CHAPTER – IV

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Discourse on agriculture at the all India level is a Demand for the scientific price of the farmer’s produce. Generally, the market has a system of delivering the price in the Agricultural produce marketing committees. Shandies and Co-operative marketing institutions. Sometimes the price that is delivered at these marketing centers lead farmers to distress sale, resulting in the heartburn to the Farmers where he may fail to recover the cost of producing particular food crops. Because these systems do not have a mechanism where farmers can get a better price. Whatever realized at these place may be a distress price.

Whether the concept of scientific price the farmers speak has a logical connotation? The Farmers perception of a scientific price is the realized price at the market which satisfy’s the farmer’s ineterms of his needs. According to this there cannot be one scientific price for the All India Farmer’s as the need of the Farmers, interms of a price, will be different in different regions.

Karnataka Rajya Ryota Sangha (KRRS) and its demand for a scientific price for Agricultural produce:

The new discourse the KRRS introduced in its dialogue on agriculture is the Demand for a scientific price for the Farmer’s produce. What is this scientific price? Whether the Scientific price is the Farmer’s perception of a better price? OR the state (the union of India) has denied a better price for the Farmer’s produce? Or the price that the State provides in the form of minimum support price is the scientific price? Whether the state intervention in extending a support price in times of Distress sale in the market is not a scientific price?

The core of the Dialogue the Farmers movement of Karnataka introduced varies from farmers to farmers, village to village and area to area and ultimately state to state. So arriving at a scientific price is a difficult proposition.
The concept of a scientific price for agricultural produce has different connotation for different crops. Pricing a crop without taking note of this difference in context and connotation makes a scientific price for a crop difficult.

Even the concept of a scientific price for differing ecologically different regions also makes the argument of scientific price difficult to decipher what really is the scientific price?

Labour as an input in the production of agricultural produce, plays also an important role in influencing the scientific price. Labour in terms of dexterity, supply of factors, expectations of a wage rate, and availability of labour in different regions makes it still difficult to arrive at a scientific price for agricultural produce.

The nature of agricultural produce also have an important role in the determination of a scientific price for a crop. Agricultural produce can be classified as food crops, irrigated crops, Dry land crops, commercial crops, crops raised on raised lands, hills and plains also makes it difficult to arrive at a scientific price.

Even the nature of soils also makes the pricing difficult. Red soils, sandy soils, fertile alluvial soils, forested soils, black soils also makes the pricing a difficult proposition on scientific lines.

Rainfall patterns of regions also makes it difficult interns of pricing agricultural produce. Differing rainfall patterns causes different situations for raising crops, rainfall ranges from 3000 ml mts to 600 ml mts of rainfall different areas receives makes the cost of cultivation differing from place to place in such situations the scientific price argument may have to have different connotations.

Therefore the argument of a scientific price has to be seen interns of its use being right in pricing agricultural produce or to use some other synonyms to indicate the pricing process better. In the context, the use of remunerative price goes well to indicate the price fixed for an agricultural season as meaning better
for the crops and produce produced by the sector. In this context we can see the
government at the national level, state level and regional level using
remunerative price\(^1\) to denote the price fixed for the agricultural crops and
produce for a season, a year or for a time period. This appears an acceptable
usage that can be used in the common context of referring to the fixation of price
for the Farmers produce or crops.

In the Parlance of KRRS the use scientific price is so common starting
from the top leaders of the movement to the common farmers’ use this language.
Particularly after the most important memorandum of demands\(^2\) was submitted
to the Government for immediate redressal of their grievances the leaders of the
KRRS became vocal and vociferous in demanding the Government to ensure
scientific price for their agricultural produce. This can be seen in a platform of
Bangalore\(^3\) of KRRS Prof. M.D. Nanjundaswamy speaking with strong words.

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price\(^4\) to denote the speaking about the central governments and state
governments depriving scientific price for the farmer’s thus keeping farmer’s
poor. Another leader of the KRRS Sri N. D. Sundaresh\(^5\) interpreting denial of
scientific price for the Farmers’ for the luxury of the ruling class in the comforts
of urban setting. The president of the KRRS Sri H.S. Rudrappa\(^6\) though
congressman throughout his life and a freedom fighter and speaker of Karnataka

\(^1\)Economic survey 2012-13, Govt. of India Ministry of Finance, department of economic affairs,
Economic division Feb 2013.
\(^3\)Meeting of the KRRS in Bangalore on October 17, 1980 when the Charter of 19 demands was
submitted.
\(^4\)Economic Survey 2012-13, Government of India Ministry of Finance Department of Economic affairs,
\(^5\)Sri N.D. Sundaresh, founder General secretary KRRS for a long time from 1990.
\(^6\)Sri H.S. Rudrappa was a founder of president of KRRS until his death in 3rd Nov. 1983.
legislative assembly, and former minister for agriculture voiced the same concern about depriving farmers their rightful share in the form of higher price for their produce. Prof. M. D. Nanjundaswamy as convener of the committee of programme formulation of KRRS prepared for the State Committee, how the scientific price of 700 Rs for Jowar, Maize Rs. 150, for Cotton Rs. 600 to Rs. 1000, Wheat Rs. 250 per quintal, Tobacco Rs. 20 per kg, Onion Rs. 100, Pulses Rs. 400-500, For other agricultural produce the Government should fix the price agreed to by the farmers and the government as recommended by a committee of Experts on agricultural pricing.

Other demand relating to the pricing of agricultural produce also agrees that Government should fix the real price after taking into account the man-hours spent on producing the product. The price of the industrial goods should not be allowed to increase one and a half times of the cost of production. And the chemical fertilizers should be supplied at the price of 1973 season.

Another strong leader from the northern part of Karnataka Sri Babagowda Rudragowda Patil who became later the Secretary General of KRRS also vehemently spoke in the language that there is a deliberate attempt by the state to depress the agricultural prices to keep the farmers’ poor by depriving them the scientific price for their produce. Sri Suresh babu patil one of the veterans of the movement spoke on the same tone as other senior members of the KRRS spoke in depriving a scientific price for the farmers produce by governments at all levels.

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7 Prof. M.D. Nanjundaswamy, intellectual giant, Lohia Socialist of high order, the Brain behind the farmer’s movement in Karnataka and India, Convener of the Committee of Programme formulation of KRRS and later president from 1983 until 1998 December 21st.
10 Demand No. 7 in the charter of demands submitted to the Government of Karnataka.
11 Sri Babagowda Rudragowda Patil was the president of Belgaum district KRRS
12 Sri Suresh babu Patil also known as Gajapathi Gowadaru one of the founder members of the KRRS from Belagavi and president of KRRS Belagavi District Unit.
An young intellectual Sri Hanumanagowda of Belamakki in Raichur district constructed theoretical arguments of the Government policy of deprivation of Scientific price for the farmers’ produce was a deliberate policy initiative in independent India, which needs to be changed through continuous fight with the Government at the centre and the states. Sri K.S Puttannaiah of Kyathanahalli of Mandya District also voiced his concern how the Governments have failed to deliver a scientific price for the farmers’ since independence until today, thus depriving the people of rural India a life with dignity. This has to be fought with by organizing rural people at all India level make the Governments to understand the importance of a scientific price for the farmers’ produce. Another young and educated youth leader Mr. Budanur Shivaram an engineer by training vehemently argues for a scientific price for the farmers’ produce, thus mitigating the problems of rural India. In this direction he involved in the organization of young people of rural India. Another important leader in this fight of KRRS for a scientific price is Smt. Sunanda Jayaram of Gejjalagere of Mandya District who also argued for a scientific price of the farmers’ produces as this will enable them to lead a life of dignity, particularly dignity for the hardworking women of the rural household as they are the worst affected by deprivation. Sri H. R. Basavarajappa of Hanumanthapura of Shimoga District participated in historical battles with the state for scientific price. He participated both at the state level and national level agitations for a scientific price for the agricultural produce and crops. Another senior leader of the movement from Shimoga Dr. Chikkaswamy though a doctor by profession, joined the movement as a pioneer from Shimoga for the farmers cause also argue how it is

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13 Sri Hanumana Gowda of Belamakki in Raichur district started as secretary of Raichur unit of KRRS to become Secretary General of KRRS.
14 Sri K.S. Puttannaiah, farmer by profession later becoming president of KRRS Mandya unit, and KRRS on 21 December 1991 until 2012 November.
15 Sri Budanur Shivaram of Budanur village in Mandya district than youth wing leader of KRRS for 20 years forms 1985 to 2005.
16 Sri Sudnand Jayaram started as village level worker of Gejjalagere of Maddur taluk, raised later to the president of the women wing of KRRS.
17 Sri H.R. Basavarajappa of Hanumanthapura of Shimoga district started as village level worker as a young boy later becoming Secretary General of KRRS
18 Dr. Chikkaswamy was one of the founding members of KKRS and founder Treasure of KKRS.
important that the pricing of agricultural produce and crops should be provided a scientific price, so that the lot of the farmers’ can be bettered. Sri Jagannath from Shimoga who started initially at the taluk level raised to be the president of District unit of Shimoga have also argued for a scientific price for the farmers crops, for which he organized many agitations. Another young boy of Hole Honnur in Bhadravati taluk of Shimoga District Mr. Rudresh\(^\text{19}\) spoke on many platforms for a scientific price for the farmers’ produce and crops as an active member of the student wing\(^\text{20}\) of KRRS. He even engaged in a argument with the then Prime-minister Sri H.D. Devegowda in a programme in Mysore. Smt. Dhakhayanamma\(^\text{21}\) president of a Panchayath of Shimoga taluk later became president of women’s wing of KRRS of Shimoga also had many discourse on the scientific price for farmers produce and crops.

Another leader Sri Manujnatha Datta\(^\text{22}\), president of the Hassan District Unit of KRRS also argued for a scientific price for the produce and crops. He is also supported by Sri R.P. Venkateshmurthy\(^\text{23}\) General Secretary KRRS and Editor, Janatha madhyama from Hassan organized many agitational programmes for the derivation of a scientific price for the agricultural crops raised by farmers. Mr. Heragu Vasu\(^\text{24}\) Hasssan taluk unit president, later became the president of Hassan Jilla Panchayth, has been able to put strong fight for securing scientific price for the farmer’s produce and crops raised across the state and the union of India.

