

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1342

ANSWERED ON:03.03.2015

MINIMUM SUPPORT PRICE OF AGRICULTURAL COMMODITIES

Adsul Shri Anandrao ;Bhuria Shri Dileep Singh;Charitra Shri Ram;Mishra Shri Bhairon Prasad;Mukherjee Shri Abhijit;Patil Shri Shivaji Adhalrao;Patole Shri Nanabhau Falgunrao;Raut Shri Vinayak Bhaurao;Senthilnathan Shri PR.;Shewale Shri Rahul Ramesh;Singh Shri Hukum;Somaiya Dr. Kirit;Yadav Shri Dharmendra;Yeddyurappa Shri B. S.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the prices of agricultural inputs have increased manifold over the years making it difficult for small and marginal farmers to continue agriculture as a viable profession;

(b) if so, the details thereof and corrective measures taken by the Government in this regard;

(c) whether Commission for Agricultural Costs & Prices (CACP) considers various factors affecting the small and marginal farmers before arriving at a Minimum Support Price (MSP) for various agricultural commodities and if so, the details thereof including the criteria followed by CACP in this regard;

(d) whether several States have raised the demand of increasing the prices of MSP of all agricultural commodities by 30%; and

(e) if so, the details thereof including the reaction of the Government thereto and the details of MSP of various commodities for the current season?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) to (e): The increase in the prices of major agricultural inputs during the last three years in terms of Wholesale Price Index (WPI) [Base 2004-05=100] is given below: Percentage increase in the Wholesale Price Index (WPI) of major agricultural inputs.

(in percentage)

Input	2011-12	2012-13	2013-14
Fertilizers	13.51	12.39	2.19
Pesticides	1.08	5.49	3.95
Organic Manure	11.59	6.98	3.91
Agricultural Machinery & Implements	0.12	2.34	3.36
Diesel Oil (HSDO)	8.45	11.56	18.68
Electricity (Agriculture)	5.11	21.77	23.82

The effect of rise in cost of cultivation of major crops is balanced through the mechanism of Minimum Support Prices (MSP). MSP is in the nature of a minimum guaranteed price offered by the Government to the farmers for their produce. MSPs have increased significantly in recent years.

While recommending MSP, CACP takes into account inter-alia the cost of production, changes in the input prices including fertilizers, manure, pesticides, seeds, diesel etc. Government fixes MSP for the agricultural produce on the recommendation of the CACP and the views of the States and concerned Central Ministries. The Commission for Agricultural Costs & Prices (CACP) holds consultations with all stakeholders including farmers' representatives and State Governments before finalizing the recommendations on Minimum Support Prices (MSPs).

Government has been receiving representations from time to time from various farmers' organizations/States for increase in Minimum Support Prices of various crops.

Government has initiated several steps to bring down cost of production of agricultural commodities by promoting increase in productivity through efficient use of

inputs like fertilizers, irrigation, quality seeds, machinery, etc. Government is promoting Integrated Nutrient Management (INM) for balanced and judicious use of chemical fertilizers, bio-fertilizers and locally available organic manures like farmyard manure, compost, vermi compost and green manure based on soil testing to maintain soil health and productivity. Pest control is addressed through Integrated Pest management (IPM) Scheme, Training is also imparted to farmers about adoption of improved crop production technologies including INM and IPM practices.

In addition, Government is also implementing path breaking schemes like National Food Security Mission, Rashtriya Krishi Vikas Yojana, Bringing Green Revolution to Eastern India and several other missions and programmes.

A Statement of MSP declared by the Government for 2014-15 for major agriculture produce is Annexed.