ACKNOWLEDGEMENT

I take this opportunity to express my feelings, gratitude and indebtedness to the process and officials of organisations who have helped me in completing this work. I publicly admit that without their help, I would not have completed the work.

In this series, I wish to record my first and sincerest gratitude to my respected supervisor Dr. Yudh Vir Singh for his valuable guidance, affectionate encouragement, unabated inspiration, constructive criticisms, valuable suggestions and most untiring help at all stages. It is due to his help and guidance only that I could complete this work. He remained with me not only as a guide but also a guardian. I am indebted to his wife Dr. Babita Rani Tyagi also, for her blessings, encouragement and affection.
I express my special thanks to Dr. Jas Vir Singh (Ex. faculty member, Economics Department, K.D College, Mawana) for their kind co-operation, blessings and encouragement. I express my thanks to all the respected faculty members, Economics Department, Meerut College, Meerut for their kind co-operation, blessings and encouragement. In the same series, I am thankful to my friend Dr. Devesh Gupta, Dr. Sanjeev Kumar (Faculty of Economics, Dayal Singh P.G College, New Delhi), and colleagues Dr. Gaurav Kaushik, Dr. Geetika Shukla, Dr. Megha Vimal Gupta and Mrs. Babita Siwatch for their encouragement and inspiration.
I am thankful to the officials of different organisations and institutions who extended all the possible help and co-operation and provided all necessary material and the relevant information to me as and when I needed them. Acknowledgement is also due to the writers of standard texts and treaties on the subjects covered in this volume. I owe a deep sense of gratitude to the officials and staff of Joint director (agriculture department) Delhi road, Meerut, Delhi School of Economics library and the library of CCS University.

Now, I come to my family. I do not have sufficient words to express my gratitude to my respected mother Smt. Vidhya Vati for her mental and physical support. It is due to her blessings only that I could complete this work. I am indebted to my Uncle (Chacha ji) mother-in-law, father-in-law, brothers and sister for their encouragement and blessings. I will be failing in my duties if I do not thank my dear wife Meenakshi Sharma, for her co-operation, encouragement and inspiration that lightened my way throughout. I am emotionally thankful to my both lovely daughters Megha, Aditi and son Arnav who missed a lot of love and affection from my side during my work.

Above all, I am indebted to Almighty ‘God’ who enabled me to complete this work. I pray him to pour success on my path.

Meerut
December 20, 2013

(Rajiv Kumar)
PREFACE

Agricultural development has been considered to be an indicator of the quality of life at the grassroots level making it what may be called peoples sector. In regard to the importance of agriculture in a broader socio-economic sense, all the three basic objectives of economic development of the country, namely, output growth, price stability and poverty alleviation are best served by growth of agriculture sector. If public investment and market infrastructure in agriculture continue to be inadequate, there could be a serious problem of competitiveness and adequate supply response.

Indian economy is predominately rural in character and is still dominated by the agriculture sector, which accounts for nearly one-fifth of the gross domestic product (GDP) and employs close to two-third of the labour force. Despite respectable GDP growth rates (around 5 per cent a year), India has unemployment rate of-about 15 per cent. Looking into the grim situation of employment in the country in general and agriculture sector in particular, there is urgent need to give emphasis to generate avenues for creating more jobs in this sector. The Rashtrya Krishi Vikas Yojana is the right kind of approach to supplement available resources for the potential development of specific production activities and to take up additional activities best suited to the specific agro-climatic and social conditions of different districts to make best use of the available resources for improving the growth of agriculture sector through overall district planning concept.

The Agricultural Prices Commission was set up in January 1965 to advise the Government on price policy for agricultural commodities, with a view to evolving a balanced and integrated price
structure in the perspective of the overall needs of the economy and with due regard to the interests of the producer and the consumer” (GOI, 1965). The focus on the overall needs of the economy was very clear and it needed to be kept in view. The Commission was headed by Prof M L Dantwala and in its final report the Commission suggested the Minimum Support Prices for Paddy.

Uttar Pradesh is the largest state of the country in terms of population and second largest in terms of area within the country. The reporting area of the state is 24.2 million ha, out of which cultivated area is 16.68 million ha. The gross cropped area is 25.5 million ha. The cropping intensity in the state is 153 percent, which is less in comparison with other states of the country. Farming community is dominated by small and marginal farmers. The state produces 38 percent of India’s Wheat, 20 percent of Paddy, 21 percent of Sugarcane, 34 percent of Groundnut, 17.5 percent of Rape-seed, 8 percent of Fruits and 16 percent of Vegetables.

Present study will provide an in-depth analysis of minimum support price and its impact on agricultural economy in India. It will help the teaching and researching community in their academic pursuits. It will help the farmers, Government officials as well as economic planners in formulating agricultural promotion policies and strategies. Present study has been divided into six chapters.

First Chapter gives the introduction of Indian agriculture. It gives the need, importance and relevance of Indian agriculture and also the organizational setup of APC in India to ensure the farmers for their agricultural production. It-narrates the objectives, methodology and scope of the study.
Second Chapter is concerned with reviews and literature related to the research topic.

Third Chapter is dedicated to explain the effectiveness of minimum support price and role of its in economic development of India. It describes the price trends of agriculture products. At the end, it defines the MSP as an incentive price and its impacts on inputs use and causes the regional variation in prices.

Fourth Chapter Studies the administration of minimum support prices at the state level. It studies the relevance of minimum support price with major crops of the state and as well as Meerut commissionery. This chapter also defines the implementation process of minimum support price and policy measures.

Fifth Chapter analysis’s the impact of minimum support price on western agricultural economy on behalf of land use and crop pattern. It also analysis the impact of MSP on area allocation decisions of the farmers and the technology which they adopted. A detailed study of ten major export promotion councils, their set-up, workings is given in this chapter.

Sixth Chapter, being the last chapter of study, summarizes the entire study. It suggests how the Indian agricultural may touch new heights with the help of minimum support price. If followed, these suggestions may open a new road of success for Indian agriculture and farmers.