Sri Hanbal Viswanath\(^\text{25}\), who was a strong leader of KRRS of Hassan, has also argued for a scientific price for the agricultural crops. The realization of which is very difficult, because of the apathy of the state towards agriculture.

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\(^{19}\) Sri Rudresh, a student of Polytechnic for physically handicapped in Mysore.

\(^{20}\) Raitha Vidyarthi Okkuta, a student wing of KRRS.

\(^{21}\) Dakshayinamma president, Harohalli Panchayath of Shimoga taluk and District.

\(^{22}\) Sri Manuntha Data, President Hassan District, KRRS later elevated to divisional secretary of KRRS

\(^{23}\) Sri R.P. Venkateshurthy of Hassan, General Secretary KRRS Hassan Unit and Editor-Janatha Mathyama a District daily later co-editor of Nammanadu, a mouth piece of KRRS.

\(^{24}\) Heragu vasu of Hassan taluk unit KRRS president raised later to be the president of Hassan Jilla Panchayath.

\(^{25}\) Sri H.M. Viswantah, president taluk unit of KRRS of Sakleshpura elevated to distinct Unit presient of Hassan, later became an MLA from J.D. (S) party.
Mr. Rudrappa Mokashi\textsuperscript{26} of Belgavi District KRRS, who headed a Sugar mill in Kithur taluk of Belgavi district also fought for the realization of a scientific price and even fixed the highest price for the Sugarcane supplied by the farmers in 1994-95 season. Sri Shankaragowda\textsuperscript{27} Haravi of Manvi in Raichur District was also one of the senior most farmers’ leaders from northern Karnataka who also lead many agitations against the state and the centre for the realization of scientific price for agricultural crops produced. Sri Basavaraja Ballatagi\textsuperscript{28} of Manvi also argued for a scientific price and fought for it throughout his life and later died for the cause. Sri Kodihalli Chandrashekar\textsuperscript{29} of Arasikere taluk unit of KRRS argued for a scientific price for the agricultural produce and lead series of agitations for the Realization of this price. Sri Janekere Mohan\textsuperscript{30} of Sakaleshpur taluk unit of KRRS as General Secretary also fought for the realization of a scientific price for the farmers produce. He believed that the delivery of a scientific price for the Farmer’s produce can mitigate the problems of farmers. Sri Ho. thi Hutchappa\textsuperscript{31} a senior farmers’ leader from Arkalgud taluk of Hassan district fought for the realization of a scientific price for the farmers produce. Sri D.K. Ningegowda\textsuperscript{32} of Dummi in Hassan taluk inspired by the leaders argument for a scientific price for Farmer’s produce lead many agitations for the realization of the same. Dr. Hanumanthegowda\textsuperscript{33} of Arsikere taluk as a student of Medicine in Mysore he joined the movement of farmers to strengthen the hands of farmers for the realizations of scientific price for the farmers in their long fight for this. Sri

\textsuperscript{26} Sri H.S. Rudrappa Mokashi, Senior leader of the KRRS in Belagavi Regioin later became chairman of Mogatagana Hubli Sugars.
\textsuperscript{27} Shankaragowds Haravi of Manvi taluk of Raichur district, an important leader of North Karnataka.
\textsuperscript{28} Sri Basvaraju Ballatagi of Manvi taluk of Raichur district from village level leader to Raichur District Secretary of KRRS.
\textsuperscript{29} Sri Kodihalli Chandrashakar of Arasikere unit of KRRS later raised to be the president of the KRRS (breakaway group) in 2012.
\textsuperscript{30} Sri Janekere Mohan of Sakaleshpur taluk unit of KRRS is General Secretary.
\textsuperscript{31} Sri HO. Thi. Hutchappa of Arkalkgud taluk unit of KRRS later became the president of Hassan District unit of KRRS.
\textsuperscript{32} Sri D.K. Ningegowda of Hassan taluk unit KRRS president later became the president of Hassan District unit of KRRS.
\textsuperscript{33} Sri H. Hanumanthe Gowda of Hassan District unit of KRRS convenor.
Chikkagavanalli Ramanna\textsuperscript{34} as president of Arkalgud unit of KKRS lead the farmers for the realization of a scientific price for the farmers’ produce. Sri Rudrapatna Javaregowda\textsuperscript{35} a small farmer from Arkalgud taluk also joined the movement of farmers in their fight against the state for the realization of a scientific price for the Farmers produce with his fellow farmers of Sri Thimmasetty\textsuperscript{36} of Mathigodu, Sri Shankaranarayana\textsuperscript{37} of Rudrapatna, Sri Bokkegowda\textsuperscript{38} of Lakkur. Smt. Mallajamma\textsuperscript{39}, a widow also joined the movement of farmers for a scientific price and she was severely beaten up by the police in this fight, but did not stop her voice until her death. Sri Bommegowda\textsuperscript{40} of Abbur Machagowdanhalli of Arkalgud taluk in Hassan District lead series of agitations in the course of getting a scientific price for the farmers produce. Sri Ravi\textsuperscript{41} of Bediganahalli of Hassan taluk and Sri Chowdegowda\textsuperscript{42} of Jyothinagara in Hassan taluk also joined the fight of the farmers for a just and a scientific price for the farmers produces which even today remains the slogan of the movement. Sri Aswathnarayana Raj Urs\textsuperscript{43} of Mysore District unit of KRRS is vehement in his argument for the denial of the rightful due, in terms of a scientific price for the agricultural produce and crops. Sri Tha. Ramegowda\textsuperscript{44} vociferously argued for the Farmer’s right of a scientific price for their hard earned crops in their field. He died fighting for this cause. Sri Raghupathi Nayaka\textsuperscript{45} of Hallididdi, the persuasive and strong leader laid his life in the process of fighting for the Farmer’s cause of a scientific price. Mr. Mohammad

\begin{itemize}
  \item Chikkagavanalli Ramanna\textsuperscript{34} as president of Arkalgud unit of KKRS lead the farmers for the realization of a scientific price for the farmers’ produce. Sri Rudrapatna Javaregowda\textsuperscript{35} a small farmer from Arkalgud taluk also joined the movement of farmers in their fight against the state for the realization of a scientific price for the Farmers produce with his fellow farmers of Sri Thimmasetty\textsuperscript{36} of Mathigodu, Sri Shankaranarayana\textsuperscript{37} of Rudrapatna, Sri Bokkegowda\textsuperscript{38} of Lakkur. Smt. Mallajamma\textsuperscript{39}, a widow also joined the movement of farmers for a scientific price and she was severely beaten up by the police in this fight, but did not stop her voice until her death. Sri Bommegowda\textsuperscript{40} of Abbur Machagowdanhalli of Arkalgud taluk in Hassan District lead series of agitations in the course of getting a scientific price for the farmers produce. Sri Ravi\textsuperscript{41} of Bediganahalli of Hassan taluk and Sri Chowdegowda\textsuperscript{42} of Jyothinagara in Hassan taluk also joined the fight of the farmers for a just and a scientific price for the farmers produces which even today remains the slogan of the movement. Sri Aswathnarayana Raj Urs\textsuperscript{43} of Mysore District unit of KRRS is vehement in his argument for the denial of the rightful due, in terms of a scientific price for the agricultural produce and crops. Sri Tha. Ramegowda\textsuperscript{44} vociferously argued for the Farmer’s right of a scientific price for their hard earned crops in their field. He died fighting for this cause. Sri Raghupathi Nayaka\textsuperscript{45} of Hallididdi, the persuasive and strong leader laid his life in the process of fighting for the Farmer’s cause of a scientific price.

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Imamuddin\textsuperscript{46}, General Secretary of the Mysore District unit of KRRS also fought for the cause of Farmer’s realizations of a scientific price for the farmer’s produce.

Sri K.M. Puttaswamy\textsuperscript{47} a senior leader from T. Narasipur also argues for a scientific price for the farmers produce. He keeps even fighting for it now. Sri Joganahalli Gurumurthy\textsuperscript{48} of Periyapatna taluk has also argued for a scientific price of the farmer’s produce and organized many of the agitations programmers. Sri Boralingegowda\textsuperscript{49} of Kanur in Periyapatna taluk also argued gently for a scientific price for the farmers produce and fought for it vehemently throughout. Sri Gandhinagara Shivanna\textsuperscript{50} was vocal in his argument for a scientific price for the Farmer’s produce. Smt. Seethamma\textsuperscript{51} of Lingapura was also vocal in her argument for a scientific price for the farmers produce and crops.

Smt. Leelavathi\textsuperscript{52} of Basavanahalli of Kushalnagar in Kodagu also engaged in arguing for a scientific price for the farmers produce and lead many agitatioinal programmers in this Direction. Sri Daithaiah\textsuperscript{53}, a Dalit progressive farmer from Debur in Nanjangud taluk lead a successful farmer’s agitation for a scientific price for the farmers produce. Sri Biligere Shivanna\textsuperscript{54} in his own mild ways use to argue for a scientific price for Farmers produce. Sri Sadguru\textsuperscript{55} of Tayur was vociferous in his argument for a scientific price, the realization of which is an important programme for the movement. Sri Shamabulingappa\textsuperscript{56} of

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\item\textsuperscript{46} Sri Mahammad Imamuddin of Kushalnagar was Secretary Periyapatna taluk unit, elevated to District unit General secretary of KRRS.
\item\textsuperscript{47} Sri K.M. Puttaswamy, Treasurer of Mysore District, unit of KRRS later Vice-president of KRRS at the State level.
\item\textsuperscript{48} Sri Joganahalli Gurumurthy, President periyapatna taluk unit of KRRS, later General Secretary of Mysore District Unit
\item\textsuperscript{49} Sri Boralingegowda, President Periyapatna Unit of KRRS, later Vice-president of the Mysore Unit.
\item\textsuperscript{50} Sri Gandhinagara Shivanna, Convener Periyapatna taluk, unit of KRRS
\item\textsuperscript{51} Smt Seethamma, Vice-president of Periyapatna, unit of KRRS.
\item\textsuperscript{52} Smt Leelavathi, Convenor of the Women’s wing of periyapatna taluk, Unit of KRRS
\item\textsuperscript{53} Sri Daithaiah, President of Nanjangud taluk, Unit of KRRS
\item\textsuperscript{54} Biligere Shivanna, treasurer of Nanjangud taluk unit of KRRS.
\item\textsuperscript{55} Shambulingappa of Debur village in Najangud taluk was treasurer of the unit of KRRS.
\item\textsuperscript{56} Shambulingappa of Debur village in Nanjangud taluk was treasurer of the unit of KRRS.
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Debur in his own style of silent protest use to indicate scientific price as very important for formers.

