

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

LOK SABHA
STARRED QUESTION NO. 150
TO BE ANSWERED ON THE 6TH MARCH, 2018

PRICES OF AGRICULTURAL PRODUCTS

*150. SHRI J.J.T. NATTERJEE:
SHRI R. PARTHIPAN:

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

- (a) whether the Goods and Services Tax (GST) has struck the agricultural sector hard, creating confusion and lack of clarity;
- (b) if so, the details thereof;
- (c) whether the Government is aware that the prices of agricultural products have come down below the cost of production recently irrespective of crops;
- (d) if so, the details thereof; and
- (e) whether the Government has any mechanism to address these issues and if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण ½â"ãè

(SHRI RADHA MOHAN SINGH)

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO. 150 DUE FOR REPLY ON 6TH MARCH, 2018.**

(a) & (b): No, Madam. Long time impact of GST will be positive for farmers as our country will be a single market and internal barriers will be removed.

(c) to (e): Except for sunflower seed, the average monthly wholesale prices of major agricultural crops are above the all India weighted average cost of production.

Government fixes the Minimum Support Prices (MSPs) of 22 mandated agricultural crops and Fair and Remunerative Price (FRP) for sugarcane based on the recommendations of the Commission of Agricultural Costs and Prices (CACP), after considering the views of State Governments and Central Ministries /Departments concerned and other relevant factors to prevent farmers from distress sale. While formulating its recommendation on price policy, CACP considers cost of production, trends in market prices, demand and supply situation, effect on general price level and effect on cost of living.

Government has increased the MSPs of Kharif and Rabi crops for 2017-18 Seasons on the basis of recommendations of CACP. The MSPs fixed by the Government provide adequate returns over weighted average cost of production as estimated by the CACP.

In the Union Budget for 2018-19, it has been announced that the MSP of kharif crops would be fixed at one and a half times of the cost of production.
