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**COMMITTEE ON AGRICULTURE
(2013-2014)**

FIFTEENTH LOK SABHA

**MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE
AND COOPERATION)**

'PRICING OF AGRICULTURAL PRODUCE'

SIXTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2014 / Phalgun, 1935 (Saka)

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Presented to Hon'ble Speaker Lok Sabha on 15.03.2014

Presented to Lok Sabha on

Laid on the Table of Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

March, 2014 / Phalguna, 1935 (Saka)

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE
(2013-2014)

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Narayansingh Amlabe
3. Shri Sanjay Singh Chauhan
4. Shri H.D. Devegowda
5. Smt. Ashwamedh Devi
- *6. Vacant
7. Smt. Paramjit Kaur Gulshan
8. Shri Anant Kumar Hegde
9. Shri Premdas Katheria
10. Shri P. Kumar
11. Dr. (Smt.) Botcha Jhansi Lakshmi
12. Sardar Sukhdev Singh Libra
13. Dr. Jyoti Mirdha
14. Shri Kachhadia Naranbhai
15. Shri Devji M. Patel
16. Smt. Bhavana Gawali (Patil)
17. Shri Jagdish Singh Rana
18. Shri Rajaiah Siricilla
19. Shri Patel Kishanbhai V.
20. Dr. Vinay Kumar Pandey 'Vinnu'
21. Shri Hukumdeo Narayan Yadav

*Vice Shri L. Raja Gopal who ceased to be the Member of the Committee on his resignation from Lok Sabha *vide* Notification No. 21/1/2014/T(B) dated 19.02.2014.

Rajya Sabha

22. Shri N. Balaganga
23. Shri Satyavrat Chaturvedi
24. Smt. Mohsina Kidwai
25. Shri Dharmendra Pradhan
26. Dr. K.V.P. Ramachandra Rao
27. Shri Parshottam Khodabhai Rupala
28. Shri Rajpal Singh Saini
29. Shri S. Thangavelu
30. Shri Shivanand Tiwari
31. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yadhuvanshi — *Director*
3. Shri R.S. Negi — *Committee Officer*

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(2012-2013)

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30. Shri S. Thangavelu
31. Shri Darshan Singh Yadav

*Vice Shri A. Elavarasan who ceased to be the Member of the Committee on his retirement from Lok Sabha on 24 July, 2013.

INTRODUCTION

I, the Chairman, Committee on Agriculture having been authorized by the Committee to submit the Report on their behalf, present this Sixtieth Report on 'Pricing of Agricultural Produce;

2. The Committee (2012-13) had briefing meetings on the subject on 14.05.2013 and on 03.06.2013 with the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) and the Ministry of Textiles respectively. The Committee took evidence of the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) and the Department of Food and Public Distribution at their sitting held on 24.01.2014.

3. The Committee held 14 Sittings in connection with the examination of the subject. The Committee received 81 memoranda from stakeholders/experts, 14 memoranda from State Governments and 4 from Union Territory Administrations. The list of representatives of stakeholders/experts and representative of State Governments who appeared before the Committee is given at Appendix—I.

4. The Committee wish to express their thanks to the Ministry of Agriculture (Department of Agriculture and Cooperation), Commission for Agricultural Costs and Prices, the Ministry of Textiles, the Department of Food and Public Distribution, Jute Corporation of India, Cotton Corporation of India for furnishing requisite information and to their representatives who appeared before the Committee to tender evidence in connection with examination of the Committee.

5. The Committee also wish to thank all the stakeholders/experts, representative of States and Union Territory Administrations who appeared before the Committee for personal hearing or submitted their memorandum in connection with the examination of the subject.

6. The Report was considered and adopted by the Committee at their Sitting held on 03 March, 2014.

7. For facility of reference, the observations/recommendations of the Committee have been printed bold at Part II of the Report.

NEW DELHI;
03 March, 2014

12 Phalguna, 1935 (Saka)

BASUDEB ACHARIA,
Chairman,
Committee on Agriculture.

REPORT

PART I

CHAPTER I

INTRODUCTORY

(i) Historical Background

In the sixties, when the country was facing a food crisis, it was felt that technological change alone might not bring the required dynamism in the growth of agricultural sector which needed to be supported with proper institutional backup. Accordingly, a series of institutional reforms were undertaken in the sphere of land reforms, agricultural extension, etc. An important initiative taken was in regard to agricultural price policy to encourage growth through price measures. In order to understand and construct a proper price policy, the Government of India set up the Foodgrains Prices Committee under the Chairmanship of Shri L.K. Jha, the then Secretary to the Prime Minister, on 1st August 1964. Based on the recommendations of the Committee, the Agricultural Prices Commission (APC) was set up in January 1965 to advise the Government on price policy for major agricultural commodities. The thrust of the policy in 1965 was to meet the overall needs of the economy with due regard to the interest of the producer and the consumer. Recognising the importance of cost of production in price determination, APC was renamed in 1985 as the Commission for Agricultural Costs and Prices (CACP).

(ii) Mandate of CACP

1.2 The mandate of the Commission for Agricultural Costs and Prices is to advise on the price policy of paddy, wheat, jowar, bajra, maize, ragi, barley, gram, arhar (tur), moong, urad, lentil (masoor), groundnut, safflower, soyabean, sunflowerseed, sesamum, nigerseed, rapeseed/mustard, sugarcane, cotton, jute, and copra with a view to evolving a balanced and integrated price structure in the perspective of the overall needs of the economy and with due regard to the interests of the producer and the consumer.

1.3 While recommending the price policy and the relative price structure, the Commission keeps in view the following:—

- (a) The need to provide incentive to the producer for adopting improved technology and for developing a production pattern broadly in the light of national requirements.
- (b) The need to ensure rational utilization of land, water and other production resources.
- (c) The likely effect of the price policy on the rest of the economy.
 - (1) The Commission may also suggest such non-price measures as would facilitate the achievement of the objectives set out in 1 above.
 - (2) To recommend from time to time, in respect of different agricultural commodities, measures necessary to make the price policy effective.
 - (3) To take into account the changes in terms of trade between agricultural and non-agricultural sectors.
 - (4) To examine, where necessary, the prevailing methods and cost of marketing of agricultural commodities in different regions, suggest measures to reduce costs of marketing and recommend fair price margins for different stages of marketing.
 - (5) To keep under review the developing price situation and to make appropriate recommendations, as and when necessary, within the framework of the overall price policy.
 - (6) To undertake studies in respect of different crops as may be prescribed by Government from time to time.
 - (7) To keep under review studies relating to the price policy and arrangements for collection of information regarding agricultural prices and other related data and suggest improvements in the same, and to organize research studies in the field of price policy.
 - (8) To advise on any problems relating to agricultural prices and production that may be referred to it by Government from time to time.

(iii) Composition of CACP

1.4 CACP comprises Chairman, Member Secretary, One official Member and two non-official Members. The non-official Members are representatives of the farming community. It has been suggested to the Committee that there is a need for broad basing the composition of CACP to include more number of farmers' representatives to enable them to have their say in CACP.

1.5 Department of Agriculture and Cooperation has stated in this connection that before, recommending the MSP to the Government the Commission invites the views of the State Governments through a questionnaire as well as holds meetings with the stake holders like FCI, Department of Consumer Affairs, Agriculture Commissioner (DAC), Indian Institute of Pulses Research (UP), Central Rice Research Institute (Odisha), Dte. of Sorghum Research, (AP), Rice Millers Asso. (Haryana), Indian Oilseeds and Produce Export Promotion Council (Mumbai), Farmer's Association, Fertilizer Assoc. of India, NAFED etc. In the meeting, the farmers are also invited to know their views on the price policy. The Commission is already equipped with the experts from the statistical and economic services in the field.

1.6 As per Recruitment Rules, the post of Chairman, Member (Official) and Member Secretary, CACP are to be filled on deputation (including short term contract) basis. There are no recruitment rules for the post of Member (Non-Official) in the CACP. The following procedure and criteria are adopted for selection of Member (Non-Official):—

- (i) Regional balance should be maintained. The entire country can be divided into four regions for this purpose and one Member can be nominated from each region. Since there are only three posts of Non-Official Members, each region can be given representation by rotation;
- (ii) Only those Members should be appointed whose main profession is farming;
- (iii) Names of farmers who have made some outstanding achievements in crop production, farming practices or any other agricultural field can be considered. The leaders of kisan movements may also be considered for appointments against these posts;
- (iv) There should be a system of collection of information about persons whose main profession is agriculture and who have made significant contribution to agricultural production or

marketing and other allied activities or made outstanding achievements in the agriculture production. This system should enable the Department to collect information regarding such persons throughout the year. The information can also be collected from the States in an informal manner. ICAR, 'Extension Division' and other agencies may also be asked to send information on this matter. On the basis of the information received, the Members can be appointed.

A Selection Committee is constituted for screening applications for the posts of Chairman and Members in the CACP as follows:—

- (1) Member (Agriculture) — Planning Commission Chairman
- (2) Secretary (Commerce) — Member
- (3) One or two renowned — Member
experts in agriculture/
agricultural economics
- (4) Secretary (Agriculture) — Member

As per procedure, the above Selection Committee recommends suitable candidate(s) for the post of Chairman and Members in CACP. Thereafter, the proposal for appointment of the recommended candidate is referred to ACC for approval.

Data Collection

1.7 Directorate of Economics and Statistics (DES), an attached office of Department of Agriculture and Cooperation (DAC), is guided by the vision of enriching economic and statistical data and analytical inputs required for formulating better agricultural economic development policies. Its mission is to generate and provide important statistics on area, production and yield of principal crop to facilitate appropriate policy decisions including price policy and Minimum Support Price (MSP) regime; implement schemes related to improvement of agricultural statistics; and carrying out agro-economic research. The Directorate's main functions include (i) furnishing agricultural economic and statistical inputs to DAC and Commission for Agricultural Costs and Prices (CACP); (ii) providing coordination services to DAC on matters concerning agricultural economics and policy.

1.8 CACP, which is an independent body of experts considers, among other factors, the costs of production of various crops for all the

major producing States, as collected by different State Agricultural Universities under the Comprehensive Scheme for the study of cost of cultivation.

1.9 The Expert Committee under Chairmanship of Prof. Y.K. Alagh to examine methodological issues in fixing MSP also *inter-alia* stated that the data collected under Comprehensive Scheme are fairly good quality and it will not be any other source with the data collected under the scheme and therefore, the existing practice of deriving the yield rate from the Comprehensive Scheme should continue.

CHAPTER II

ROLE AND STRUCTURE OF CACP

(i) Statutory Status of CACP

One of the suggestions made by experts in their Memoranda submitted to the Committee is about transforming the CACP into a statutory body involving representatives of the peasantry, states, social scientists and experts. The Department of Agriculture and Cooperation (DAC) stated in this regard that the CACP while formulating its recommendations on price policy holds wide discussion with representatives of farmers, State Governments and other stakeholders. Transforming CACP into statutory body may not provide any additional benefit.

2.2 During evidence, the Secretary, DAC stated in this regard as follows:—

“When we say statutory, statutory status is not to CACP, it is actually to the recommendations and the operations of what CACP recommends. Otherwise, CACP is a body which has enjoyed all the autonomies. It is not only the recommendations that have to be binding. The implementation has to be enforced as a statutory obligation which I am not sure that the States in any part of the country, are in a position to actually implement.”

“We have a lot of laws in our country. Some of those laws are enforced well and some not so well. These kinds of laws where enforceability is a major issue, I think, where we should make haste slowly. Secondly, the whole idea is to make agriculture competitive not regulated by law. If you start regulating farm operations by law, we are probably going to end up making a mess of things. The idea is to make them competitive. Make the farmers able to stand on their own feet. So, provide them with a competitive regime where they can exploit their inherent potential to the fullest extent. On the statutory status of CACP and cultivation mechanism, procurement mechanism, I would point out that there is one aspect of agriculture which is actually statutorily regulated which is opium cultivation. The problems associated even with the cultivation of

such a minor crop. The regulation and operability of the pricing regime and the processes need to be put in place to ensure that the produce does not go here and there. There are a lot of issues involved. I do not think that we would be in a position to accept either on the basis of practicality or may be even on the basis of desirability they need for statutory status to this body. The thinking of the Government is to move in terms of direct transfers. If there are direct cash transfers to the farmers then all these other issues would not carry any meaning. Cash transfers may be made on the basis of any criteria that the Government may adopt. If they are provided with direct funds then they are free to use those funds as per their best judgement and, I think, this needs to be left to the farmers. We are trying to push towards that direction.”

2.3 During the evidence, the Secretary, Department of Agriculture and Cooperation elaborated:—

“The policy of Direct Cash Transfer will actually culminate into all subsidies including agricultural subsidy through cash transfer mechanism. That is the end objective. As of now, we are not in a position to transfer the subsidies directly to farmers on any particular issue because as of now subsidies are consumed in a variable pattern. Some farmers use more fertilizers; some States use more fertilizers and so on. We do not have a firm grip on that. But as a matter of policy, the Government has already decided that the Direct Cash Transfer is the way forward.”

2.4 The Chairman of CACP stated in this connection as follows:—

“I think, the current system, as far as the pricing part is concerned without the statutory status, is somewhat beneficial to the farmers because if it is a statutory body. Supposing, if CACP recommends only seven per cent increase in MSP for a particular crop, if you look at the history, if at all CCEA has analysed it, it has given a more than that rather than less. But the second problem, on which we are worried, on the statutory status, is the implementation. Supposing in Bihar, farmers are getting the MSP, 15 to 20 per cent below. Can they go to court against CACP or whom? What will happen then? Does statutory status mean this that the State is legally obliged to give this?

The Secretary, DAC stated as follows:—

in the entire history of CACP, there has only been one season, which you are aware of, where the CCEA approved MSP at levels

lower than what was recommended. Generally, Cabinet either agrees with CACP or recommends it at higher level.”

2.5 The Secretary, DAC informed that in most of the developed countries there is no concept of price determination or MSP and instead a fixed amount through the method of domestic support is provided to the farmers.

(ii) Region-wise CACPs

2.6 Some experts/stakeholders made a suggestion in their Memoranda submitted to the Committee that there should be a state/region wise Commission for Agricultural Costs and Prices so that the dynamics of varying factors region-wise like soil type, usage of fertilizers, credit accessibility, local crops can be considered at the time of calculation of cost. When asked about the views of the DAC in this regard, it was stated that DAC do not agree with the suggestion of State-wise/region wise CACPs as this will distort the market. CACP already keeps into consideration various factors such as cost of fertilizers, machine labour, animal labour, family labour, diesel prices, rental value of own land, interest on working capital manures, seeds, insecticides and irrigation charges etc. while recommending MSP. Besides, this move will not encourage farmers to bring down the cost of cultivation at par with the efficient producers. The MSP fixed by the Government on the recommendation of CACP provides adequate margin over all paid out costs including family labour (A2+FL).

2.7 The cost of cultivation in Kerala is reportedly much more in comparison to that of other States because of high labour cost. Citing this point when the Committee enquired about desirability of having State wise CACP, the Secretary, DAC explained the difficulties in operationalisation of differential MSP as follows:—

“First, the practical difficulties in the operationalisation of a differential MSP regime. Second, and more important, I think, is the desirability of whether such a differential price regime should at all be adopted in the country. Let us take the first issue of operational difficulties. The whole idea behind the MSP regime is that we promote cultivation of crops in the regions which have the best and maximum competitive advantage so that the farmers of that region can concentrate on the production of that crop which is more suitable to that agro-climate. Unfortunately, what happened is that partly because of the MSP regime and the procurement regime, the incentive for farmers to produce crops which are not

suitable is greater than the need for sustainability. Therefore, it is a very tricky thing. For instance, you took the example of Kerala.

If we have a differential MSP for Kerala, why cannot we have a differential MSP for Tiruvananthapuram, Mallapuram, for all the districts of Kerala? Why not for all the Tehsils, and later for all the farms? Because each farmer would have a different cost of cultivation, and he would get different results? How far should we extend this? Secondly, will this be accompanied by a differential pricing regime for our PDS so that the States where the cost of cultivation is higher will get the foodgrains, under our PDS at a higher price? How far will that extend? These are extremely complex issues which need to be actually appreciated fully.

If the cost of cultivation in Kerala, as you have rightly pointed out is probably the highest in the country and the MSP is increased for the State why won't not the farmers of Tamil Nadu take their paddy to Kerala and sell it there? Who would stop it? There will be a lot of round tripping issues."

2.8 Regarding bonus provided by some States in addition to MSP the Secretary, Department of Agriculture and Cooperation stated as follows:—

"This is happening in Madhya Pradesh, Chhattisgarh, and whichever State announces bonuses, farmers will go there. That is the natural phenomenon. The State Government does not want to insensitive the farmers of other States, and if the farmers come there, they have to buy the produce. The idea behind MSP regime is two fold. One is that the farmer should get the reasonable price so that they do not have to undertake distress sale. That is the commitment of the Government to also insensitive, and farmers to grow more suitable crop. xxx xxx xxx the problems of the Green Revolution is also of over exploitation of resources and that is one of the features that in MSP regime, if wrongly applied, would promote because it would promote the cultivation of crops which are not suitable for an agro climatic region. I would call 'bonuses' as a problem because it is accentuating this problem. If the bonus is given by the State Government to all crops across the board, then, I have no issues. Then, the farmers are free to choose. But it is the pick and choose policy. Certain crops are given bonuses and certain are not; therefore the farmers are persuaded to opt for those crops, whether those crops are good for that placed in the long run or not. I think, these are very slightly complex issues.

2.9 While clarifying the manner in which the region-wise CACP will distort the market, the DAC in a Post Evidence Reply stated that the cost of cultivation for each crop varies from State to State. In fact these costs vary from region to region, district to district, village to village and in fact, from field to field. Fixing different MSPs for the same crop may neither be practical nor desirable. It would lead to movement of agricultural produce from regions where MSP is low to regions where MSP is high, resulting in complete distortion of the market. One of the aims of fixing MSPs is to promote production in regions where such production is most efficient. Fixing of MSPs on cost plus basis would discourage efficiency in the agriculture sector and negate our efforts to bring down cost of cultivation.

(iii) Distress Sale

2.10 There were reports of small and marginal farmers selling their produce below the MSP fixed by the Government in some parts of the country particularly in Bihar, West Bengal and Orissa. During evidence when the Committee desired to know the reasons for distress sale in the country, a representative of CACP stated as follows:—

“The issue is, if the cost of fertiliser has increased by 30 per cent or 40 per cent, the proportion of that in the overall cost may be just 5 per cent or 10 per cent or 20 per cent or even if fertiliser price has increased by 40 per cent, it will lead to 8 per cent increase or 10 per cent increase. So, we do take care of that and assure the House here that the profitability across all crops over the last decade has substantially improved and it is because of that you are finding a lot of demand for tractors. The demand for tractors is growing at 23 per cent per annum today and the demand for urea again is more by 10 per cent. So, there is huge demand and prosperity that is emerging. There are pockets of distress xxx xxx xxx in certain crops there is distress sale.

