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Effectiveness of the Minimum Support Price on Allocation Decisions, Adaption of Technology, Cost of Cultivation and Land Use of Agriculture Economy

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Abstract – In this Paper, we mean to investigate the adjustments in the cropping pattern. These progressions can't be ascribed to MSP/Prices alone however reflect a combined impact of numerous such factors. This is reflected through the information on cropping pattern before 10 years and the present cropping pattern. Hypothetically, it might be contended that the memory failures may go about as limitation to recall a circumstance decade back however it didn't demonstrate troublesome amid our hands on work. We additionally expect to dissect the effect on the use of information sources and land and different resources other than adoption of socially attractive cropping pattern. Encouraging the adoption of new technology is one of the essential elements of the MSP policy. Consequently, adoption of improved technology and their relative commitment in expanding the production and productivity of the predefined crops turns into a fundamental backup of the price policy, and in this manner inspecting adoption of technology was taken as an essential perspective with the end goal of our examination. The present investigation has been embraced with the emphasis on effectiveness of the Minimum Support Prices in its effect on different parameters of agrarian economy. These incorporate development parameters, dissemination angles, decision-production in the allocation of resources, environmental impacts

Keywords: Agriculture, Economy, Minimum, Support, Price, Agriculture, Western, Uttar Pradesh, Effectiveness, Technology, Decision, Land, Use

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1. INTRODUCTION

Agrarian prices are vital financial factors in a market economy. Price connections impact decisions identifying with the sort and volume or agrarian production activity. They give a measure to achieving judgment on policy detailing and regulatory and official activity. Being vital for reasons for decision-production in the circle of monetary exercises, price information get significant significance. Their gathering and assemblage, along these lines, merit consideration no not as much as that given to acquiring data on other financial attributes. The frameworks to be received in the arrangement of price measurements must, along these lines, be genuinely decided in relations to their end uses. The appraisal of effect of farming price strategies sought after in India can be drawn closer from a few edges viz. accomplishment of national objectives, impetuses or disincentives made for farmers, and distortions, assuming any, made in the marketing framework.

The effect of farming price arrangements can be summarized as pursues:

- The policy has been instrumental in making a genuinely steady price condition for farmers to prompt them to embrace new production technology and along these lines increment the yield of food grain. The improvement in the dimension of food security in India amid the most recent three decades has been broadly recognized the world over.
- Supply of financed contributions to farmers and subsidized dissemination of food grain
- Farmers were given some level of price protection through a policy of minimum support prices,

- Increase in physical and financial access of cropping and production pattern in agriculture.

- The sort of policy and projects followed in the nation brought about certain contortions in the typical working of the open market.

- Ample proof to demonstrate that on account of rice and wheat, the markets have exhibited high level of integration and the integration has additionally expanded amid the nineties.

2. AGRICULTURAL SCENARIO IN UP

Be that as it may, the state is likewise described by broad poverty and extraordinary reliance on agriculture. It is rich in natural resources (land and water) however has a high populace thickness and declining soil fertility. It is the third poorest state province of India with a for every capita salary of Rs 10817 of every 2003-04. The rural neediness rate is 21.5% speaking to an aggregate of 28.3 million individuals or 15% of all poor in India. In year 2003-04 around 80 percent of the general population in UP live in the rural zones; and 66% are reliant on agriculture for their livelihood. Agriculture represents 38% of GSDP (2001-02).

As per the agriculture measurements 2004 the state has a geographical region 24.2 million hectares and out of this 16.8-million-hectare zone is really developed and 3.98-million-hectare zone was un-irrigated. Uttar Pradesh is biggest maker of wheat in the nation contributing around 36 % of the all India all out wheat production though, UP is second biggest maker of rice in contributing around 15 % to the national production in year 2003-04. The territory under these crops is transcendently not exactly the commitment as far as production.

In Uttar Pradesh 2.6 % of possessions is of in excess of 4 ha size and record for more than 19 % of the all-out zone while about 75.6 % of the property representing 34.1 percent of the absolute region which plainly reflects extreme disparities in responsibility for possessions. The state has around 16 million tons of surplus food grains after meeting its requirements.

