

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1519
ANSWERED ON:14.03.2005
INTEGRATED PRICE POLICY FOR REMUNERATIVE PRICE TO FARMERS
Pallani Shamy Shri K.C .

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has any proposal to formulate and implement Integrated Price Policy to ensure remunerative prices of agricultural produce and their parity with industrial goods; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a)&(b): The main objective of price policy for agricultural produce is to ensure remunerative prices to the growers for their produce. With a view to encourage higher investment and production in agriculture, and to safeguard the interests of consumers by making available supplies at reasonable prices, Government announces each season Minimum Support Prices (MSPs) for major agricultural commodities. The MSPs are uniform throughout the country. While recommending MSPs, the Commission for Agricultural Costs and Prices (CACP) keeps in view

(i) the need to provide incentive to the producer for adopting improved technology and for developing a production pattern broadly in the light of national requirements;

(ii) the need to ensure rational utilization of land, water and other production resources;

(iii) the likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, industrial cost structure, etc. and

(iv) terms of trade between agricultural sector and non-agricultural sector. Thus, the factors considered by CACP include price parity of agricultural produce with industrial goods.