2.11 Regarding the mechanism adopted by the Ministry to provide relief to farmers in the event of distress sale by farmers the DAC stated as follows:—

Government is making all possible efforts to increase the reach of Minimum Support Price (MSP) operations to avoid distress sale of foodgrains by the farmers.

- (i) To spread awareness, Minimum Support Price (MSP) operations are given wide publicity through pamphlets, banners, signboards and advertisements through print and

electronic media regarding MSP, quality, specifications, purchase system, etc.

- (ii) In order to maximise the outreach of MSP operations, especially in respect of rice and wheat, Food Corporation of India (FCI) in consultation with State Governments operates number of purchase centres.
- (iii) The State Governments also engage Self Help Groups (SHGs)/ Societies etc. for procurement operations.
- (iv) Arrangements have been made to make payments to farmers through account payee cheque/electronic mode, whenever possible.
- (v) State Governments are encouraged to undertake decentralized procurement, so as to enhance the procurement of foodgrains from the farmers.

2.12 According to an expert, due to inefficient backward linkages of agriculture produce marketing in State, the middlemen make most of the profit out of farmer produce. When asked as to what are DAC's views in this regard and how Union Government ensures that such activities are checked so that the phenomenon of distress sale is curbed, DAC stated in a written reply as follows:—

“The farm produce, especially of small and marginal farmers (who constitute 84% of the land holdings) may go through a chain of intermediaries even before it reaches the market yard, incurring thereby multiple transaction costs and transportation cost which all add to escalation of costs. At the yard the produce again goes through a chain of intermediaries thereby incurring unnecessary transaction costs and margins. Instead what is needed are alternate channels of marketing which will help purchase the produce nearer the farm gate, such as through direct marketing and contract farming. When such end users/buyers are integrated with the producers directly effective backward linkages are established, which cut on avoidable transportation cost and eliminate unnecessary intermediations.

The role of intermediaries in the long supply chain can be diminished by allowing processors/bulk retailers/whole sellers/exporters to purchase nearer the farm gate directly from the farmers. Once multiple options are available to the farmer for the sale of his produce, he will opt for what suits him best without having to undergo distress sale. Department of Agriculture and Cooperation

has been actively pursuing the Government of States/UTs to reform their APMC Acts and Rules to provide *inter alia* alternate channels of marketing to the farmer and single point levy of market fees. Besides simplification of procedures for obtaining purchaser license to operate within the market will cut on the role of cartels in manipulating prices. This will be further facilitated by going a step further by removing the need for license for transaction outside the yard, for which simple registration could suffice”.

2.13 To a query whether DAC agree with the suggestion that there should be an amendment in the APMC Act, 2003 so to allow the farmers to sell their produce in open market and they are not compelled to make distress sale in local mandis, DAC stated in a written reply as follows:—

“DAC has formulated the Model State Agricultural Produce Marketing (Development and Regulation) (APMC) Act in 2003 and Rules in 2007 and has been pursuing the Governments of States/UTs to reform their respective APMC Acts and Rules accordingly. The Model Act advocates *inter alia* provision for private markets and E-markets, contract farming, direct purchase of agricultural produce from farmers by processors/bulk retailers/wholesalers/exporters nearer to the production centre, direct sale of produce by farmers to the consumers, etc. Such multiple options will enable the farmer to sell the produce for optimum returns without being compelled to make distress sale in local mandis.”

2.14 This Ministry has been requesting States/UTs to amend their respective State APMC Acts so as to include among other things provisions for regulation of contract farming. So far, 16 States have amended their APMC Act on the lines of Model Act, 2003 in respect of direct marketing, contract farming and establishing markets in private and cooperative sectors while 21 States [Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Mizoram, Tripura, Tamil Nadu, Punjab (separate Act) , Uttarakhand and Haryana] have made legal provision for practice of contract farming in their respective State Laws.

2.15 Agriculture Marketing reforms are intended to benefit the farmers by increasing marketing efficiency through development of alternative marketing channels, reduction in the supply chain/intermediaries, transparency in the pricing system, mitigate the price risk and enable better price discovery. Due to contract farming, small and marginal farmers get the benefit of quality inputs and new technology from the sponsoring firms/companies to increase production and

productivity. In many instances, the larger companies provide their own extension support to contracting farmers to ensure that production is according to the required specifications. Through the mechanism of contract farming the farmers acquire skills such as record keeping, improved methods of applying chemicals and fertilizers and knowledge of the importance of quality and the demands of export markets. Contract Farming can significantly reduce the risk and uncertainty of market. Through Contract Farming, sponsoring firms/companies can get raw materials of desired quality and quantity to run their business round the year.

2.16 Giving the number of suicides by farmers during the last five years, as reported by the National Crime Records Bureau, the Ministry stated as follows:

Year	No. of farmer's suicides
2008	16196
2009	17368
2010	15964
2011	14027
2012	13754

2.17 Elaborating the reasons for cases of suicides by farmers due to economic depravity in spite of implementation of MSP and MIS in the country, the DAC stated as follows:—

Causes of suicides include family problems, illness, drug abuse/addiction. Unemployment, poverty dispute, bankruptcy or sudden change in economic status, poverty, professional/career problem, love affair, barrenness/impotency, cancellation/non-settlement of marriage, dowry dispute, fall in social reputation, causes not known etc.

State wise details of suicides by farmers due to agrarian reasons during the last three years and the current year *i.e.* from 2010 to 2013, as reported by respective State Governments are at Annexure I.

2.18 The Government announced a Special Rehabilitation Package of Rs. 16978.69 crore for 31 suicide prone districts in the four States of Andhra Pradesh, Maharashtra, Karnataka and Kerala in the year 2006. The package was in operation till 30.11.2011 and Rs. 19998.85 crore (as on Sept. 2011) had been released to these States. The approach adopted under the package was basically convergence of the benefits available

to the eligible farm households under various ongoing government schemes/programmes to improve the income and livelihood of farmers in a time bound and sustainable manner. The package stabilized the conditions of the farmers in the identified districts and further consolidation can be done through various ongoing schemes and programmes like RKVY, NFSM etc. State Governments have been advised to constitute special teams in the identified districts to oversee the implementation of the various schemes/programmes.¹ Packages for Development of Kuttanad Wetland Eco-system and Mitigation of agrarian distress in Idukki district of Kerala envisaging an outlay of Rs. 1840.75 crore and Rs. 764.45 crore, respectively are under implementation.

CHAPTER III

COST ESTIMATION

(i) Methodology for estimating the cost of production

The Commission for Agricultural Costs and Prices (CACP), which is an independent body of experts considers, among other factors, the costs of production of various crops for all the major producing States, as collected by different State Agricultural Universities under the *Comprehensive Scheme for the Study of Cost of Cultivation* of Ministry of Agriculture. The sample size consists of 8,400 holdings. The sample covers the different regions of the country. Thus, CACP considers the cost of production of crops in different States, while recommending the MSPs. The Commission also considers the costs data as submitted by State Governments.

3.2 In the existing methodology used for estimating the cost of production of various crops in the country with the help of State Agricultural Universities/select centers, the cost on account of fixed assets is taken as 10% of the value of such assets and included in the cost of production. Apart from this, imputed rental value is also taken into account as one of the components of cost of production. Further, variable costs on account of labour, seed, fertilizer, interest on working capital and other inputs are also considered. As such, a mechanism for an objective estimate of cost of production is already in position, which is the CACP.

3.3 The CACP takes into account actual cost as assessed for various crops based on studies conducted by the State Agricultural Universities, on a regular basis. For some inputs when farmer does not pay out of his pocket, certain imputed value is taken into account to arrive at a cost of production which is closer to the actual cost. Based on this and other factors MSP of various crops is worked out by CACP.

3.4 From time to time, expert committees were constituted to revise the methodology and system of calculation of the cost of cultivation/production of agricultural produce, to arrive at MSPs. The Government had set up an Expert Committee under the Chairmanship of Prof. Y.K. Alagh in May 2003 to examine the methodological issues

in fixation of MSP. On its recommendations, the premium actually paid by farmers for crop insurance and marketing and transport charges incurred by farmers have also been included as items of cost for recommending MSP.

3.5 While making projections, the data for the latest available year are treated as the base. The total input cost is broadly divided into two parts:— variable input cost and fixed cost. Because of its greater significance in the total cost, the Commission concentrates more on updating the estimated variable input cost items. After constructing the individual price indices for each of the variable inputs, a composite weighted index is constructed. While explaining the factors comprising the composite index, the DAC stated as follows:—

“Commission for Agricultural Costs and Prices (CACP) arrives at the likely levels of cost of production in different states on the basis of latest cost of cultivation/production data available. In order to make the projections consistent and as accurate as possible, the latest three years data pertaining to each state is projected and their projected averages are taken. To carry out the projection exercise, state specific composite variable input price index is constructed to capture the movement of input prices between the base year and the year of projection. Lastly, the all India weighted average cost is computed, with weights being the shares of production of each state in the total production.”

Elaborating further the projection of costs the DAC stated as follows:—

“The share of each of these variable inputs in the total operational cost, prevailing in the base year, is taken as the weight for each specific input. This composite weighted input price index thus measures the likely changes in variable input prices for each of the later years in relation to the base period. The increase in variable input price index over the base period is then used for projecting cost. The interest on working capital is worked out separately on the projected variable cost net of interest on working capital, and then the same is added to arrive at the total projected variable cost per hectare. Further, the apportionment of total cost of cultivation between the main product and the by-product is done in proportion to their contribution to the total value of output. For fixed cost, the main components considered are the rental value of owned land and interest on fixed capital. Both these fixed cost items are taken as imputed values implying that farmers do not make any cash payments for them.”

(ii) Cost of cultivation/production

3.6 The cost of cultivation/production includes all paid out costs, such as those incurred on account of hired human labour, bullock labour/machine labour (both hired and owned) and rent paid for leased in land besides cash and kind expenses on use of material inputs such as seeds, fertilizers, manures, irrigation charges including cost of diesel/electricity for operation of pump sets etc. Besides, cost of production includes imputed value of wages of family labour and rent for owned land. The cost also covers depreciation for farm machinery, building, transportation and insurance charges. As such, the cost of production covers not only actual expenses in cash and kind but also imputed value of owned assets including land and family labour.

3.7 A former Chairman of CACP pointed out that the methods of data collection is questionable and stated as follows, during his personal hearing:—

“The farmers will not get justice from the approach that we normally follow in the CACP. I say this because I have seen this closely working using the same methodology that is being followed by the CACP and I tried to alter it. I succeeded to a certain extent in the last years but again it was changed. I do not know about it now. At least my concern still remains.

Then the methods of data collection and cost calculation also are questionable because the data for this purpose, that is, the data on cost cultivation, is collected by the Directorate of Economics and Statistics with the help of several State Agricultural Universities.

Two problems come into this aspect. First of all, some State Agricultural Universities say that sometimes money comes through the State Government and so, they do not get money on time. If they have to go to the field for data collection and supervision of data collection, they have no funds. They cannot even send a person with Rs. 1000 to the field to see whether the data collection is done properly or not. This is one thing which happens in some cases. I tried to check it in Bihar and then suggested change in it. In Karnataka also, the same problem was there. We asked the Directorate to give some additional money for them on ad hoc basis.”

3.8 The estimates of cost of production are generated under the Comprehensive Scheme for studying the cost of production of Principal crops and made available to the Commission by the Directorate of

Economic and Statistics. On being asked about improving methods of data collection/cost calculation and the manner in which CACP account for the difference in cost data due to time lag the Ministry in their written reply stated that the Scheme envisages collection of representative data on inputs and outputs in physical and monetary terms on a comparable and comprehensive basis following uniform methodology. The field data are collected following Cost Accounting Method. Under the scheme, daily entries of debit/credit for the expenditure/income are made in order to assess the total cost/benefit incurred/accrued to each farmer covered under the scheme. The field data are collected on daily basis by the field man, each one of them fills around 40 schedules. Of these 40 schedules, 20 show details of operations like use of fertilizers, power and water, etc. and are filled up after making inquiries from 10 farmers from each selected village. The supervision of collection of the field-data is done by the Field Supervisors. Each Field Supervisor, on an average, supervises work of 10 field man. Overall supervision of data collection process, scrutiny and validation is with Field Officer.

3.9 As per cost concepts adopted under Cost of Cultivation Scheme, Cost of Production (C2) includes both Paid-out costs (out-of-pocket) and Imputed costs. Paid-out Costs include the cost incurred by the farmers towards value of seed, insecticides and pesticides, manure, fertilizer, irrigation charges, hired human, animal and machine labour, land revenue, rent paid for lease in land, and Imputed Costs include value of family, animal and machine (owned) labour, rent of own land and interest of own fixed capital, depreciation on implements and farm buildings etc. for which the farmers do not incur any direct cash expenses.

3.10 Further, according to the DAC, the data provided to CACP at the time of finalizing its report involve a time lag of two to three years due to which various components of cost are projected for the ensuing season of the crops. In reply to query of the Committee to reduce the time lag, the DAC stated that the steps have been taken to revamp the existing FARMAP Software and making the online submission of data which will not only reduce the time lag but also improve the quality of data. Recently, a committee under the Chairmanship of Dr. Ramesh Chand, Director, National Centre for Agricultural Economics and Policy Research (NCAP) has also been set up by the Government to review the methodology and mandate of CACP *vis-à-vis* cost of cultivation study. The committee is yet to submit its report.

3.11 According to DAC, at the time of constitution of CACP, the infrastructure and network of Central Agriculture Department was very limited in the country. Now, infrastructure and network of Agriculture in the country has expanded in all districts, regions by setting up of

Krishi Vigyan Kendras, ATMA, Research Institutes/Projects etc. The Committee when desired to know the reasons for not utilizing the information regarding collection of data for calculation of Prices of Agricultural Produces from these institutes, the Secretary, DAC stated as follows before the Committee:—

“The suggestion on including other people rather than the SAUs for determination of the cost of cultivation, off-hand I would not like to reply very quickly because I need to think this over because the data sheet that is collected by these people is done after a lot of work. There are many economists and statisticians involved in that but once that data sheet has been collected, I suppose it should be possible to increase the ambit to bring in more people and that will be more as a cross check. If nothing, it will at least act as a cross check. We will try and incorporate that.

During the evidence, the Secretary, Agriculture agreed as follows:—

“we need to broad-base our data, broad-base the machinery from which we collect the data. I take that suggestion and to the extent that it is possible, we will try to incorporate it because we do recognise that the data that we collect presently is limited. In the sense, that the sample is not very large and by doing so, certainly, we can improve it further *** ** we will certainly try and broad-base it.”

(iii) Factors in the cost of production

3.12 The estimates of cost of cultivation/production in respect of the major producing states of a particular crop covered under the scheme are taken into consideration for arriving at a weighted all India average cost of cultivation/production. Since for a single crop there is one uniform MSP for the whole country, CACP tries to ensure that the MSP recommended covers the C2 cost of production (*i.e.* actual expenses in cash and kind, including rent paid for leased-in land, and imputed value of wages for family labour, depreciation of farm machinery and buildings, rent for owned land and interest on fixed capital) in relatively more efficient/well-endowed States and A2 + FL costs (actual expenses in cash and kind, including rent paid for leased-in land, and imputed value of wages of family labour) in relatively less efficient/less-endowed States.

3.13 While clarifying the observation that the Cost calculation of CACP does not take into account the cost involved in maintaining minimum standard of living by the farmer and his family from the earnings from the agricultural produce, the DAC in a written reply stated that the Commission has to consider following factors as per its terms of reference while recommending the MSP to the Government:—

- (i) The need to provide incentive to the producer for adopting improved technology and for developing a production pattern broadly in the light of national requirements. The Commission may also suggest such non-price measures as would facilitate the achievement of these objectives.
- (ii) The need to ensure rational utilization of land, water and other production resources.
- (iii) The likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, industrial cost structure.

3.14 On the basis of above, the Commission takes into account the following factors while recommending MSP to the Government:—

- (1) Cost of production
- (2) Demand and supply
- (3) Trends in market prices—both domestic and international
- (4) Changes in input prices
- (5) Parity between prices paid and prices received by the farmers
- (6) Inter-crop price parity
- (7) Effect on industrial cost structure
- (8) Effect on cost of living
- (9) Effect on general price level
- (10) Assessment of objective needs of the economy at a particular point of time, including food security, agricultural diversification, etc.

3.15 A non-official from Maharashtra during the personal hearing informed the Committee that Maharashtra Government has adopted

different methodologies for fixation of prices of agricultural produces. Elaborating in this regard he stated:—

“They have Agricultural Prices Cell at present, two States, namely Maharashtra and Karnataka are going ahead. They are calling it a Cell; Karnataka is calling it Agriculture Price Commission (APC). This methodology that we are following today actually the basis of this was discussed way back. If you recall the Report of Prof. S.R. Sen Committee, those were the days when all these things had been very much discussed and debated. There can be only minor refinements here and there. But fundamentally, I think, the principles that they have taken to evaluate the cost structures are very fundamental.”

3.16 Explaining that the methodology followed by APC, Maharashtra is more or less same as being followed by the Directorate of Economics and Statistics in DAC in cost of cultivation survey, the DAC stated that the criteria followed by DES *vis-a-vis* APC are as follows:—

Sl. No.	Item	Methodology followed by APC, Mumbai	Methodology followed by DES, New Delhi/CACP
1.	Interest on working capital	Interest on working capital is calculated @ 6% per annum for the entire crop period.	Interest is charged at the rate of 12.5% per annum on the working capital for half the period of crop.
2.	Rental value of land	The rental value of land is worked out at the rate of 1/6 of the gross value of the main produce minus land revenue.	Estimated on the basis of prevailing rents in the village for identical type of land or as reported by the sample farmers subject to the ceiling of fair rents given in the land legislation of the concerned State.
3.	Family human labour	Family human labour is valued at the rate of 25% more than the wage rates paid for the hired human labour.	On the basis of statutory wage rate or the actual market rate, whichever is higher.
4.	Profit on the cost of production	On per quintal cost of production 15% profit margin is considered.	No specific profit margin over cost of production is considered by the CACP.
5.	Transport and marketing charges	Expenditure incurred by the farmer for transportation and marketing the agricultural produce is taken into the consideration.	Considered by CACP at the time of fixing MSP.