3. MINIMUM SUPPORT PRICE

"Minimum support price is the price at which government purchases crops from the farmers, whatever might be the price for the crops". In the event that there is a fall in the prices of crops, after a bumper harvest, the government purchases at the MSP and this is the reason that the priced can't go underneath MSP. In this way, this straightforwardly helps the farmers.

Every one of the farmers knew about MSP however none of them knew it before the sowing season. As indicated by the Government functionaries, the statement was done before the sowing season. Every one of the functionaries overviewed, agency associated with the usage of MSP and the knowledgeable people were agreeable to continuation of MSP, which shows that disregarding all the lacunae, individuals all in all have profited by the MSP policy. This is by virtue of the way that MSP has given a tremendous level of pay and market security to the farmers. The discount market price for wheat has been higher than the MSP for every one of the long periods of the reference time frame, while for paddy it has been lower over a similar period in the State. Further, the normal price of wheat and paddy was higher than the MSP and discount market price because of the expansion in prices of the different farm inputs.

Minimum Support Price (MSP) is an essential segment of Agriculture Price Policy of India. It focuses to guarantee support price to farmers and moderate price to consumers through public distribution system (PDS) (Parikh and Singh 2007). The price support system was conceptualized amid pre-green revolution period as an institutional instrument for boosting farmers to adjust new advancements (Planning Commission 2005; Deshpande 2008). Afterward, Agriculture Price Commission was set up in the year 1965, in light of Jha panel proposals to recommend support prices for crops in the wake of thinking about the expense of development to account (Kadasiddappa et al. 2013). Wide objectives of the commission are to guarantee profitable prices to farmers and sensible prices to consumers and promote maintainable use of resources towards socially attractive crop mix (Parikh and Singh 2007).

4. WESTERN UTTAR PRADESH

Uttar Pradesh is the most crowded state in the nation representing 16.4 percent (199,812,341) of the nation's populace. It is likewise the fourth biggest state in geographical territory covering 9.0 percent of the nation's zone, 2,40,928 Square km. what's more, including 75 regions. The thickness of populace in the state is 828 people for every square km. as against 274 people for each square km. of the nation. The absolute proficiency rate in the state is 69.72 percent (according to statistics 2011) containing 79.24 percent male education and 59.26 percent female education. The principle crops of the state are Sugar stick, Paddy, Wheat, Jawar, Bajra, Barley, Millet, Maize, Urad, Moong and Arhar(Tur) and so forth.

Uttar Pradesh Uttar Pradesh is the biggest food grain creating state in India, delivering about 22% of nations all out food grain production. In 1997-98, commitment of Uttar Pradesh was 41.8 million tonnes in the national food grain production of 194.1 million tonnes. Before the finish of year 2007, food grain production in the state is required to be at the dimension of 70.2 million tons in the absolute

anticipated national food grain production of 300 million tonnes.

5. MSP IN UTTAR PRADESH

In Uttar Pradesh, every one of the farmers knew about MSP yet none of them knew it before the sowing season, however as per the government functionaries the assertion was done before the sowing season. Every one of the functionaries reviewed engaged with the execution of MSP and the knowledgeable people were supportive of continuation of MSP which demonstrates that despite all the lacunae during the time spent usage of MSP, individuals all in all have profited by it. The discount market price for wheat has been higher than the MSP amid the reference time frame, while on account of paddy, it has been bringing down in Uttar Pradesh.

Price motivating forces as support prices helped India to expand food production amid green revolution period. MSP additionally goes for obtaining food grains from food surplus states for distribution through PDS and keeping up buffer stock and in this manner connect the interest supply hole (Jha and Srinivasan 2006; Chand 2008). Price motivators in type of MSP are credited for the expansion in zone under rice and wheat in the green revolution states like Punjab and Haryana.

MSP rates were made known to the recipients simply after the initiation of the sowing activity because of which farmers were not able take educated decisions on cropping. Inaccessibility of moment money at MSP prompted delays in installment by means of checks, subsequently, the little and marginal farmers liked to pitch to the traders who made on the spot installments. It has been seen that the jute sacks are now and then not accessible at the purchasing focuses because of the poor usage of MSP.