Sri Bokkalli Basavaraju⁵⁷, of Thandavapura in Nanjangud taluk was a mercurial spirited leader, who always argued for the farmers’ betterment, including a scientific price for the farmers produce. Sri Kempanna⁵⁸ of Begur in his own style of persuasive argument argued for a scientific price for the Farmers’ produce. Sri Ranganathan⁵⁹ of Chamarajanagar taluk then (now district) was vociferous in his argument for a scientific price for the hardworking farmers for their produce they raise in their fields. He has his own unique style of argument enthralling the Farmers’ audience. Sri Maheshchandra⁶⁰ of Alur has his own melodious way of arguing for a scientific price for the farmer’s produce.

Mr. Mallesh⁶¹ of Ammanapura, in his own style mobilized the mass of farmers for the cause of a scientific price for the farmer’s produce. Sri Nanjegowda⁶², an advocate in the court of Mysore, in his own style of argument try to convince farmer’s of Yelandur taluk in Chamarajanagar District the need to fight for a scientific price for the Farmer’s produce. Sri Honnuru mahadevaswamy⁶³ senior leader of the farmers of Yelandur persuade farmers the need to fight the state for a scientific price. Sri Honnuru prakash⁶⁴ is very vocal in his argument for a scientific price for the farmer’s produce. Smt. Chukkinanjundaswamy⁶⁵ in her own argumentative style also appeals for farmers to fight for the anti-farmers policies of the central government and state government and the need to fight for a scientific price for our produce. Sri

⁵⁷ Sri Bokkalli Basavaraju, General Secretary, Nanjangud taluk, unit of KRRS.
⁵⁸ Sri Kempanna president Gundlupet taluk, Unit of KRRS
⁵⁹ Sri Ranganathan, General Secretary, Mysore District, Unit of KRRS in the early phase of KRRS.
⁶⁰ Sri Maheshchandraguru, president, Chamarajanagar District unit president of KRRS.
⁶¹ Sri Mallesh of Ammanapura then Chamarajanagar taluk unit KRRS president.
⁶² Sri N. Nanjegowda, Convener, Chamarajanagar District, Unit of KRRS.
⁶³ Sri Honnuru Mahadevaswamy, Vice-president, Mysore District, Unit of KRRS, Formerly, now Chamarajanagar District.
⁶⁴ Sri Honnuru Prakash, Secretary, Chamarajanagar, Unit of KRRS.
Yajaman Shivanna in his own shying way builds argument for a scientific price for the farmers. Sri Hosa Malangi Shivanna argues that rising of crop is fine but realizing right price for the crops is the real problem. Sri Murthy of Channapatna is strong advocate for a scientific price for farmers. Sri Annappa of Ramanagara is a persuasive speaker, speaking gently the need to fight for the just cause of a scientific price for farmer. Smt. Anusuyamma of Bangalore District vociferously argues how the scientific price for the farmers is denied how it is essential to get it to improve the lot of the farmers. Sri Nagaraju of Bangalore District argues strongly for a farmer’s agitation because the realization of a scientific price is a big and prolonged fight. Dr. Venkat Reddy of Chikkaballapur is very strong in his argument for a scientific price for the farmers produce and we have to sustain our fight until it is realized. Sri Nagaraju of Kolar, a young activist is strong in his opinion and committed for the cause of a just and scientific price for the farmers produce. Sri N. Ramachandra is vociferous in his argument for a just and scientific price for the farmers’ produce. Sri Gungurumale Janardhan formerly of District KRRS of Tumkur is also strong in his opinion for the need for the realization of the scientific price for farmers produce. Sri Jayaram of Madhugiri vehemently argues for a just price and scientific price for the farmers. Sri Nijananda Murthy is also vociferous in his argument for a price policy which speaks sense in terms of compensating farmers’ hard work.

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66 Sri Yajaman Shivanna, President of th eKollegal Taluk, Unit of KRRS now Vice president, Chamarajanagar District, unit of KRRS.
67 Sri Hosamalangi Shivanna nature farming farmer known in Karnataka well.
68 Sri Murthy, Convener of Ramanagar District, Unit of KRRS.
69 Sri Annappa, Progressive Farmer of Ramnagar District, Unit of KRRS.
70 Smt Anusuyamma, Ex. Convener of the women’s wing of KRRS.
71 Sri Nagaraju President, Bangalore district, unit of KRRS.
72 Dr. Venkata Reddy, President Chikkaballapur District, Unit of KRRS late Vice president KRRS at the State level.
73 Sri Nagaraju president, Kolar District unit of KRRS.
74 Sri N. Ramachandra, Former Convenor of KRRS, Tumukur district Unit.
75 Sri Gungurumele Janardhan, Secretary, Tumkur District, Unit of KRRS.
76 Sri Jayaram of Madhugiri taluk unit, President of KRRS.
77 Sri Nijanandamurthy of Gubbi taluk unit president of KRRS later president Tumkur District unit.
Sri Govindaraj⁷⁸, President Tumkur Unit of KRRS is an advocate by profession, he is very strong in his argument for a scientific price for the farmers’ produce. Sri Rangaswamy⁷⁹ of Parusharampur of Chitradurga, a senior leader in the movement vociferous in arguing for a just price for the farmers, which is a scientific price. Sri Bheema Reddy⁸⁰ of Chitradurga in his style of suave talk he reiterates the need for a scientific price. Sri Nulenuru Shankarappa⁸¹ of Holalkere taluk is a leader who builds mildly an argument for a scientific price, how the state has to ensure without fail to do better for the farmers.

Sri Mahadevappa⁸² of Challakere in his mild way argues how the pricing of agricultural commodities should be based on scientific line. Sri Rudramuni⁸³ Convener of Davanagere KRRS argues in his leftist medium how the pricing of agriculture products to be scientific. Sri Arun⁸⁴ of Davanagere is also very strong in his argument for a scientific pricing of agricultural produce. Sri Muniyappa⁸⁵ of Davanagere unit is also strong in his own way how heavily he puts his argument for the delivery of scientific price for the farmers produce to improve their lot from the problem they are in.

Sri Gurumutt⁸⁶ of Haveri district a senior leader of farmers is equally vehement in his argument for a scientific price for farmers. Sri B.C. Patil⁸⁷ of Darwar an advocate by profession is also equally strong in putting his argument for a scientific price. Sri Yajaman⁸⁸ of Darwar is a mild mannered Farmers leader in his own way he insists that the scientific price for farmers produce is a

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⁷⁸ Sri Govindaraj, President, Tumkur District, Unit of KRRS.
⁷⁹ Sri Rangaswamy, Vice-president, KRRS and now working president KRRS.
⁸⁰ Sri Bheema Reddy, President, District unit of KRRS, Chitradurga.
⁸¹ Sri Nulenuru Shankarappa, General Secretary District, unit of KRRS Chitradurga.
⁸² Sri Mahadevappa, Vice-president, Chitradurga District, Unit of KRRS.
⁸³ Sri Rudramuni, Convener of Davanagere District unit of KRRS.
⁸⁴ Sri Arun, Secretary, Davangere Distic, Unit of KRRS.
⁸⁵ Sri Muniyappa, President, Davangere, Unit of KRRS.
⁸⁶ Sri Gurumutt formerly president of DARWAR District, Unit of KRRS, now convener, Sugarcane Growers Association.
⁸⁷ Sri B.C. patil, formerly president Darwar, Unit of KRRS, now working president KRRS at state level.
⁸⁸ Sri. Yajaman, President, Darwar, Unit of KRRS.
must. Sri Siddapa Kajugar from Uttara Kannada district also bats for farmers in terms of their scientific price. Sri Bobate in his tyle of Marathi Kannada also argues how it is very important for farmers to have a scientific price for the farmers produce. Sri Hugar of Bijapur also argues for the need to realize a scientific price for the farmers produce, as it is essential to improve their lot. Mr Basavaraju Rachareddy of Gulbarga, Vice-president of the state unit of KRRS is equally strong in his opinion about the need to realize the scientific price for the farmers produce in this direction this movement should work strong in this direction. Sri Sharanappa of Shahpur is vehement is arguing for a scientific price for the farmer’s produce. Sri Basant reddy kreddy of Gulburga is suave in his manners of interestingly putting arguments for the scientific price, the central and State Governments should announce, thus mitigating the lot of the farmers. Sri Basavaraja Thambake from Bidar one of the senior most farmers leaders of the country, was equally vociferous in his argument for a scientific price for the farmers produce. For this he moved throughout the country to organize farmers for strong movement in this direction.

Mr. Basavaraja Thambake headed CIFA (Confederation of Indian Farmers’ Association) moved through the length of the country for the cause of farmers. Sri Shesha Ready form Raichur a senior leader in the movement lead farmers agitation for a scientific price for the farmers. Sri Sugana gowda a youth leader of the farmers also spoke vehemently for a scientific price for the farmers produce. Sri Channabasappa Bettadur of Manvi taluk in Raichur district fought throughout his life for a just price for the farmers produce. Sri
Chamarasa Mali Patil\(^{99}\) as a young farmer organized farmers for a better and just price for farmers and is even continuing even today for the cause of getting remunerative price for the farmers produce and crops. Sri Mallappa Kallappa\(^{100}\) of the students and youth wing of KRRS of Raichur fought successfully with the District unit to derive scientific price for the farmers produce and crops. Sri Veerannagowda\(^{101}\) of Bellalry also argued for a just price for the farmers and how there is a need of getting this to the farmers with any cost. Sri Veerasangaiah\(^{102}\) of Bellary is also a senior leftist leaning leader who lead farmers for a prolonged fight for a scientific price for the farmers. Sri Rajashekkara Gowda\(^{103}\) as leader of the KRRS also responsible for the historic agitations organized by KRRS to get a scientific and just price for the farmers produce and crop, Sri Bullapur Basavaraju\(^{104}\) of Shimoga is also a leader with vehemence arguing for a scientific price for the farmers produce. In this direction he has well organized many agitations of the farmers. Sri Kadidalu Shamanna\(^{105}\) one of the most senior leaders with KRRS, also raised the issue of scientific price for the farmers produce, So that their living can be made better. Sri Nagesh Konadur\(^{106}\) as a student of law fought for the farmers to realize their right for a just and scientific price. Sri Mylarappa sagara\(^{107}\), a folk singer was part of Gulbarga district unit of KRRS fought for farmers’ right for a scientific price. Sri Badagalapura Nagendra\(^{108}\), an advocate by profession vehemently argues for a scientific price for the farmers’ produce. In this direction organized many agitational programmes in the district of Mysore and at state level. Sri K.S. Nanjudegowda\(^{109}\) from Srirangapatna also fought for the farmers’ right to a

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\(^{99}\) Sri Chamarasa Mali patil of Manvi chief of Raichur District, Unit of KRRS later became president KRRS at the state level.

