

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2226

ANSWERED ON:14.08.2006

DECLARATION OF MINIMUM SUPPORT PRICE FOR KHARIF CROPS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has declared support price for kharif crops for the year 2006-07;
- (b) if so, whether assessment has been made regarding the production cost of the foodgrains by the farmers;
- (c) if so, the difference in production cost of foodgrains during 2006-07 in comparison to the last year and the percentage increase recorded in regard to production cost;
- (d) whether declaration of the support price has been made keeping in view the increased cost and the debt on farmers;
- (e) whether the total fund has been declared for the amount of debt for the crop; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a): The Government has recently announced the Minimum Support Price for Kharif crops of 2006-07 season.

(b) to (d): The Commission for Agricultural Costs & Prices (CACP) while formulating its recommendations on price policy, apart from making a comprehensive overview of the entire structure of the economy of a particular commodity, considers the cost of production, changes in input prices, input/output price parity, trends in market prices, demand and supply situation, inter-crop price parity, effect on industrial cost structure, effect on general price level, effect on cost of living, international market price situation, parity between prices paid and prices received by farmers (Terms of Trade).

By taking into account the cost of production of different crops for 2005-06 and 2006-07 as projected by CACP, the average increase in the cost of production of foodgrains in 2006-07 works out to 4.37 percent.

(e) & (f): Target of agricultural credit flow for 2006-07 has been fixed at Rs.1,75,000 crore.