6. FACTORS DICTATING FAILURE OR SUCCESS OF MSP

Minimum Support Prices as in instrument of the price policy has recorded an underlying achievement however in the changed financial situation, it is important to reexamine this instrument. As a policy apparatus, MSP has filled the need amid the eighties to acquire, fabricate buffer stocks, give base price to the farmers and incite adoption of the new technology. In the early long periods of the Green Revolution stage, MSP and Procurement or Levy Prices had this meaning and policy plan. Amid those years production of motivations for adoption of new technology and giving food security were the most vital parts of the price policy. Likewise, acquirement for continuing the Public Distribution System was fundamental and this was to be accomplished through market mediations. The job of MSP as impetus to embrace technology amid those years turns out all around unmistakably in the composition of Prof. Dantwala, who was one of the chief architects of our price policy. He stated that, "However no inflexible recipe has 124 been acknowledged to decide the dimensions of floor prices, the measure pursued is that dynamic farmers should discover these dimensions satisfactory to urge venture and speculation to expand production through the adoption of improved technology with all its hazard and vulnerability (accentuation included)".

In the present setting the components impacting the effectiveness of MSP expect more significance. Among the elements that manage the effectiveness of MSP the most imperative are:

- Process of implementation of the policy,
- Dependence on the State for intervention with the goal that the markets work effectively and uninhibitedly in long run,
- Weeding out the data asymmetry winning in the horticultural markets and giving farmers the required data at appropriate time,
- Monitoring the prices without intervention and evaluate the circumstance in the spot of suo motto intervention.
- Long term policy ventures to supplant the present specially appointed courses of action.

7. ANALYSIS OF IMPACT OF MSP ON WESTERN UTTAR PRADESH AGRICULTURAL ECONOMY

7.1 Consumption and Trends

Table 1 Fertilizer consumption in the division during 2011-12 (in metric tonnes)

Year	Fertilizer consumption	Total food grain production cost	Total food grain production
2001-02	221558	13498184	2234812
2002-03	252409	14071304	2270924
2003-04	240861	13261350	2155517
2004-05	245088	15176828	2155517
2005-06	245472	18076543	2060755
2006-07	255358	18552854	1991224
2007-08	279652	21064058	2130050
2008-09	267841	22295209	2062314
2009-10	281928	33544378	2258331
2010-11	306326	33544378	2606532
2011-12	355179	31870113	2355936

Source: Zila sankhikhy Patrika

This table and chart ahead, demonstrates fertilizer consumption in the division amid 2001-02 to 2011-12. The fertilizer consumption increments from 2001-02 to 2011-12 and thus, CAGR of various crops which is 8.20, 8.21, 8.06, 7.77, 10.67 and 8.73

of paddy, coarse cereals, wheat, gram, tut and sugarcane respectively.

Table 2 Trends in MSP of different crops during 2000-01 to 2012-13

Year	Paddy Common	Coarse Cereals	Wheat	Gram	Arhar (Tur)	Sugarcane
2000-01	510	445	610	1100	1200	59.50
2001-02	530	485	620	1200	1320	62.05
2002-03	530	485	620	1220	1320	69.50
2003-04	550	505	630	1400	1360	73.00
2004-05	560	515	640	1425	1390	74.50
2005-06	570	525	650	1435	1400	79.50
2006-07	580	540	750	1445	1410	80.25
2007-08	645	600	1000	1600	1550	81.18
2008-09	900	840	1080	1730	2000	81.18
2009-10	1000	840	1100	1760	2300	129.84
2010-11	1000	880	1170	2100	3500	139.12
2011-12	1080	980	1285	2800	3700	145.00
2012-13	1250	1175	1350	3000	3850	170.00
CAGR	8.20	8.21	8.06	7.77	10.67	8.73

Source: CACP Report (various years)

The expense of absolute food grain production per hectare additionally expanded however the all-out food grain production in metric tons does not expanded proportionately. In 2001-02 the fertilizer consumption is 221558/metric tons, the expense per hectare is Rs. 13498184 and all out food grain production is 2234812 metric tons while in 2011-12 the fertilizer consumption is 355179 metric tons, the expense per hectare is Rs. 3,1870113 and all out food grain production is 2355936 metric tons for example just 121124 more as in correlation 2001-02 though the cost distinction is Rs. 1,8371929 more in 2011-12 and consumption in 133621more metric tons in 2011-12.

