

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:793

ANSWERED ON:05.03.2007

INTEGRATED PRICING POLICY FOR AGRICULTURAL PRODUCTS

Athawale Shri Ramdas

**Will the Minister of AGRICULTURE be pleased to state:**

(a) the steps taken/proposed to be taken by the Government to formulate Integrated Pricing Policy to ensure remunerative prices for the agricultural products and to bring them at par with the industrial commodities; and

(b) the extent of success achieved therein till-date?

**Answer**

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

(a)&(b): In order to ensure remunerative prices, the Commission for Agricultural Costs and Prices (CACP) while making recommendations on price policy considers a number of factors which include cost of production, changes in input prices, input/output price parity, trends in domestic and foreign market prices, demand and supply situation, inter-crop price parity, effect on industrial cost structure, effect on general price level and effect on cost of living. Besides this, the CACP considers index Numbers of Terms of Trade between agricultural sector and non- agricultural sectors. The Index which is a ratio of Index of Prices received by the farmers for their produces and prices paid for the commodities for final consumption, intermediate consumption and capital formation, essentially measures relative change in the price movement between agricultural and non-agricultural sectors.