3.17 During the evidence, the Secretary DAC submitted before the Committee as follows:—

“If you go recommendation by recommendation, issue by issue, intervention by intervention, there is not that much difference between what the methodology they follow and the methodology that is followed by the CACP. In fact, Sir, you mentioned, 6 per cent interest on working capital they follow; we follow 12.5 per cent. The only thing that they are actually giving, which is not being given by us is supervision charges directly. That is one, I think at the rate of 10 per cent. Another thing is that they are computing cost of family labour as one and a quarter times the cost of ordinary labour. These are the two fundamental things that they are doing that we are not accepting. Otherwise, I think, on all issues, if you look at it issue by issue and intervention by intervention, our computations are actually slightly more liberal than what has been done in Maharashtra.”

Elaborating further, the Chairman, CACP:—

“I will give you one example of Maharashtra particularly because cost of most of the commodities in Maharashtra and Karnataka is very high.”

He added:—

“In Maharashtra the biggest problem is that their irrigation level are only 11%. In cotton, in Vidarbha, where the problem took place and they were asking for MSP of Rs. 6000, I said, at Rs. 6000, Gujarat will not be growing anything else but only cotton. So, where your cotton will go? It is because, Gujarat has 50 per cent land under irrigation. Maharashtra, the Vidarbha belt is only 5 per cent under irrigation. Their productivity is half of Gujarat. So, if you want to give double price to Maharashtra farmers, think about what Gujarat farmers will do to cotton. So, I think we have to be careful on opening up this Pandora’s box. As Secretary, DAC said earlier, if the State wants to really give some extra incentive, it should be crop neutral. Otherwise, we will distort the production structure. If Maharashtra wants to give higher price because they do not have irrigation, their costs are high. I do not disagree, their costs are high. They should announce Rs. 5000, Rs. 1000 per hectare to all the farmers. That is crop neutral. But I would say, give investment subsidy so that those who want can go for investment of irrigation whether it is drip or sprinkler or any other method. Water is a major problem in Maharashtra. Same thing in Karnataka

is there. So the solution of that problem in Maharashtra and Karnataka will lie in better investments in water augmenting technologies or better water management technologies, drips and others. I mean, Maharashtra is growing sugarcane on one side. Less than about 4 per cent of the cropped area is taking away two-third of the irrigation water of the State, 66 per cent water of the State for just 4 per cent land uses. Naturally, other crops do not get water and therefore their productivity remains low. If you are not charging for water, you have all that type of distortions in the system. So, my submission would be, instead of counting these things, we must keep our canvas very clear, what we are aiming at. I would love to give an extra package for drought prone States, less irrigated States, give Rs. 5000, Rs. 10000 crore extra for irrigation or better water so that it increases their productivity. The winner at the end will be those who have better productivity rather than higher prices. Higher price is not a solution. Globally you will have to compete on most of these things. So, better productivity, better seeds, better fertilizer applications, soil, that is the way to be the winner. Any help on that they want, I would support it ten times and pick up a package specifically for that belt.”

3.18 The methodology of generating the cost estimate under the Cost of Cultivation Scheme was developed by Indian Agricultural Statistics Research Institute (IASRI), which has been reviewed by various expert committees from time to time. The basic objective of the existing methodology of Cost of Cultivation Scheme is to generate cost estimates to facilitate the Commission for Agricultural Cost and Prices (CACP) to recommend Minimum Support Prices (MSP) of selected agricultural commodities. Recently, a committee under the chairmanship of Director NCAP has been constituted to examine the methodological issues in fixing Minimum Support Prices.

CHAPTER IV

PRICING OF AGRICULTURAL PRODUCE

(i) Fixation of MSP

The Government decides on the support price for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of State Governments and Central Ministries as well as such other relevant factors which are considered important for fixation of support prices. A statement indicating the MSPs fixed since 2010-11 is at **Annexure II**.

4.2 MSP fixed by the Government acts as the floor price of an agriculture commodity. In a situation of fall in the price of a commodity below MSP, the Government intervenes and arranges purchase of the commodity through procurement agencies at the MSP rate to safeguard the interest of farmers. In normal situations when market price of a commodity is higher than MSP, the farmer is free to sell his produce in the open market which generally remains higher than MSP.

4.3 CACP recommends MSP for twenty two (22) crops and Fair and Remunerative Price (FRP) for sugarcane. Apart from Sugarcane for which FRP is declared by the Department of Food and Public Distribution, twenty two crops covered under MSP are Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Groundnut-in-shell, Soyabean, Sunflower, Sesamum, Nigerseed, Cotton, Wheat, Barley, Gram, Masur (Lentil), Rapeseed/Mustardseed, Safflower, Jute and Copra. In addition, MSP for Toria and De-Husked coconut is fixed by the DAC on the basis of MSPs of Rapeseed/Mustardseed and Copra respectively.

4.4 Agriculture is becoming unremunerative, particularly, for small and marginal farmers. On being asked whether this problem has been considered, a representative of CACP stated as follows:—

“We have done, in the last three months, an analysis of, at least, ten years as to what has happened to different crops’ profitability structure. If you permit me to say, there are two types of costs that we take into account. One is what we call the A2 Plus, that is, what

he pays from the pocket plus the family labour. The other cost is the C2 cost. It includes the imputed return on land and on the capital. *So, there are there.*

If you look at what has happened to profitability structure over the last ten years, I will give you an example of cereals in the first three years of two decades, the return over paid out cost plus family labour was 56 per cent, but over C2 it was less than one per cent because C2 includes the returns of the imputed cost of land and capital. By the end of the decade, on cereals on A2, the return was 81 per cent and on C2 it is 19 per cent.

That is the structure. So, the trend is towards increasing. But your point is very valid, that small holders are finding and over time the average holding size is coming down. Still there is a lot of pressure on land. So the question is how we augment the income of the farmers. My submission would be that the country has to think today of income policy because if you try to take prices too high to augment income, that may not be the most appropriate instrument to use. It is better on a per hectare basis, and this is what China has started doing. On paddy cultivation, on per hectare basis, they have started giving about 200 dollars as a support to the farmers. We have to move towards per hectare support as an income policy because the moment you do pricing, there will be lot of disturbances in demand and supply and the markets will get messed up. So the country has to think now in terms of that. But the ultimate solution to augmenting the income of the farmers is increasing productivity and also freeing up the land market. Many big farmers are not operating their lands as much but they are afraid to lease it out to others. So, I think, the land lease markets may have to be thought of in terms of freeing up so that the average holding size has to increase.”

4.5 Regarding specific recommendations of the National Commission on Farmers headed by Prof. M.S. Swaminathan and the extent to which the DAC concur with those recommendations concerning Agriculture pricing, the Secretary, DAC stated as follows:—

“The National Commission on Farmers had recommended that the MSP be fixed at C2 plus 50 per cent in respect of major crops. The Government had difficulty in accepting this proposition. They felt about a uniform yardstick for fixation of MSP. This is precisely the

reason that there should not be an over-fixation on cost of cultivation for fixation of MSP; but other considerations should also be kept in mind so that the right signals are given. Today, the signals need to be given, in respect of pulses and oilseeds first and foremost.

These priorities will keep shifting. It is a dynamic sector and the priorities also need to be dynamic. Our country is so large that we cannot afford to be import dependent. If we are import dependent, we can be held at ransom by various countries. We are becoming increasingly import dependent especially on edible oils. This is an issue that we all of us need to address more determinately. Therefore, obviously the higher rates of increase that we suggest in MSP would naturally be for the oilseed sector.”

4.6 The DAC has furnished the following details of the major recommendations of National Commission on Farmers and action taken by the Government thereon:—

	Recommendation of NCF	Action taken by Government
(i)	The Minimum Support Price (MSP) mechanism has to be developed, protected and implemented effectively across the country. MSP of crops needs to keep pace with the rising input costs.	The government, while fixing MSP, seeks to ensure that the farmers receive remunerative prices for their produce. MSPs take into account the cost of cultivation which includes input cost.
(ii)	The MSP should be at least 50% more than the weighted average cost of production.	MSP is recommended by CACP on objective criteria considering variety of relevant factors. Prescribing an increase of 50% on cost of production may distort market. A mechanical linkage between MSP and cost of production may be counter-productive.
(iii)	Arrangement for MSP need to be put in place for crops other than paddy and wheat.	At present 25 crops are covered under MSP regime. DAC is also implementing Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities generally perishable in nature and not covered under MSP/PSS.
(iv)	MSP and procurement operations should be treated as two separate initiatives.	MSP has no relevance if it is not backed by effective procurement operations.

The Standing Committee on Agriculture in their Forty-First Report (14th Lok Sabha) in 2007-08 had recommended that in CACP should take into account the profit margin of at least 50% of the cost price.

4.7 In reply to a query regarding the average margin of MSP over the cost of cultivation, crop wise over the last five years, the DAC stated as follows:—

“The cost of cultivation is calculated per hectare basis. Therefore, margins of MSP over cost of cultivation cannot be derived. However, returns over cost of cultivation are calculated and are given in the Annexure-III and in a chart in Annexure-IV. The margins of MSP over All India cost of production are given in the Annexure-V.”

4.8 When asked about the mechanism for incorporating the increase in cost of cultivation, if any, after fixing of MSP, the Ministry in their written reply stated that the Commission has to submit its recommendations of MSP of agricultural commodities to the Government within stipulated time. The MSPs are recommended by the Commission after taking into account increases in the prices of inputs. However, in such situations the Government also asks the Commission to revisit its recommendation after the submission of the report by the Commission.

(ii) Delay in Announcement of MSP

4.9 Regarding the timing of announcement of MSP, a former Chairman of CACP stated during a personal hearing as follows:—

“Minimum Support Price that the Government announces, in most cases, is not announced in time. The objective is to announce the MSP much before the sowing season so that the farmers get a clear signal as to how much area under which crops they should put. But if you delay the announcement of the MSP and announce it only at the time of harvest or something like that, as it happened in many years, does not serve the purpose of MSP. In my time what I did was that I tried to prepare a schedule like much before the sowing season, at least three months before the sowing season, the report will be submitted to the Government and the Government, anyway, takes sometime to circulate to the State Governments and also amongst the concerned Ministries so they will have one month time to consider and then the Cabinet takes a decision in another one month. But sometimes, it used to be lying with the Ministries for months and there was a time I remember, in 2008, when this was not announced for six months and only just

a few days before the harvest, this was announced. Unfortunately, this kind of treatment to the Minimum Support Price does not really help the farmers and the farming economy as such.”

4.10 When desired to know the opinion of another expert regarding the need for announcement of MSP much before the cropping season starts so that farmers also are able to know what price they will get, the witness stated before the Committee as follows:—

“Definitely. On this, there are norms. Unfortunately, in certain years, these norms are not adhered to. But the norms are very clear that the MSP announced should be before the sowing season so that for most kharif crops, MSP should be announced latest by June and for most rabi crops, it should be announced latest by November and in both cases on the 1st November and 1st of June. I think things are better on the announcement in recent years than when there was a period in the middle where sometimes the announcement was not even made till the harvest was about to arrive which makes MSP quite useless. So, you are right in this but I think that is the philosophy of MSP and if that does not happen in a particular year, that has to do with factors certainly not that of the CACP but is the Cabinet decision which comes late on these matters. CACP reports are well in before those dates.”

4.11 The Committee when desired to know the number of occasions the MSP was announced in time during the last five years and the reasons for delay for the announcements of MSP. The DAC in their written reply stated as follows:—

“The sowing season of various crops varies in a vast country like India. The sowing season for Kharif crops is generally between May-August and for Rabi between October-December. The date of submission of report of CACP and date of Announcement of MSP is given below:—

Year	Kharif		Rabi	
	Date of Submission of Report	Date of Announcement of MSP	Date of Submission of Report	Date of Announcement of MSP
2009-10	29.05.2009	20.08.2009	10.08.2009	05.11.2009
2010-11	12.04.2010	10.06.2010	26.07.2010	20.10.2010
2011-12	31.03.2011	09.06.2011	29.07.2011	25.10.2011
2012-13	04.04.2012	25.06.2012	09.08.2012	15.11.2012
2013-14	25.03.2013	10.07.2013	22.07.2013	23.10.2013

4.12 Sometimes, there is a delay in announcement of MSP due to time taken in consultation with various Ministries/Departments in the Central Government namely Ministry of Finance, Ministry of Food, Public Distribution and Consumer Affairs, Planning Commission, Department of Commerce, Ministry of Textiles, etc. In addition the views of State Governments on the recommendations of CACP are also sought before the finalization of MSPs.

4.13 The details of receipt of information from the State Government for the last five years and date of submission of reports by the Commission are given in the Annexure-VI, Annexure-VII and Annexure-VIII respectively.

4.14 When the Committee desired to know whether any consultation takes place between the CACP and the Ministry of Textiles in case of MSP for Jute and Cotton, a representative of the Ministry of Textiles stated as follows:—

“The CACP formally conducts consultation processes with the office of Textile Commissioner with regard to cotton and also inputs are sought from State Governments. When we submit our memorandum to the CACP, we take into account the cost of product and also the demand and supply situation because we formulate the cotton balance-sheet which indicates the production, consumption and the closing stock that is there and also the exportable surplus. We see the trends in market prices about domestic as well as the international market prices, then parity between prices paid and parity received by the farmers, inter-crop price parity also, and also the effect on generational price level.

In the cotton season 2011-12, we have witnessed major riots in Aurangabad and in Akola of Vidarbha regions which had major drought in that period. We also had a period wherein the cotton production was at the highest level 353 lakh bales in India and however, the prices which moderated did not touch MSP levels. For the year 2012-13, there has been increase in the MSP prices on cotton. The State Government had asked for 4,300 rupees per quintal. The CACPs recommendations were 3,900 rupees a quintal. The Ministry of Textiles had recommended at that point of time 4,000 rupees a quintal.”

4.15 The Committee when queried whether there has been any instances of difference of opinion between the Ministry of Textiles and

the CACP on the issue of fixation of price of Cotton, a representative of Ministry of Textile stated about MSP of 2011-12 as follows:—

“A formal reference was made by the Textile Minister to the Agriculture Minister that the MSP price of cotton for the 2011-12 was not adequately remunerative and there was a need to enhance the MSP price for the 2013 cotton season. So, that recommendation did have a specific number for the MSP price and we broadly feel that the recommendations of the Ministry of Textiles have been accepted.”

4.16 When asked about the experience of the Ministry of Textiles in the case of Jute, the representative stated as follows:—

“For the current year, the Minimum Support Price is Rs. 2200. Before that, it was Rs. 1675 and before that, it was Rs. 1575. There was an increase from Rs. 1575 to Rs. 1675. At that time, our Jute Commissioner and field offices were of the view that the cost of production is more like Rs. 1800. That is the time when the Ministry felt that it should not be so. Then, it was subsequently increased from Rs. 1675 to Rs. 2200. This has happened about two years ago.”

4.17 The Central Government fixes Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order 1966 *viz.*, cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fair price; price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane; realization made from sale of by-products *viz.* molasses, bagasse and press-mud or their imputed values; and reasonable margins for the growers of sugarcane on account of risk and profits. The FRP so fixed is based on recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders.

4.18 According to Secretary, DAC, MSP of Sugarcane declined from Rs. 300 in the previous year to Rs. 260 in the current year. The Government has sanctioned interest free funds for Mill Owners so that the arrears of Sugarcane can be made by them.

4.19 While furnishing the details of recommendations of Rangarajan Committee for resolving the issue of difference in pricing of sugarcane

as fixed by CACP *vis-a-vis* State government of Uttar Pradesh, the DAC stated as follows:—

“The Committee has been of the view that there is a need to rationalize the pricing of sugarcane. There should be a sharing of the revenues/value created in the sugarcane value chain between the farmers and the millers in a fair and equitable manner. Based on an analysis of the data available for the by-products (molasses and bagasse/cogeneration), the revenue-sharing ratio has been estimated to amount to roughly 75 per cent of the ex-mill sugar price alone. This ratio corresponds to a recovery ratio of 10.31 per cent at the all India level. For a particular mill, the ratio will vary in the proportion of the mill’s recovery ratio to the above all India recovery ratio. The actual payment would happen in two steps. The first would be payment of a floor price based on FRP as per extant mechanism. Balance payment of cane dues will be done subsequent to publication of monthly ex-mill prices, on the lines indicated. Such a system would obviate the need for State Advised Price.”

4.20 Supplementing him, a representative of Department of Consumer Affairs and Food stated as follows:—

“As far as sugarcane is concerned, the CACP fixes the fair remunerative price the FRP which is the benchmark price below which no sugar mill can purchase sugarcane from the farmers. But the States are generally fixing a very high price, much above the FRP. Most of the States are having their own Acts. For example, UP. They have got a separate Act for enforcing the SAP fixed by the State Government. As per the Act, the farmers are supposed to be paid within 14 days from the date of purchase. Otherwise, the mills have to pay interest on that money. However, the Government can take some action against the mills. That is being enforced in UP.

Now informal Group of Ministers has been constituted to look into various problems of the sugar industry; and the Government has extended a loan worth about Rs. 6,600 crore, which is interest free. The interest will be met from the Sugar Development Fund. The payment period is about five years with a moratorium of two years. xxxx xxxx xxx It is for the purpose of loan. It is basically for making cane payment and cane price arrears payment. That will be monitored. We have issued the guidelines. The Cane Commissioner and the Principal Secretary, have to monitor it.”

4.21 The Cane Commissioner has to certify that money has been paid to the farmers, the Committee were informed that it has come into being in mid January and they have to sanction it by 31.03.2014 and it should be disbursed latest by 30th September, which is the end of the sugar season. They have to make the payment also as support.

