

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:820

ANSWERED ON:27.11.2012

PRODUCTION COST OF AGRICULTURAL PRODUCE

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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Government is aware that the production cost of agricultural produce has increased manifold due to increase in the cost of manure and fertilizers and rising rates of agricultural implements;
- (b) if so, the details thereof and the reaction of the Government thereto; and
- (c) the steps taken by the Government to provide subsidy on these items/products so that farmers can get remunerative prices for their produce?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) to (c): The annual average of the Index Number of Wholesale Prices (Base 2004-05=100) for Agricultural Inputs for last three agriculture years (July to June are given below:

	Average (July- June)							
Annual	Fertil-	Organic	Electr-	Pesti-	Non-	Tractors	Lubricants	Diesel
izers	Manure	icity	cides	Elect-	Oil			
(Agric-	ricul-	rical	(LDO)					
ulture	ture	Machinery						
Use)								

2011-12	137.18	143.6	136.80	116.00	126.79	137.9	235.30	259.20
2010-11	119.19	130.0	127.15	113.62	121.73	127.88	200.28	208.66
2009-10	110.02	119.9	118.14	111.42	116.00	123.31	177.78	172.45

Source: Office of the Economic Adviser, Ministry of Commerce & Industry.

The effect of rising input cost of cultivation is balanced by way of assuring MSP that help the farmers to receive adequate returns on their investment. Central Government agencies and State level bodies through their procurement operations in the market help the farmers to sell their produce at MSP especially when market prices rule below MSP for that commodity. Government also promotes various technologies and agronomic practices like Integrated Pest Management, Integrated Nutrient Management, Mechanisation, water conservation etc. to improve agricultural production and productivity and thereby 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.