



Influence of Minimum Support Price on Production

Economics

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ABSTRACT

Overall, this article does not address the minimum Support price that farmers can proclaim, but traditionally grow the crop as farmers have predetermined. This growth reveals the extent to which MSP has improved performing among farmers. This is mainly due to fact that farmers fail to deal with high risk in agriculture performing to do low-cost and low-risk forming with little profit. Urad dal, barley like that crops which comes under Minimum support price farmers does not have skill to grow such crops.

KEYWORDS

MSP : Minimum Support price, Urad dal: one of the Crop

Introduction

India is an agriculture country. The agriculture Sector has provided the largest number of employment opportunities to the economy. And it has 15.87 GDP contributed to our economy as per (government of India 2018-19 Budget). Agriculture is the biggest industry. As the world population grows the demand for the commodities has accelerated rapidly producing \$ 1.3 trillion worth of food annually. The technological shift in the mid- sixties was a step towards Addressing the food crisis. That year when country's food security was threatened it was suggested that technological change would not only drive mobility, but that it needed to support the growth of agriculture and the right corporate institution. Land reform was first revised to bring about reforms through cultural institution and in the early 1970 it was crucial to strengthen a second class agricultural education system. In order to improve such a system the government make some scheme to help the farmers through the minimum support price. The government of India is planning to intervene in the market against the sharp price drop by farmers. Minimum support price before the sowing of certain crops by the government of india as recommended by the central government expenditure and commission.

Minimum support price is calculated based on a number of factors, most notably the cost of production, change in the equipment price, international pricing condition. The government of india has implemented the agriculture crops policy on the advice of L K Jha. On the recommendation of the dattawala report in 1965 the agriculture price commission recommended support price for paddy.

Review of Literature:

1) Nithi Ayoga : A MSP of 22 Crops are proclaimed before the sowing season. It's says most important imputes was to protect farmers from unauthorized fluctuation in crops. Ensuring that the MSP relevance reached to the farmers. It state that MSP price of each state has been worked out.

2) Price deficiency payment and minimum support price: There has been debate as to whether the MSP price for various agriculture commodities could be hanged from the system. The finding suggest that the government implementation of this improperly reduce subsidy could benefit both government and farmers and improve agriculture income.

3) Minimum Support price in india: An Economic and Political Assessment: In this research we have tried to verify MSP for rice. Further the study found that the MSP does not serve its service properly. And said intention to increase production also increased inflationary pressures. Research shows that it has a negative impact on groundwater resources.

Meaning and definition:

If the price of commodities falls below a certain price level, the government will intervene and set a price for such crops called a minimum support price. The government of India announces

minimum support price at the beginning of the sowing season for certain crops based on the recommendations of the commission on agricultural cost and price. The minimum support price will be fixed by the government of India to protect the farmers against the most productive year. Support price the main goal is to support farmers with guarantee price and disaster sales for their products from the government. Such measure is necessary and inevitable because of excess production.

Orientation and Mission:

Orientation: The main focus of the state agriculture commission is to ensure maximum share of consumer price to farmers. Sustainable development in the states, agriculture sector, and supply of food security needs profitable price for agriculture products and appropriate marketing

Mission: Improving the agriculture market infrastructure, adopting market by price and non price measures, maximising collective bargaining for farmers to get profitable price by intervening in the market during peak production.

How minimum support price works?

Minimum support price is the guarantee price for product from the government. Its main purpose is to support farmers through trouble selling and to collect food for public distribution.

Objectives of the study:

- Analyzing the relevance and effectiveness of the minimum support price
- Examining the impact of minimum support price on farmer's income
- Understanding the minimum support price impact the agriculture market

Area of the Study:

In this article related to davangere district its belongs to Karnataka state, India

Importance of the study:

The government has taken many initiative to save the farmers from losses. One of them is minimum support price. Are such programme really useful for the farmers? Research needs to know how much and the minimum support price.

