

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3731
ANSWERED ON:10.09.2007
RATE OF AGRICULTURAL PRODUCE
Yerrannaidu Shri Kinjarapu

Will the Minister of AGRICULTURE be pleased to state:

he steps taken by the Government in fixing the rates of agricultural produce to reduce the burden on persons engaged in Food Processing Industries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

The Government's price policy for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production, and to safeguard the interest of consumers by making available supplies at reasonable prices. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. The Government fixes the rates of agricultural produce by way of Minimum Support Prices (MSP) for specified agricultural produces on the basis of recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of the State Governments and Central Ministries as well as such other factors considered important for fixation of support prices. The CACP, while formulating its recommendations on price policy considers important factors like cost of production, changes in input prices, productivity of different crops across States, demand - supply situation, domestic and international price trends, terms of trade between agriculture and non-agriculture sectors, need for crop diversification, resource use efficiency and food security.