4.22 A statement indicating cane price arrear for 2013-14, 2012-13 sugar seasons and earlier period as on 15.12.2013 is as under:—

(Rs. in crore)

Sl. No.	State	Cane Price Arrears 2013-14	Cane Price Arrears 2012-13	Arrears For 2011-12 and Earlier	Total Cane Price Arrears
	1	2	3	4	5(2+3+4)
1.	Punjab	113.88	0.00	0.00	113.88
2.	Haryana	108.64	0.00	0.00	108.64
3.	Rajasthan	0.00	5.65	0.00	5.65
4.	Uttar Pradesh	0.00	2177.28	110.24	2287.52
5.	Uttarakhand	183.66	78.53	24.92	287.11
6.	Madhya Pradesh	0.00	0.00	13.39	13.39
7.	Gujarat	273.36	0.17	13.41	286.94
8.	Maharashtra	422.05	0.00	49.32	471.37
9.	Bihar	0.00	34.62	33.04	67.66
10.	Andhra Pradesh	216.58	24.97	0.00	241.55
11.	Karnataka	1482.66	17.32	32.86	1532.84
12.	Tamil Nadu	103.07	84.35	17.03	204.45
13.	Odisha	0.00	26.72	2.02	28.74
14.	West Bengal	0.00	0.05	0.00	0.05
15.	Puducherry	0.00	2.50	0.07	2.57
16.	Goa	0.00	3.75	0.00	3.75
	Total	2903.90	2455.91	296.30	5656.11

4.23 In a post evidence clarification regarding FRP for sugarcane and state advised prices announced by the State government of Uttar Pradesh, the DAC has furnished as follows:—

The position regarding the Fair and Remunerative Price (FRP) of sugarcane, as determined by the Central Government during the last five

years, is given in the following table:—

(Rs. per Quintal)

Sugar Season	FRP accepted by the Government	Basic recovery rate	Premium over basic recovery rate (in Rs. for increase of every 0.1%)
2009-10	129.84	9.5	1.37
2010-11	139.12	9.5	1.46
2011-12	145.00	9.5	1.53
2012-13	170.00	9.5	1.79
2013-14	210.00	9.5	2.21

(iii) Need for counter-veiling duty

4.24 Cultivators of palm oil are facing difficulties as they are not able to get inputs like labour, fertilizer etc. The Government has been giving subsidy for imported palm oil. In this situation, the Committee wondered whether Palm oil growers would continue this crop and if the cultivators switch to other crops, it would take time to get back to cultivation of Palm Oil plants. When asked about the corrective steps taken by the Government in this regard, the Secretary, DAC stated as follows:—

“I think, this has long-term implications for the entire edible oil security of the country. Palm oil is the cheapest edible oil in the world and we have, over the years, increasing dependence on imports. Now, about 50 per cent of our total consumption of edible oils comes from imports. This is despite the fact that domestic oilseed production and productivity both have been increasing, but our consumption levels, because of our improving economy, have increased at a much higher pace.

The maximum production of palm oil in the world comes from Indonesia and Malaysia. If you recall, in 2008-09 also, there was a spurt in the prices of palm oil and in order to check food inflation, the Government had taken a decision to allow imports at zero level of duty for crude palm oil and 7.5 per cent duty for refined palm oil. Indonesia and Malaysia have their own system to promote export of refined palm oil *vis-à-vis* export of crude palm oil. They have an export duty. So, they levy more export duty on crude palm oil and less export duty on refined palm oil. Actually, the benefit of reduction of import duty in India is derived by the Governments of Malaysia and Indonesia by increasing their duties. They have

a flexible duty structure in which as per the price band of these oils in the world market, their duty structure also keeps fluctuating.

If we want to promote the domestic production of palm oil, we have to do certain things. We have to promote palm oil because it is increasingly coming into the consumption basket not only for commercial products, but also especially in East India because it is very inexpensive oil. So, we have to produce it locally. If the landed cost of import palm oil is such that the domestic palm oil production becomes viable, it would be better. The prices received by the farmers have dropped by 30 per cent over the past two years because Indonesia and Malaysia are unloading their stocks at very low levels and the global prices have fallen. We have requested the Government to put in a counter-cyclical duty structure so that the landed cost of palm oil is at least Rs. 6,500 per quintal because the price formula on which the palm oil growers are paid is dependent, to a very large extent, on the imported price of palm oil. So, if the import price of palm oil is fixed at a level which cannot go below Rs. 6,500, then the domestic cultivation of palm oil in India becomes viable. We have moved a proposal, but, as you know, sometimes the interests of the consumer overtake the interests of the farmer. So, we have not yet been successful. All that we have been able to manage to do is that the duty level of zero was increased to 2.5 per cent in February, but the duty level of refined oil remains at 7.5 per cent. As a result, even the processing facilities in India are now under-utilised because the importers find profit in importing refined produce from abroad. So, we would request the protection of this Committee in supporting our case with the Department of Revenue so that we can have a viable duty structure in place.

The same issue is there in regard to pulses also. We still import about three million tonnes of pulses from across the world. The imported price, especially of urad and tur, is lower than the MSP. If that is so, that depresses the market price and the farmer does not get a good value for his produce. We have been requesting the Department of Revenue. The concept of minimum import price is now counter to WTO and we are not able to do that, but we can still impose a counter-cyclical duty so that the entry price of import is kept above the MSP level. If that happens, that will give a good signal and good incentive to the domestic producers to increase production both of palm oil as well as pulses.”

CHAPTER V

OTHER ISSUES

(i) Procurement

Implementation of MSP through procurement is undertaken by Central and State level agencies. Food Corporation of India (FCI), under the charge of Ministry of Consumer Affairs, Food and Public Distribution, is the nodal agency for procurement of foodgrains. Decentralized procurement was introduced by the Government in 1997-98 with a view to encourage local procurement to the maximum extent thereby extending the benefits of MSP to local farmers, to enhance efficiency of procurement and PDS, to provide foodgrains more suited to the local taste under the PDS and also to effect savings in transportation and handling costs of the FCI. Under the decentralized procurement scheme, the State Government itself undertakes direct purchase of paddy and wheat and procurement of levy rice on behalf of Government of India. National Agricultural Cooperative Marketing Federation (NAFED) hitherto was the only nodal agency for procurement of pulses and oilseeds but their procurement has now been entrusted to Central Warehousing Corporation (CWC) and National Cooperative Consumers' Federation (NCCF) and Small Farmers Agri-Business Consortium (SFAC) also. Cotton Corporation of India (CCI), Ministry of Textiles, alongwith NAFED, is the nodal agency for procurement of Cotton. Jute Corporation of India, Ministry of Textiles, is the nodal agency for procurement of Jute.

5.2 As on 27.09.2013, a total of 34.01 million tonnes of rice has been procured in the country during 2012-13. In Assam, during this period 20.05 thousand tonnes of rice has been procured as compared to 23.00 thousand tonnes procured in the corresponding period of the last season. During 2012-13, a total of 3.196 lakh bales of 180 kgs. each of raw jute have been procured in the country. During the same period 0.405 lakh bales of raw jute have been procured in Assam while 0.182 lakh bales of 180 kgs. each were procured during 2011-12.

5.3 When desired to know the details of infrastructural inadequacies and possibilities of engagement of private agencies to fulfil such

inadequacies, the Department of Agriculture and Cooperation in their Written Reply stated as follows:—

“Department of Food and Public Distribution deals with the procurement of rice, wheat and coarse grains. The inadequacies faced in procurement are lack of proper marketing infrastructure, storage capacity, milling capacity and qualified technical staffs.

The States are asked to improve marketing infrastructure, taken advantage of various schemes to improve the storage, take advantage of the schemes of Department of Food Processing to improve milling capacity and appoint qualified technical staff. As for FCI, the following steps have been taken:—

- (i) To augment the storage capacity in various States, Private Entrepreneur Guarantee (PEG) scheme has been formulated by Government of India for construction of covered storage godowns through private entrepreneurs, CWC and State Warehousing Corporation (SWC). Under the scheme, FCI gives guarantee for the storage charges to the private investors for ten years. The total capacity planned to be created under the scheme is 203.75 lakh MT.
- (ii) Food Corporation of India (FCI) is undertaking a process of recruitment of qualified technical staff for filling up the vacancies.
- (iii) National Agricultural Cooperative Marketing Federation of India (NAFED) undertakes the procurement of Pulses, Cotton and Oil seeds. Cotton Corporation of India and Jute Corporation of India undertake the procurement of Cotton and Jute respectively. The NAFED has to engage the services of Cooperative federations in the State Government for procurement even though they do not have requisite infrastructure for the same which has to be put in place temporarily as per requirement from time to time.”

5.4 During evidence when desired to know the details of procurement made as compared to the previous year and whether the government has examined the causes of poor performance, if any, a representative of the Ministry of Consumer Affairs and Food and Civil Supplies stated as follows:—

“In Bihar, last year procurement has increased over 2009-10 and 2010-11. But last year it was less. Maybe, the reason was, perhaps,

some crop also was less last year. I mean, the production was less. That is what they have been telling. Last year only they expanded their procurement machinery to all Primary Cooperative Societies and they spread it to about 8,000 centres, but the procurement was lesser than the previous year, the Kharif marketing season 2011-12. But this year they have become a decentralised State. But they have been telling that prices are better in the market. So, procurement so far has been very dismal even though they have become a decentralised State for procurement. So, it will depend on various factors, not only the machinery which they have expanded, not only the infrastructure which they are improving, not only the decentralised mode which they have adopted now, but other market factors will also control procurement.....The procurement in West Bengal is only 11.8 per cent. It is poor.....Though they are a decentralised State for procurement, again their procurement infrastructure has to improve.”

5.5 In a Post Evidence query, the DAC furnished the information in regard to annual production and procurement by Central and State government agencies for all 24 agricultural produce for which MSP are fixed (Annexure IX).

5.6 When the Committee desired to know how distress sale can be stopped, the Chairman, CACP stated as follows:—

“Your point is hitting really the crux of the problem. There is no doubt about it and that is the biggest concern that we also have. But the solution of that does not lie as much with CACP or even with the Centre. Lately, two States Chhattisgarh and Madhya Pradesh have set up a system in the last 3-4 years where, in fact, they are going somewhat overboard in procuring everything with the Government giving huge bonus and all that. But the structure is set. It is computerised, farmers are coming, farmers are being sent SMS as to on what day they can bring in their produce etc. So, there is a lot of institutional and infrastructure issues where the State has to take the initiative to make sure that the farmers, whoever wants to sell, can get at least the MSP. This is the first point.

Secondly, the futuristic models of ensuring that there is no distress sale, it is not really the FCI or this type of procurement. What we need to develop is a system which has already been initiated and that is the warehouse receipt system and through warehouse receipt system, he can bring it there and get 70 per cent or 80 per cent

as advance against that and he can sell it after 3-4 months if the prices are better.

So, those are the marketing systems that we need to put in place and the Ministry has already initiated those things. They need to be scaled up. These are the ways in which we can help the small holders of land and those who have the capacity to hold back the grain.

xxxx xxxx xxxx They are setting up things. It is going somewhat slow. Hopefully it will improve. Maybe, the Centre can help in that process jointly getting the infrastructure in place.”

5.7 Decentralized procurement was introduced by the Government in 1997-98 to encourage local procurement to the maximum extent thereby extending the benefits of MSP to local farmers, to enhance procurement and PDS, to provide foodgrains more suited to the local taste under the PDS and also to effect savings in transportation and handling costs of the FCI. When desired to know the extent to which objectives of Decentralized procurement have been achieved, agricultural produces procured and farmers have been benefited by the Scheme, the DAC in their written reply furnished the following:—

“The Government of India tried to persuade State Governments to adopt the decentralized system of procurement (DCP) scheme. 13 States have so far adopted DCP scheme namely—Madhya Pradesh, Uttarakhand, Gujarat, Chhattisgarh, West Bengal, Odisha, Tamil Nadu, Kerala, Karnataka, Andaman and Nicobar Islands, Andhra Pradesh, Bihar and Rajasthan (Alwar District only). The efforts are on. Once a State Government agrees to adopt DCP system, the assistance is provided to State Government for augmenting their infrastructure, training of manpower and logistic support by the Government of India.

When FCI procures wheat, rice and coarse grains through State Governments/Agencies, they in turn involve Farmers’ Cooperatives and Self Help Groups etc. in the process of procurement. Over the years the procurement of foodgrains in DCP States has increased considerably.

Procurement centres are opened in the neighbourhood of the farmers by the State Governments/Agencies keeping in view the availability of foodgrains for procurement and other factors. The payment is made to the farmers through account pay cheques and ECS, as such removing the middle-men.”

5.8 The Department of Agriculture Cooperation has further supplemented that Government of Bihar has adopted DCP scheme of procurement from KMS 2013-14 onwards and Government of Andhra Pradesh has adopted the DCP mode of procurement to ten districts in KMS 2013-14. The State Government has been requested to adopt the DCP mode in the entire State from 2014-15 onwards. The Governments of Assam, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Maharashtra, Punjab, Rajasthan and Uttar Pradesh have been requested to adopt the DCP scheme from RMS 2014-15 and KMS 2014-15 onwards. The decision regarding adoption of DCP system lies with the State Government. Whenever State Government agree to adopt DCP system, assistance is provided to State Government for augmenting their infrastructure, training of manpower and logistic support.

5.9 During evidence when Committee asked in the context of procurement of Jute by Jute Corporation of India, the reasons for reduction in the number of procurement centres almost by 50 per cent and reduction in staff strength. The Secretary, Ministry of Textiles while clarifying the position submitted as follows:—

“The business plan proposal has been approved by the JCI Board and it is under consideration of Ministry of Textiles including the shortage of manpower. Increasing the age of retirement from 58 to 60 years has also been recommended by the Board of Directors for consideration and these steps could alleviate the situation.”

(ii) Market Intervention Scheme

5.10 Government implements Market Intervention Scheme (MIS) on the request of State/UT Government for procurement of agricultural and horticultural commodities not covered under the Minimum Support Price. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States). However, the amount of loss to be shared between Central Government and the concerned State Government is restricted to 25% of the procurement cost. Profit, if any, earned by the procuring agencies is retained by them.

5.11 During the personal hearing of representatives of Alliance for Sustainable and Holistic Agriculture, a representative stated as follows:—

“The way the market intervention scheme has been designed, it has been created for only those commodities which are not procured; for onions, certain vegetables and so on whereas the market intervention scheme scope should be expanded and should be made more effective with enough financing in a manner that whenever market prices are going below the MSP, the Government as a player should be able to step in and procure enough quantities that traders are forced to match at least the price that the Government is paying. So, there is much scope for improving the market intervention scheme.”

5.12 The Committee when desired to know the extent to which the scheme has been able to achieve its objectives in various States, details of Central share provided to various States during each of the last three years for procurement under the scheme and the details of criteria for fixation of minimum prices at which crops are procured under the Scheme, the DAC in their written reply stated as follows:—

“The Market Intervention Scheme is implemented on the request of a State/UT Government ready to bear 50% loss (25% in case of North-Eastern States), if any, incurred on its implementation. The MIS is implemented when there is at least 10% increase in production or 10% decrease in the ruling rates over the previous normal year. The loss is shared on 50:50 basis between the Central Government and the State Government (75:25 between Central Government and North-Eastern States). However, the loss is restricted to 25% of the total procurement value which includes Market Intervention Price (MIP) paid to the farmers plus permitted overhead expenses. Profit earned, if any, in implementing the MIS is retained by the procuring agencies.

The various aspects of MIS like the proposed quantity for procurement, MIP, period of operation etc. are discussed and finalized in a meeting convened in consultation with State Government and other concerned Departments/Divisions. Under the scheme, a pre-determined quantity at a fixed MIP is procured by NAFED as Central agency and the agencies designated by the State Government for a fixed period or till the prices are stabilized above the MIP whichever is earlier. The area of operation is restricted to the concerned State only.

As stated above, the MIS is implemented on the specific request of State/UT Government willing to share the loss with Central Government on 50:50 basis (25:75 in case of N-E States). However, during the last three years, MIS has been implemented in various States namely U.P., West Bengal, Andhra Pradesh, Himachal Pradesh, Karnataka, Rajasthan, Tamil Nadu, Mizoram, and Nagaland for procurement of various horticultural produce like potato, oil palm, arecanut, onion, turmeric, garlic, chilli, iskut, pineapple etc. This clearly shows that the MIS has achieved its mandate.

It is experienced that the moment MIS is sanctioned for a specific commodity in a specific State, the market sentiments goes up which helps the farmers to fetch better realization for their produce. As such, in most of the cases the necessity for implementation/procurement of the sanctioned commodity has not arisen. However, during the last three years, the Department has released central share loss under MIS as per following details:—

State	Commodity	Amount Released (Rs. in crores)	Release in the Year
Himachal Pradesh	Apple	1.90	2010
Andhra Pradesh	Oil palm	1.66	2011
Nagaland	Ginger	1.76	2013
Nagaland	Orange	1.90	2013
Rajasthan	Garlic	1.39	2013
Mizoram	Chilli	1.15	2013

The various aspects of cost of production of a specific commodity to be considered in the MIS in a specific State are discussed and finalized in a meeting convened under the chairmanship of Joint Secretary, (Cooperation), Department of Agriculture and Cooperation. The other members of the MIS Committee are representatives of the concerned State Government, Central Agency, State Agency, Department of Expenditure, Horticultural Division, Internal Finance Dn., Economics and Statistics Dn. etc. of DAC. Under the MIS, a pre-determined quantity at a fixed MIP for a fixed period is allowed.”

5.13 In the case of potato, onion and other vegetables the MIS does not help the farmers to get the price. Explaining the difficulties for

extending MSP to certain commodities of horticulture produce, the Secretary Department of Agriculture-Cooperation stated as follows:—

“MSP regime typically is meant for non-perishable crops, those crops which can be stored by whoever procures it and then dispose it of later when the price is stabilised so that there is no pressure. Horticulture produce, by its very nature, is all perishable. They are not amenable to long term storages, except onions and potatoes which can still be stored for a slightly longer period. After a week, even they lose their quality; especially in case of potatoes, if the storage is not very good, it starts sprouting and it cannot be used for human consumption. Therefore, whoever procures it, they will have to dispose it of within a very short while. Sometimes, in case of most perishable commodities, they will have to dispose it of within that week. It is not going to make a difference on the prevailing price mechanism unless the market which they chose is somewhere else. So, generally what happens is that MIS is a very difficult operation to implement. The scheme is that the State will have to agree to bear 50 per cent of the cost. The States are generally reluctant to do that.

Secondly, the machinery for procurement does not exist because these are sporadic cases. With perishables, this happens more often than not. Take the case of onions. Onion prices were extremely high last year, and this year there are going to be floods. There are already huge problems in onions because naturally farmers want to go for crops which will fetch them better returns. But all of them simultaneously grow it and that results in crash in prices. While we do have a Market Intervention Scheme, it is only to provide relief to farmers in the sense that they get a minimum kind of price for their produce. It does not really help increase the prevailing market price for any appreciable time. The idea is that if we just intervene during the time of peak arrivals, that should lift the market and help getting better prices.”

(iii) Impact of MGNREGA

5.14 Several State Governments, farmers, experts and stakeholders have informed the Committee that the implementation of MGNREGA has impacted the availability of labour for critical agricultural operations like sowing and harvesting. Further, as per the findings of a Study conducted by the Agro Economic Research Centres of Department of Agriculture and Cooperation and the Institute of Social and Economic Change, Bengaluru on MGNREGA, the implementation of MGNREGA has created competition for demand of labour and consequently, shortage

of labour for agricultural operations particularly during peak seasons like sowing and harvesting. Increase in cost of cultivation/production due to increase in wages of agricultural labourers was also brought out in the study.

