

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:783
ANSWERED ON:28.11.2005
DECLINE IN FARM INCOME
Shivanna Shri M

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers in various parts of the country are forced to follow 'Produce and Perishi Policy';
- (b) if so, the details thereof;
- (c) whether according to a recent report the farm incomes have fallen in the past five years despite the increase in urban income;
- (d) if so, the reasons therefore and the steps taken by the Government to increase farm income; and
- (e) if so, the manner in which integration of the rural market with the global value chain is expected to rescue the Indian farmers from the prevailing agrarian crisis?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) to (d): According to a survey conducted by National Sample Survey Organisation, Ministry of Statistics and Programme Implementation submitted in July 2005, 60 per cent of the farmer households liked farming as a profession. Only 27 per cent of farmer households did not like farming as it is not considered profitable.

An analysis of data on cost of cultivation of principal crops in selected States shows that gross returns in respect of various crops are positive, albeit with fluctuations. A statement showing the Gross Returns accrued under various crops in selected States is given at Annexure.

To maintain and enhance farm income, Government is emphasizing on diversification of agriculture sector towards more high value crops such as horticultural crops. During 2005-06, National Horticulture Mission (NHM) has been launched in the country with a total outlay of Rs.2300.00 crores during the 10th Plan including Rs.1091.00 crores for 2005-06 for the development of horticulture, duly ensuring end to end approach having backward and forward linkages covering research, production, post harvest management, processing and marketing.

The NHM, inter-alia, aims at capacity building for production and supply of adequate quality planning material, increased coverage of crops under improved/high yielding cultivation, strengthening of infrastructure facilities, building a strong base to enhance efficiency in adoption of technologies etc. Recently, a farm credit package has been announced by the Government for regular flow of easy credit to enable the farmers to adopt better technology and increase their efficiency in resource use to enhance the income. Besides, the National Agricultural Insurance Scheme is under implementation to safeguard farmers against falling income due to crop loss caused by natural calamities.

(e) One of the objectives of integration of rural markets with global value chain is to improve the income of farmers, thereby improving the terms of trade of agriculture sector. This is expected to boost demand for agricultural commodities and would benefit Indian farmers.

A sum of Rs.72 crores has been allocated to attract large investments from private and cooperative sector to set up agricultural markets, marketing and support services such as grading, standardization etc.

Annexure

Statement referred to in reply of part (a) to (C) of the Lok Sabha Unstarred Question No.783 due for answer on 28.11.2005

Returns (in Rs./Ha.)

Name of Name of 1998-99 1999-2000 2000-01 2001-02 2002-03

Wheat Haryana 18548.87 21042.94 18583.00 18212.79 18729.93

Punjab	16916.54	20965.27	19944.64	18803.72	16714.76
Uttar Pradesh	13049.93	13722.10	11602.47	11201.68	11494.94
Paddy Andhra Pradesh	13817.59	12989.54	12447.50	11841.90	16918.73
Haryana	12103.27	12610.13	17716.31	16354.62	14797.29
Punjab	11312.87	17232.10	18350.95	21135.61	16293.65
West Bengal	13327.06	10824.00	6672.73	7137.45	5736.83
Jowar Krantaka	3140.37	2561.51	1213.68	833.21	777.85
Maharastra	5023.36	5445.95	2591.69	1856.05	5735.29
Bajra Gujarat	N.A.	3078.92	1826.14	5527.89	2787.58
Uttar Pradesh	5985.66	7527.28	5039.80	5527.89	4792.93
Maize Andhra Pradesh	6597.73	4104.31	2207.90	5125.24	5067.16
Madhya Pradesh	3170.02	3212.46	1864.15	1734.75	1617.91
Gram Madhya Pradesh	5728.94	7683.20	8754.89	10005.83	6642.61
Uttar Pradesh	8862.31	N.A.	14824.76	12225.03	9245.41
Arhar Maharastra	11480.93	10405.89	7080.38	9466.08	8552.90
Uttar Pradesh	18132.73	14538.11	12845.11	12145.04	10086.45
Soyabean Madhya Pradesh	5408.42	4235.31	4202.01	5605.75	2729.20
Maharastra	6149.83	5229.00	3897.31	6201.40	5232.62
Ground Nut Gujarat	13392.21	4567.61	2410.63	15665.21	7786.62
Tamil Nadu	9927.90	8417.73	6329.19	1870.35	5488.33
Jute Assam	7891.48	10442.34	8965.71	8813.05	4805.76
West Bengal	10398.42	11696.27	7652.54	9489.56	9895.20
Sugarcane Karanataka	45899.76	44540.06	36432.70	42745.17	46031.34
Maharastra	28460.24	25602.39	15327.38	19285.87	19329.94
Tamil Nadu	52573.00	52654.57	51881.99	50257.19	33311.67
Uttar Pradesh	30411.43	27582.53	28129.91	28764.85	27719.18
Cotton Andhra Pradesh	N.A.	7785.64	12578.74	10731.05	20818.43
Gujarat	14349.01	6312.10	1957.33	2089.47	8831.89
Maharastra	N.A.	6583.35	3304.54	2089.47	4000.68

Note:

1. Gross return is the difference between gross value of output and A2 cost of cultivation (all expenses in cash and kind including rent paid for leased-in land)

2. N.A:- Not Available.