

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:691
ANSWERED ON:02.03.2010
COST OF CROP PRODUCTION
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers in several parts of the country including Rajasthan are not getting back the cost of their crop production;
- (b) if so, the details thereof;
- (c) the steps taken by the Government in this regard;
- (d) whether the Government proposes to provide any packages to assist such farmers in the country including Rajasthan; and
- (e) if so, the details thereof and if not, the reasons therefor?

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) to (c): The Government fixes the Minimum Support Prices (MSPs) for major agricultural produce, inter-alia, taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of concerned State Governments and Central Ministries. The CACP, while formulating its recommendations on price policy considers, inter-alia, a number of factors which include 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, suggestions received from farmers/others etc. CACP considers the All India weighted average cost of production while recommending MSPs. The MSPs are fixed with the objective to ensure remunerative prices to the growers. The farmers are free to sell their produce in the open market, if the market offers higher price than the MSP.

(d) & (e): The Government is implementing various schemes which includes, inter-alia, National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY), Integrated Cereals Development Programme, National Horticulture Mission, etc. with a view to increasing agricultural productivity and production and in the overall interests of the farmers.