5.15 The MGNREGA guidelines have been amended in 2012 with a view to correct the above situation. As per the amendment to schedule 1 of MGNREGA guidelines issued in May 2012, a large number of activities/works having significant impact on agriculture and farm sector relating to provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bunding and land development; agriculture related works such as vermin-composting, liquid bio-manures etc. are included as eligible activities under MGNREGA. The works permissible on individual lands or homesteads are expected to help small/marginal farmers to solve the issue of shortage of agricultural labourers.

5.16 The DAC in their Post Evidence reply informed the Committee that the primary objective of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is to enhance the livelihood security of the rural households by providing up to 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work. The objective of MGNREGA is to supplement the income of a rural household and it is not intended to be the sole means of earning livelihood for the rural population. The workers are free to avail any other employment opportunities available to them.

5.17 As per operational guidelines of MGNREGA, normal agriculture operations such as land preparation, ploughing, sowing, weed removal, turning the soil, watering, harvesting, pruning and such similar operations are not permissible.

5.18 However, as per the Amendment to Schedule I of Mahatma Gandhi National Rural Employment Guarantee Act, 2005, issued *vide* notification dated 4th May, 2012, the following activities on the lands of small or marginal farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme, 2008 have been included in the list of activities for focus in schemes formulated by States under section 4 of the Act:—

- (i) provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bunding and land development;
- (ii) agriculture related works, such as, NADEP composting, vermin-composting, liquid bio-manures;

- (iii) livestock related works, such as, poultry shelter, goat shelter, construction of pucca floor, urine tank and fodder trough for cattle, azolla as cattle-feed supplement;
- (iv) works in coastal areas, such as, fish drying yards, belt vegetation;
- (v) rural drinking water related works, such as, soak pits, recharge pits;
- (vi) rural sanitation related works, such as, individual household latrines, school toilet units, anganwadi toilets, solid and liquid waste management.

5.19 A large number of activities/works having significant impact on agriculture and farm sector relating to provision of irrigation facility, dug out farm pond, horticulture, plantation, farm bunding and land development; agriculture related works, such as, NADEP composting, vermin-composting, liquid bio-manures are included in para 1B of Schedule I of the MGNREGA and the works permissible on individual lands or homesteads. These activities are expected to help small/marginal farmers in dealing with this issue.

5.20 In addition, as per amendment *vide* notification dated 3rd January, 2014 to Schedule I Para 4 (III) Category C (i), works for promoting agricultural productivity by creating durable infrastructure required for bio-fertilizers and post-harvest facilities including pucca storage facilities for agricultural produce has been permitted under Mahatma Gandhi NREGA.

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. Minimum Support Price (MSP) fixed by the Government acts as the floor price of an agricultural commodity and safeguards the interests of farmers. Presently, 24 crops are covered under MSP and only one crop *viz.* sugarcane is covered under Fair and Remunerative Price (FRP) mechanism. The Committee have been informed that no specific profit margin over cost of production is considered by the CACP. Since agriculture is becoming unremunerative particularly for small and marginal farmers due to variety of reasons, the Committee feel that the Government should move towards remunerative pricing mechanism for all the 24 crops. The Committee do not agree with the view of DAC that prescribing an increase of 50% on cost of production as recommended by the National Commission on Farmers headed by Prof. M. S. Swaminathan may distort the market. What is paramount is the lively-hood of farmers. Distortion, if any, in market on account of remunerative pricing of agricultural produce must be suitably addressed. The Committee urge that steps should be taken to fix remunerative pricing with 50% profit margin over cost of production, for all the 24 crops without any further delay as already recommended by this Committee in their Forty-first Report (14th Lok Sabha) in the year 2007-08.

2. Although cost of cultivation for each crop widely varies from region to region, regrettably, MSP is uniform for a single crop for the whole country. According to the Deptt. of Agriculture and Co-operation (DAC), fixing different MSPs (region-wise MSP) for the same crop may neither be practical nor desirable and would defeat the aim of promoting cultivation of crops best suited to a region with maximum competitive advantage. Another reason advanced against differential MSP is that it would lead to movement of agricultural produce to the region having highest MSP, thereby negating the very purpose of differential MSP. The Committee feel that if the country is to sustain self-sufficiency in production, competitive advantage alone cannot be the criterion for promotion of crops. In Committee's view, region-wise MSP, pre-supposes enforcement of appropriate restrictions by respective regions. The Committee, therefore, desire that steps should be taken in a time bound manner to fix region-wise MSP, initially on

experimental basis and its continuation or otherwise decided on the basis of results of the experiment.

3. One of the suggestions made to the Committee by various experts relates to transforming the CACP into a statutory body and making its recommendations binding on the Government. According to the DAC, binding nature of recommendations of statutory CACP on various aspects of agriculture would be fraught with practical difficulties. It would also preclude the Government from enhancing the MSP over and above what is recommended by CACP as had often been done in the past. The Committee note that the Government has plans for giving agricultural subsidy through direct cash transfer mechanism. The Committee would like to point out that the proposed direct transfer mechanism is not free of bottlenecks and challenges. In Committee's view, the MSP mechanism ought to be continued with the existing procurement system for implementation of Food Security Act and expeditious steps should also be taken for introduction of direct cash transfer mechanism for agricultural subsidy. The Committee would await steps taken in this regard.

4. The estimates of costs of production used by the CACP suffer on account of small sample size, outdated data and poor quality of collection. The sample size is as small as 8,400 holdings. The CACP report is based on outdated data due to time lag of two to three years between the time of collection of data and finalization of report by CACP. Further, according to a former Chairman of the CACP, the methods of data collection and cost calculation by some State Agricultural Universities are questionable. There is a need to broad-base the data, broad-base the machinery and bridge the time gap to make the basis of MSP realistic. The Committee desire that immediate action be taken to address the aforesaid shortcomings and ensure that CACP's exercise of fixing MSP is meaningful.

5. Incidentally, the Committee have been informed that a Committee under the Chairmanship of Dr. Ramesh Chand, Director, National Centre for Agricultural Economics and Policy Research (NCAP) has been set up to review the methodology and mandate of CACP *vis-à-vis* cost of cultivation study. The Committee hope that the Ramesh Chand Committee will examine the shortcomings in the present system of MSP calculation and complete its tasks expeditiously under intimation to this Committee.

6. The Committee note that CACP has only two non-official members representing the farming community. The Committee desire that the composition of CACP should be broad based to include at

least four non-official members representing the farming community from all the four regions of the country to enable them to have their say in the CACP. Further, there should be transparency in the appointment of non-official members of CACP.

7. Timely announcement of MSP ahead of the sowing season *i.e.* by 1st June for kharif crops and by 1st November for rabi crops would enable farmers to decide about the type and quantum of crops to cultivate during the season. Admittedly, there had been delays in announcement of MSP in the past though there is stated to be improvement in this regard in recent years. Despite timely submission of reports by CACP, the delay reportedly takes place, due to time taken in consultation with various Ministries at the Centre and the State Governments. The Committee hope that considering the importance of timely announcement of MSP to the farming community, the Government will ensure in future that there is no delay whatsoever in this regard.

8. The main objective of MSP is to ensure that there is no distress sale of agriculture produce by farmers at the harvest season. Sadly, there are reports of small and marginal farmers selling their produce below the MSP in some parts of the country particularly in Bihar, West Bengal and Orissa. Implementation of MSP is done through procurement which has been decentralized since 1997-98 with a view to encouraging local procurement thereby extending the benefits of MSP to local farmers. There is a need to increasingly involve Farmers' Co-operatives and Self-Help Groups in the process of procurement. It has been stated that lack of proper marketing infrastructure, storage capacity, milling capacity, etc. adversely affect procurement activity. The Committee would urge the DAC to impress upon those State Governments facing these inadequacies to address the problems on priority and ensure that there is no distress sale by farmers anywhere in the country.

9. Warehouse receipt system is another important measure which will go a long way in curbing distress sale by farmers. The Committee, however, regret to learn that the progress of system of farmers availing advance amounts through warehouse receipt is slow. The Committee are of the view that scaling up this system in a planned manner is a priority area and suggest that necessary action should be taken in this regard. The Committee would also like to know the progress achieved so far and plans for the future.

10. The Committee note that alternate channels of marketing would enable farmers to sell their produce for optimum returns. The

Model State Agricultural Produce Marketing (Development and Regulation) Act, 2003 (APMC Act) advocates, among other things, provision of direct purchase of agricultural produce from farmers by processors/bulk retailers/whole sellers/exporters nearer the farm gate. So far, only 16 State Governments have reportedly amended their APMC Acts providing for direct marketing, contract farming, etc. The Committee desire that the DAC should actively pursue with the remaining State Governments and ensure that APMC Acts are reformed at the earliest and the farmers are protected from exploitation by middle men.

11. The Committee have been informed that the prices received by palm oil growers have dropped by 30% over the past two years, making the domestic palm oil production unviable due to increasing dependence on import at very low prices. It has been stated that about 50% of our total consumption of edible oils come from imports and as a result of fall in global prices and low level of import duty (2.5% for crude palm oil and 7.5% for refined palm oil), stocks of palm oil are unloaded in our country jeopardizing the interests of domestic growers. The Committee are concerned to note that this phenomenon has long-term implications for the entire edible oil security of the country. It has been pleaded before the Committee that there should be counter-cyclical duty at rates which would make the landed cost of palm oil is at least Rs. 65,00 per quintal so that the domestic cultivation becomes viable. Similar problem is also faced in import of pulses accounting for 3 million tonnes at a price lower than the MSP. The Committee are at a loss to understand why the Deptt. of Revenue and the Ministry of Commerce have not taken necessary steps to protect the interests of farmers and ensure that edible oil security of the country is not adversely affected. The Committee would urge the Deptt. of Revenue to put in place a dynamic counter-vailing duty structure in this regard without further delay, under intimation to the Committee.

12. The Rangarajan Committee which looked into the issue of difference in pricing of sugarcane as fixed by the CACP *vis-à-vis* State Government of Uttar Pradesh reportedly emphasized the need to rationalize the pricing of sugarcane and that there should be a sharing of revenues/value created in the sugarcane value chain between the farmers and the millers in a fair and equitable manner. In pursuance of this recommendation and having looked into the problems of the sugar industry, the Government is stated to have extended an interest free loan of about Rs. 6,600 cr. for making loan cane payment and cane price arrear payment. The Committee note that cane price arrears for the year 2012-13 was as much as Rs. 2177 cr. in Uttar Pradesh as on

15.12.2013. The Committee hope that the Cane Commissioner would monitor the payment and ensure that issues are resolved at the earliest.

13. One of the objectives of creation of the Jute Corporation of India (JCI) is procurement of Jute. The Committee learnt that the number of procurement centres operated by JCI has come down by 50 per cent and that there has been drastic reduction in the manpower of JCI. Considering the importance of Jute procurement for the lives of jute growers particularly in the States of West Bengal, Bihar, Orissa, Assam and Andhra Pradesh, the Committee desire that the JCI operations should be strengthened with adequate manpower and increase in the number of procurement centres.

14. The Market Intervention Scheme (MIS) is implemented to protect the growers of agricultural and horticultural commodities (those not covered under MSP) from making distress sale in the event of bumper crop when the prices fall below the cost of production. It has been stated that MIS is a very difficult operation to implement and the machinery for procurement does not exist. MIS is implemented only on the specific request of State/UT willing to share the loss with Central Government on 50:50 basis (25:75 in case of NE States). Admittedly, States are reluctant to do that. All this indicates that MIS has not achieved its mandate. The Committee feel that if the objective of protecting farmers from distress sale is to be achieved, the MIS must be re-oriented and broad based with well prepared machinery ever ready to undertake the task at very short notice. DAC should chalk out the ways and means to achieve this. The Committee would also suggest that the cost sharing between States and the Centre should be such that the latter does not feel the burden. For instance the ratio could be 25:75 between States and the Centre and 10:90 in the case of NE States.

15. According to the findings of a study conducted by the Agro Economic Centres and the Institute of Social and Economic Change, Bangaluru, the implementation of Mahatma Gandhi National Rural Employment Act (MGNREGA) has impacted the availability of labour for critical agricultural operations like sowing and harvesting. The Committee note that in order to tackle this problem, NGNREGA guidelines of May 2012 have included activities having significant impact on agriculture such as provision of irrigation facility, dug out farm pond, farm bunding and land development, etc. as eligible activities under MGNREGA. One beneficial fallout of the aforesaid problem appears to be the increasing mechanisation of farm activities which would hopefully bring about desired transformation of agricultural operations. The Committee feel that it is high time that

an objective assessment is undertaken of the impact of MGNREGA on various aspects of agricultural operations and take such remedial measures as may be necessary to overcome the adverse impact, if any.

NEW DELHI;
03 March, 2014

12 Phalguna, 1935 (Saka)

BASUDEB ACHARIA,
Chairman,
Committee on Agriculture.

ANNEXURE I

(Vide Para No. 2.17)

Suicide by farmers due to agrarian reasons from 2010 to 2013 as reported by State Governments

SI. No.	Name of State/UT	Period/ (Date of report)	Number of suicides by farmers due to agrarian reasons as reported by State Government
1	2	3	4
1.	Andhra Pradesh	2010	267
		2011	302
		2012	177
		2013	36
2.	Karnataka	2009-10 (F/Y)	145
		2010-11 (F/Y)	117
		2011-12 (F/Y)	107
		2012-13 (F/Y)	60
		2013-14 (12.08.2013) (F/Y)	09
3.	Maharashtra	2010	572
		2011	608
		2012	642
		2013	407
4.	Kerala*	2010	Nil
		2011	21
		2012	17
		2013 (13.08.2013)	01
5.	Punjab	2010-2013	Not reported
6.	Tamil Nadu	14.11.2013	Nil
7.	Gujarat	13.08.2013	Nil
8.	Assam	05.12.2013	Nil

1	2	3	4
9.	Arunachal Pradesh	11.12.2013	Nil
10.	Bihar	20.12.2013	Nil
11.	Chhattisgarh	30.04.2013	Nil
12.	Goa	05.12.2013	Nil
13.	Haryana	09.12.2013	Nil
14.	Himachal Pradesh	09.12.2013	Nil
15.	Jammu and Kashmir	14.12.2013	Nil
16.	Jharkhand	12.12.2013	Nil
17.	Manipur	07.12.2013	Nil
18.	Meghalaya	03.10.2013	Nil
19.	Madhya Pradesh*	2010	1237
		2011	1323
		2012	Not reported
		2013	Not reported
20.	Mizoram	11.12.2013	Nil
21.	Nagaland	27.09.2013	Nil
22.	Odisha	03.09.2013	Nil
23.	Rajasthan	30.10.2013	Nil
24.	Sikkim	10.07.2013	Nil
25.	Tripura	03.09.2013	Nil
26.	Uttar Pradesh	28.04.2011	Nil
27.	Uttarakhand	16.12.2013	Nil
28.	West Bengal	28.03.2013	Nil
29.	A & N Islands	07.02.2014	Nil
30.	NCT of Delhi	09.12.2013	Nil
31.	Daman and Diu	17.09.2013	Nil
32.	Dadra and Nagar Haveli	06.12.2013	Nil
33.	Lakshadweep	11.12.2013	Nil
34.	Puducherry	18.12.2013	Nil
35.	Chandigarh	11.02.2014	Nil

*Total number of suicide in farming/agriculture (due to various reasons).

ANNEXURE II

(Vide Para No. 4.1)

Minimum Support Prices*(Rs. per quintal)*

Commodity	Variety	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6
Kharif Crops					
Paddy	Common	1000	1080	1250	1310
	Grade A	1030	1110	1280	1345
Jowar	Hybrid	880	980	1500	1500
	Maldandi	900	1000	1520	1520
Bajra		880	980	1175	1250
Maize		880	980	1175	1310
Ragi		965	1050	1500	1500
Arhar (Tur)		3000 &	3200 &	3850	4300
Moong		3170 &	3500 &	4400	4500
Urad		2900 &	3300 &	4300	4300
Cotton	Medium Staple	2500	2800	3600	3700
	Long Staple	3000	3300	3900	4000
Groundnut in shell		2300	2700	3700	4000
Sunflower seed		2350	2800	3700	3700
Soyabean	Black	1400	1650	2200	2500
	Yellow	1440	1690	2240	2560
Sesamum		2900	3400	4200	4500
Nigerseed		2450	2900	3500	3500
Rabi Crops					
Wheat		1120\$	1285	1350	
Barley		780	980	980	
Gram		2100	2800	3000	
Masur (Lentil)		2250	2800	2900	

1	2	3	4	5	6
Rapeseed/ Mustard		1850	2500	3000	
Safflower		1800	2500	2800	
Toria		1780	2425	2970	
Other Crops					
Copra	Milling	4450	4525	5100	5250
	Ball	4700	4775	5350	5500
De-Husked Coconut		1200	1200	1400	1425
Jute		1575	1675	2200	2300
Sugarcane#		139.12	145.00	170.00	210.00

Notes:

\$ An additional incentive bonus of Rs. 50 per quintal was payable over the MSP.

& Additional incentive of Rs. 500 per quintal was payable in respect of kharif pulses sold to procurement agencies during the harvest/arrival period of two months.

Fair & Remunerative Price (FRP).