We can finish up from the table that however more fertilizer consumption expanded the expense of absolute food grain production yet expanded in all out food grain production isn't in equivalent extent. What's more, some place there is certain relationship between's fertilizer consumption and MSP of various crops.

7.2 Land Use

The dynamic discontinuity of land property, degrading natural resource base and rising worries of environmental change are escalating pressure on land and water. Land and water resources being limited, expanded agricultural production and an enhanced food basket to meet the necessity of the expanding populace with higher per capita salary, needs to exude from a similar constrained net sown zone by expanding productivity with an ideal use of accessible water and land resources. Natural resources viz. arable land, water, soil, biodiversity (plant, creature and microbial hereditary resources) are quickly contracting because of statistic and financial weights, rainstorm unsettling influences, expanding frequencies of floods and dry spells. Overuse of marginal lands, imbalanced fustigation, deteriorating soil wellbeing, redirection of horticultural land to Nonagricultural uses, depleting aquifers and water system sources, salinization of fertile lands and water-logging are pressing difficulties requiring urgent consideration.

For making agriculture economical to meet the nation's food prerequisite, a judicious land use policy, water accessibility and soil health must be kept up at levels that are helpful for with more elevated amount of productivity. The land changes motivation has not gone past the inconvenience of land ceilings despite the fact that the frequencies of occupancy are excessively high in many pieces of the nation. Significant lumps of rare land stay untilled because of landowners' hesitance to rent out land for fear of losing its proprietorship. A huge percent of the occupants are landless and marginal farmers. These inhabitants would profit by renting in since it would assist them with expanding their miniscule possessions and permit better use of their work resources.

Table 3 District wise area and Number of land holdings in division

Year 2011-12	Less than .5 Hectare		.5 to 1 Hectare		1 to 2 Hectare		2 to 4 Hectare		4 to 10 Hectare		Above 10 Hectare	
	No.	Area	No.	Area	No.	Area	No.	Area	No.	Area	No.	Area
MEERUT	86110	28366	37669	28479	42811	65322	18922	52171	6604	35322	273	4265
GHAZIABAD	89196	20133	38671	26815	29622	40872	15170	41269	4010	21395	120	1594
BULANDSHAHAR	129441	32236	69115	48867	52856	74661	28379	7825	9627	51994	362	4797
G.B NAGAR	52554	13983	23869	18238	14088	20409	18163	53142	7381 -	38548	165 -	2747
BAGHPAT	49606	12028	27467	19917	19939	27905	12346	33678	3466	18504	124	1607
TOTAL	406907	106746	196791	142316	159376	229169	92980	258510	31088	165763	1044	15010

Source: Zila sankhikhy Patrika

Though Bulandshahr has greatest area and number of holdings in all classification particularly in under .5 hectare with 33182-hectare area and 130626 number of landholdings and 619 number of holdings in over 10 hectare and area 8986 hectare. After Bulandshahr, Meerut has most extreme number of holdings and area is all classifications for example 56843 hectares in 2 to 4 hectare and 20191 quantities of holdings in this classification and 6606-hectare area in over 10 hectare and 421 holdings. On third spot was locale Ghaziabad 3508-hectare area and 207 holdings in over 10-hectare 43374-hectare area and 28674 holding in 1 to 2 hectares.

In this table 3 land holdings in various districts of the division are appeared in year 2011-12. It's unmistakably reflected in the table that number of land holdings and area is more in under .5 classification in all districts and less in excess of 10 hectares. Major of the area is under 1 to 2 hectares in all with Bulandshahr at best with 74661 hectare and quantities of holdings are 52856, trailed by Meerut with area 65322 hectare and 42811 holdings. Though in 2 to 4-hectare section G.B Nagar leads in area for example 53142 hectare and Bulandshahr is number of holdings in this section with 28379. In over 10-

hectare part Bulandshahr leads with 4797 hectare and 362 number of holdings. Altogether Bulandshahr still has limit of area under cultivation.

