

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

LOK SABHA
STARRED QUESTION NO. 288
TO BE ANSWERED ON THE 1ST JANUARY, 2019

REMUNERATIVE PRICES TO FARMERS

*288. SHRI MOHD. SALIM:
SHRI MD. BADARUDDOZA KHAN:

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

- (a) whether it is a fact that the Government has failed to provide remunerative prices to farmers of the country while the cost of production has gone up rapidly and prices of crops have gone down drastically since 2015 and if so, the details thereof;
- (b) whether it is also a fact that non-remunerative price of crops to farmers is forcing them to hand over their land to industries for corporate farming; and
- (c) if so, the details thereof and the reasons for providing non-remunerative prices to farmers?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI RADHA MOHAN SINGH)

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

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA
STARRED QUESTION NO. 288 DUE FOR REPLY ON 1ST JANUARY, 2019.**

(a): No, Madam. Government fixes Minimum Support Price (MSP) of 22 mandated agricultural crops and fair and remunerative price (FRP) for sugarcane on the basis of recommendations of Commission for Agricultural Costs and Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors. CACP is an expert body tasked to recommend MSPs after a broad consultative process taking into consideration a host of factors. These MSP crops cover approximately 99 per cent of the total agricultural production in the country.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times the cost of production. Accordingly, Government has increased the MSPs for all notified Kharif, Rabi and other commercial crops with a return of atleast 50 per cent of cost of production for the agricultural year 2018-19. This decision of the Government was a historic one as it fulfills the commitment to the farmers to provide 50 per cent return over all-India weighted average cost of production for the first time for all mandated crops.

The prices of agricultural produce are determined by supply and demand conditions in the market on a day-to-day basis. The prices of agricultural produce tend to fall immediately after harvest due to increase in market arrival of new crops in a lumpy manner. The cost of production and wholesale prices of some of the major MSP crops since 2015-16 are given in Annex 1.

(b): There is no evidence to suggest at all-India level that non- remunerative price of crops to farmers is forcing them to hand over their land to industries for corporate farming.

(c): Does not arise.

Annexure referred to in reply to part (a) of Lok Sabha Starred Question No. 288 due for reply on 01.01.2019.

Cost of production and Wholesale Prices of major MSP crops

(Rs/quintal)

Sl. No.	Commodity	Cost [#] of production				Wholesale prices			
		2015-16	2016-17	2017-18	2018-19	2015-16	2016-17	2017-18	2018-19*
	Kharif Crops								
1	Paddy (common)	1020	1045	1117	1166	1521	1631	1694	1669
2	Jowar (Hybrid)	1467	1501	1556	1619	1965	2088	2147	2219
3	Bajra	893	925	949	990	1525	1749	1555	1570
4	Ragi	1688	1733	1861	1931	1970	2505	2880	2569
5	Maize	941	966	1044	1131	1425	1589	1520	1496
6	Arhar (Tur)	3237	3241	3318	3432	7570	6818	4371	4172
7	Moong	3993	4065	4286	4650	7718	6295	5283	5406
8	Urad	3455	3584	3265	3438	8764	9310	5771	4863
9	Groundnut In Shell	3314	3371	3159	3260	4909	5243	4572	4364
10	Soyabean (yellow)	1770	1852	2121	2266	3418	3234	3095	3461
11	Cotton (Medium Staple)	2753	2889	3276	3433	4204	5084	4705	5189
	Rabi Crops								
1	Wheat	785	797	817	866	1793	1985	1924	2038
2	Gram	2124	2241	2461	2637	4784	7490	5579	4377
3	Rapeseed & Mustard	1702	1871	2123	2212	4202	4306	3990	4074
	Other Crops								
1	Sugarcane	132	140	152	155	NR	279	271	270
2	Jute	2042	2125	2160	2267	4067	4445	3450	3801
3	Copra (milling) \$	4138	4676	4758	5007	8470	6681	10947	12264

Includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc, miscellaneous expenses and imputed value of family labour.

*Apr-Nov; \$ Calender Year; NR-Not Reported
