

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3400  
ANSWERED ON:15.05.2006  
FALL IN AGRICULTURAL PRICES  
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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether there has been a steep fall in the agricultural prices in recent times;
- (b) if so, the details and the reasons therefor; and
- (c) the measures being taken by the Government for stabilization of agricultural prices?

**Answer**

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

(a)&(b): The monthly Wholesale Price Index (WPI) with base year, 1993-94=100 of agricultural commodities from July, 2005 to March, 2006 is showing a fluctuating trend. However, in the case of vegetables and oilseeds, a declining trend in their prices has been observed. Details of price movement in terms of WPI for some important commodities are given in the Annexure. The fluctuations in prices are mainly governed by changes in supply and demand situation prevalent in the market at different points of time.

(c): The Government's price policy for agricultural commodities inter-alia, seeks to ensure stabilization of prices. In this regard, the Government announces Minimum Support Prices (MSPs) for major crops. MSPs enable the farmers to sell their produce at remunerative prices whenever the market prices tend to fall below the MSP. The Government also implements the Market Intervention Scheme (MIS) in respect of the agricultural commodities which are not covered under the MSP scheme. Under MIS, procurement operations are permitted to be carried out by NAFED or state designated agencies on the request of the State Governments to protect the interest of farmers from distress sale of their produce in the event of glut, provided the concerned states undertake to share the losses in such operations.

Annexure

Monthly Average Wholesale Price Index of Some Important Agriculture Commodities (Base Year 1993-94=100)

Commodities      2005      2006  
                         Jul Aug Sep Oct Nov Dec Jan Feb Mar#

Food Articles	194.9	194.8	197.0	199.5	202.3	197.7	196.5	194.8	194.6
Cereals	184.5	185.1	185.5	186.2	186.6	187.0	190.3	191.5	191.2
Pulses	187.5	189.2	190.3	192.7	201.8	206.1	209.5	215.2	210.2
Vegetables	220.8	208.9	208.9	223.8	233.7	192.9	173.5	143.2	153.0
Fruits	218.3	226.9	254.3	252.7	253.7	246.5	243.2	245.3	242.1
Oil Seeds	175.7	176.1	175.9	173.9	172.5	155.2	155.8	154.6	154.2
Edible Oils	148.1	148.5	147.1	146.7	146.4	144.2	143.5	144.0	144.5
Sugar	161.4	163.4	162.2	163.0	164.9	162.9	166.3	172.3	172.1

Source: Ministry of Commerce & Industry.

Note: # The figures for March, 2006 are provisional.