

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:198
ANSWERED ON:23.02.2010
SALE PRICE OF AGRICULTURAL PRODUCE
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of AGRICULTURE be pleased to state:

- (a) the details of Committees constituted to make suggestions for evolving a formula to fix the sale price of agricultural produce;
- (b) the details of the recommendations made by the Committees in this regard; and
- (c) the recommendations accepted/ implemented by the Government and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): No committee has been set up by the Government to make suggestions for evolving a formula to fix the sale price of agricultural produce. However, an Expert Committee under the Chairmanship of Prof. Y.K. Alagh was set up in May, 2003 to examine Methodological Issues for Fixing Minimum Support Prices (MSPs) and The National Commission on Farmers under the chairmanship of Prof M.S. Swaminathan was constituted in November 2004 to improve the economic viability of farming through substantially improving net income of farmers.

(b) & (c): Recommendations made by the Alagh Committee and decisions of the Government on it are given at Annexure. Concerned Departments have been requested to take action on the recommendations accepted by the Government.

National Commission on Farmers had recommended that the MSP should be at least 50% more than the weighted average cost of production. However, this recommendation was not accepted by the Government since MSP is recommended by the Commission for Agricultural Costs and Prices (CACP) on objective criteria considering variety of relevant factors.