\(^{100}\) Sri Mallappa Kallappa, Students and youth wing leader of KRRS of Raichur district.

\(^{101}\) Sri Veeranna gowda, District president of Bellary Unit of KRRS late Honorary President KRRS.

\(^{102}\) Sri Veerasangaiah, Secretary General of KRRS at the State level.

\(^{103}\) Sri Rajashekkara Gowda, President, Bellary district, Unit of KRRS later honorary President KRRS.

\(^{104}\) Sri Bullapur Basavaraju, Simoga taluk, Unit present later becoming District Usnit President.

\(^{105}\) Sri Kadidalu Shamanna senior leader of the Shimoga, Unit of KRRS.

\(^{106}\) Sri Konandur Nagesh, President, Student Unit of KRRS, Shimoga District.

\(^{107}\) Mylarappa sagara, folk singer Gulbarga District.

\(^{108}\) Sri Badagalapura Nagendra, Secretary, Mysore District, Unit of KRRS now General Secretary, KRRS.

\(^{109}\) Sri K.S. Nanjundegowda, Vice-president, Mandy district unit of KRRS later Vice-President KRRS.
scientific price for the farmers, his arguments are highly persuasive. Sri Konasale Narasraju\textsuperscript{110} of Mandya also build strong arguments for a scientific price for farmers produce. As a leader of Maddur taluk and Mandya District he is responsible for organizing many agitaional programmes for this cause. Sri. Nagendra\textsuperscript{111} of Srirangapatna also argued vehemently for a scientific price for the farmers produce. Sri Puttaswamy\textsuperscript{112} a suave personality argues in his own style for scientific price for the farmers produce. Sri Govindegowda\textsuperscript{113} a mild mannered farmer’s leader put his own convincing arguments for the inevitable scientific price for the farmers produce. Sri Kempegowda\textsuperscript{114} of Araluguppe tried in his own way to give a better price for the farmers through his primary co-operative society of Araluguppe when he was the president. He vehemently argued for a scientific price. Sri Marilingegowda\textsuperscript{115} of Keragodu is another leader who vociferously built arguments for a scientific price for the farmers produce. Sri K. Borappa\textsuperscript{116} of Gopalapura also argued for a just price for the farmers produce and crops. Sri Muddegowda\textsuperscript{117} a young farmer’s leader build a strong argument for a scientific price for the farmers produce and crop. Sri Shankarappa\textsuperscript{118} of Hankere also builds strong voice of the farmers for a scientific price for the farmers produce. Sri Umesh\textsuperscript{119} of Maddur is a young leader of farmers’ movement who also believed in the scientific price for the farmers is essential to better their lot. Sri Chandrashekar\textsuperscript{120} of Gejjalagere as a young farmer in the movement was also vociferous in his argument for a scientific price for the farmers produce.

\textsuperscript{110} Sri Konasale Narasarju, President, Maddur, Unit of KRRS, Now president Mandya, Unit of KRRS.
\textsuperscript{111} Sri Nagendra, President, Sriranga patna, Unit of KRRS.
\textsuperscript{112} Sri Puttaswamy, Secretary of Srirangapatna Unit of KRRS.
\textsuperscript{113} Sri Govindegowda of Pandavapura taluk, Unit of KRRS later Vice-president, Mandya district, Unit of KRRS.
\textsuperscript{114} Sri Kempegowda, President, Pandavapura Unit of KRRS, Later member Mandya Jilla Panchayath.
\textsuperscript{115} Sri Marilingegowda Vice-president, Mandya District, Unit of KRRS.
\textsuperscript{116} Sri K. Borappa, Convener, District Unit of KRRS, Mandya later member, Mandya Jilla Panchayth.
\textsuperscript{117} Sri ZMuddegowda, President, District Unit of KRRS. Mandya
\textsuperscript{118} Sri Shivalingappa, District Uni leader Mandya.
\textsuperscript{119} Sri Umesh, President, Maddur, Unit of KRRS.
\textsuperscript{120} Sri Chandrashekar, Maddur taluk unit KRRS secretary.
price. Prof. Muzzaffar Assadi\textsuperscript{121} also argued for a just and even price for the farmers’ produce, which has been denied for a long time to the farmer.

The above discussion makes it very clear that the KRRS belief in a scientific price is very strong. The leadership at all levels speaks only in terms of scientific price. So the movement’s important work is to derive this price for the farmers’. Apart from this there is not much thought as an important programme. So what is this scientific price the movement means? A Scientific price defined in terms of Prof. M.D. Nanjundaswamy, the president of KRRS is to calculate the costs involved in the cultivation with family labour and profits\textsuperscript{122}. Which the Government price never takes into consideration while fixing the prices for various crops. The whole problem of agriculture and farmers is interpreted to be cause of the low price realized at the market end by the farmers. Farmers raise crops generally efficiently but the process of Compensation does not help him realize better price.

This causes lot of misery and deprivation for the Farmers. This has been taken by the Farmers movement as a serious lapse of the system in failing to deliver better price vis-a-vis better living for the farmers. This has made the farmers movement and leaders to accept the fight for a just price and a scientific price becoming one of the most important programmes.

An argument for a scientific price simply connotes in a given time how the pricing is made based on the available information. This price made on a given information is a price derived for the time in the context and for not all times to come. In the demand of the Farmers movement an argument of a scientific price does not make this element clear. So the price determined based on the facts of inputs price, cost of cultivation, family labour, Land value of a given time, give us a price which is scientific for that season and cannot be applied for all seasons.

\textsuperscript{121} Professor Muzaffar Assadi, DOS in POI. Science, University of Mysore.
\textsuperscript{122} Nammanadu Editorial “What is a scientific price” 20-4-1984, p.2.
Therefore the mechanism of pricing becomes a permanent phenomenon. The state organized the pricing mechanism through a national commission on Agricultural costs and prices. This commission recommends a price for all crops taking into consideration all possible costs involved in the production of a particular crop. On the basis of continuously collecting data the commission recommends a price for the season, which the Government after scrutiny announce the price of a crop as a minimum support price.

Commission on Agricultural Costs & Prices

The Agricultural prices commission was set up in January 1965, to advise the Government of India on price policy of major Agricultural Commodities with a view to evolving a balance and integrated price structure in the perspective of the overall needs of the economy and with due regard to the interests of the producer vis-à-vis farmer and the ultimate consumer. Since March 1985, the commission has been known as commission for Agricultural costs & prices (MACP).

The commission is composed of a Chairman, a member secretary, two official members and three non-official members. The non-official members are representatives of the farming community. They are usually persons with long field experience and active association with farming community.

Assurance of a remunerative and stable price environment is considered very important for increasing agricultural production and productivity since the market price for Agricultural produce tends to be inherently unstable, which often inflict undue losses to the farmers, even when they adopt the best available technology and produce efficiently. Towards this end, minimum support prices (MSP) for major Agricultural products are fixed by the Government each year, after taking into account the recommendations of the commission for Agricultural cost & prices (CACP).

While formulating these recommendations the commission analyses a wide spectrum of data, covering the costs of cultivation/production trends and
spread of input use, production and productivity of the crop concerned, market
prices, both domestic and global inter-crop price parity, emerging supply and
demand situation, procurement and distribution, terms of trade between
Agriculture and non-agriculture sectors and so on. Since the price policy
involves certain considerations of long run consequences, the commission also
looks at the yield raising research being conducted by institutions like Indian
council of Agricultural Research (ICAR). The basic data are generally collected
from the directorate of Economics & Statistics, State governments, Central
ministries and the nodal agencies concerned with the implementation of
Agricultural price policy. Besides the commission undertake field visits for close
interaction with farmers in different parts of the country and also have wider
consultations with senior officers, researchers and managers of relevant
organizations.

Terms of reference

The terms of reference of the commission are as under:

1. To advice on the price policy of paddy, Rice, Wheat, Jowar, Bajra, Maize,
Ragi, Barley, gram, Tur, Moong, Urad, Sugarcne, groundnut, Soyabean,
sunflower seed, rapeseed and mustard, cotton, jute, Tobacco and such
other commodities as the government may indicate from time to time
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
interests of the produced and the consumer.

2. While recommending the price policy and the relative price structure, the
commission may keep in view the following:

(a) The need to provide incentive to the producer for adopting improved
technology and for developing a production pattern broadly in the light of
national requirements.

(b) The need to ensure rational utilization of land, water and other production
resources.
(c) The likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, industrial cost structure etc.

3. The commission may also suggest such non-price measures as would facilitate the achievement of the objectives set out in the (a) above.

4. To recommend from time to time, in respect of different agricultural commodities, measures necessary to make the price policy effective.

5. To take into account the changes in terms of trade between agricultural and non-agricultural sectors.

6. To examine, where necessary, the prevailing methods and cost of marketing of agricultural commodities in different regions, suggest measures to reduce costs of marketing and recommend fair price margins for different stages of marketing.

7. To keep under review the developing price situation and to make appropriate recommendations, as and when necessary, within the framework of the overall price policy.

8. To undertake studies in respect of different crops as may be prescribed by government from time to time.

9. To keep under review studies relating to the price policy and arrangements for collection of information regarding Agricultural prices and other related data and suggest improvements in the same and to organize research studies in the field of price policy.

10. To advice on any problems relating to agricultural prices and production that may be referred to it by government from time to time.

