.07	-	2467.29	-	195.47	-

Source: Farm-gate price of pepper- Dte of Economics and Statistics (DES), Kerala, Price of Cardamom- Spices Board, Kochi, Kerala/ Plantation Division, Department of Commerce and price of Rubber- Rubber Board, Kottayam, Kerala/Plantation Division, Department of Commerce, Production Data- (Cardamom and Black Pepper)-Horticulture Statistics Division, DA&FW

Cost of Cultivation/ Production of Black pepper, Cardamom and Rubber

S.No.	Particulars	Cost
1.	Black Pepper (Kerala)	
a.	Estimated cost of cultivation	Rs. 2,22,191/ha
b.	Estimated cost of production	Rs. 453.50/kg
2.	Small Cardamom (Kerala)	
a.	Total establishment cost for first two years	Rs. 6,16,046/ha
b.	Annual maintenance cost from 3 rd year onwards	Rs. 3,72,382/ha
3	Cost of Cultivation/ Production of Natural Rubber (2022-23) Third daily tapping(Kerala) (All paid out costs of labour and material inputs, interest on working capital and depreciation)	105.59 Rs./kg

Source: Cost of Cultivation/ Production of Pepper- Directorate of Arecanut and Spices Development (DASD), Calicut, Kerala, Cardamom- Spices Board's website- <https://www.indianspices.com> and Rubber- Rubber Board's website- <https://rubberboard.gov.in>