ANNEXURE III

(Vide Para No. 4.7)

**Average Gross and Net Rate of Returns over Cost of Cultivation
during 2000-01 to 2003-04 and 2008-09 to 2011-12**

Crop	Average during 2000-01 to 2003-04*		Average during 2008-09 to 2011-12*	
	Rate of Gross Returns over A2+FL (%)	Net Rate of Returns over C2 (%)	Rate of Gross Returns over A2+FL (%)	Net Rate of Returns over C2 (%)
1	2	3	4	5
Cereals	52	5	78	19
Paddy	43	1	63	13
Wheat	91	22	127	36
Maize	15	-15	58	12
Jowar	21	-11	51	6
Bajra	25	-7	42	3
Barley	73	16	112	38
Ragi	-5	-31	2	-25
Pulses	85	19	96	26
Tur	85	18	97	27
Gram	118	32	105	28
Moong	21	-8	62	15
Urad	60	8	75	17
Lentil	121	25	158	44
Oilseeds	61	11	82	23
Groundnut	40	2	51	9
Soyabean	58	8	72	18
Sunflower	11	-16	31	1
Rapeseed/ Mustard	120	36	167	53
Sesamum	66	14	86	26

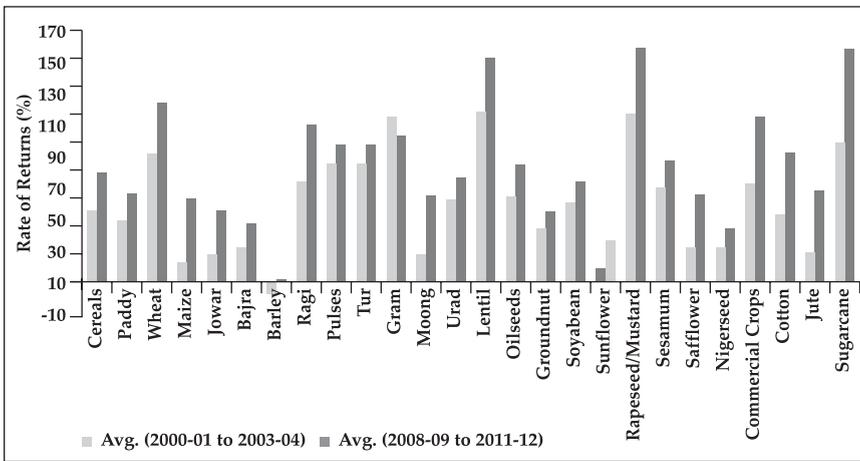
1	2	3	4	5
Safflower	24	-7	62	16
Nigerseed	26	-5	39	-3
Commercial Crops	70	15	119	43
Cotton	48	5	92	30
Jute	22	-10	65	16
Sugarcane	98	27	165	62

* Average returns are calculated so as to eliminate the effect of drought years.

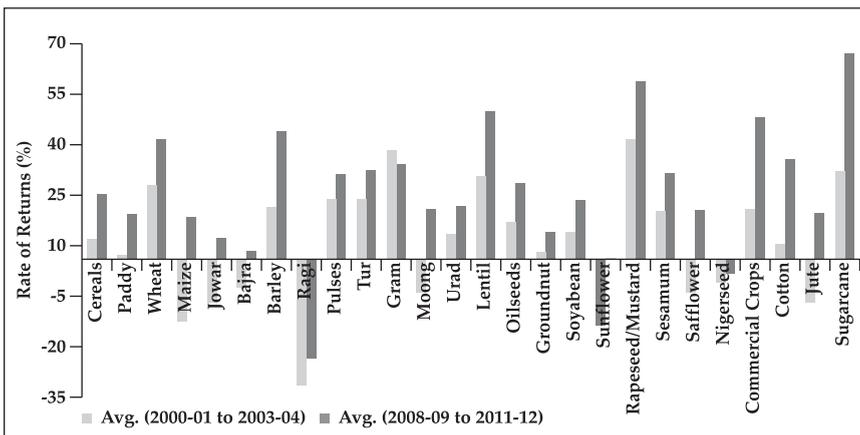
ANNEXURE IV

(Vide Para No. 4.7)

All India Average Gross Rate of Returns over A2+FL during Time Periods 2000-01 to 2003-04 and 2008-09 to 2011-12



All India Average Net Rate of Returns over C2 during Time Periods 2000-01 to 2003-04 and 2008-09 to 2011-12



(Vide Para No. 4.7)

**All India Cost of Production(COP)-(A2+FL,C2), Minimum Support Price (MSP) and Margins of
MSP over COP of major crops during 2009-10 to 2013-14**

(Rs./qtl.)

Crops	2009-10\$					2010-11\$					2011-12\$					2012-13*					2013-14#				
	C2*	A2+ FL*	MSP	Mar- gin over C2(%)	Mar- gin over A2+ FL(%)	C2*	A2+ FL*	MSP	Mar- gin over C2(%)	Mar- gin over A2+ FL(%)	C2*	A2+ FL*	MSP	Mar- gin over C2(%)	Mar- gin over A2+ FL(%)	C2*	A2+ FL*	MSP	Mar- gin over C2(%)	Mar- gin over A2+ FL(%)	C2*	A2+ FL*	MSP	Mar- gin over C2(%)	Mar- gin over A2+ FL(%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Paddy	84.7	600.9	1000	13.0	66.4	939.9	658.5	1000	6.4	51.9	1026.8	719.8	1080	5.2	50.0	1152.2	813.9	1250	8.5	53.6	1234.0	961.0	1310	6.2	36.3
Jowar	1122.1	814.9	840	-25.1	3.1	1454.5	1028.4	880	-39.5	-14.4	1493.0	1010.9	980	-34.4	-3.1	1611.5	1246.4	1500	-6.9	20.4	1648.0	1269.0	1500	-9.0	18.2
Bajra	812.77	560.09	840	3.4	50.0	755.67	535.39	880	16.5	64.4	982.09	734.88	980	-0.2	33.4	1059.1	779.0	1175	10.9	50.8	1003.0	768.0	1250	24.6	62.0
Maize	861.64	615.11	840	-2.5	36.6	816.90	579.60	880	7.7	51.8	976.58	693.13	980	0.3	41.4	1070.0	813.6	1175	9.8	44.4	1112.0	860.0	1310	17.8	52.3
Ragi	1354.78	996.8	915	-32.5	-8.2	1390.56	1064.4	965	-30.6	-9.3	1729.55	1058.1	1050	-39.3	-0.8	1884.2	1411.9	1500	-20.4	6.2	1687.0	1338.0	1500	-11.1	12.1
Tur	2860.4	1658.0	2300	-19.6	38.7	3225.9	2185.0	3000	-7.0	37.3	2979.5	1944.1	3200	7.4	64.6	4167.2	2765.3	3850	-7.6	39.2	3958.0	3090.0	4300	8.6	39.2
Moong	4058.7	2720.6	2760	-32.0	1.4	3199.4	2338.7	3170	-0.9	35.5	3921.6	2968.1	3500	-10.8	17.9	4698.8	3430.1	4400	-6.4	28.3	4759.0	3775.0	4500	-5.4	19.2
Urad	3490.0	2328.5	2520	-27.8	8.2	3076.8	2043.0	2900	-5.7	42.0	3871.6	2785.0	3300	-14.8	18.5	4333.6	3101.9	4300	-0.8	38.6	4112.0	3144.0	4300	4.6	36.8
Groundnut	2492.1	1851.9	2100	-15.7	13.4	2477.8	1806.2	2300	-7.2	27.3	3364.9	2503.2	2700	-19.6	7.9	3714.5	2873.0	3700	-0.4	28.8	3397.0	2720.0	4000	17.8	47.1
Soyabean	1670.5	1135.2	1350	-19.2	18.9	1606.1	1096.6	1400	-12.8	27.7	1739.1	1176.5	1650	-5.1	40.2	2343.1	1725.8	2200	-6.1	27.5	2216.0	1692.0	2560	15.5	51.3

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Sunflower	2558.9	1894.1	2215	-13.4	16.9	2690.9	1997.3	2350	-12.7	17.7	3023.4	2164.1	2800	-7.4	29.4	3698.0	2954.7	3700	0.1	25.2	3679.0	3000.0	3700	0.6	23.3
Sesamum	4328.3	2576.2	2850	-34.2	10.6	3533.6	2467.3	2900	-17.9	17.5	4270.5	3062.1	3400	-20.5	11.0	4185.7	2893.3	4200	0.3	45.2	4134.0	2919.0	4500	8.9	54.2
Nigerseed	2935.8	1903.1	2405	-18.1	26.4	3160.0	2130.4	2450	-22.5	15.0	3028.8	2307.3	2900	-4.3	25.7	4554.6	3428.5	3500	-23.2	2.1	3628.0	2279.0	3500	-3.5	53.6
Cotton	2356.7	1602.8	3000	127.3	87.2	2916.9	1876.0	3000	2.8	59.9	3271.9	2181.6	3300	0.9	51.3	2772.2	1970.3	3900	40.7	97.9	3533.0	2485.0	4000	13.2	61.0
Wheat	832.8	497.1	1100	32.1	121.3	815.5	489.7	1170	43.5	138.9	891.5	530.5	1285	44.1	142.2	1066.3	654.8	1350	26.6	106.2	1138.8	679.3	1400	22.9	106.1
Barley	643.2	409.2	750	16.6	83.3	704.9	471.2	780	10.7	65.5	942.0	629.9	980	4.0	55.6	862.0	593.6	980	13.7	65.1	1056.1	676.4	1100	4.2	62.6
Gram	2052.6	1146.7	1760	-14.3	53.5	1815.0	1189.0	2100	15.7	76.6	2666.5	1594.9	2800	5.0	75.6	2327.7	1646.1	3000	28.9	82.2	2913.0	1786.2	3100	6.4	73.6
Lentil	1626.0	1207.3	1870	15.0	54.9	2207.5	1277.3	2250	1.9	76.2	2312.5	1288.7	2800	-21.1	117.3	3161.5	1879.0	2900	-8.3	54.3	2802.1	1798.7	2950	5.3	64.0
R&M	1482.4	849.1	1830	23.4	115.5	1392.5	782.6	1850	32.9	136.4	2229.6	126.3	2500	12.1	92.9	1987.4	1215.9	3000	50.9	146.7	2410.5	1306.7	3050	26.5	133.4
Safflower	2614.0	1932.8	1680	-35.7	-13.1	2187.8	1563.9	1800	-17.7	15.1	2073.5	1490.9	2500	20.6	67.7	2708.4	3338.4	2800	3.4	-16.1	3466.4	2543.5	3000	-13.5	17.9
Sugarcane	109.4	61.2	130	18.7	112.3	120.7	75.0	139	15.2	85.4	139.4	87.3	145	4.0	66.1	148.0	100.9	170	14.9	68.5	184.8	120.4	210	13.6	74.4
Jute	1452.2	97671	1375	-5.3	40.9	1959.5	1295.0	1575	-19.6	21.5	1979.6	1475.5	1675	-15.4	13.5	1808.3	1435.5	2200	21.7	53.3	2160.3	1015.3	2300	6.5	126.4

\$ The COP (C2.A2+FL) for the years 2009-10, 2010-11 and 2011-12 are actual estimates

The COP (C2.A2+FL) for the years 2012-13 and 2013-14 are projected estimates

* C2: Overall Cost Inclusive of A2+FL

Note: Paid out cost covers the cost on account of all inputs like human labour, bullock labour, machine labour, seeds, fertilisers, manure, insecticides, irrigation charges.

(Vide Para No. 4.13)

Replies received from the State Governments

State	Kharif										Rabi									
	2010-11 Mkt. Season		2011-12 Mkt. Season		2012-13 Mkt. Season		2013-14 Mkt. Season		2014-15 Mkt. Season		2010-11 Mkt. Season		2011-12 Mkt. Season		2012-13 Mkt. Season		2013-14 Mkt. Season		2014-15 Mkt. Season	
	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD	DoAg	DoFD
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Andhra Pradesh	18.2.10		14.2.11		27.2.12		5.2.13				*						28.6.12		5.6.13	
Arunachal Pradesh	1.2.10		20.12.10		*															
Assam	13.1.10		19.1.11	2.1.11	*	22.2.12	15.1.13		24.1.14		*		*		*				30.5.13	14.6.13
Bihar		15.2.10	24.1.11		*	6.3.12	8.2.13			7.1.14	*		•			26.5.11	3.7.12		5.6.13	
Chhattisgarh	1.2.10	15.2.10	1.1.11		*		10.1.13		6.1.14				*		*		19.6.12		31.5.13	
Delhi		11.12.09	30.12.10	17.1.11							*	20.5.09	*		*				1.6.13	
Goa	23.2.10		16.2.11						18.12.13						*					
Gujarat	16.2.10	29.1.10	17.2.11	7.2.11	*	22.2.12			23.1.14		*		*		*		24.7.12		1.6.13	16.5.13
Haryana	1.1.10	18.12.09		3.1.11	*	*	28.12.12		23.12.13	1.1.14	*	22.5.09	*	10.5.10	*		20.6.12	14.6.12	31.5.13	8.5.13
Himachal Pradesh	23.2.10	6.4.10	1.2.11		27.2.12		9.1.13		8.1.14	13.1.14	*	29.5.09	*		*		27.6.12		28.5.13	3.7.13
Jammu and Kashmir			31.12.10		*									26.4.10	*		27.6.12		6.6.13	
Jharkhand	16.2.10				1.3.12		6.2.13												6.6.13	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Karnataka	4.2.10	6.4.10	13.1.11	8.2.11	16.3.12				1.1.14		*	19.5.09				*	25.6.12		5.6.13	
Kerala	20.1.10		23.12.10		*				6.1.14				29.4.10							
Madhya Pradesh	6.1.10		7.1.11		*		21.12.12		9.1.14		*		*		*		3.7.12		4.5.13	
Maharashtra	7.12.09		14.1.11								*		*		*					
Manipur																				
Meghalaya																				
Mizoram		18.2.10	2.2.11									28.5.09								
Nagaland			17.1.11	28.12.10	22.2.12	13.2.12														
Orissa					*		5.2.13		9.1.14	9.1.14	*				*		27.6.12		6.6.13	5.6.13
Punjab	23.2.10	22.12.09	30.12.10	2.1.11	*	5.2.12	6.2.13	30.1.13	28.1.14		*	21.5.09	*	30.4.10	*	*	27.6.12	27.6.12	14.6.13	14.6.13
Rajasthan	12.2.10	: 15.2.10	25.1.11	27.1.11	*		30.1.13	8.2.13	6.1.14	23.1.14	*	*	*		*	*	27.6.12	27.6.12	27.5.13	6.6.13
Sikkim		21.12.09	20.1.11	23.12.10	19.1.12															
Tamil Nadu	29.12.09		31.12.10								*		7.5.10		*					
Tripura	30.12.09		23.12.10		*						*		*							
Uttar Pradesh	16.12.09	2.2.10	20.12.10		13.2.12		24.1.13		6.1.14	7.1.14	29.6.09	*	*		3.6.11		11.6.12	27.6.12	5.6.13	15.5.13
Uttarakhand	30.12.09	4.2.10	30.12.10		*	*	31.1.13		9.1.14	10.1.14	*	*	*		*	*	20.6.12		14.6.13	6.5.13
West Bengal	23.12.09		12.1.11		*		15.1.13	8.2.13			17.6.09		*		*		27.6.12		5.6.13	7.5.13
Andaman & Nicobar	7.1.10		23.12.10	10.1.11	6.2.12		8.1.13		23.1.14		*									
D&N Haveli																				
Daman and Diu																				

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Lakshadweep																				
Pondicherry																				

Abbreviation : DoAg.- Department of Agriculture. DoFD—Department of Food.

Note : * : Dates are not available.

: Dates are not available so information taken from the meeting register. Meeting dates were 6.8.2009, 15.7.2010 for Sugarcane and 31.8.2010, 24.8.2011 for Copra.

Replies received from the State Governments

State	Jute					Sugarcane					Copra				
	2010-11 Mkt. Season	2011-12 Mkt. Season	2012-13 Mkt. Season	2013-14 Mkt. Season	2014-15 Mkt. Season	2010-11 Mkt. Season	2011-12 Mkt. Season	2012-13 Mkt. Season	2013-14 Mkt. Season	2014-15 Mkt. Season	2010-11 Mkt. Season	2011-12 Mkt. Season	2012-13 Mkt. Season	2013-14 Mkt. Season	2014-15 Mkt. Season
	DoAg														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Andhra Pradesh		29.9.10			*	#		15.7.11		30.5.13	19.8.09	#	#	28.8.12	7.8.13
Arunachal Pradesh															
Assam	29.10.09	30.8.10	*	19.9.12	23.9.13										
Bihar			27.9.11	19.9.12	4.9.13	#	#		28.6.12	6.6.13					
Chhattisgarh															
Delhi															
Goa															
Gujarat						#	#	20.7.11	14.1.13						
Haryana						#	#	15.7.11		3.7.13					
Himachal Pradesh															
Jammu and Kashmir															
Jharkhand															
Karnataka						#	#	20.7.11	June, 12	24.6.13	*	#	#	28.8.12	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Daman and Diu															
Lakshadweep								26.7.11						17.10.12	6.8.13
Pondicherry															

Abbreviation : DoAg.—Department of Agriculture.

Note: * : Dates are not available.

: Dates are not available so information taken from the meeting register. Meeting dates were 6.8.2009, 15.7.2010 for Sugarcane and 31.8.2010, 24.8.2011 for Copra.