From time to time, the terms of reference of the commission have been modified and expanded to keep in step with the change in agricultural scenario of the country. From the year 1994-95 onward, nigerseed and sea-sum were
included under the minimum support price (MSP) scheme of CACP, in addition to the edible oilseeds already covered by the commission. Similarly, during 2001-2002, the government enhanced the terms of reference of the commission by including one additional commodity, namely lentil (masur). The numbers of crops covered by the MSP scheme have thus increased to 25.

**Functions:**

**Determinations of minimum support prices:**

In formulating recommendations in respect of the level of minimum support prices and other non-price measures, the commission takes into account, apart from a comprehensive view of the entire structure of the economy of a particular commodity or group of commodities, the following factors:

- cost of production
- changes in input prices
- input-output price parity
- Trends in market prices
- Demand and supply
- intercrop price parity
- effect on industrial cost structure
- effect on cost of living
- effect on general price level
- international price situation
- parity between prices paid and prices received by the farmers
- Effect on issue prices and implications for subsidy.

The estimates of cost of cultivation/cost of production which is an important input for forming these commendation of MSP, are made available to the commission through the comprehensive scheme for studying the cost of cultivation of principal crops, operated by Directorate of Economics and Statistics, Department of agriculture and co-operation, ministry of agriculture,
Government of India. These estimates takes into account real factors of production and include all actual expenses in cash and kind incurred in production by the farmer, rent paid for leased land, imputed value of family labour, interest value of owned capital assets (excluding land), rental value of owned land (net of land revenue) depreciation on farm implements and buildings and other miscellaneous expenses.

This makes use of both micro-level data and aggregates at the district level, state and the country. The information/data used by the commission include the following:

- Cost of Cultivation per hectare and structure of costs in various regions of the country and changes there in
- Cost of production per quintal in various regions of the country and changes therein.
- Prices of various inputs and changes therein
- Market prices of products and changes therein
- Prices of Commodities sold by the farmers and of those purchased by them and changes therein
- Supply related information – area, yield and production, imports, exports and domestic availability and stocks with the government/public agencies or industry.
- Demand related information – total and per capita consumption, trends and capacity of the processing industry.
- Prices in the international market and changes therein, demand and supply situation in the world market.
- Prices of the derivatives of the Farm products such as Sugar, Jaggery, Jute Goods, edible/non-edible oils and cotton and changes therein.
- Cost of processing of agricultural products and changes therein.
- Cost of marketing, storage, transportation, processing, marketing services, taxes/fees and margins retained by market functionaries.

- Marco-economic variables such as general level of prices, consumer price indices and those reflecting monetary and fiscal factors.

As mentioned already, 25 agricultural commodities are currently covered under the mandate given to CACP for advising the government in respect of the price policy. The commission is required to convey its recommendations to the government well before the sowing season of the crop, with a view to interacting with various interest groups the commission follows the below sequence of steps:

- The Commission identifies the main issue of relevance for the ensuing season (short, medium and long term).

- The commission also interacts with research, academic institutions and keeps track of relevant studies and their findings.

- The commission visits certain areas for on the spot observations and feedback from local level organizations and farmers.

**Non-price measures:**

While recommending the price policy the commission also suggests such non-price measures as would facilitate achievement of the objectives of the policy. In this regard, the commission has been emphasizing the following:

a) Establishment/ strengthening of agencies for implementation of declared price support policy.

b) Extension of proven technology to areas where it still needs to be adopted.

c) Evolution of suitable technology for augmenting yield and production of crops.
d) Reform of market regulations and setting up of new markets in areas where agricultural production has made sizeable improvement.

e) Improvement in Grading of agricultural produce and expansion of proper storage facilities.

f) Arrangement for timely and speedy transportation of agricultural commodities from surplus areas.

g) Buffer stock operations to impart stability to domestic price stabilization

h) Utilizing the medium of external trade for domestic price stabilization.

i) Fiscal measures including adjustments in duties/taxes/levies.

j) Development of appropriate technology for processing of agricultural produce.

k) Improving the data base for formulation of price policy.

**Minimum Support Prices (MSP)**

Minimum Support price (MSP) is a form of market intervention by the government of India to insure Agricultural producers against any sharp fall in farm prices. The minimum support prices are announced by the Government of India at the beginning of the sowing season for certain crops on the basis of the recommendations of the commission for Agricultural cost and prices (CACP). MSP is fixed by Government of India to protect the producer-Farmers- against excessive fall in price during bumper production years. The minimum support prices are a guarantee price for their produce from the government. The major objectives are to support the farmers’ from distress sales and to procure food grains for public distribution. In case the market price for the commodity fall below the announced minimum price due to bumper production and glut in the market, government agencies purchase the entire quantity offered by the farmers at the announced minimum price.
Minimum support prices are currently announced for 24 commodities including seven cereals (paddy, Wheat, barley, Jowar, bajra, Maize and Ragi), five pulses (gram, arhar/tur, moong, urad, and lentil), eight oilseeds (groundnut, rapeseed / mustard, toria, Soyabeen, sunflower seed, sesum, safflower seed and miger seed) Copra, raw cotton, raw jute and Virginia flu cured (VFC) tobacco.

Such minimum support prices are fixed at incentive level, so as to induce the farmers to make capital investment for the improvement of their farm and to motivate them to adopt / improved crop production technologies to step up their production and there by their net income. In the absence of such a guaranteed price, there is a concern that farmers may shift to other crops causing shortage in these commodities.

**Historical context:**

The emergence of Agricultural price policy in India was in the backdrop of food scarcity and price fluctuations provoked by drought, floods and international prices for exports and imports. This policy in general was directed towards ensuring reasonable food prices for consumers by providing food grains through public distribution system (PDS) and inducing adoption of the new technology for increasing yield by providing a price support mechanism through minimum support price (MSP) system.

In recognition of the importance of assuring reasonable produce prices to the farmers, motivating them to adopt improved technology and to promote investment by them in farm enterprises, the Agricultural prices commission, (renamed as the commission for Agricultural costs and prices in 1985) was established in 1965 for advising the Government on Agricultural price policy on a continuing basis. The thrust of the policy in 1965 was to evolve a balanced and integrated structure to meet the overall needs of the economy and with due regard to the interests of the producers and the consumers. The first commission was headed by Prof. M.L. Dantawala and in its final report the commission suggested the minimum support prices for paddy.
Method of Calculation:

In formulating the recommendations in respect of the level of minimum support prices and other non-price measures, the CACP takes into account a comprehensive view of the entire structure of the economy of a particular commodity or group of commodities. Other factors include cost of production, changes in input prices, input-output price parity, trends in market prices, demand and supply, inter-crop price parity, effect on industrial cost structure, effect on cost of living, effect on general price level, international price situation, parity between prices paid and prices received by the farmers and effect on issue prices and implications for subsidy. The commission makes use of both micro-level data and aggregates at the level of district, state and the country.

Supply related information: area, yield and production, imports, exports and domestic availability and stocks with the government/public agencies or Industry, cost of processing of Agricultural products, cost of marketing – storage, transportation, processing, marketing services, Taxes/fees and margins retained by market functionaries etc. are also factored in.

Cost of Production: Cost of production is generally considered the most important factor in the determination of the minimum support prices.\(^{123}\) The commission's approach to cost has been the MSP’s should be fixed on the basis of an adequate margin over C2 in the relatively low cost states, but paying full attention to the A2 + FL cost in the high cost states. The All India weighted average modified C2 costs of production of paddy for 2009-10 was Rs. 670 per quintal. It may be noted that the MSP of Rs. 1000 (which includes bonus of Rs. 50) for common variety of paddy fixed by the government was 49 percent higher than C2 cost in 2009-10. The projected all India weighted average C2 cost of production of paddy 2010-11 is Rs. 142 and the modified C2 cost including insurance premium, marketing and transportation is Rs. 766. Even if we keep the MSP at last year's level of Rs. 1000, MSP would be higher by 34 percent over C2.

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\(^{123}\) Price-policy for 2010-11 season, the report of the Agricultural costs and prices commission, Government of India, P. 111.
cost and 31 percent over modified C2 cost in 2010-11. It covers A2+FL for all states and C2 cost for 16 out of 18 states. However, there is a case for some increase in MSP for Paddy due to rise in cost of production.

Table 28: MSP over C2 cost for Kharif crops 2009-10

<table>
<thead>
<tr>
<th>Crops</th>
<th>MSP (Rs)</th>
<th>C2 Cost (Rs)</th>
<th>MSP over C2 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>1000</td>
<td>670</td>
<td>49.3</td>
</tr>
<tr>
<td>Jowar</td>
<td>840</td>
<td>824</td>
<td>1.9</td>
</tr>
<tr>
<td>Bajra</td>
<td>840</td>
<td>695</td>
<td>20.9</td>
</tr>
<tr>
<td>Maize</td>
<td>840</td>
<td>767</td>
<td>9.5</td>
</tr>
<tr>
<td>Ragi</td>
<td>915</td>
<td>877</td>
<td>4.3</td>
</tr>
<tr>
<td>Jur(Arhar)</td>
<td>2300</td>
<td>2231</td>
<td>3.1</td>
</tr>
<tr>
<td>Moong</td>
<td>2760</td>
<td>2759</td>
<td>0.0</td>
</tr>
<tr>
<td>Urad</td>
<td>2520</td>
<td>2294</td>
<td>9.9</td>
</tr>
<tr>
<td>Groundnut</td>
<td>2100</td>
<td>1919</td>
<td>9.4</td>
</tr>
<tr>
<td>Soybean</td>
<td>1350</td>
<td>1233</td>
<td>9.5</td>
</tr>
<tr>
<td>Sunflower</td>
<td>2215</td>
<td>1934</td>
<td>14.5</td>
</tr>
<tr>
<td>Seasmum</td>
<td>2850</td>
<td>3107</td>
<td>-8.3</td>
</tr>
<tr>
<td>Nigerseed</td>
<td>2405</td>
<td>2389</td>
<td>0.7</td>
</tr>
<tr>
<td>Cotton</td>
<td>2500 &amp; 3000</td>
<td>2135</td>
<td>17.1 and 40.5</td>
</tr>
</tbody>
</table>

Source: Price policy for 2010-11 season, the report of the Agricultural cost and prices commission, Govt. of India, P. 111.

