

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:708

ANSWERED ON:28.11.2005

INCOME OF FARMERS

Pathak Shri Brajesh

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether out of the final cost of agricultural product the farmer is only able to get 30 percent and the remaining 70 percent is appropriated by middlemen, grain agents and stockists;
- (b) if so, whether the Government have been taken any steps to constitute a high level committee for improving income in agriculture sector and related economic sector; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): A study conducted by this Ministry in 2004 has estimated that the share of farmers in final price of his produce varies from 56 to 89% in foodgrains and pulses, 40 to 85% in oilseeds and 32 to 68% in fruits, vegetables and flowers, depending on the marketing channel adopted by the farmer and the distance of market from his field.

(b)&(c): In order to bring reforms in the marketing sector, the Ministry of Agriculture on the recommendations of a Task Force, formulated a Model Law on agricultural markets (APMC Act) for guidance of the States. This would promote direct marketing of agricultural commodities and also provide an institutional framework to support contract farming, an arrangement under which companies enter into contracts for marketing of the agricultural produce and also provide technologies and capital support to farmers. These arrangements will provide an effective method of linking small farm sector to agro-processing industry and to sources for extension advice, seeds, credit and to assured and profitable markets.

So far, States of Andhra Pradesh, Madhya Pradesh, Himachal Pradesh, Punjab, Sikkim and Nagaland have amended their APMC Act to provide for direct markets.