

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2704

ANSWERED ON:09.12.2014

PRICE HIKE OF AGRICULTURAL INPUTS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government is aware that farmers are not getting the adequate price for their produce due to hike in input cost like pesticides, seeds, fertilizers equipment etc.;
- (b) if so, the details thereof and the increase during the last three years and the current year;
- (c) whether the Government is considering to reduce the input cost of various agricultural produce to make the agriculture a profitable venture; and
- (d) if so, the other necessary steps taken by the Government to provide remunerative prices to the farmers?

Answer

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

(a) to (d): The increase in the prices of major agricultural inputs during the last three years in terms of Wholesale Price Index (WPI) 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
Diesel Oil (HSDO)	8.45	11.56	18.68

The Commission for Agricultural Costs & Prices (CACP), takes into account the cost of production, changes in input prices including fertilizers, manure, pesticides, seeds, diesel etc., overall supply, domestic and international prices, inter-crop price parity, the likely effect of the price policy on the rest of the economy and need to ensure rational utilization of production resources like land and water while recommending Minimum Support Prices (MSPs).

Government fixes Minimum Support Prices (MSP) of various crops based on the recommendations of the CACP, views of concerned State Governments and Central Ministries/Departments and other relevant factors. MSP is in the nature of minimum price offered by the Government. Producers of crops covered under MSP have the option to sell their produce to Government agencies or in the open market as is advantageous to them.

In addition, the Government is implementing various other measures to ensure remunerative prices to farmers. These include capital investment subsidy schemes such as development/ strengthening Agriculture marketing Infrastructure, Grading and Standardization (AMIGS), Gramin Bhandaran Yojana (GBY). Government is also implementing Marketing Research and Information Network (MRIN) with the objective 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 decision to get more remunerative prices for their produce.