

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:211

ANSWERED ON:08.08.2005

REMUNERATIVE PRICES TO FARMERS FOR THEIR PRODUCE

Athawale Shri Ramdas;Patil Smt. Rupatai Diliprao Nilangekar

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers made a record production despite devastating floods and severe drought last year;
- (b) whether the farmers incurred heavy losses owing to non-procurement of their produce at fixed prices in several parts of the country;
- (c) whether the Government is aware that the farmers were on the verge of starvation and some of them even committed suicide; and
- (d) if so, the details thereof, State-wise and the steps being taken by the Government to ensure remunerative price to the farmers for their produce?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 211 DUE FOR REPLY ON 8TH AUGUST, 2005.

(a): According to the Fourth Advance Estimates, the production of Foodgrains in the country during last year i.e. 2004-05 (July-June), was 204.61 million tonnes. The decline in foodgrain production in 2004-05 mainly reflects the deficiency in rainfall from both south-west monsoon (June-September) and north-east monsoon (October-December). However, the year 2004-05 witnessed a record production of oilseeds at 26.10 million tonnes, which mostly reflected the record production of rapeseed/mustard of 8.36 million tonnes in 2004-05. As regards other commercial crops, the year 2004-05 witnessed record production in Cotton at 23.20 million bales of 170 kgs. each, as per the figures released by the Cotton Advisory Board (CAB). According to the figures released by the Central Statistical Organisation, the Gross Domestic Product (GDP) in agriculture, including the allied sectors of forestry & logging, and fishing, at constant (1993-94) prices amounted to Rs. 3,14,180 crore compared to Rs. 3,10,611 crore in 2003-04.

(b): As regards procurement, the marketing year 2004-05 (October-September) witnessed procurement of rice in significant quantities in a number of states, namely, Andhra Pradesh, Chhattisgarh, Haryana, Punjab, Uttar Pradesh and Orissa. In fact the year 2004-05 witnessed record procurement amounting to 23.78 million tonnes in the country till 01.08.2005. In the case of wheat, the procurement in the marketing year 2005-06 (April-March) was 14.79 million tonnes, which mostly consisted of the wheat produced in major wheat producing states, namely, Haryana, Madhya Pradesh, Uttar Pradesh and Punjab, which together accounted for around 80% of the total wheat production in the country during agriculture year 2004-05 (July-June). In addition to paddy/rice and wheat, substantial procurement was also done in the case of cotton and mustard with a view to avoiding losses to farmers through distress sale.

(c)&(d): No incidence of starvation deaths has been reported so far by any State Government/UT Administration. As regards suicides by farmers, besides crop failure and indebtedness, there are other reasons for suicides like family problems, incurable ailments, addiction to alcohol, fragmentation of land etc. With a view to enabling the farmers to meet their growing credit needs, a sum of Rs. 1,15,242 crore was disbursed in 2004-05. It is proposed to step up credit flow by 30% in 2005-06. The state-wise number of suicides by farmers is given at Annexure. As for steps aimed at ensuring remunerative prices to farmers, the main policy instrument is Minimum Support Price (MSP). In fact, the main objective of price policy for agricultural produce is to ensure remunerative prices to the growers for their produce, which in turn seeks to encourage higher investment and production in agriculture. With this objective in view, Government announces each season MSPs for major agricultural commodities. Since MSPs for individual crops are uniform for the whole country, efforts are made to ensure that the MSPs announced cover at least A2 + FL costs (actual expenses incurred in cash and kind, including rent for leased in land, and the imputed wages of family labour) in relatively high cost States/regions while the MSPs cover C2 cost (actual expenses paid in cash and kind, including rent for leased in land and, the imputed values for wages of family labour, rent for owned land and interest on fixed capital) in relatively low cost States/regions. With a view to enabling farmers to decide on the crops for cultivation, efforts are made to announce MSPs well before the sowing season. Thus, the MSPs for Kharif crops of 2005-06 season were announced by the Government in April, 2005.

Annexure

Statement showing number of suicides by farmers in States

S.No Name of the State Period No. (Based on the figures reported by State Govts.)

1. Andhra Pradesh 2001-02 233
2002-03 280
2003-04 258
2004-05 758
(upto 31/12/04)

2. Karnataka # 2000-01 2630
2001-02 2505
2002-03 2340
2003-04 708
2004-05 216
(upto 28/2/05)

3. Maharashtra 2001 64
2002 131
2003 180
2004 524

4. Punjab 2001 1
2002 -
2003 2
2004 -

5. Kerala 2002 44
2003 40
2004 96

6. Tamilnadu 2004-05 31
(upto 30/9/04)

#Note: As per the information furnished by the State Government of Karnataka, the figures for the years 2000-01 to 2002-03 are based on the records with the State Crime Records Bureau; and for the years 2003-04 and 2004-05 (upto 28th February, 05) on the basis of records maintained by the Agriculture Department of the State.

