

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

LOK SABHA
UNSTARRED QUESTION NO.2700
TO BE ANSWERED ON THE 9TH JULY, 2019

UNVIABLE PROFESSION

2700. SHRI DEVUSINH JESINGBHAI CHAUHAN:

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

- (a) whether it is a fact that agriculture has become an unprofitable profession for the farmers due to rise in the input costs during the last few years and if so, the details thereof along with the reasons therefor;
- (b) whether the Government is aware that Minimum Support Price (MSP) of the foodgrains is less than the retail market price, if so, the details thereof and the reasons therefor;
- (c) whether the Government has held consultations with the various stakeholders including representatives of farmers to make agriculture a viable profession and if so, the details thereof; and
- (d) the other measures taken/proposed to be taken by the Government for improving the condition of agriculture sector?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): The agricultural price policy of the Government is aimed at providing remunerative price to farmers. For this purpose, Government declares Minimum Support Prices (MSPs) for 22 mandated agricultural crops and fair and remunerative price (FRP) for sugarcane which account for 99 percent of the agricultural production (does not include horticulture) in the country. As productivity level, cost and returns vary in the country depending on agro-climatic conditions, MSPs are being fixed after providing for a 50% margin over all India weighted average cost of production. A statement showing cost, MSP and returns of 22 mandated agricultural crops for last 3 years is at Annex -I.

Government also implements Market Intervention Scheme (MIS) for horticultural crops which are perishable in nature and some agricultural crops which are not covered under the MSP on the request of State/UT Government concerned. The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production.

(b): The prices of agricultural produce are determined by supply and demand conditions in the market on a day-to-day basis. Wholesale prices of agricultural produce tend to fall immediately after harvest due to increase in market arrival of new crops in a lumpy manner. However, retail prices of milled agricultural products are generally much higher than MSP. Details of MSP and retail prices of foodgrains are given at Annex 2.

(c) & (d): Government receives representations from time to time on various issues concerning agriculture sector. Government is committed to farmer's welfare and towards this objective it has changed its strategy from being production centric to an income centric one. Accordingly, Government has increased MSPs for all mandated crops with a return of at least 50 percent over all India weighted average cost of production for the season 2018-19.

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 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 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.

Interim Union Budget 2019 had announced a historic programme namely "Pradhan Mantri Kisan SAMman Nidhi (PM-KISAN)". Under this programme, landholding farmer families will be provided direct income support at the rate of Rs. 6,000 per year. The PM-KISAN scheme aims to supplement the financial needs of the farmers in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income at the end of the each crop cycle.

Annexure- I

Annexure referred to in reply to part (a) of Lok Sabha Unstarred Question No. 2700 due for reply on 09.07.2019.

Cost*, MSP and Return

Sl. No.	Commodity KHARIF CROPS	2016-17			2017-18			2018-19			2019-20		
		Cost*	MSP	% Return over Cost	Cost*	MSP	% Return over Cost	Cost*	MSP	% Return over Cost	Cost*	MSP	% Return over Cost
1	PADDY(Common)	1045	1470	40.7	1117	1550	38.8	1166	1750	50.1	1208	1815	50.2
	(Grade A)^		1510			1590			1770			1835	
2	JOWAR (Hybrid)	1501	1625	8.3	1556	1700	9.3	1619	2430	50.1	1698	2550	50.2
	(Maldandi) ^		1650			1725			2450			2570	
3	BAJRA	925	1330	43.8	949	1425	50.2	990	1950	97.0	1083	2000	84.7
4	MAIZE	966	1365	41.3	1044	1425	36.5	1131	1700	50.3	1171	1760	50.3
5	RAGI	1733	1725	-0.5	1861	1900	2.1	1931	2897	50.0	2100	3150	50.0
6	ARHAR(Tur)	3241	5050	55.8	3318	5450	64.3	3432	5675	65.4	3636	5800	59.5
7	MOONG	4065	5225	28.5	4286	5575	30.1	4650	6975	50.0	4699	7050	50.0
8	URAD	3584	5000	39.5	3265	5400	65.4	3438	5600	62.9	3477	5700	63.9
9	COTTON (Medium Staple)	2889	3860	33.6	3276	4020	22.7	3433	5150	50.0	3501	5255	50.1
	(Long Staple) ^		4160			4320			5450			5550	
10	GROUNDNUT IN SHELL	3371	4220	25.2	3159	4450	40.9	3260	4890	50.0	3394	5090	50.0
11	SUNFLOWER SEED	3479	3950	13.5	3481	4100	17.8	3592	5388	50.0	3767	5650	50.0
12	SOYABEAN (Yellow)	1852	2775	49.8	2121	3050	43.8	2266	3399	50.0	2473	3710	50.0
13	SESAMUM	4188	5000	19.4	4067	5300	30.3	4166	6249	50.0	4322	6485	50.0
14	NIGERSEED	3366	3825	13.6	3912	4050	3.5	3918	5877	50.0	3960	5940	50.0
	RABI CROPS												
1	WHEAT	797	1625	103.9	817	1735	112.4	866	1840	112.5			
2	BARLEY	816	1325	62.4	845	1410	66.9	860	1440	67.4			
3	GRAM	2241	4000	78.5	2461	4400	78.8	2637	4620	75.2			
4	MASUR (LENTIL)	2174	3950	81.7	2366	4250	79.6	2532	4475	76.7			
5	RAPESEED/MUSTARD	1871	3700	97.8	2123	4000	88.4	2212	4200	89.9			
6	SAFFLOWER	3049	3700	21.4	3125	4100	31.2	3294	4945	50.1			
	OTHER CROPS												
1	COPRA (Milling)	4676	5950	27.2	4758	6500	36.6	5007	7511	50.0	6347	9521	50.0
	(Ball)^		6240			6785	42.6		7750			9920	
2	JUTE	2125	3200	50.6	2160	3500	62.0	2267	3700	63.2	2535	3950	55.8

*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 & imputed value of family labour.

^ Cost is not separately compiled for Paddy (Grade A), Jowar (Maldandi), Cotton (long staple) and Copra(ball).

Annexure referred to in reply to part (b) of Lok Sabha Unstarred Question No.2700 due for reply on 09.07.2019.

MSP and retail prices of foodgrains

(Rs./quintal)

Commodities	2017-18		2018-19	
	MSP	Retail Prices	MSP	Retail Prices
Kharif Crops				
Rice*	2325	4528	2625	4583
Jowar	1700	2806	2430	2837
Bajra	1425	2322	1950	2330
Maize	1425	2386	1700	2325
Ragi	1900	4055	2897	3785
Arhar	5450	7564	5675	7270
Moong	5575	7972	6975	7761
Urad	5400	8733	5600	7487

* MSP of Paddy is converted into Rice by a multiplicative factor of 1.5

(Rs./quintal)

Commodities	2017-18		2018-19	
	MSP #	Retail Prices	MSP ##	Retail Prices
Rabi Crops				
Wheat	1625	2605	1735	2626
Gram	4000	7446	4400	6279
Masur (Lentil)	3950	6894	4250	6288

for the marketing season 2017-18

for the marketing season 2018-19
