

**Steep fall in the prices of agricultural produce**

1936. SHRI S. R. BOMMAI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government are aware that due to steep fall in the prices of agricultural produce the farmers are in distress;

(b) if so, what action Government propose to take; and

(c) whether Government are prepared to purchase their agricultural produce at the parity price and save them from the death trap of price fall?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD YESSO NAIK): (a) The prices of certain agricultural commodities are ruling below the Minimum Support Prices (MSPs) fixed by the Government at some places.

(b) The designated central nodal agencies have been directed to procure the quantities offered by the farmers so as to ensure that the farmers get remunerative prices. The Government is also using import tariff as an instrument for controlling imports wherever necessary and encouraging exports so as to bring in balance the supply and demand for agricultural commodities.

(c) The central nodal procurement agencies procure all quantities of major agricultural commodities offered for sale provided these conform to the Fair Average Quality (FAQ) standards.

**Production of cotton in Gujarat**

1937. SHRI ANATRAY DEVSHANKER DAVE: Will the Minister of AGRICULTURE be pleased to state:

(a) the estimate of production of cotton in the current season in Gujarat;

(b) the support price of cotton given by the Cotton Corporation of India (CCL); and

(c) the measures taken by Government to avoid any loss to farmers in case of high production?

**THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD YESSO NAIK):** (a) According to advance estimates, the production of cotton during 2000-01 in the state of Gujarat is expected to be 28.48 lakh bales of 170 kg. each.

(b) The Government of India fix the support price of two basic varieties of cotton viz. F-414/H-777/J34 and H4. The support prices of these two varieties of Fair Average Quality of cotton season 2000-2001 have been fixed at Rs. 1625/- per quintal and 1825/- per quintal respectively. However, the support prices for other varieties are fixed by the Textile Commissioner. These prices, as fixed by the Textile Commissioner for the cotton season 2000-01, vary from Rs. 1215/- per quintal to Rs. 2900/- per quintal depending upon variety.

(c) It is endeavour of the Government to provide remunerative prices to farmers for their produce through the mechanism of price intervention. The Government and Office of the Textile Commissioner fix Minimum Support Price (MSP) after taking into consideration the recommendations of the Commission for the Agriculture Cost and Prices, cost of production of agricultural inputs, normal escalation in each element of cost plus a reasonable margin of profit. In case prices touch the MSP level, the nodal agency immediately intervenes and starts procuring so as to stabilise prices. Further quotas for export of cotton are released in phases depending upon estimated size of the crop for the relevant cotton season. Also, import of cotton is under OGL (Open General Licence) with a basic duty of 5 percent and additional surcharge of 10 percent. Thus, through the instruments of price interventions, tariff rates and export quotas, farmers' interest are protected.