

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3930  
ANSWERED ON:18.02.2014  
REMUNERATIVE PRICE FOR AGRICULTURAL PRODUCE  
Shekhar Shri Neeraj;Singh Shri Yashvir

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

- (a) whether as per the recommendations of a Panel appointed by the Planning Commission under the Chairmanship of Soumitra Sen, farmers are not getting competitive and remunerative price for their produce inspite of increasing demand of foodgrains;
- (b) if so, the details thereof;
- (c) whether the Government is aware that there is an increase of 40% in the price of farmers` produce immediately after reaching the markets, as per the report of the Panel;
- (d) if so, the reasons therefor and the response of the Government thereto;
- (e) whether the Panel has suggested for marketing facility to farmers at local level;
- (f) if so, the details along with the steps taken by the Government to ensure proper marketing facility to farmers at local level; and
- (g) the other steps taken/likely to be taken to make agriculture profitable?

**Answer**

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

(a) to (e): A Committee set up by the Planning Commission under the Chairmanship of Dr. Saumitra Chaudhuri, had submitted its report in May, 2012 on "Encouraging Investments in Supply Chains including Provision for Cold Storages for more Efficient Distribution of Farm Produce". The Committee has observed that for fruits and vegetables, the price at the first point of sale in large mandis, as a proportion to the final retail price, may be in the range of 25 to 40 per cent. These inefficiencies are due to

- (i) physical inadequacies such as multiple handling of produce and inadequate cold chains,
- (ii) Institutional shortcomings on account of Agriculture Produce Marketing Committee (APMC) legislation and method of operations of mandis, and
- (iii) lack of adequate processing facilities. In order to strengthen the agricultural supply chain, the Committee has made recommendations, inter alia, establishment of producer companies/cooperatives, providing freedom to farmers to directly market their produce to aggregators/processors in addition to selling in mandis, removing perishable farm produce from the purview of APMC Acts, simplification of registration/licensing system of APMCs, etc.

(f): The States/UTs have been advised to amend their respective State APMC Acts on the lines of Model Act, 2003. The Model Act which provides for direct marketing, contract farming, farmers/consumer markets, setting up of markets in private and cooperative sectors, e-trading etc. Further, in order to encourage investment in marketing infrastructure development Government is implementing capital investment subsidy schemes of Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardisation (AMIGS) and Gramin Bhandaran Yojana (GBY). Government is also implementing "Marketing Research and Information Network (MRIN)" with the objective, inter alia, to collect and disseminate prices and arrival data for the benefit of farmers and other stakeholders to facilitate the farmers in taking better production and marketing decisions to get more remunerative prices for their produce.

(g): Government, inter-alia, provides assistance to farmers through implementation of various Crop Development Schemes/Programmes such as Rashtriya Vikas Yojana (RKVY), National Food Security Mission (NFSM), National Horticulture Mission (NHM), Macro Management of Agriculture (MMA), market reforms etc. with a view to increasing agricultural productivity and production.