Table 4 All India Average Growth Rates of Area, Production and Yield of Principal Crops

Crops	Average Annual Growth (%)			Average Annual Growth (%)		
	10th Plan (2002-03 to 2006-07)			11th Plan (2007-08 to 2011-12)		
	Area	Production	Yield	Area	Production	Yield
Rice	-0.39	1.25	1.17	0.18	2.69	2.41
Wheat	1.30	1.11	-0.32	1.31	4.64	3.29
Jwar	-2.84	-0.89	2.07	-5.71	-3.00	3.26
Bajra	1.67	17.12	7.28	-1.38	7.84	8.64
Maize	3.77	4.02	-0.15	2.16	8.90	6.47
Ragi	-5.52	-2.67	0.40	0.41	8.11	6.66
Gram	8.60	4.70	0.28	2.32	4.62	2.27
Tur	1.38	1.06	-0.41	3.13	4.84	1.51
Sugarcane	3.98	4.90	0.66	0.04	0.99	0.87

Source: Ministry of Agriculture

7.3 Impact of MSP on area Allocation Decisions

Price support plot as an instrument of price policy was expected to make incentives for building up a specific cropping pattern. While composing at first about the incentives and disincentives with regards to price policy amid the development long stretches of the Agricultural Prices Commission Prof. Dantwala composed that the prices of farming items should fill in as a strong incentive to receive technology, it ought to give force to developing food grains and help coordinating the cropping pattern in an ideal bearing (Dantwala 1967). The policy statements as Plan Documents, Economic Surveys and Budget addresses have over and over stressed the significance of relative prices crosswise over crops and the price incentives to make an ideal crop pattern. One can contend that it is the net income impact that truly incites the decisions on cropping pattern than prices alone yet at the same time the effect of relative prices can't be undermined. In this way, more than the prices of the item the relative prices and total compensation together assume a decisive role.

MSP is seen as a type of market intervention by the focal government and as one of the supportive measures (security nets) to the rural producers. This has likewise a strong linkage to factor market. In this circumstance, two essential angles merit consideration, viz., (I) protecting the farm producers against the unwarranted changes in prices, which might be incited by among others, universal price varieties (ii) production of an incentive structure for the farm producers so as to coordinate the allocation of resources towards wanted crops and (iii) protecting consumers' against sharp price rise, which may have been made by storm disappointment or even by personal stake by making fake shortage. The center is to make esteem expansion for the cultivators just as the consumers. Accordingly, it is important to think about some policy options and view effectiveness of MSP as an instrument in this foundation. Acquisition of food grains at MSP is completed by Food Corporation of India (FCI). FCI works notwithstanding, in just chosen states and chose districts which had overflow of food grains at first. In the present circumstance a few different states which have had shortfall have begun getting excess. Farmers in these states are denied of the advantage of MSP. Market prices in some mandies fall underneath MSP. Subsequently, there is a need to broaden effective acquirement activities in different states to guarantee MSP to farmers. This has additionally preference that vehicle cost of working the PDS would be decreased. In the ongoing past, horticultural production pattern crosswise over states has seen a change; a portion of the prior deficiency states have begun posting overflow of food grains. In addition, it was felt that by urging the states to take up acquirement tasks, the advantages of MSP can collect to farmers all through the nation. Under the - broadened acquisition routine II recreated here the assigned states could locally acquire, store and disseminate food grains according to allocations shown by the focal government under PDS.

7.4 Impact of MSP on adoption of technology

The investigation was attempted with the emphasis on Minimum Support Price and its effect on different parameters of farming economy including growth parameters, distribution viewpoints, and decision making in allocation of resources, environmental impacts or more all MSP as an effective instrument of the price policy. The investigation is for the most part subordinate upon the data collected from secondary sources at the commission level. The price policy was increasingly effective if there should be an occurrence of paddy and wheat when contrasted with in the Western Uttar Pradesh State. Since 1990s, the hole between farm harvest price and MSP if there should be an occurrence of paddy limited impressively while for wheat, the farm harvest price was even lower than the MSP for certain years. It was because of the reluctance appeared by the Government to purchase substantial volumes of paddy and wheat touching base in various markets of the state because of lower storage capacity and already piled large stocks of food grains.

The growth in MSP, discount price and farm harvest price for paddy, wheat and cotton as higher in period II (1985-86 to 1999-2000) when contrasted with period I (1970-71 to 1984-85). The farmers' reaction with respect to the awareness of MSP was the most elevated for wheat pursued by paddy and cotton. The expansion in MSP had incited the use of new technology and increment in yield. Likewise, the effect of MSP in expanding the adoption of technology was observed to be contrarily connected with farm measure. Uses of agriculture instruments and hardware in farming impacts MSP and method adjustment. Table 5.8 portrays use of agricultural instruments and gear in year 1988-89, 1997-98,

2003-04 and 2011-12. In year 1988-89 the use of wooden and iron.

