

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

LOK SABHA
UNSTARRED QUESTION NO.4587
TO BE ANSWERED ON THE 8th JANUARY, 2019

PRICE OF FARMERS' PRODUCE

4587. SHRIMATI RANJANBEN BHATT:

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

- (a) whether the problems of the farmers are increasing as the price of their produce does not rise in proportion to their cost of farming;
- (b) if so, whether the Government would consider increasing the price of their produce in proportion to the rise in their cost of farming; and
- (c) if so, by when 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) to (c): 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.

Government fixes Minimum Support Prices (MSPs) of 22 mandated crops based on the recommendations of the Commission for Agricultural Costs & Prices (CACP). While recommending MSPs, CACP takes into account the cost of production, overall demand-supply, domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of production resources like land and water. These MSP crops cover approximately 99 per cent of the total agricultural production in the country.

While recommending MSPs, CACP considers a host of factors including all India weighted average cost of production of crops. Government generally increases the MSPs of all notified crops which provide adequate return over cost of production. Government has increased MSPs substantially for all mandated crops for the season 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 cost of production for the first time for all mandated crops.

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.