

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:28

ANSWERED ON:27.07.2010

RISING COST OF AGRICULTURAL INPUTS

Maadam Shri Vikrambhai Arjanbhai;Rao Shri Nama Nageswara

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers in the country are losing interest in farming on account of the steep rise in the cost of agricultural inputs;
- (b) if so, the details thereof alongwith the steps taken to bring down the cost of cultivation and to lessen the effect of rising cost of agricultural inputs on the farmers;
- (c) whether the Government has undertaken a comparative study to examine the total input cost for cultivation of major crops such as cereal and pulses vis-a-vis the minimum support price fixed for each crop;
- (d) if not, the reasons therefor; and
- (e) the details of input subsidies provided by the Union Government to the States including Andhra Pradesh during the last three years, item-wise and State-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.28 DUE FOR REPLY ON 27-07-2010

(a) & (b): The level of interest in any economic activity in any sector of the economy depends on several socio-economic factors. The effect of rising cost of cultivation of major crops is compensated by the Government by way of assuring Minimum Support Prices (MSP) that help the farmers receive reasonable returns on their investment. The designated Central Government agencies and State level organizations intervene in the market, especially when market prices fall below MSP, to purchase agricultural commodities in order to protect the interests of farmers. Government also promotes various technologies and agronomic practices like Integrated Pest Management, Integrated Nutrient Management, Mechanization, Water Conservation, etc. to improve agricultural efficiency and bring down the cost of cultivation. Moreover, Government also improves the economic viability of farming through assistance to farmers under several programmes such as National Horticulture Mission, National Food Security Mission and Rashtriya Krishi Vikas Yojana.

(c) & (d): The Government announces the MSPs keeping in view the recommendations of the Commission for Agricultural Costs and Prices (CACP) on price policy for major agricultural commodities including cereals and pulses. CACP considers, inter-alia, various factors including the cost of production, changes in input prices, etc. while recommending MSPs so as to ensure reasonable returns to the farmers.

(e): The subsidies in agriculture sector on fertilizer in 2007-08, 2008-09 and 2009-10 were Rs.43319 crore, Rs.99495 crore and Rs.64032 crore respectively. The assistance/subsidy provided to States for other inputs such as seeds, farm machinery, etc. for the last three years through various schemes such as National Food Security Mission, Integrated Scheme of Oilseeds, Pulses, Oilpalm & Maize (ISOPOM), Micro Irrigation, Extension Reforms - Agriculture Technology Management (ATMA), National Horticulture Mission, Macro Management of Agriculture and Rashtriya Krishi Vikas Yojana is at Annexure.