Table 5 Agricultural instrument and equipment census in Division (1988-89 to 2011-12)

Year	Ploughs		Advance haroa and cultivator	Advance thrasher machine	Sprayer number	Advance boaai instrument	Tractor
	Wooden	Iron					
1988-89	331424	180182	51688	90619	7207	128112	40345
1997-98	207432	89657	38120	68240	8993	32747	33981
2003-04	113227	73797	47222	46485	7435	38799	40741
2011-12	67023	80887	111606	7164	16411	25768	62269

Source: Zila sankhikhy Patrika

Plough is more for example 331424 wooden and 180182 iron furrow which radically decreased upto just 67023 wooden and 80887 iron furrow in year 2011-12 which plainly shows that other new strategy and equipments which are progressively effective and efficient are must be used instead of furrows in year 2011-12. It additionally reflects negative relationship among's MSP and use of furrows. Instead of furrows use of different machines, for example, advance haroa and cultivation, sprayer and tractor has expanded from 1988-89 to 2011-12. Number of development haroa and cultivator, sprayer and tractor are 51688, 7207 and 40345 respectively in 1988-89which expanded upto 111606, 16411 and 62269 out of 2011-12. There is a positive relationship among's MSP and use of new equipments and instruments which reasons that as MSP increment, pay of farmers and adoption of new equipments and instruments additionally increments.

Table 6 District wise total area (in hect.) irrigated by different sources in the division during 1999 to 2012

District/Year	Canal	Tubewell		Well	Pond	Other	Total
		Govt.	Private				
1	2	3	4	5	6	7	8
Meerut (1999-2000)	37954	7431	142444	25	0	188	188042
2005-06	34936	5498	148494	0	136	53	189117
2011-12	35074	3634	150355	0	79	71	189213
Ghaziabad (1999-2000)	23760	13441	98841	4126	0	514	140682
2005-06	-	-	-	-	-	-	-
2011-12	10528	731	40041	1152	0	0	52452
Bulandshahr (1999-2000)	36670	11581	188539	14224	0	5773	256787
2005-06	31982	3003	197189	42479	0	672	275325
2011-12	25575	3124	235090	2770	0	0	266559
G.B Nagar (1999-2000)	13799	11811	50442	13721	0	35135	124908
2005-06	15158	2783	36350	21840	0	1170	77301
2011-12	15508	1354	36852	11356	0	0	65070
Baghpat (1999-2000)	14872	7561	81268	830	0	19	104550
2005-06	3179	718	100375	0	0	104	104376
2011-12	3256	1001	101311	345	0	0	105913

Source: Zila sankhikhy Patrika

The table portrays the district astute complete area in hectare irrigated by various sources in the division amid 1999 to 2012 and explicitly two years 2005-06 and 2011-12. Bulandshahar drives every one of the districts the most extreme irrigated area for example 256787 hectares from 1999 to 2011-12 pursued by Meerut with 188042 hectare and Baghpat has the least irrigated area amid this time for example 104550 hectares as it were. In all districts private claimed tubewell are the significant source of water system. Area irrigated by them in 142444 hectares in Meerut division, 98841 hectares in Ghaziabad, 188539 hectares in Bulandshahar, 50442 hectares in G.B Nagar and 81268 hectares in Baghpat. In all the area irrigated by private possessed tubewell is most extreme in Bulandshahar for example 255090 hectares in year 2011-12. Lake as sources of water system district have any development in these districts aside from G.B Nagar where 35135 hectares was irrigated by lakes division the term. Government possessed tubuwell who has significant challenge in water system. District Ghaziabad has the most extreme area for example 13441 hectares in 1999-2000 irrigated by government possessed tubewells.