In the case of pulses, there has been significant rise in wholesale and retail prices in the year 2009-10, as compared to previous year due to supply shortages. There is a need for giving incentives for pulses particularly for tur in order to increase area and production for this group of crops. In order to provide incentives for farmers, there is a case for significant enhancement in MSP for pulses. Similarly there is a case for increasing MSP for oilseeds to enhance production as India has 40 to 50 percent shortage of edible oils. The MSP for Cotton rose by nearly 40 percent in 2008-09 as compared to the previous year.
The MSP 209-10 for cotton covers projected A2 + FL costs for all states and C2 for least cost states in 2010-11. It also has some margin over the modified C2 cost for the same year and therefore a case for increasing cotton MSP is limited.

The commission also made comparisons between the projections of costs made by CACP and those provided by the states. The comparable estimates show that the projected C2 costs of production per quintal for paddy given by the states are higher than those of CS estimates in respect of Andhra Pradesh and Haryana. The C2 costs provided by Maharashtra, Uttarakand and West-Bengal were closer to those of CACP estimates in the case of Jowar, the C2 costs per quintal provided by states is lower than those of CS estimates for Andhra Pradesh and Maharasra. Similarly the C2 cost per quintal provided by states is higher than the CS estimates for tur in Andhrapradesh and Maharastra and lower for Uttar Pradesh. In the case of cotton the projected C2 costs provided by states are higher than CS estimates for Andhrapradesh, Haryana, Maharasra and lower for Madhya Pradesh.

Certain summary parameters are also presented for MSP by the commission, in the long-run farm harvest prices and implicit prices for each crop. It shows for each crop what the actual national average farm price would be if the real farm price (the Farm price divided by the WP1 of all commodities) was maintained at its average for the past five years with overall inflation up to 2008-09 marketing season being used. The data for farm harvest prices have been obtained from official sources while the data on implicit prices have been obtained from the comprehensive scheme.

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### Table 29: Long-run farm prices & their co-efficient of variation

<table>
<thead>
<tr>
<th>Crops</th>
<th>MSP (Rs/qH) 2009-10</th>
<th>Farm harvest prices (Rs/QH)</th>
<th>Implicit price from Comprehensive schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Five yrs average</td>
<td>CV</td>
<td>1.5 Std deviation below 5 yrs average</td>
</tr>
<tr>
<td>Paddy</td>
<td>1000</td>
<td>808.66</td>
<td>10.35</td>
</tr>
<tr>
<td>Cotton</td>
<td>2500</td>
<td>3468.22</td>
<td>39.14</td>
</tr>
<tr>
<td>Jawar</td>
<td>840</td>
<td>841.38</td>
<td>12.99</td>
</tr>
<tr>
<td>Bajra</td>
<td>840</td>
<td>812.63</td>
<td>16.01</td>
</tr>
<tr>
<td>Maize</td>
<td>840</td>
<td>730.53</td>
<td>20.91</td>
</tr>
<tr>
<td>Ragi</td>
<td>915</td>
<td>1046.51</td>
<td>37.58</td>
</tr>
<tr>
<td>Thr (avhar)</td>
<td>2300</td>
<td>2756.24</td>
<td>20.11</td>
</tr>
<tr>
<td>Moong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urad</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Groundnut</td>
<td>2100</td>
<td>2389.59</td>
<td>12.06</td>
</tr>
<tr>
<td>Soyabean</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunflower</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seasmum</td>
<td>2850</td>
<td>3669.62</td>
<td>36.21</td>
</tr>
</tbody>
</table>

Source: The report of the agricultural costs and prices commission, 2010-11, P-113.

**Explanations:**

X = 5 years average ending (2008-09) Cal price multiplied by assumed WP1 (all commodities) for 2009-10, where real price is farm price divided by WP1 for all commodities.

Y = Co-efficient of variations (CV) of real prices for 5 years data.

Z = Z = X (1.0015 Y)

The table shows the MSP is higher than farm harvest prices for paddy, Bajra and Maize. Where as it is lower for other crops. In the case of Jowar, the prices are similar. The table also gives the co-efficient of variation of these real harvest prices and an indicative price which is less than the weighted average farm price by 1.5 standard deviation. There is significant probability that MSP operations will be required if the MSP is higher than the indicative price. The table also shows that MSP was much higher than the inductive price for all the crops. The five year averages of implicit prices are lower than current MSP for all the crops.

**Globalization and Pricing**

In the context of Globalization, the Commission also considers the world price situation and this needs to be done in the longrun context taking into account the weighted average Global price over a few years as also their co-efficient of variation. The below table presents both the five year and B three year dollar price averages ending 2009-10 as well as the actual for the latest available quarter. The co-efficient of variation of these dollar prices are also presented figures are also given for the Rupee equivalent of these, applying the exchange rate of last week of every month for different years. It may be noted that the comparisons should be made with caution since any valid comparison would require taking into account costs of such as insurance, forget trade and transport margin as well as tariffs. The table also shows that the variations in Global prices are such larger than the domestic prices for all the crops. Also the latest international price was considerably higher than its five or three year average for soyabean, maize sorghum and groundnut. For paddy the international price was lower than the MSP and FCI’s current economic cost. The intentional prices were higher than domestic MSP for soybeans, cotton, groundnut and seasum lower for maize and sorghum.
Table 30: International price parameters

<table>
<thead>
<tr>
<th>Crops</th>
<th>Us 5 yrs average</th>
<th>Dollar pen 3 yrs average</th>
<th>tone quarter ending Dec 2009</th>
<th>C.V</th>
<th>Rupee 5yrs average</th>
<th>Per 3 yrs average</th>
<th>Quintal quartering dce 2009</th>
<th>C.V</th>
<th>1.5 S.D below 5 yrs average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soybeans</td>
<td>377.45</td>
<td>447.96</td>
<td>439.33</td>
<td>28.76</td>
<td>1679.74</td>
<td>1989.86</td>
<td>2038.17</td>
<td>29.43</td>
<td>938.26</td>
</tr>
<tr>
<td>maize</td>
<td>154.57</td>
<td>184.10</td>
<td>167.84</td>
<td>30.85</td>
<td>686.61</td>
<td>815.14</td>
<td>778.57</td>
<td>30.41</td>
<td>373.41</td>
</tr>
<tr>
<td>Rice (thanland) 35%</td>
<td>277.95</td>
<td>300.09</td>
<td>N.A</td>
<td>30.85</td>
<td>1209.44</td>
<td>124.85</td>
<td>N.A</td>
<td>3.94</td>
<td>1137.87</td>
</tr>
<tr>
<td>Sovrgum</td>
<td>148.14</td>
<td>173.86</td>
<td>163.80</td>
<td>30.85</td>
<td>657.35</td>
<td>768.40</td>
<td>759.92</td>
<td>27.48</td>
<td>386.38</td>
</tr>
<tr>
<td>Collalindex</td>
<td>1367.17</td>
<td>1450.62</td>
<td>1580.11</td>
<td>30.85</td>
<td>6078.77</td>
<td>6427.75</td>
<td>7331.76</td>
<td>10.57</td>
<td>5114.85</td>
</tr>
<tr>
<td>Groundnut</td>
<td>1105.91</td>
<td>1319.58</td>
<td>1150.00</td>
<td>28.15</td>
<td>5011.44</td>
<td>6005.29</td>
<td>5426.85</td>
<td>2577</td>
<td>3074.62</td>
</tr>
<tr>
<td>Sunflower seed</td>
<td>1507.17</td>
<td>1534.54</td>
<td>1544.59</td>
<td>5.89</td>
<td>672755</td>
<td>6810.01</td>
<td>7237.69</td>
<td>5.58</td>
<td>6164.64</td>
</tr>
<tr>
<td>Sea sum seed</td>
<td>1400.00</td>
<td>1400.00</td>
<td>N.A</td>
<td>0.00</td>
<td>6101.05</td>
<td>5750.00</td>
<td>N.A</td>
<td>5.37</td>
<td>5609.86</td>
</tr>
</tbody>
</table>

Note: 1. Five year average refers to 2005-06 to 2009-10. 3 years average refers to 2007.08 to 2009-10
   Source: The report of the agricultural costs and prices commission, 2010-11, P-116.
2. ** Rupee conversion as given from reserve bank of India for different years.
3. C.V = coefficient of variation
4. SD = standard deviation.
Price parity across crops

In the determination of MSP the commission also considers the issue of price parity across crops in terms of increase in MSP over time. The table shows that the MSP for paddy increased 96 percent between 2000-01 and 2009-10. The corresponding increase for other crops ranged between 54 percent for cotton to 130 percent for moong. For majority of the crops the rate of increase is lower than paddy. The MSP for Ragi moong urad Sesuam and origerseed.

Costs such as insurance, freight, trade and transport margins as well as tariffs. The table also shows that the variations in global prices are much larger than the domestic prices for all the corps. Also the latest International price was considerably higher than its five or three year average for soyabeans, maize, sorghum and groundnut. For paddy the international price was lower than the MSP and FCI’s current economic cost. The International prices were higher than domestic MSP for Soyabeans, Cotton, Groundnut and Sesayam and lower for Maize and Sorghum.

Price Parity across crops

In the determination of MSP, the commission also considers the issue of price parity across crops in terms of increase in MSP over time. The table shows that the MSP for paddy increased 96 percent between 2000-01 and 2009-10. The corresponding increase for other crops ranged between 54 percent for cotton to 130 percent for moong. For majority of the crops, the rate of increase is lower than paddy. The MSP for Ragi, moong urad, sesameum and nigerseed have increased faster than paddy. This should give incentives to grow these crops. However it is also true that non-price factors like technology irrigation are equally important as price alone cannot improve productivity in pulses and oilseeds.
Table 31: Inter-Crop price parity in terms of change of MSP during 2000-01 to 2009-10

<table>
<thead>
<tr>
<th>Crops</th>
<th>MSP 2000-01</th>
<th>MSP 2009-10</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>510</td>
<td>1000*</td>
<td>96.1</td>
</tr>
<tr>
<td>Jowar</td>
<td>445</td>
<td>840</td>
<td>88.8</td>
</tr>
<tr>
<td>Bajra</td>
<td>445</td>
<td>840</td>
<td>88.8</td>
</tr>
<tr>
<td>Maize</td>
<td>445</td>
<td>840</td>
<td>88.8</td>
</tr>
<tr>
<td>Rago</td>
<td>445</td>
<td>915</td>
<td>105.6</td>
</tr>
<tr>
<td>Tur (arhar)</td>
<td>1200</td>
<td>2300</td>
<td>91.7</td>
</tr>
<tr>
<td>Moong</td>
<td>1200</td>
<td>2760</td>
<td>130.0</td>
</tr>
<tr>
<td>Urad</td>
<td>1200</td>
<td>2520</td>
<td>110.0</td>
</tr>
<tr>
<td>Groundnut</td>
<td>1200</td>
<td>2100</td>
<td>72.1</td>
</tr>
<tr>
<td>Soyabean</td>
<td>775</td>
<td>1350</td>
<td>74.2</td>
</tr>
<tr>
<td>Sunflower</td>
<td>1170</td>
<td>2215</td>
<td>89.3</td>
</tr>
<tr>
<td>Sesamum</td>
<td>1300</td>
<td>2850</td>
<td>119.2</td>
</tr>
<tr>
<td>Nigerseed</td>
<td>1025</td>
<td>2405</td>
<td>134.6</td>
</tr>
<tr>
<td>Cotton</td>
<td>1625</td>
<td>2500</td>
<td>53.8</td>
</tr>
</tbody>
</table>

Note: * = includes bonus


Considering all these factors and after consultations with all the stake holders, the commission recommends the minimum support prices for various crops.

