

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

LOK SABHA
UNSTARRED QUESTION NO. 2900
TO BE ANSWERED ON THE 13TH March, 2018

FAIR PRICE FOR FARMER'S PRODUCE

2900. SHRI C. MAHENDRAN:

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

- (a) whether the Government is of the opinion that the farmers are not getting fair and remunerative prices for their produce and their income is not growing, if so, the details thereof;
- (b) whether the Government has any pending recommendations in this regard, if so, the details thereof;
- (c) whether the Government has any institutional mechanism for price stabilization in the country, if so, the details thereof; and
- (d) whether the Government is aware that the real issue is that while the cost of production is constantly going up despite subsidies, the farmers are unable to get proper price for their produce, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI GAJENDRA SINGH SHEKHAWAT)

(a) & (b): Government has taken several steps to ensure remunerative prices to farmers for their produce which include fixing Minimum Support Prices (MSPs) for major agricultural crops, undertaking procurement through designated procurement agencies, implementing e-National Agriculture Market, enacting the Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 and promoting Farmer Producer Organization (FPOs).

The MSPs fixed by the Government provide adequate return over weighted average cost of production (A2+FL). The return over weighted average cost of production (A2+FL) for MSPs fixed by Government for 2017-18 has been in excess of 50% with return of 112.4% for wheat, 88.4% for rapeseed/mustard, 79.6% for masur, 78.8% for gram, 66.9% for barley, 65.4% for urad, 64.3% for tur, 62.0% for jute and 50.2% for bajra.

The Union Budget for 2018-19 has announced the pre-determined principle to keep MSPs at levels of one and half time the cost of production for kharif crops also in the lines of that already implemented for rabi crops in October 2017.

The low level of income of farmers is attributable to low or marginal agricultural land holdings, traditional methods of farming, non-use of quality seeds, poor soil health, low irrigation facilities, inadequate access to institutional credit etc, which result in lower productivity & output;

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to poor farm gate prices realization owing to inadequate access to marketing facilities & post-harvest support services; and inadequate income supplementation from allied sectors. In view of this, Government set up a Committee in 2016-17 to frame policies and strategies for doubling farmers' income by 2022 through various initiatives of Government.

(c): The Price Stabilization Fund (PSF) was set up in 2014-15 under the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) to reduce the volatility in prices of important agricultural/horticultural commodities like onion, potatoes and pulses. The scheme was transferred to the Department of Consumer Affairs w.e.f. 1st April, 2016. Department of Consumer Affairs is monitoring prices of selected essential commodities and calibrating policies for price stabilization.

(d): While the MSPs fixed by the Government provides adequate returns over weighted average cost of production (A2+FL), in certain States the returns may be lower on account of low yield of crops and higher cost relative to the average. Government has taken several initiatives to reduce the cost of production, raise the yield levels and provide remunerative price to farmers which include Soil Health Card, Pradhan Mantri Krishi Sinchai Yojana (PMKSY), neem-coated urea (NCU), bio pesticides for promoting Integrated Pest Management, Production and supply of quality seeds, promoting water saving devices like sprinkler sets, drip irrigation systems etc.