7.5 Cost of Cultivation

The expense of cultivation is one of the critical determinants of the Minimum Support Prices. The data on expense of cultivation collected from the secondary research for the chose crops to declare MSP. It tends to be seen from the Tables those farmers caused most elevated expense on the purchased sources of info. Among these it was fertilizers that established the real offer of the expense. The piece of the expense varied over the crops and 'locales yet extensively the purchased data sources overwhelmed the complete expense. So also, bug sprays and pesticides likewise devoured generous money inputs. In the greater part of the cases normal prices gotten by the farmers were well underneath the MSP and the connection between the expense of cultivation and MSP additionally did not appear to hold crosswise over crops and districts. Out of the nine cases we found that in 6 cases the normal price gotten by the farmers was considerably less than the MSP, and there were somewhere around two cases that the per quintal cost was likewise lower than both average prices acquired and the MSP.

Table 7 Production cost of agriculture crops in Meerut district (H/Rs in Thousands)

crop/year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	growth rate in cost
Rice	385159	273191	305820	345982	285343	373368	363988	529902	674414	618078	8.7
Wheat	1897355	1763899	2010091	2131792	2176083	2953281	3079671	3579168	3677380	4030849	10.3
Jawar	94	150	220	700	30	19	23	18	19	22	-26.5
Maize	37727	16293	16399	10569	8511	7964	6797	12714	10644	9019	-10.6
Gram	28728	1680	1995	1087	1108	623	476	693	589	780	-25.3
Tur	11445	21266	17270	18955	16929	17737	15030	37192	57029	55835	15.9
Sugarcane	7536124	7565328	8717630	10953686	11185496	10369098	12351895	13864701	16381106	20783820	10.9

Source: Zila sankhikhy Patrika

Table 8 Production cost of agriculture crops in Baghpat district (H/Rs in Thousands)

crop/year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	growth rate in cost
Rice	124899	65646	95782	98124	94764	88179	80626	115142	170053	192733	6.8
Wheat	1401942	1493942	1628039	1659018	1575849	2022345	1794703	2240658	2242350	3097102	7.6
Jawar	93	169	397	1127	921	746	297	240	144	25	-11.2
Maize	18032	4478	3947	2163	910	735	686	544	164	174	-37.8
Gram	1624	1680	1299	781	681	232	210	319	37	261	-28.4
Tur	11132	16849	22184	28794	26236	21307	29754	36360	55589	41526	14.6
Sugarcane	34491685	53150712	63242057	73474735	70303018	82941973	75410440	69301068	145050642	14493269	13.3

Source: Zila sankhikhy Patrika

Table 9 Production cost of agriculture crops in Bulandshahr district (H/Rs in Thousands)

Crop/year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	growth rate in cost
Rice	791590	816328	919260	1219062	1481530	1475693	1418592	2975020	3355894	3776481	20.1
Wheat	4017642	4394144	4076546	5869140	5940197	6436257	6872929	8691723	8674298	9365520	10.6
Jawar	1480	1220	396	414	1039	675	1409	1258	1805	851	4.2
Maize	861810	402254	613111	751873	638982	706221	74028	1060965	992648	1102163	2.7
Gram	9705	6627	6801	3797	4726	2555	1368	1400	1386	566	-25.3
Tur	200342	372715	317387	248967	407461	362945	308715	516186	744883	468138	9.8
Sugarcane	2483690	2975438	3199556	4028409	4051249	4226162	4434235	30842240	28002670	7406965	25.3

Source: Zila sankhikhy Patrika

In table 7 the production cost of agriculture crops in Meerut district (H/Rs. in thousands) is appeared. Sugarcane the real money crop has the highest production cost which has expanded from 7536124 hect./Rs in thousand out of 2001-02 to 20783820 h/Rs. in thousands of every 2011-12 the growth rate in expense of the crop is 10.9%. Tur is the crop which has highest growth rate in expense for example 15.9%. Though jawar, maize, gram has negative growth rate in cost 26.5%, - 10.6% and - 25.3% respectively. After sugarcane, wheat is on third spot in respect of production cost which expanded from 1897355(hect./Rs. in thousands) to 4050849 (hect./Rs. in thousands) and with 10.3% of growth rate in expense and price is on fourth position with 8.7% growth rate in expense.

