

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.1054
TO BE ANSWERED ON THE 22ND NOVEMBER, 2016

INCREASE IN COST OF PRODUCTION OF AGRICULTURE

1054. SHRI MALLIKARJUN KHARGE:
SHRI ASHOK MAHADEORAO NETE:
SHRI OM BIRLA:
SHRI M.K. RAGHAVAN:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the growth rate of MSP for several crops has been lower whereas input cost of agriculture has increased many fold, if so, the details thereof;
- (b) whether agriculture is becoming unremunerated for small and marginal farmers on account of decreasing holding size, increase in the cost of agricultural inputs and environmental risk factors on the crops, if so, the details thereof along with the steps taken or proposed to be taken by the Government to bring down the cost of production;
- (c) whether any comparative study has been commissioned to examine the input cost for cultivation of major crops, *vis-avis* MSP fixed for each crop and if so, the details thereof;
- (d) the steps taken by the Government to reduce the input costs of agriculture like the usage and prices of fertilizers, pesticides, seeds etc. and implement the recommendations made by the National Commission on Farmers and provide maximum benefit to the farmers; and
- (e) the details of various works carried out by the Government in view of the proposal to double the income of farmers?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI S.S. AHLUWALIA)

(a) to (c): Cost of production is one of the important factors taken by Commission for Agricultural Costs and Prices (CACP) in determination of Minimum Support Prices (MSPs).

Details of all-India weighted average cost of production including family labour (A2+FL) and MSPs for major agricultural crops from 2014-15 to 2016-17 are given at **Annexure**.

A study conducted by NITI Aayog on efficacy of MSP has found that MSP declared by the Government has encouraged 78% of the farmers including small and marginal farmers covered under the study for adopting improved methods of farming such as high yielding varieties of seeds, organic manure, chemical fertilizer, pesticides and improved methods of

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harvesting etc. due to remunerative price. The study has also revealed that majority of farm households are in favour of MSP since it ensures guaranteed income to the farmers by acting as a floor price.

Under *Comprehensive Scheme for Studying the Cost of Cultivation of Principal Crops*, the cost data for all the important crops are collected on a sample basis by State Agricultural Universities/Institutions located in various states and the cost data for all major crops are continuously updated, which form the basis for recommending MSPs by CACP.

(d) & (e): Government has taken several initiatives to reduce input costs of agriculture which *inter alia* includes Soil Health Card, Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Neem-coated Urea (NCU), Bio Pesticides for promoting Integrated Pest Management, Production of Quality Seeds, Promoting water saving devices like sprinkler sets, drip irrigation systems, water carrying pipes/ underground pipelines etc.

Government has also initiated various schemes to increase the income of farmers which *inter alia* includes Special focus on irrigation with sufficient budget with the aim of “Per Drop More Crop”, Provision of quality seeds and nutrients based on soil health of each field, large investments in Warehousing and Cold Chains to prevent post- harvest crop losses, Promotion of value addition through Food Processing, Creation of a National Farm Market, Introduction of a New Crop Insurance Scheme to mitigate risks at affordable cost, Promotion of ancillary activities like Poultry, Beekeeping and Fisheries etc.

Annexure

Annexure referred to in reply to parts (a) to (c) of the Lok Sabha Unstarred Question No.1054 due for reply on 22.11.2016

	CROPS	2014-15		2015-16		2016-17	
		A2+FL	MSP	A2+FL	MSP	A2+FL	MSP
1	PADDY	978	1360	1020	1410	1045	1470
2	WHEAT	744	1450	785	1525	797	1625
3	MAIZE	914	1310	941	1325	966	1365
4	ARHAR(Tur)	3105	4350	3237	4625 [^]	3241	5050 ^{^^}
5	MOONG	3890	4600	3993	4850 [^]	4065	5225 ^{^^}
6	GRAM	1902	3175	2124	3500 *	2241	4000 [^]
7	MASUR (LENTIL)	1866	3075	2015	3400 *	2174	3950 ^{&}
8	GROUNDNUT IN SHELL	3232	4000	3314	4030	3371	4220 ^{**}
9	RAPESEED/MUSTARD	1504	3100	1702	3350	1871	3700 ^{**}
10	COTTON (Medium Staple)	2510	3750	2753	3800	2889	3860
	(Long Staple)	2510	4050	2753	4100	2889	4160

[^]Including bonus of Rs. 200 per quintal

^{^^}Including bonus of Rs.425 per quintal

*Including bonus of Rs.75 per quintal

**Including bonus of Rs.100 per quintal

& Including bonus of Rs.150 per quintal
