

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3713
ANSWERED ON:05.08.2014
INCREASE IN AGRICULTURAL COST
Pal Shri Jagdambika

Will the Minister of AGRICULTURE be pleased to state:

- (a) the details of the increase in the agricultural cost so far due to the implementation of Mahatma Gandhi National Rural Employment Guarantee Act;
- (b) whether the Commission for Agricultural Costs and Prices (CACP) proposes to accept the recommendations made with regard to bring the agricultural works of the farmers under (MGNREGA) and connect the same with agriculture in order to check the adverse effect of the said increase in agriculture cost; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (DR. SANJEEV KUMAR BALYAN)

(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 2013-14 session made the following recommendations:

"Labour costs 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."