

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:1275

ANSWERED ON:13.08.2013

HIKE IN PRODUCTION COST

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

(a) the total increase on the agricultural cost due to the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) till date;

(b) whether the Commission for Agricultural Cost and Prices has recommended to link the MGNREGA scheme with cultivation to arrange for the employment of labourers under MGNREGA in agriculture and payment of half of their wages by farmers and half through the scheme to ensure that crisis of labourers at the time of cultivation does not remain in agriculture; and

(c) if so, the details thereof?

**Answer**

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

(a): Wage levels have increased substantially in the recent years. Some studies show that Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has put an upward pressure on general wage level in rural areas. At the same time, MGNREGA has made positive impact on agriculture by improving the productive capacity of land and improved access of farmers to markets.

(b) & (c): The Commission for Agricultural Cost and Prices in its report on Price Policy for Kharif Crops of 2013-2014 session made the following recommendations: "Labour cost have risen rapidly, by almost 20 percent per annum, during the last 3 years, which has pushed the cost of production in agriculture. Farmers also complain about serious shortage of labour during peak seasons largely perceived due to MGNREGA. To make sure that MGNREGA operations are in line with labour productivity, and to contain the rising cost of production in agriculture, there is need to do an innovative fusion between MGNREGA and agricultural operations, wherein say half is paid by the farmer and the other half by the scheme. This would help agriculture labour to earn more and also help the farmer save on labour costs, and keep the labour productive. It can be coordinated through panchayats."