The CACP also recommends that:

(a) Along with the thrust on strategies for accelerated growth of food production, there should be greater focus on research efforts and the requisite search, extension yields per hectare as well as efficient use of the available resources.
(b) The Government should on priority carryout a review of the state of procurement operations in the non-traditional areas of the country aimed at imitating corrective measures. Associating various appropriate agencies available in the states other than the usually enlisted organizations (ex: co-operative organizations, SHGs) for procurement operations, needs to be given serious consideration.

(c) The Government should consider providing food items for daily use including coarse grains, through authorized outlets at reasonable prices along with the traditional public distribution system, so that their availability across the country is assured to the public and price rise could be kept under check.

(d) Any sound strategy for agricultural development should have an integral component for adaptation to the impact of climate change through action plans in areas such as agricultural research to evolve varieties that are climate resilient as well as cope with the likely increases in water stress.

(e) The plan priorities and related schemes/programmes for irrigation development should follow balanced approach with greater thrust on micro irrigation and enhanced efficiency in water utilization as well as limited extraction of ground water in over exploited regions along with its increased utilization in under –exploited regions.

(f) The Government should follow a two pronged strategy in the seed sector: Increased SRR to the advisable levels in respect of various crops and lay equal emphasis on the production of quality/hybrid seeds.

(g) Along with the thrust on increased availability of farm credit, there should be emphasis on the greater inclusion of new farmers, especially small and marginal, under institutional coverage as well as the increased outreach of co-operative credit societies.

(h) The monitoring and evaluation aspects of MNREGA have to be adequately strengthened with greater role for social audit and the
implementation may be focused towards off-season times when the agricultural operations are not in peak, laying emphasis on agriculture related activate, with appropriate regional variations, through requisite amendments in the operational guidelines, so that the usual agricultural work in the areas may not face problems in obtaining sufficient farm labour.

(i) Urgent steps are to be taken no notify the rule that are pending under the new/amended statutes pertaining to agricultural markets as well as bring in or improve the basic infrastructure and facilities in these markets, so that the mandis facilitate and not frustrate the production and other related activities on the farm front.

(j) Greater emphasis should be laid on the post-harvest management of agricultural commodities through development of appropriate technologies and facilities as well as development of small and medium scale food processing units.

(k) Concerted efforts have to be made through effective extension services for immediately spreading about the pulses varieties &technologies developed in the research organizations to the farmers’ field.

(l) In order to bring level playing field for the benefit of the farmers and also domestic oil sector government needs to review the present import duty structure on edible oils.

(m) Keeping in view the urgent need to augment domestic availability of edible oils, the productivity of all the oilseed crops especially of oil palm and tree borne oilseeds should be given special attention by replacing the existing integrated scheme of oilseeds, pulses, oil palm and maize (ISO POM) to a newly constituted technology mission for oilseeds.

(n) Ministry of textiles may look into the grievance of the cotton industry regarding low priority being given to by-products of cotton, which suffer from family processing traditional crushing techniques, lack of extension
education etc., and may take appropriate remedial measures, either through a new scheme or through the existing technology mission on cotton.

(o) Ministry of textiles should look into the limitations in the capacity expansion of the domestic textile mills with a view to increasing the export of value added cotton products like yarn, fabrics and textiles.

(p) DES and Tobacco board need to sort out the discrepancy in the cost of cultivation data collected by directorate of Tobacco development and central Tobacco research institute and consider extension of coverage for collection of cost of cultivation data to Karnataka also.

One of the major discourse of the farmers movements is the demand for a scientific price for their produce in the market. The vehemence with which the movement speaks makes it very clear that this demand is one of the core of the demands of the movements. Leader after leaders speaks in the same language about this demand. As Prof. M.D.Nanjundaswamy makes it in no emphatic term as the “one” and “yes” of its importance in the betterment of the farmers’ of, as is clearly reflected in the document. In the course of our discussion with MDN makes it that the derivation of a scientific price is the major action programme for the movement. It is this vehemence of the leadership from top of the movement to the bottom which calls for a verification whether there is any sacrosanct a scientific price other than the one we have in terms of the support price or procurement price the country has.

From the Government side there is a price policy which is announced often in the crop season. May be a deliberate mechanism being followed in recent years because of the emergence of the Farmers’ movements agitating for

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126 Ibid P.13 and in his speech in Cubbon Park in Bangalore, on Oct. 2. 1982.
127 Prof M.D.N. dialogue on 1.2.1982. Bangalore
the one, at an all India level. Where this type of a policy announcement cannot be seen pre-1980 agricultural scenarios. Particularly post-1989 general elections makes it’s inevitable for whatever the shade of the government they have to mandatorily announce a price policy before the crop season. Because the general elections of 1989 brought the inevitability on the part of all political parties to declare their commitment for a better price for the Farmers produce, because Farmer, Agriculture became the central point of discussion and political dialogue, discourse for the political parties to declare their commitment for bettering agriculture as a sector and bettering the dependants on this sector, Farmers to live a better life. Even this became politically a vote catching device for the political parties to vie-one over the others in their commitment for bettering agriculture and Farmers, who are hither too, been neglected as an activity or sector and Farmers as dependant not being bothered at all in the development planning. This Prof. D.M. Nanjundappa called the rural urban conundrum in the development of India.

Though Agricultural price commission was in existence from 1965 to advice government of India on price, since March 1985, the commission has been renamed as the commission for agricultural costs and prices. Minimum support price for major Agricultural products are fixed by the government of India, each year, after taking into consideration the recommendations of the Commission for Agricultural costs and prices (CACP)

While formulating the recommendations the commission analyses a wide spectrum of data, covering the costs of cultivation/production, trends and spread of input use, production of and productivity of the crop concerned, market prices both domestic and global, inter-crop price parity, emerging supply and demand situation, procurement and distritontion, terms of Trade (T/T) between agriculture and non-agriculture sectors since the price policy involves certain consideration of long run consequences, the commission also looks at the yield

129 Prof. D.M. Nanjundappa, Secretary, planning ministry, government of Karnataka from 1974-79 in his presidential address of the Indian economic association 1977 Dec 28th, Jabalpur, Madhya Pradesh.
raising research being conducted by institutions like Indian Council of Agricultural research. The basic data one generally collected from directorate of economics and statistics, state governments, central ministries and the nodal agencies concerned with the implementation of Agricultural price policy. Besides the commission undertakes field visits for close interaction with Farmers in different parts of the country and also have wider consultations with senior officers, researchers and managers of relevant organizations. It also examines the existing methods and cost of marketing of agricultural commodities in different regions and suggests measures to reduce costs of marketing and recommend fair price margins for different stages of marketing.

Minimum support prices are announced for 24 commodities including seven cereals (paddy, wheat, barley, jowar, bajra, maize and ragi), five pulses (gram, arhar/tur, moong, urad and lentil), eight oilseeds (groundnut, rapeseed/mustard, toria, soyabean, sunflower seed, sesamum, suflowerseed, nigerseed), copra, raw cotton, raw jute and Virginia flu cured tobacco.

These minimum prices are announced at incentive level, so as to induce the Farmers to make capital investment for the improvement of their farm and to motivate them to adopt/improved crop production technologies to step up their production and thereby their net income. In the absence of such a guaranteed price, there is a concern that Farmers may shift to other crops causing shortage in these commodities.

Inspite of these factors being taken care of by the price policy of the government the Farmer’s Movement feel, they are not satisfied with the announced support price for the season. This leads to a suspicion, whether there is something which has not been considered by the CACP or whether there is something missing with the perception of the scientific price Farmers speak and the announced support price of the Government on the recommendations of the CACP.
Dr. Ashok Gulati\textsuperscript{130} speaks of price incentives for the Farmers. Dr. M.A.C. Haque the former Chairman, commission for the agricultural costs and prices commission argued vehemently, that the recommendations of CACP are the remunerative price, which are based on the vast groundwork of government agencies working at Central level, State level and in the fields, the recommendations of the CACP is the best pricing for the commodities, which remunerates the Farmers best.\textsuperscript{131} Prof. Bisitaiah,\textsuperscript{132} former chairman of Karnataka commission for agricultural costs and prices argues that there is nothing unscientific in the minimum support prices announced by the Government of India’s CACP, we at the state level add to the MSP and announce a better remunerative price for the farmers. He fervently discusses how the CACP tries to make the MSP more remunerative to the Farmers.

Prof P.C. Chengappa,\textsuperscript{133} Farmer Vice-chancellor of the university of agricultural sciences, Bangalore and professor of agricultural economics at UAS is of the opinion the MSP announced by the Central CACP and State CACP are remunerative to the farmers’ produce since they include all possible costs in calculating a remunerative price involving in recommending an MSP for a crop. This is the most scientific method we have at present.