Table: 8 The production cost part of agriculture crops in Baghpat district is reflected in this table. As in Meerut district same is the consideration with Baghpat. Tur is on the lead position in part of production cost growth rate for example 14.6%, sugarcane has 13.3% and wheat has 7.6% growth rate in expense. Maize has demonstrated the decrease in production cost and the growth rate in expense is - 37.8%. In setting of Rs. (in thousands) the sugarcane has the most extreme production cost which was 34491685 h/Rs. in thousand out of 2001-02 and expanded upto 14495269 h/Rs. in thousand a while later wheat and afterward rice.

Table: 9 Among all the district the Bulandshahar district has highest growth rate in expense and that is in sugarcane which is 25.3% while in other two district after sugarcane its wheat and afterward rice table unmistakably state that Bulandshahar is a rice belt that is with 20.1% growth rate in expense of rice. Furthermore, wheat is on third spot for example 10.6%. In this district just gram has negative growth rate in which - 25.3% staying all crops have positive growth rate in expense.

Based on every one of the three tables we plainly presume that in this division the primary three crops are sugarcane, wheat and rice. The production cost of these crops has expanded in the entirety of their districts. The way that different strategies are there by government in setting of cost decrease of this crop and, after it's all said and done increment in the production cost demonstrates that might be the area developed has expanded.

7.6 Determinants of prices received by the farmers

The prices of agricultural wares are normally dictated by market elements of interest and supply. In the event that there are numerous farmers delivering a similar product, at that point they will get a lesser price for their produce. On the off chance that there is extraordinary interest from consumers for a specific ware, at that point farmers can hope to get a more expensive rate. These prices continue evolving day by day. Different variables that decide the price of the item are its quality, yield and nuisance free status. Climatic conditions, universal prices, cost of production and new laws may likewise influence the prices of agricultural items. The price at various markets might be extraordinary. The government has fixed minimum support prices for certain agricultural items. Farmers additionally have the alternative to pitch their produce to private merchants on the off chance that they remain to improve benefit. The fundamental motivation behind why the government fixes minimum support prices or MSPs is to guarantee gainful prices to farmers to empower higher venture and production of agricultural wares. Consistently MSPs for major agricultural items are declared which are fixed subsequent to considering the suggestions of the Commission at Agricultural Costs and Costs (CACP). The CACP while prescribing MSPs considers factors, for example, cost of production, change in prices of sources of info, request and supply, market price patterns and average cost for basic items among different elements. Government sorts out Price Support Schemes as PSS of wares through different public and agreeable organizations, for example, Food Corporation of India (FCI), Cotton Corporation of India Ltd. (CCI), Jute Corporation of India Ltd. (JCI), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and Tobacco Board for which the MSPs are fixed. For products not secured under PSS, the government masterminds market intervention on explicit demand from the States for a particular amount at a commonly concurred price. The misfortunes, assuming any, are borne by the Center and State on a 50: 50 bases.

The distinct calendars will give fundamental data to the finishing of the standard structure which all price correspondents will be required to transmit to their central command. Such a structure ought to incorporate the accompanying subtleties:

- Price reporting structure at costs gotten by farmer
- Name of market:

- Sub-region (province or district):
- Region (territory):
- Prices as on (date):
- Time of visit to market:
- Commodity Modal Variety and Quality or Standard
- Specification (determine)
- Standard unit of weight (determine)
- Prices per standard unit of weight
- Nature of price (for example farm-gate, primary, whole, retail, and so forth (indicate)

8. CONCLUSION

Minimum Support Prices are considered as a critical mainstay of Indian Agricultural price policy took off with an expectation of giving price security to farmers. Hypothetically, the support prices are to profit farmers of the greater part of the crops in the whole country. Legislators of all gatherings might want to be in great books of the farmers by commending the MSP and contending for higher MSP however small understanding that the entire procedure falls flat the farmers. It is fundamental consequently, that judicious advances are taken so as to unmistakably concentrate the price policy on guaranteeing that the frail and marginal farmers/crops don't endure in the process through misery deal or intentional policy inclination. Implementation of MSP in Uttar Pradesh has been an oblique task. Amid the harvest season the entries in the market begin expanding which is a conspicuous and all around foreseen wonder however as the controlled markets take a shot at just a stipulated day in the week, the bunching of the landings in the directed market happens more by plan than by possibility. At the point when the landings increment in the market it is natural that the prices offered by the traders are very low in the wake of tremendous entries.

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