

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3135
ANSWERED ON:24.04.2012
WHEAT PROCUREMENT PRICES
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Will the Minister of AGRICULTURE be pleased to state:

(a) the percentage increase in wheat procurement prices carried out by the Government during the last decade alongwith the reasons therefor; and

(b) the percentage increase in the prices of wheat seeds, and fertilisers provided to the farmers during the corresponding period?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a): The Government ensures remunerative price for the farmers through Minimum Support Price (MSP). The MSP is fixed by the Government every year for major agricultural commodities, inter alia, based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of concerned State Governments and Central Ministries / Departments. MSP is in the nature of a minimum guaranteed price for the farmers offered by the Government for their produce in case the market prices fall below that level. If the market offers higher price than MSP, the farmers are free to sell at that price. The MSP for Wheat fixed by the Government in 2011-12 is Rs.1285 per quintal compared to Rs.640 per quintal in 2004-05 (an increase of 100 percent).

(b): As per the available information the prices of Fertilizer in terms Wholesale Price Index (WPI) have increased by 32.60 percent in 2011-12 over 2004-05. The Prices of wheat seeds have increased by 132.98 percent in 2011-12 over 2004-05 as per the variable Inputs Price Index prepared by CACP.