(Vide Para No. 4.13)

Price Policy Meetings

Crop	2009		2010		2011		2012		2013	
	2010-11 Mkt. Season		2011-12 Mkt. Season		2012-13 Mkt. Season		2013-14 Mkt. Season		2014-15 Mkt. Season	
	States	Organisations	States	Organisations	States	Organisations	States	Organisations	States	Organisations
Rabi	29.6.2009	30.6.2009, 1.7.2009	19.5.2010	21.5.2010, 24.6.2010, 25.6.2010	15.6.2011	16.6.2011, 17.6.2011	26.6.2012	27.6.2012	4.6.2013	5.6.2013
Sugarcane	6.8.2009	7.8.2009	15.7.2010	16.7.2010	19.7.2011	20.7.2011, 5.8.2011	3.7.2012	3.7.2012	11.6.2013	12.6.2013
Copra	28.8.2009	28.8.2009	31.8.2010	31.8.2010	24.8.2011	24.8.2011	28.8.2012	28.8.2012	12.8.2013	12.8.2013
Jute	6.10.2009 at Kolkata	7.10.2009 at Kolkata	24.9.2010 at Kolkata	23.9.2010 at kolkata	22.9.2011 at kolkata	23.9.2011 at kolkata	3.10.2012, 4.10.2012 and 5.10.2012 at kolkata		19.10.2013 at Kolkata	
Kharif	17.2.2010	18.2.2010, 19.2.2010, 25.2.2011	17.2.2011	18.2.2011	1.3.2012	2.3.2012, 5.3.2012	5.2.2013	6.2.2013	9.1.2014	10.1.2014

ANNEXURE VIII

(Vide Para No. 4.13)

Dates of Submission of Recommendations by the CACP

Year/particulars	Stipulated date	Date of submission of recommendations by the CACP
1	2	3
Price Policy Report for Kharif (Marketing Season 2014-15)	31st March	Under finalization, likely submission by Feb., 2014
Price Policy Report for Rabi (Marketing Season 2014-15)	31st July	22.07.2013
Price Policy Report for Sugarcane (Marketing Season 2014-15)	15th August	14.08.2013
Price Policy Report for Copra (Marketing Season 2014-15)	7th September	6.09.2013
Price Policy Report for Jute (Marketing Season 2014-15)	15th October	11.10.2013
Price Policy Report for Kharif (Marketing Season 2013-14)	31st March	25.03.2013
Price Policy Report for Rabi (Marketing Season 2013-14)	31st July	9.08.2012
Price Policy Report for Sugarcane (Marketing Season 2013-14)	15th August	29.08.2012
Price Policy Report for Copra (Marketing Season 2013-14)	7th September	12.09.2012
Price Policy Report for Jute (Marketing Season 2013-14)	15th October	22.10.2012
Price Policy Report for Kharif (Marketing Season 2012-13)	31st March	03.04.2012
Price Policy Report for Rabi (Marketing Season 2012-13)	31st July	29.07.2011

1	2	3
Price Policy Report for Sugarcane (Marketing Season 2012-13)	15th August	18.08.2011
Price Policy Report for Copra (Marketing Season 2012-13)	7th September	12.09.2011
Price Policy Report for Jute (Marketing Season 2012-13)	15th October	21.10.2011
Price Policy Report for Kharif (Marketing Season 2011-12)	31st March	31.03.2011
Price Policy Report for Rabi (Marketing Season 2011-12)	31st July	26.07.2010
Price Policy Report for Sugarcane (Marketing Season 2011-12)	15th August	10.08.2010
Price Policy Report for Copra (Marketing Season 2011-12)	7th September	08.09.2010
Price Policy Report for Jute (Marketing Season 2011-12)	15th October	28.10.2010
Price Policy Report for Kharif (Marketing Season 2010-11)	31st March	12.04.2010
Price Policy Report for Rabi (Marketing Season 2010-11)	31st July	10.08.2009
Price Policy Report for Sugarcane (Marketing Season 2010-11)	15th August	24.08.2009
Price Policy Report for Copra (Marketing Season 2010-11)	7th September	09.09.2009
Price Policy Report for Jute (Marketing Season 2010-11)	15th October	16.10.2009

ANNEXURE IX

(Vide Para No. 5.5)

State-wise Production and Procurement of Wheat during last five years

(In lakh tonnes)

State	Production (Crop Year)					Procurement (RMS) #					% Procurement				
	2008-09	2009-10	2010-11	2011-12	2012-13*	2009-10	2010-11	2011-12	2012-13	2013-14\$	2009-10	2010-11	2011-12	2012-13	2013-14
Punjab	157.53	152.63	164.72	172.06	161.06	107.25	102.05	109.58	128.34	108.97	68.08	66.86	66.53	74.59	67.66
Haryana	105.93	105	116.3	126.84	111.17	69.24	63.35	69.28	86.65	58.73	65.36	60.33	59.57	68.31	52.83
Uttar Pradesh	285.64	278.1	300.01	302.93	303.01	38.82	16.73	34.61	50.63	6.82	13.59	6.02	11.54	16.71	2.25
Madhya Pradesh	65.22	78.46	76.27	105.8	131.33	19.68	35.38	49.65	84.93	63.55	30.17	45.09	65.10	80.27	46.39
Bihar	43.96	46.23	40.98	47.87	53.75	4.96	1.83	5.56	7.72	0	11.28	3.96	13.57	16.13	0.00
Rajasthan	69.99	68.27	72.15	93.19	89.53	11.52	4.76	13.03	19.64	12.68	16.46	6.97	18.06	21.08	14.16
Uttarakhand	8.56	8.37	8.78	8.74	8.38	1.45	0.86	0.42	1.39	0.05	16.94	10.27	4.78	15.90	0.60
Gujarat	28.97	26.48	40.2	41	31.35	0.75	3.67	1.05	1.56	0	2.59	13.86	2.61	3.80	0.00
Maharashtra	14.71	17.57	23.01	13.13	8.75	—	—	—	0.03	0	0.00			0.23	0.00
West Bengal	7.98	8.37	8.74	8.84	9.07	—	0.09	—	0.02	0.02		1.08		0.23	0.22
All India Total	806.8	808	868.74	948.8	924.58	253.81	225.14	283.85	381.48	250.92	31.46	27.86	32.67	40.21	27.14

Shows crop year from Oct. to Sept. RMS for wheat is succeeding year, e.g., Crop Year 2011-12 corresponds to RMS 2012-13.

*\$As per 4th Advance Estimates. (22.7.2013) \$ As on 01.08.2013.

State-wise Production a and Procurement of Rice during last five years

(In lakh tonnes)

State	Production (Crop Year)						Procurement (KMS)						% Procurement					
	2008-09	2009-10	2010-11	2011-12	2012-13**	2013-14\$	2008-09	2009-10	2010-11	2011-12	2012-13#	2013-14\$\$	2008-09	2009-10	2010-11	2011-12	2012-13#	2013-14\$
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Andhra Pradesh	142.41	105.38	144.18	128.88	109.14	77.27	90.61	75.4	96.09	75.42	64.86	14.18	63.63	71.55	66.65	58.52	59.43	18.35
Assam	40.09	43.96	47.37	40.09	45.62	38.37	0.03	0.08	0.16	0.23	0.2	0.00001	0.07	0.18	0.34	0.57	0.44	0.00
Bihar	55.9	35.99	31.02	72.01	73.36	55.69	10.83	8.9	8.83	15.34	13.03	0	19.37	24.73	28.47	21.30	17.76	0.00
Chhattisgarh	43.92	41.1	61.59	60.28	66.08	73.4	28.48	33.51	37.46	41.15	48.04	24.61	64.85	81.53	60.82	68.26	72.70	33.53
Gujarat	13.03	12.92	14.97	17.64	15.03	16.17	0	0	0	0.04	0.0008	0	0.00	0.00	0.00	0.23	0.01	0.00
Haryana	32.98	36.25	34.72	37.59	39.76	38.66	14.25	18.19	16.87	20.07	26.09	23.96	43.21	50.18	48.59	53.39	65.62	61.98
Himachal Pradesh	1.18	1.06	1.29	1.32	1.34	1.11	0	0	0.05	0.05	0.00723	0	0.00	0.00	3.88	3.79	0.54	0.00
Jharkhand	34.2	15.38	11.1	34.18	30.26	23.71	1.35	0.23	0.002	2.75	2.15	0	3.95	1.50	0.02	8.05	7.11	0.00
Karnataka	38.02	36.91	41.88	40.38	32.83	26.15	1.07	0.86	1.8	3.56	0.59	0	2.81	2.33	4.30	8.82	1.80	0.00
Kerala	5.9	5.98	5.23	5.55	5.31	2.77	2.37	2.61	2.63	3.76	2.4	0	40.17	43.65	50.29	67.75	45.20	0.00
Madhya Pradesh	15.6	12.61	17.72	18.38	27.75	29.5	2.46	2.14	5.16	6.35	8.98	6.26	15.77	16.97	29.12	34.55	32.36	21.22
Maharashtra	22.84	21.83	26.96	28.06	30.42	38.69	2.61	2.2	3.08	1.78	1.92	0.51	11.43	10.08	11.42	6.34	6.31	1.32
Odisha	68.12	69.18	68.28	58.15	76.39	63.41	27.9	24.96	24.65	28.66	36.14	0	40.96	36.08	36.10	49.29	47.31	0.00
Punjab	110	112.36	108.37	105.42	113.74	108.15	85.53	92.75	86.35	77.31	85.58	81.05	77.75	82.55	79.68	73.34	75.24	74.94
Rajasthan	2.41	2.28	2.66	2.53	2.22	2.34	0.11	0	0	0	0	0	4.56	0.00	0.00	0.00	0.00	0.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Tamil Nadu	51.83	56.65	57.92	68.94	43.99	42.5	11.99	12.41	15.43	15.96	4.81	0.57	23.13	21.91	26.64	23.15	10.93	1.34
Uttar Pradesh	130.97	108.07	119.92	140.25	144.13	146.46	36.87	27.26	25.54	33.57	22.86	3.24	28.15	25.22	21.30	23.94	15.86	2.21
Uttarakhand	5.82	6.08	5.5	5.99	5.81	5.66	3.49	3.75	4.22	3.78	4.97	1.25	59.97	61.68	76.73	63.11	85.54	22.08
West Bengal	150.37	143.4	130.46	148.53	149.61	112.04	16.67	12.4	13.1	20.41	17.66	1.67	11.09	8.65	10.04	13.74	11.80	1.49
All India Total:	991.82	890.93	959.8	1042.2	1043.98	923.19	341.04	320.32	341.98	350.41	340.44	157.43	34.39	35.95	35.63	33.62	32.61	17.05

**AS per 4th Advance Estimates

#As on 02.01.2014

\$ As per 1st Advance Estimates

\$\$ As on 02.01.2014

Production and procurement

Year	Oilseeds		cotton			Jute		pulses	
	Production (Millions Tonnes)	Procurement (Metric Tonnes)	Production (Quintals)	Procurement (Quintals)	Procurement (Quintals)	Production (Quintals)	Procurement (Lacs (Quintals)	Production (Millions Tonnes)	Procurement (Metric Tonnes)
				NAFED	CCI				
2008-09	277.19	40	37869200	18085370.5	44967357	17341200	1.84	14.57	481
2009-10	248.82	13718	40837400	13923	3060476	20214000	-	14.66	-
2010-11	2775	227	56100000	-	834	18016200	-	18.24	64030
2011-12	297.99	-	59870000	-	40367	19324800	2.308	17.09	6345.66
2012-13	308.66	1499	58174000	1815103.47	12104921	18312000	5.752	18.34	95542.58

APPENDIX I

List of Experts/Stakeholders/Representatives of State Governments who appear before the Committee

1. (i) Shri Hannan Mollah - General Secretary, All India
(ii) Shri Bijoo Krishan - Joint Secretary, All India Kisan Sabha
2. Shri Ravinder Singh Cheema - Vice Chairman, Punjab State Agricultural Marketing Board
3. Shri Balbir Singh Rajewal - President, Bharti Kisan Union
4. Shri Pramod Choudhary - All India General Secretary, Bhartiya Agro Economic Research Centre
5. Shri Chanderbhusan Pandey - Regional President, Bhartiya Kisan Sangh, Lucknow
6. Shri Ramchandra Chacharia - Agriculturist, from Khandwa, Madhya Pradesh
7. Shri Shivcharan Singh - Agriculturist from Muktsar, Punjab
8. Shri Jeeva Bhai K. Latta - Bharati Kisan Sangh, (Sabankantha) Gujarat, Secretary
9. State Government of Tamil Nadu
(i) Dr. M. Rajendern - Director, Department of Agriculture
(ii) Dr. M. Chinadurai - Director, Tamil Nadu Agriculture University
10. State Government of Arunanchal Pradesh
Shri M. Butang - Director (Agri. Marketing) cum Chief Executive Officer

11. State Government of Andhra Pradesh
 - (i) Shri K. Madhusudhana Rao - Commissioner and Director of Agriculture
 - (ii) Shri Z. Venkateshwara Rao - Joint Director of Agriculture
 - (iii) Shri (Prof.) N. Vasudev - Honorary Director (CCS ANGRAU)
 - (iv) Shri M. Balram Naik - Additional Director Agriculture
12. State Government of West Bengal
 - (i) Shri Priyadarshi Sen - Assistant Director Agriculture Marketing
 - (ii) Shri Hareram Ray Mondal - Director Marketing
13. Dr. T. Hague - Former Chairman, Commission for Agricultural Costs and Prices
14. Ms. Kavitha Kuruganti - Co-convener, Alliance for Sustainable and Holistic Agriculture
15. State Government of Kerala
 - (i) Shri K.R. Jyothilal -
 - (II) Shri R. Ajith Kumar - Representatives of State Government of Kerala
16. State Government of Madhya Pradesh
 - (i) Shri M.M. Upadhyay - Agriculture Production Commissioner
 - (ii) Shri D.N. Sharma - Director
 - (iii) Shri A.P.S. Solanki - Additional Director
 - (iv) Shri R.M. Sahu - Professor (Agro Economist)

17. Dr. D.B. Yadav, - Mahatma Phule Krishi Vidyapeeth, Rahuri, Maharashtra
18. Prof. Abhijit Sen, - Former Chairman of CACP and Member, Planning Commission

APPENDIX II

COMMITTEE ON AGRICULTURE (2012-13)

MINUTES OF THE TWENTY SEVENTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 14th May, 2013, from 1500 hours to 1710 hours in Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Narayansingh Amlabe
3. Smt. Ashwamedh Devi
4. Shri Anant Kumar Hegde
5. Shri P. Kumar
6. Sardar Sukhdev Singh Libra
7. Shri Naranbhai Kachhadia
8. Shri Rajaiah Siricilla
9. Shri Patel Kishanbhai V.
10. Dr. Vinay Kumar Pandey 'Vinnu'

Rajya Sabha

11. Shri Satyavrat Chaturvedi
12. Shri A. Elavarasan
13. Smt. Mohsina Kidwai

4. The Chairman welcomed the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) and Commission for Agricultural Costs and Prices (CACP). After the customary introduction, the principal witness briefed the Committee on the Subject 'Pricing of Agricultural Produce'. The Members sought several clarifications on various aspects of the subject matter, to which the witness responded.

5. The Chairman, thereafter, thanked the witnesses for appearing before the Committee as well as for furnishing valuable information on the Subject.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX III

COMMITTEE ON AGRICULTURE (2012-13)

MINUTES OF THE THIRTIETH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 03 June, 2013 from 1500 hours to 1730 hours in Room No. '62', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Narayansingh Amlabe
3. Shri Sanjay Singh Chauhan
4. Shri Anant Kumar Hegde
5. Shri Premdas Katheria
6. Dr. (Smt.) Botcha Jhansi Lakshmi
7. Sardar Sukhdev Singh Libra
8. Shri Naranbhai Kachhadia
9. Shri Devji M. Patel
10. Shri Rajaiah Siricilla
11. Shri Patel Kishanbhai V.
12. Dr. Vinay Kumar Pandey 'Vinnu'
13. Shri Hukamdeo Narayan Yadav

Rajya Sabha

14. Smt. Mohsina Kidwai
15. Shri Dharmendra Pradhan

16. Dr. K.V.P. Ramachandra Rao
17. Shri Parshottam Khodabhai Rupala
18. Shri Rajpal Singh Saini

SECRETARIAT

1. Shri R.S. Kambo — *Joint Secretary*
2. Shri. P.C. Koul — *Director*
3. Shri C. Vanlalruata — *Deputy Secretary*

WITNESSES

Ministry of Textiles

1. Ms. Zohra Chatterji, Secretary
2. Shri V. Srinivas, Joint Secretary
3. Shri Sujit Gulati, Joint Secretary

**Ministry of Agriculture
(Department of Agriculture and Cooperation)**

Shri Sudhir Tiwari, Economic Adviser

Commission for Agricultural Costs and Prices

Shri S.R. Joshi, Adviser

Jute Corporation of India

Shri A.K. Chakraborty, CMD

Cotton Corporation of India

Shri B.K. Mishra, CMD

2. At the outset, the Chairman welcomed the members and the witnesses to the Sitting. After the customary introduction, the principal witness briefed the Committee on the role of the Ministry of Textiles on the Subject "Pricing of Agricultural Produce", with special reference to Jute and Cotton.

3. Thereafter the representatives of the Ministry of Textiles gave two audio-visual presentations on pricing and procurement of Jute and Cotton, respectively. The Members then, sought several clarifications on various aspects of the subject matter, to which the witness responded.

4. The Chairman, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information on the Subject. He also requested them to furnish written information to the Committee Secretariat on matters on which information was not readily available with them.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX IV

COMMITTEE ON AGRICULTURE (2012-13)

MINUTES OF THE THIRTY-FIFTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 24th July, 2013 from 1100 hours to 1130 hours in Room No. '62', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Narayansingh Amlabe
3. Shri Sanjay Singh Chauhan
4. Shri H.D. Devegowda
5. Smt. Ashwamedh Devi
6. Smt. Paramjit Kaur Gulshan
7. Shri Anant Kumar Hegde
8. Shri Premdas Katheria
9. Dr. (Smt.) Botcha Jhansi Lakshmi
10. Sardar Sukhdev Singh Libra
11. Dr. Jyoti Mirdha
12. Shri Naranbhai Kachhadia
13. Shri Jagdish Singh Rana
14. Shri Patel Kishanbhai V.
15. Dr. Vinay Kumar Pandey 'Vinnu'
16. Shri Hukumdeo Narayan Yadav

Rajya Sabha

17. Shri Satyavrat Chaturvedi
18. Shri A. Elavarasan
19. Smt. Mohsina Kidwai
20. Shri Dharmendra Pradhan
21. Dr. K.V.P. Ramachandra Rao
22. Shri Rajpal Singh Saini
23. Shri Shivanand Tiwari
24. Shri S. Thangavelu

SECRETARIAT

1. Shri R.S. Kambo — *Joint Secretary*
2. Shri P.C. Koul — *Director*
3. Shri C. Vanlalruata — *Deputy Secretary*

2. At the outset, the Chairman welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration 10 Memoranda received from State Governments/Union Territory Administrations and another 69 Memoranda received from other Experts/Stakeholders on the Subject 'Pricing of Agricultural Produce'.

3. After some discussion a few memoranda were shortlisted and the Chairman was authorized to finalise the names of State Governments/Union Territory Administrations to be requested to appear before the Committee for tendering Oral Evidence. As regards the memoranda received from other stakeholders, while some Members offered their suggestions and views on them and also proposed a few of them for being considered for personal appearance before the Committee, some others asked for some more time to go through the voluminous material submitted by the various stakeholders. After some deliberation, it was decided that the Members may offer their views/suggestions on the memoranda received from stakeholders other than State Governments/Union Territory Administrations by 30 July, 2013 so that these may be considered by the Committee in their next Sitting scheduled for 1 August, 2013. The Chairman directed the Secretariat that all the members of the Committee be informed about this decision immediately.

The Committee then adjourned.

APPENDIX V

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 11th November, 2013 from 1630 hours to 1755 hours in Committee Room 'C' (G/F), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Singh Chauhan
3. Smt. Ashwamedh Devi
4. Shri Premdas Katheria
5. Shri P. Kumar
6. Sardar Sukhdev Singh Libra
7. Smt. Bhavana Gawali (Patil)
8. Shri Patel Kishanbhai V.
9. Dr. Vinay Kumar Pandey 'Vinnu'

Rajya Sabha

10. Shri N. Balaganga
11. Smt. Mohsina Kidwai
12. Dr. K.V.P. Ramachandra Rao
13. Shri Parshottam Khodabhai Rupala
14. Shri Rajpal Singh Saini

15. Shri S. Thangavelu
16. Shri Shivanand Tiwari
17. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Shri Prof. T.H. Rao — *Additional Director*
3. Shri C. Vanlalruata — *Deputy Secretary*

NON-OFFICIAL WITNESSES

Shri Hannan Mollah — General Secretary, All India Kisan Sabha
Shri Bijoo Krishan — Joint Secretary, All India Kisan Sabha

2. At the outset, the Chairman welcomed the representatives of All India Kisan Sabha **Shri Hannan Mollah, General Secretary and Shri Bijoo Krishan, Joint Secretary** for personal hearing in connection with the examination of 'Pricing of Agricultural Produce' and apprised them of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceedings of the Committee. Thereafter, the representatives of All India Kisan Sabha presented their views and suggestions on 'Pricing of Agricultural Produce'. The Members raised queries and sought clarification on the suggestions made by the representatives who clarified the same. Thereafter, the Chairman thanked the representatives of All India Kisan Sabha for appearing before the Committee and sharing their views.