Dr. P.C. Mandanna,\textsuperscript{134} echoed the same sentiment about the pricing policy of the State. There is nothing unscientific as alleged by farmers. Dr. Mandanna made a study on the VFC Tobacco crop and pricing for the Farmers. So he was emphatic. Prof Prakash Kammaradi,\textsuperscript{135} another Agricultural economics Professor, emphatically declaring the MSP is the best price the State can offer. Instead of terming this price an unscientific the Farmers should be efficient in their agricultural practices by adopting organic and zero budget Farming practices which makes MSP a remunerative price. Prof. Lawrence

\textsuperscript{130} Dr. Ashok Gulati – “Look-up for silver lining” economic times, 12-sept 2013, Bangalore. P-12.
\textsuperscript{131} In the course of our discussion with him in Delhi, May 13, 2011.
\textsuperscript{132} Prof Bisitaiah, Professor of Agricultural university made chairman of State CACP, Karnataka 2007-09.
\textsuperscript{133} Prof. P.C.Chengappa, Professor of Agricultural economics, university of agricultural sciences, Bangalore.
\textsuperscript{134} Dr. Mandanna, Professor of Agricultural economics, university of agricultural sciences, Bangalore.
\textsuperscript{135} Prof. Prakash, Kammaradi, Professor of Agricultural economics, university of agricultural sciences, Bangalore.
Surendra\textsuperscript{136} emphatical in his argument of how the pricing mechanism of CACP works and nothing unscientific in it. The Farmer’s practices make the use of land inefficient and announced MSP do not compensate their costs. So an announced MSP, according to him is highly scientific.

Prof. Janakarajan\textsuperscript{137} an international irrigation expert with MID’S argues the argument of Farmers of a scientific price do not stand the test of reasoning. Because CACP is a big institutional mechanism which has the capacity to collect the ground level information to work out a better price for different crops, of different regions. Alleging MSP as unscientific is not based on the actuality.

Another professor of MIDS, Vaidyanathan\textsuperscript{138} is also emphatic in arguing for the scientificness of an MSP announced by the Government of India on the recommendations of the CACP. As the CACP is a specialized institution equipped with all where-with-all to collect data and information at all levels. So the MSP is the best mechanism of pricing we have in the country avers Vydyanathan.

Prof Mahadevappa,\textsuperscript{139} former vice-chancellor of Agricultural university, Dharward, a Rice scientist by training, an expert with ICAR Government of India also argues the mechanism of announcing the MSP in the agriculture is through CACP is the best mechanism in the delivery of a right price for the Farmers. All problems cannot be simply dubbed to be the creation of unscientific MSP by CACP.

Sri. Rudra Aradhya,\textsuperscript{140} an agriculture scientist at J.S.S. Krishi Kendra in Suttur, Mysore Dist builds a system of how a small farm household can be made viable by combining agricultural practices. Than blaming the government price policy, the farmers have to build on their own a viable farming system by

\textsuperscript{136} Prof. Lawrence Surendra, visiting Professor, planning commission chair of DOS in economics, university of Mysore.
\textsuperscript{137} Prof Janakarajan, an irrigation expert with Madras institute of development studies, (MIDS) Chennai, Tamil Nadu.
\textsuperscript{138} Prof. Vydyanathan, Madras institute of development studies, Chennai, Tamilnadu.
\textsuperscript{139} Dr. Mahadevappa, former vice-chancellor, Agricultural university, Dharwad, expert ICAR New-Delhi.
\textsuperscript{140} Sri. Rudra Aradhya, Agriculture scientic, JSS Krishi Kendra, Suttur Kshethra, Mysore dist.
combining cultivation with allied agricultural activities which makes farmer’s life better.

The Governments price policy for agricultural produce seeks to ensure remunerative prices to growers for their produce with a view to encourage higher investment and production as well as safeguarding the interests of consumers by making available supplies at reasonable prices.\(^{141}\) The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. To achieve this end the government in each season announces minimum support prices (MSPS) for major agricultural commodities and organizes purchase operations, wherever required through public cooperative and other designated agencies to ensure that prices do not fall below that level. It decides on the support prices for various agricultural commodities taking into account the recommendations of the commission for agricultural costs and prices (CACP), the views of State governments, central ministries as well as such other relevant factors as are considered important for fixation of support prices.\(^{142}\)

MSP is announced well ahead of the sowing season, so that Farmers can take informed decisions on cropping. Taking into account relevant factors especially for encouraging Farmers that these are remunerative, the government fixed the MSPS for Kharif crops of 2012-13 season and Rabi crops 2012-13 season to be marketed in 2013-14. The substantial price increases in many crops are a noticeable feature, especially at a time when the global food prices were also on rising trend. This puts in substantial fiscal stress on the government.

Table No:34

1. MSPS
2. Trends in world prices
3. Trends in MSPS of some crops


\(^{142}\) Ibid, P. 180.
Table 32: Minimum Support Prices, 2000-01 To 2009-10.

(Rs. per quintal)

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>difference between 2012-13 and 2011-12 prices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kharif Crops</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paddy (common)</td>
<td>1000</td>
<td>1000</td>
<td>1080</td>
<td>1250</td>
<td>170</td>
</tr>
<tr>
<td>Paddy (Gr.A)</td>
<td>1030</td>
<td>1030</td>
<td>1110</td>
<td>1280</td>
<td>170</td>
</tr>
<tr>
<td>Jowar (Hybrid)</td>
<td>840</td>
<td>880</td>
<td>980</td>
<td>1500</td>
<td>520</td>
</tr>
<tr>
<td>Jowar</td>
<td>860</td>
<td>900</td>
<td>1000</td>
<td>1520</td>
<td>520</td>
</tr>
<tr>
<td>Bajra</td>
<td>840</td>
<td>880</td>
<td>980</td>
<td>1175</td>
<td>195</td>
</tr>
<tr>
<td>Maize</td>
<td>840</td>
<td>880</td>
<td>980</td>
<td>1175</td>
<td>195</td>
</tr>
<tr>
<td>Ragi</td>
<td>915</td>
<td>965</td>
<td>1050</td>
<td>1500</td>
<td>450</td>
</tr>
<tr>
<td>Arhar(tur)</td>
<td>2300</td>
<td>3500</td>
<td>3700</td>
<td>3850</td>
<td>150</td>
</tr>
<tr>
<td>Moong</td>
<td>2760</td>
<td>3670</td>
<td>4000</td>
<td>4400</td>
<td>400</td>
</tr>
<tr>
<td>Urad</td>
<td>2520</td>
<td>3400</td>
<td>3800</td>
<td>4300</td>
<td>500</td>
</tr>
<tr>
<td>Groundnut in shell</td>
<td>2100</td>
<td>2300</td>
<td>2700</td>
<td>3700</td>
<td>1300</td>
</tr>
<tr>
<td>Sunflower</td>
<td>2215</td>
<td>2350</td>
<td>2800</td>
<td>3700</td>
<td>900</td>
</tr>
<tr>
<td>Soyabean (black)</td>
<td>3150</td>
<td>1400</td>
<td>1650</td>
<td>2200</td>
<td>550</td>
</tr>
<tr>
<td>Soyabean (yellow)</td>
<td>1390</td>
<td>1440</td>
<td>1690</td>
<td>2240</td>
<td>550</td>
</tr>
<tr>
<td>Sesamum</td>
<td>2850</td>
<td>2900</td>
<td>3400</td>
<td>4200</td>
<td>800</td>
</tr>
<tr>
<td>Nigerseed</td>
<td>2405</td>
<td>2450</td>
<td>2900</td>
<td>3500</td>
<td>600</td>
</tr>
</tbody>
</table>

| **Rabi crops** |
| Wheat          | 1100    | 1170    | 1285    | 1350    | 65                                            |
| Barley         | 750     | 780     | 980     | 980     | 0                                             |
| Graw           | 1760    | 2100    | 2800    | 3000    | 200                                           |
| Masur(lentil)  | 1870    | 2250    | 2800    | 2900    | 100                                           |
| Rapeseeds/mustard | 1830 | 1850 | 2500 | 2800 | 300                                           |
| Safflower      | 1680    | 1800    | 2500    | 2800    | 300                                           |

Figure 1.2: Trend in world prices for some important agricultural crops

![Graph showing trend in world prices for various agricultural crops.](image1)


Figure 1.3: Trends in MSPs of some important agricultural crops

![Graph showing trends in MSPs for various agricultural crops.](image2)

Further, the government of India has centrally designated agencies to undertake price support schemes (PSS) operations. The losses if any incurred by the central agencies for undertaking PSS operations are fully reimbursed by the central government. The government also implements a market intervention scheme (MIS) on the request of the States and Union territories (UT) for horticultural and agricultural commodities\textsuperscript{143}, generally perishable, not covered under PSS. State and Union territories bear 50\% of the loss (25\% in the case of North Eastern States) if any, incurred on its implementation. However the loss is restricted up to 25\% of the total procurement value. Profit earned, if any, in implementing the MIS is retained by the procuring agencies.

Climate change poses a major challenge to agricultural production and productivity. The national mission for sustainable agriculture (NMSA), under the aegis of the national action plan on climate change (NAPCC) seeks to address issues related to sustainable agriculture. In the context of risks associated with climate change it hopes to achieve its objective by devising appropriate adaptation and mitigation strategies for ensuring food security, enhancing livelihood opportunities and contributing to economic stability at national level.\textsuperscript{144}

Planning commission also recognizes the importance of a price policy for the development of agriculture “while remunerative price is a necessary condition, for sustained agricultural production, it is not a sufficient condition.” Price policy can be effective only when it operates in conjunction with a significant varietal and other complementary inputs and services. Finally it is necessary that the agricultural price policy must be so framed that it ensures a careful balance between the need for providing incentive to the Farmers for production with a suitable measure of protection also to the consumers. These consumers are not confined to the urban areas only. In rural areas also, there are a large number of agricultural labourers, artisans and others, who do not produce

\textsuperscript{143} Ibid, P. 140.
\textsuperscript{144} Ibid, P. 183.
their own food requirements, but have to buy from the markets. It is in this context we have to see the price policy concerning agricultural development.\textsuperscript{145}

By observing these facts it is very clear, the government of India wants to ensure a remunerative price for the farmers. To facilitate this commission of agricultural costs and prices have been established to recommend how the benefits of a remunerative pricing can be extended to farmers through a pricing policy. It is amply clear the MSP announced by government of India and the States are remunerative prices. They are also to be scientific price. What Farmers suppose as scientific price does not stand for a scientific reasoning. This has been made clear by the policy statement of government of India and the planning commission documents.

\textsuperscript{145} Sixth Five year plan 1980-85 Govt of India planning commission, New-Delhi.