

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

LOK SABHA
UNSTARRED QUESTION NO.5199
TO BE ANSWERED ON THE 27TH MARCH, 2018

PROFIT MAKING INDUSTRIES IN AGRICULTURE SECTOR

5199. PROF. A.S.R. NAIK:

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

- (a) whether industries engaged in agriculture sector are making huge profits every year while farmers are sinking into debt day-by-day and if so, the details thereof;
- (b) whether the reason behind accrual of huge profits to companies engaged in agriculture sector, such as tractor manufacturers, fertilizer manufacturers/ suppliers, companies supplying insecticides and seeds, is the faulty policies of the Government, which are harming the farmers and benefiting the industries engaged in agriculture and if so, the response of the Government thereto; and
- (c) whether the Government is considering for setting up a regulator for fixing prices of the said resources, so as to arrest the trend of earning huge profits on agricultural tools and 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 PARSHOTTAM RUPALA)

(a) to (c): No Madam. Agriculture is a State subject; however, Ministry of Agriculture & Farmers Welfare is implementing various schemes/programmes for benefit of farmers. The National Sample Survey Office (NSSO) conducted a Situation Assessment Survey (SAS) of Agricultural Households during its 70th round (January-December, 2013) in the rural areas of the country with reference to the agricultural year (July, 2012-June, 2013). As per the results obtained from the survey, the average amount of outstanding loans per agricultural household was approximately Rs.47000. The State wise amount of debt burden per agricultural household is at **Annexure**. These loans included all kind of loans taken by the agricultural households.

In order to provide good quality of fertilizer at a reasonable price, the Government of India has declared fertiliser as essential Commodity under the Essential Commodities Act, 1955. Under Section 3 of the Act, the Government of India promulgated the Fertiliser Control Order (FCO), 1985. The FCO, 1985 empowers the Government of India to regulate the price, distribution and quality of the fertiliser. At present the Government of India is fixing the statutory price only of the urea fertiliser. The price of other fertilisers are out of the purview of statutory price. The Government of India has fixed the price of urea of 45 kg. bag at Rs. 242/- w.e.f. 1st March, 2018. No person shall sell any fertiliser over a statutory price fixed by the Government of India.

To promote the farm mechanization in the country, Department of Agriculture, Cooperation & Farmers Welfare has introduced 'Sub Mission on Agricultural Mechanization' (SMAM). Under SMAM, the Government is providing subsidy to the farmers for procurement of various Agricultural machinery in the range of 25 to 50% of the cost as agricultural equipment. The subsidy is provided to the farmers through the State Governments. The State Governments after negotiating the price with the agricultural machinery manufactures and empanelled the manufacturers so that the price become affordable to the farmers. The farmers have freedom to choose any machinery from any of the empanelled manufacturers.

Mechanization helps in improving utilization efficiency of inputs like seed, fertilizer & pesticides, besides safety and comfort of the agricultural worker, improvements in the quality and value addition of the produce and also enabling the farmers to raise a second crop or multi crop.

There is no proposal of Government to set up a regulator for fixing prices of the agricultural tools. However some of the states negotiate the prices of various agricultural machinery with manufacturers through tender process before these are supplied through subsidy scheme so that the farmers can be benefited by the reduced price.

The Central Government under Section 5 of the Insecticides Act, 1968 registers pesticides after considering the data on different parameters such as chemistry, bio-efficacy, toxicity, packaging and processing to ensure efficacy and safety to human beings and animals. The act also provides power to State Government for use, manufacture, sale, transport and distribution of insecticides. Generic pesticides accounts for majority of the Indian pesticides market. The intense competition between the manufacturers ensures that the price remains competitive.

The Insecticides Act, 1968 does not provide for a regulator for fixing of the prices. However, certain steps have been undertaken such as pesticide association have been asked to communicate last three years' data on Maximum Retail Price (MRP) of fast moving high consumption generic pesticide and their formulated products so as to deliberate on the ways to provide pesticide to farmers at affordable prices.

The price of seeds of various crops are governed by market forces, except the Bt.Cotton seed prices, which are fixed under Cotton Seed Price (Control) order-2015.

The Price (per packet of 450 gm and 120 gm refugia) of BG-II variety of Bt.Cotton has been reduced from Rs.800 (2017-18) to Rs.740 (2018-19).

Annexure**State wise average amount of debt burden per agricultural household**

States/UTs	Average Amount of Debt per Cultivator Household (Rural) Rs.
Andhra Pradesh	130599
Arunachal Pradesh	4386
Assam	7856
Bihar	48674
Chhattisgarh	16810
Delhi	8801
Goa	21959
Gujarat	53717
Haryana	99212
Himachal Pradesh	91682
Jammu & Kashmir	17176
Jharkhand	9250
Karnataka	83987
Kerala	441589
Madhya Pradesh	48723
Maharashtra	68532
Manipur	5849
Meghalaya	2872
Mizoram	6915
Nagaland	3800
Odisha	25389
Punjab	216524
Rajasthan	72453
Sikkim	78878
Tamil Nadu	100266
Telangana	84423
Tripura	386
Uttarakhand	40573
Uttar Pradesh	69794
West Bengal	10333
A & N Islands	17114
Chandigarh	43133
Dadra & N. Haveli	46317
Puducherry	205675
All-India	70580

Source: NSSO 70th Round, Key Indicators of Debt and Investment in India (2014)
