

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4789
ANSWERED ON:28.04.2008
REMUNERATIVE PRICES TO FARMERS
Yadav Shri Giridhari

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers particularly in Bihar are not getting the remunerative prices for their crops in comparison to the input cost;
- (b) if so, the steps being taken by the Government in this regard;
- (c) whether the Government proposes to give a package to ameliorate the pitiable condition of the farmers in Bihar; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a)&(b): The Government's price policy for agricultural commodities seeks to ensure remunerative prices to the farmers for their produce with a view to encourage higher investment and production, and to safeguard the interest of consumers by making available supplies at reasonable prices. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy.

The Government decides on the Minimum Support Price (MSP) for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of State Governments and Central Ministries as well as such other relevant factors which are considered important for fixation of support prices. The CACP, while formulating its recommendations on price policy considers a number of important factors which includes cost of production. The MSPs announced by the Government are applicable throughout the country, including Bihar.

(c)&(d): The scheme of debt waiver and debt relief for farmers announced by the Government in the Union Budget for 2008-09 is applicable to all the farmers in the country. All direct agricultural loans disbursed to farmers by scheduled commercial banks, regional rural banks and cooperative credit institutions up to March 31, 2007 and overdue as on December 31, 2007 will be covered under the scheme. However, for marginal farmers (i.e., holding upto 1 hectare) and small farmers (1-2 hectare), there will be a complete waiver of all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008.