

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

LOK SABHA
UNSTARRED QUESTION NO. 118
TO BE ANSWERED ON THE 11TH DECEMBER, 2018

REMUNERATIVE PRICES FOR FARM PRODUCES

118. SHRI SANJAY HARIBHAU JADHAV:

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

- (a) whether the economic condition of the farmers is not improving in Maharashtra due to absence of sufficient rains and good quality seeds as well as not receiving remunerative price for their crops;
- (b) whether farmers could not recover even the production cost on the last crop of potatoes which ruined them;
- (c) if so, the details thereof;
- (d) the efforts being made by the Government to provide remunerative prices to the farmers for their crops; and
- (e) the details thereof and if not, the reasons therefor?

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): Small 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 and output; poor farm gate prices realization owing to inadequate access to marketing facilities & post-harvest support services; and inadequate income supplementation from allied sector are some of the factors resulting in the extant economic condition of the farmers in certain parts of the country including parts of Maharashtra.

(b) & (c): Horticulture produce including potato is perishable in nature due to moisture content and cannot be stored at ambient temperature for longer period. Therefore, arrival of the crops in very high volumes in a lumpy manner during the peak harvesting season sometimes depresses prices of such crops as they are determined by supply and demand conditions in the market.

However, Government implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural crops which are not covered under the MSP on the request of State/UT Governments concerned. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend

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to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States). Profit, if any, earned by the procuring agencies is retained by them.

(d) & (e): Government had substantially increased the Minimum Support Prices (MSPs) for all mandated kharif, rabi and commercial crops for 2018-19 Season. This decision of the Government is a historic one as it redeems the promise of the pre-determined principle of fixing the MSPs at a level of at least 150 per cent of the cost of production announced by the Union Budget for 2018-19. For the year 2018-19 all mandated agricultural crops getting at least 50 percent return over cost of production.

Apart from increasing MSPs, Government has taken several steps to provide remunerative prices to farmers for their produce which include undertaking procurement through designated procurement agencies, implementing e-National Agriculture Market (e-NAM), enacting the Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 and promoting Farmer Producer Organizations (FPOs).

The Government is working on a new market architecture, so as to ensure that farmers get remunerative prices on their produce. These include setting up of Gramin Agricultural Markets (GrAMs) so as to promote 22,000 number of retail markets in close proximity of farm gate; competitive and transparent wholesale trade at APMC through e-NAM; and a robust and pro-farmer export policy. The new Umbrella Scheme Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA) announced by the government is also a progressive step in this direction. The Umbrella Scheme consists of three sub-schemes i.e. Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS) and Private Procurement & Stockist Scheme (PPSS) on a pilot basis.
