

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1255

ANSWERED ON:05.03.2013

HIKE IN COST OF AGRICULTURAL PRODUCTION

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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the cost of agricultural production has been continuously rising for the past few years due to increase in the cost of fertilisers, seeds, diesel and insecticides during 2004-2005 and 2012-2013;

(b) if so, the rate of increase in each of such inputs; and

(c) the corrective steps taken/proposed to be taken by the Government in this regard so as to offset the losses of farmers and provide remunerative prices for their produce?

Answer

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

(a) & (b): The cost of agricultural production depends upon their yield as well as prices of various inputs including fertilizers, seeds, diesel insecticides etc. The Annual average of the Index Number of Wholesale Prices (Base 2004-05=100) for fertilizers, insecticides and diesel (light diesel oil) has increased to 137, 115 and 259 for agriculture year 2011-12 (July to June) and further to 151, 125 and 272 for 2012-13 (July-January) respectively.

(c): The effect of rising input cost of cultivation is balanced by way of Minimum Support Price (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 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 programmers such as National Horticulture Mission, National Food Security Mission and Rashtriya Krishi Vikas Yojana.