The representatives of All India Kisan Sabha then withdrew.

3. Thereafter, another expert **Shri Ravinder Singh Cheema, Vice Chairman, Punjab State Agricultural Marketing Board** was ushered in.

The Chairman welcomed Shri Ravinder Singh Cheema and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The expert presented his views and suggestions before the Committee on 'Pricing of Agricultural Produce'. The expert also clarified the points raised by Members. The Chairman, thereafter, thanked him for appearing before the Committee and sharing his views in person.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX VI

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 18th November, 2013 from 1100 hours to 1330 hours in Committee Room 'D' (G/F), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Smt. Ashwamedh Devi
3. Smt. Paramjit Kaur Gulshan
4. Shri Premdas Katheria
5. Smt. Botcha Jhansi Lakshmi
6. Sardar Sukhdev Singh Libra
7. Shri Hukumdeo Narayan Yadav

Rajya Sabha

8. Shri N. Balaganga
9. Smt. Mohsina Kidwai
10. Shri Dharmendra Pradhan
11. Dr. K.V.P. Ramachandra Rao
12. Shri Rajpal Singh Saini
13. Shri S. Thangavelu

14. Shri Shivanand Tiwari
15. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*

NON-OFFICIAL WITNESSES

Shri Balbir Singh Rajewal — President, Bharti Kisan Union

2. At the outset, the Chairman welcomed the representative of Bharti Kisan Union **Shri Balbir Singh Rajewal, President** for personal hearing in connection with the examination of 'Pricing of Agricultural Produce' and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceedings of the Committee. Thereafter, the representative of Bharti Kisan Union presented his views and suggestions on 'Pricing of Agricultural Produce'. The Members raised queries and sought clarification on the subject. The representative clarified the same. Thereafter, the Chairman thanked him for appearing before the Committee and sharing their views.

The representative of Bharti Kisan Union then withdrew.

3. Thereafter, another expert Shri Pramod Choudhary, All India General Secretary, Bhartiya Agro Economic Research Centre was ushered in.

The Chairman welcomed Shri Pramod Choudhary and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The expert presented his views and suggestions before the Committee on 'Pricing of Agricultural Produce'. The expert also clarified the points raised by Members. The Chairman, thereafter, thanked him for appearing before the Committee and sharing his views in person.

The expert then withdrew.

4. Thereafter, another expert Shri Chanderbhusan Pandey, Regional President, Bhartiya Kisan Sangh, Lucknow was ushered in.

The Chairman welcomed Shri Chanderbhusan Pandey and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee.

The expert presented his views and suggestions before the Committee on 'Pricing of Agricultural Produce'. The expert also clarified the points raised by Members. The Chairman, thereafter, thanked him for appearing before the Committee and sharing his views in person.

The representative of Bhartiya Kisan Sangh then withdrew.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX VII

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE NINTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 18th November, 2013 from 1430 hours to 1615 hours in Committee Room 'D' (G/F), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Smt. Ashwamedh Devi
3. Smt. Paramjit Kaur Gulshan
4. Shri Premdas Katheria
5. Smt. Botcha Jhansi Lakshmi
6. Sardar Sukhdev Singh Libra
7. Shri Hukumdeo Narayan Yadav

Rajya Sabha

8. Shri N. Balaganga
9. Smt. Mohsina Kidwai
10. Shri Dharmendra Pradhan
11. Dr. K.V.P. Ramachandra Rao
12. Shri Rajpal Singh Saini
13. Shri S. Thangavelu

14. Shri Shivanand Tiwari
15. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*

Expert

Shri Ramchandra Chacharia — Agriculturist, from Khandwa,
Madhya Pradesh

2. At the outset, the Chairman welcomed Shri Ramchandra Chacharia for personal hearing in connection with the examination of 'Pricing of Agricultural Produce' and apprised them of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceedings of the Committee. Thereafter, Shri Chacharia presented his views and suggestions on 'Pricing of Agricultural Produce'. The Members raised queries and sought clarification on the suggestions made by him who clarified the same. Thereafter, the Chairman thanked him for appearing before the Committee and sharing their views.

Shri Chacharia then withdrew.

3. Thereafter, another agriculturist Shri Shivcharan Singh, from Muktsar, Punjab was ushered in.

The Chairman welcomed Shri Shivcharan Singh and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. Shri Shivcharan Singh, presented his views and suggestions before the Committee on 'Pricing of Agricultural Produce'. He also clarified the points raised by Members. The Chairman, thereafter, thanked him for appearing before the Committee and sharing his views in person.

Shri Shivcharan Singh then withdrew.

4. Thereafter, a representative of Bharati Kisan Sangh, (Sabarkantha) Gujarat, Shri Jeeva Bhai K. Latta, Secretary, was ushered in.

The Chairman welcomed Shri Jeeva Bhai K. Latta and apprised him of the provisions of Directions 55(1) and 58 of the Directions by

Speaker regarding confidentiality of the proceeding of the Committee. He requested the Chairman to permit his two colleagues *viz.* Shri Amarat Bhai H. Patel and Shri Dhane Sinh Ramlawat, who had accompanied him. The Chairman acceded to his request. The representatives then presented their views and suggestions before the Committee on 'Pricing of Agricultural Produce'. They also clarified the points raised by Members. The Chairman, thereafter, thanked them for appearing before the Committee and sharing their views in person.

*The representatives of Bharati Kisan Sangh, (Sabarkantha)
Gujarat then withdrew.*

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX VIII

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 25th November, 2013 from 1100 hours to 1335 hours in Committee Room 'C' (G/F), Parliament House Annexe, New Delhi for hearing the views of the representatives of State Governments in connection with examination of the subject 'Pricing of Agricultural Produce'.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Singh Chauhan
3. Smt. Paramjit Kaur Gulshan
4. Smt. Botcha Jhansi Lakshmi
5. Sardar Sukhdev Singh Libra
6. Shri Rajaiah Siricilla
7. Shri Hukumdeo Narayan Yadav

Rajya Sabha

8. Smt. Mohsina Kidwai
9. Shri Dharmendra Pradhan
10. Dr. K.V.P. Ramachandra Rao
11. Shri Rajpal Singh Saini
12. Shri Shivanand Tiwari
13. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*

First the representative of the State Government of Kerala named below was ushered in:

Shri Gyanesh Kumar — Resident Commissioner

2. After the representative's introduction, the Committee took exception to the fact that no representative of the Department of Agriculture was deputed and no communication about deputing the Resident Commissioner was sent by the State Government till the sitting of the Committee commenced. The Committee felt that only the Head of the Department handling agriculture would be in a position to give authoritative information on the subject and hence oral evidence of the Resident Commissioner of Kerala was not recorded. The Committee took exception to the manner in which the State Government has responded to the invitation of the Committee. The Committee hoped that the Government of Kerala will be represented before the Committee as per the Directions of the Speaker in future. The Committee then decided to postpone the hearing of the State Government of Kerala.

The Resident Commissioner then withdrew.

3. Thereafter, the representatives of the State Government of Tamil Nadu named below were ushered in:

- (i) Dr. M. Rajendern — Director, Department of Agriculture
- (ii) Dr. M. Chinadurai — Director, Tamil Nadu Agriculture University

The Chairman welcomed the representatives of the State Government of Tamil Nadu and apprised them of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The witnesses presented the views and suggestions of the State Government on 'Pricing of Agricultural Produce'. They also clarified the points raised by Members. The Chairman, thereafter, thanked them for appearing before the Committee.

The representatives of State Government of Tamil Nadu then withdrew.

4. Thereafter, a representative of State Government of Arunachal Pradesh, Shri M. Butang, Director (Agri. Marketing) cum Chief Executive Officer, was ushered in.

The Chairman welcomed the representative of State Government of Arunachal Pradesh and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The witness presented the views of the State Government on 'Pricing of Agricultural Produce'. He also clarified the points raised by Members. The Chairman, thereafter, thanked him for appearing before the Committee.

The representative of State Government of Arunachal Pradesh then withdrew.

A verbatim record of the proceedings has been kept separately.

The Committee, then, adjourned.

APPENDIX IX

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 25th November, 2013 from 1415 hours to 1550 hours in Committee Room 'C' (G/F), Parliament House Annexe, New Delhi for hearing the views of the representatives of the State Governments in connection with examination of the subject 'Pricing of Agricultural Produce'.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Singh Chauhan
3. Smt. Paramjit Kaur Gulshan
4. Smt. Botcha Jhansi Lakshmi
5. Sardar Sukhdev Singh Libra
6. Shri Rajaiah Siricilla
7. Shri Hukumdeo Narayan Yadav

Rajya Sabha

8. Smt. Mohsina Kidwai
9. Shri Dharmendra Pradhan
10. Dr. K.V.P. Ramachandra Rao
11. Shri Rajpal Singh Saini
12. Shri Shivanand Tiwari
13. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*

2. The following representatives of the State Government of Andhra Pradesh were ushered in:

- (i) Shri K. Madhusudhana Rao — Commissioner and Director of Agriculture
- (ii) Shri Z. Venkateshwara Rao — Joint Director of Agriculture
- (iii) Shri (Prof.) N. Vasudev — Honorary Director (CCS ANGRAU)
- (iv) Shri M. Balram Naik — Additional Director Agriculture

The Chairman welcomed the representatives of the State Government of Andhra Pradesh and apprised them of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The witnesses presented the views and suggestions of their State Government on 'Pricing of Agricultural Produce'. They also clarified the points raised by Members. The Chairman, thereafter, thanked them for appearing before the Committee.

*The representatives of State Government of Andhra Pradesh
then withdrew.*

3. Thereafter, the representatives of State Government of West Bengal named below were ushered in:

- (i) Shri Priyadarshi Sen — Assistant Director
Agriculture Marketing
- (ii) Shri Hareram Ray Mondal — Director Marketing

The Chairman welcomed the representatives of the State Government of West Bengal and apprised them of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The witnesses presented the views and suggestions of their State Government on 'Pricing of Agricultural Produce'. They also clarified the points raised by Members.

The Chairman, thereafter, thanked them for appearing before the Committee.

The representatives of State Government of West Bengal then withdrew.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX X

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 09 December, 2013 from 1500 hours to 1810 hours in Committee Room 'B' (G/F), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Singh Chauhan
3. Smt. Ashwamedh Devi
4. Shri Premdas Katheria
5. Sardar Sukhdev Singh Libra
6. Dr. Jyoti Mirdha
7. Shri Rajaiah Siricilla
8. Shri Hukumdeo Narayan Yadav

Rajya Sabha

9. Shri S. Thangavelu
10. Shri Darshan Singh Yadav

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*
4. Shri C. Vanlalruata — *Deputy Secretary*

APPENDIX XI

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 2 January, 2014 from 1430 hours to 1640 hours in Committee Room 'B' (G/F), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Narayansingh Amlabe
3. Shri H.D. Devegowda
4. Smt. Ashwamedh Devi
5. Shri Premdas Katheria
6. Sardar Sukhdev Singh Libra
7. Shri Rajaiah Siricilla
8. Shri Patel Kishanbhai V.
9. Shri Hukumdeo Narayan Yadav

Rajya Sabha

10. Shri N. Balaganga
11. Smt. Mohsina Kidwai
12. Dr. K.V.P. Ramachandra Rao
13. Shri Rajpal Singh Saini
14. Shri S. Thangavelu
15. Shri Shivanand Tiwari

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*
4. Shri C. Vanlalruata — *Deputy Secretary*

2. *** *** *** *** ***
3. *** *** *** *** ***
4. *** *** *** *** ***
5. *** *** *** *** ***

6. Thereafter, the representatives of Madhya Pradesh Government were ushered in.

7. The Chairman welcomed the representatives of Madhya Pradesh Government for appearing before the Committee in connection with the examination of 'Pricing of Agricultural Produce' and apprised them of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceedings of the Committee and asked them to introduce themselves. Thereafter, the representatives of Government of Madhya Pradesh presented their views on the subject 'Pricing of Agricultural Produce' before the Committee.

8. The Members raised queries and sought clarification on various issues including region specific Minimum Support Prices for some crops, procurement of Agricultural Produce procured by Madhya Pradesh under Decentralized Procurement Scheme and Market Intervention Scheme etc. The representatives clarified all the same. Thereafter, the Committee thanked the representatives for appearing before the Committee and sharing their views.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

*** Matter not related to this Report.

APPENDIX XII

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 13 January, 2014 from 1500 hours to 1735 hours in Committee Room 'B' (G/F), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri H.D. Devegowda
3. Smt. Ashwamedh Devi
4. Shri P. Kumar
5. Sardar Sukhdev Singh Libra
6. Dr. Vinay Kumar Pandey 'Vinnu'
7. Shri Hukumdeo Narayan Yadav

Rajya Sabha

8. Shri N. Balaganga
9. Smt. Mohsina Kidwai
10. Shri Dharmendra Pradhan
11. Dr. K.V.P. Ramachandra Rao
12. Shri Rajpal Singh Saini
13. Shri Shivanand Tiwari

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*

2. At the outset, the Chairman welcomed Dr. D.B. Yadav, Mahatma Phule Krishi Vidyapeeth, Rahuri, Maharashtra for personal hearing in connection with examination of Subject 'Pricing of Agricultural Produce' and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceedings of the Committee. Thereafter, Dr. D.B. Yadav made a Power-point presentation and briefed the Committee on the Subject. The Members raised queries on methodology of fixing Minimum Support Price benefits etc. which were responded to by the expert. Thereafter, the Chairman thanked him for appearing before the Committee and sharing his views.

The witness then withdrew.

3. Thereafter, Prof. Abhijit Sen, Former Chairman of CACP and Member, Planning Commission was ushered in.

The Chairman welcomed Prof. Abhijit Sen and apprised him of the provisions of Directions 55(1) and 58 of the Directions by Speaker regarding confidentiality of the proceeding of the Committee. The expert presented his views and suggestions before the Committee on 'Pricing of Agricultural Produce'. He also clarified issues regarding formula for calculations of Minimum Support Price, calculation of cost of production, labour cost, decentralized storage for foodgrains and timely announcement of Minimum Support Price etc. The Chairman, thereafter, thanked him for appearing before the Committee and sharing his views in person.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX XIII

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 24 January, 2014 from 1100 hours to 1315 hours in Committee Room 'E' (Basement), Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Singh Chauhan
3. Shri Premdas Katheria
4. Shri P. Kumar
5. Smt. Botcha Jhansi Lakshmi
6. Sardar Sukhdev Singh Libra
7. Smt. Bhavana Gawali (Patil)

Rajya Sabha

8. Shri N. Balganga
9. Smt. Mohsina Kidwai
10. Shri Dharmendra Pradhan
11. Dr. K.V.P. Ramachandra Rao
12. Shri Rajpal Singh Saini
13. Shri S. Thangavelu

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*
4. Shri C. Vanlalruata — *Deputy Secretary*

WITNESSES

**Ministry of Agriculture
(Department of Agriculture and Cooperation)**

1. Shri Ashish Bahuguna, Secretary
2. Shri Ashok Gulati, Chairman, CACP
3. Shri Raghav Chandra, Addl. Secretary
4. Dr. Joseph Abraham, Sr. Adviser
5. Shri A.K. Vishandass, Member, CACP
6. Shri Ashish Bhutani, Joint Secretary
7. Shri T.K. Dutta, Adviser
8. Shri S.K. Mukherjee, Adviser

Department of Food and Public Distribution

1. Shri U.K.S. Chauhan, Joint Secretary
2. Shri T. Jacob, Joint Secretary

Department of Consumer Affairs

Smt. Chanderekha Malviya, Sr. Adviser

2. At the outset, the Chairman welcomed the members of the Committee and the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) and other officials to the Sitting in connection with examination of the subject, "Pricing of Agricultural Produce" and apprised the witnesses of the provisions of the Directions 55(1) and 58 of the Directions by the Speaker.

3. Thereafter, the Committee sought information and raised queries regarding the statutory status to Commission of Agricultural Costs and Prices, feasibility of region-wise Minimum Support Prices, distress sale of agricultural produce by small and marginal farmers etc. The representatives of the Ministry responded to the queries. The Committee,

desired the Ministry to furnish written replies to the queries which could not be responded to readily by them.

A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

APPENDIX XIV

COMMITTEE ON AGRICULTURE (2013-14)

MINUTES OF THE TWENTIETH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 03 March, 2014 from 1100 hours to 1130 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Singh Chauhan
3. Smt. Ashwamedh Devi
4. Shri Premdas Katheria
5. Sardar Sukhdev Singh Libra
6. Dr. (Smt.) Jhansi Lakshmi Botcha
7. Shri Rajaiah Siricilla
8. Shri Patel Kisanbhai V.
9. Dr. Vinay Kumar Pandey 'Vinnu'
10. Shri Hukumdeo Narayan Yadav

Rajya Sabha

11. Smt. Mohsina Kidwai
12. Dr. K.V.P. Ramchandra Rao
13. Shri Rajpal Singh Saini
14. Shri S. Thangavelu
15. Shri Shivanand Tiwari

SECRETARIAT

1. Shri A. Louis Martin — *Joint Secretary*
2. Smt. Abha Singh Yaduvanshi — *Director*
3. Shri T.H. Rao — *Additional Director*
4. Shri C. Vanlalruata — *Deputy Secretary*

2. At the outset the Chairman welcomed the members to the Sitting of the Committee. The Committee, then, took up the draft Reports for their consideration:—

(i) *** *** *** *** ***

(ii) Thereafter, the Committee took up the draft Report on “Pricing of Agricultural Produce” and adopted the same subject to addition of a para regarding “strengthening of Jute Corporation of India (JCI), with adequate manpower and increase in number of procurement centres.

(iii) *** *** *** *** ***

3. The Committee authorized the Chairman to finalise the aforesaid reports on the basis of factual verification and present the same to the Hon'ble Speaker, as the Parliament is not in Session.

4. *** *** *** *** ***

The Committee then adjourned.

*** Matter not related to this Report.

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