

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3165

ANSWERED ON:11.02.2014

AGRICULTURAL INPUT COSTS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether there has been an alarming increase in the costs of various agricultural inputs viz., fertilizers, seeds, power, manures etc. during the last three years;
- (b) if so, the details thereof;
- (c) whether the Government has received complaints regarding exploitation of the farmers by the middlemen and denial of adequate remunerative prices for their produce;
- (d) if so, the details thereof; and
- (e) the steps taken/proposed to be taken by the Government to ensure that the farmers get adequate Minimum Support Price for their agricultural produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a) & (b): The annual average of the Index Numbers of Wholesale Prices (Base 2004-05=100) for fertilizers, electricity, organic manure during the period 2010-11 to 2012-13 (July to June) reveal that prices have increased by 10 per cent for fertilizers, 34 per cent for electricity for Agriculture use and 18 per cent for organic manure. WPI for the period 2013-14 (July to December) also shows further increase for these farm inputs.

(c) & (d): To facilitate better price realization by the farmers, reduced intermediaries and avoid exploitation by them, a model Agricultural Produce Marketing (Development and Regulation) Act, 2003 was circulated for its adoption by State/UTs. The model Act provides for direct purchase of agricultural produce from farmers by processors/exporters/bulk buyers etc., direct sale of produce by the farmers to consumers, contract farming, e-marketing etc. so as to reduce the role of intermediaries. Model Act also provides for rationalization of market fee, no commission charges from agriculturist and payment to the farmers on the date of sale itself.

(e): The Government announces the MSP of various agricultural commodities on the basis of recommendations of Commission for Agricultural Cost and Prices (CACP), the view of the State Governments and Central Ministries as well as such other relevant factors considered important for fixation of support price. The government announces each seasons Minimum Support Prices (MSPs) for major agricultural commodities and organizes purchase operation through public and cooperation agencies. The designated Central Nodal Agencies intervene in the market for undertaking procurement operations with the objective that market prices do not fall below the MSPs fixed by the government.