Analysis Of the Study

The main food crops grown in Davangere district are paddy, maize and ragi while the important commercial crops are sugarcane, chilly, onion, and cotton. The net sown area of 3.84 lakh hectares constitutes about 64 per cent of the geographical area which is far higher than the state average of 55 per cent.

Out of the total geographical area, forest area accounts for 15 per cent (0.90 lakh hectares) and waste land 6 per cent. The total cultivable area is 3.87 lakh hectares (65 per cent). The net irrigated area is 1.13 lakh

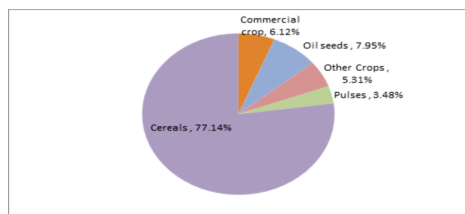
hectares, which accounts for 29 per cent of net sown area. According to a source, canal irrigation covers 65 per cent, followed by wells/ bore wells 28 per cent, while remaining 17 per cent is by tanks and other sources. Harihara (60 per cent) and Davangere (39 per cent) taluks have the highest irrigation facilities, whereas Jagalur (11 per cent) and Harapanahalli (16 per cent) have lowest irrigation facilities.

The gross cropped area is 4.81 lakh hectares. Cereals occupy about 76 per cent followed by pulses 6 per cent, oilseeds 12 per cent, and commercial crops 6 per cent. Paddy, ragi, maize and jowar are grown in all the taluks. About 82 per cent of the total cropped area is under food crops. Cash crops such as sugarcane, onion, chilly, cotton and plantation crops i.e., arecanut and coconut are also grown in 18 per cent of the total cultivated area. Fruit crops and sericulture is gaining popularity in the district.

Topography

The landscape of Davangere district mainly consists of vast stretches of plains. The southern part of the district covering Channagiri and Honnali taluks are under malnad area and Davangere and Harihara taluks are covered by low hills and meandering streams. Sasalhalli also known as Sulekrehalla, a major stream flows through Davangere and Harihara taluks. The northern portion consists of vast expanses of plain country. This region is well drained by a number of streams. The district consists of mainly 3 types of soils, viz., black, alluvial and red soil with shallow to medium depth gravel and clay soil. Black soil has high water retaining capacity, it is self-aerating with small to medium depth and rich in clay. It is suitable for crops like cotton, paddy, sugarcane etc. Both black and red soils found in the district are generally fertile.

Let us know the analysis of crops grown in Davangere district and Minimum support price through the following pie map.



(Source: Karnataka at a glance, DIC-Davangere -2014-15.)

Above Pie chart says about crop pattern of Davangere district. Here producing different crops like 6.12 % commercial crops, 7.95 % oil seed, 3.48% pulses, 5.31% other crops, and major 77.14 % of cereals produced. Cereals production is dominant role played in agriculture production.

What does the government of India declare to support the crops they have grown to save the farmers from loss. But how much does it benefit the farmers? And does it really do its work efficiently? This article will help you. This article deals with Davangere district.

One of the main growing crops at the announcement of support price for 22 crops is maize, paddy, red gram, green gram, ragi, are also grown. This means that 8 to 9 support crops will be raised considering this growth, it appears that the MSP announced by MSP in advance of the sowing season does not increase production, because there can be many reasons for this from time to time the MSP is determined by the government, depending on the cost of production and its production cost. Thus even after announcing the support price some crops have been given higher incentive to not grow them. The gap between the government and farmers is a major factor in the farmer's pre-harvesting of the crop they grow, the traditional cropping system, and adaptation to the environment and soil nutrients. Even though farmers are aware of the support price for some crops, they cannot grow for some reason, they are fodder is also an important component for farmers as farmers have to keep moving cattle. This is why farmers are often attracted to crops that are less fodder-free and less risky.

Conclusion

In this article government has announced a number of plans to protect the farmers, but it must be properly reached to the farmers. Farmers should not just stick to one crop but grow crops that are at a MSP so that there is better growth in the agriculture market and farmers income.

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