St. Xavier's College (Autonomous), Ahmedabad

FACULTY OF ARTS
DEPARTMENT OF ECONOMICS (SF)

BA. Hons. (Economics) SF
SEMESTER-3

Agricultural Price Policy in India

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course			Eligibility Criteria	Pre-requisite(s) of the Course (if any)
	Lectures	Tutorial	Practical / Practice		
Agricultural Price Policy in India (ECHSE331C)	2	0	0	10 + 2 from a recognized board in any stream	None

Course Objectives

1) To introduce students to the concept and importance of agricultural price policy in India.
2) To understand the mechanisms of agricultural price support and market intervention.
3) To analyze the role of agricultural price policy in ensuring farmer welfare, food security, and market stability.
4) To develop practical understanding of contemporary issues in agricultural pricing and marketing.

Course Outcomes:

1) Explain the objectives and evolution of agricultural price policy in India.
2) Understand the functioning of MSP, procurement, and price stabilization mechanisms.
3) Assess the impact of agricultural price policies on farmers and consumers.
4) Analyze recent reforms and emerging challenges in agricultural pricing and marketing.
5) Apply basic analytical skills to interpret agricultural price data and policy outcomes.

Unit I: Fundamentals of Agricultural Price Policy in India (15 Hours)

Introduction to Agricultural Price Policy: Meaning and objectives of agricultural price policy, Importance of price policy in agricultural development, Characteristics of agricultural commodity markets, Price fluctuations and their causes.

Evolution of Agricultural Price Policy in India: Historical background of agricultural pricing, Food security concerns and policy interventions, Establishment and role of the Agricultural Prices Commission (APC), Role and functions of the Commission for Agricultural Costs and Prices (CACP).

Agricultural Price Support Mechanisms: Concept and objectives of Minimum Support Price (MSP), Criteria for MSP determination, Procurement policy and public distribution system (PDS), Buffer stock policy and food grain management.

Agricultural Markets and Price Formation: Agricultural marketing system in India, Regulated markets (APMCs), Factors influencing agricultural prices, Role of demand, supply, and market information.

Unit II: Contemporary Issues and Reforms in Agricultural Price Policy

(15 Hours)

Price Stabilization and Market Intervention: Price stabilization measures, Market Intervention Scheme (MIS), Price Support Scheme (PSS), Price Deficiency Payment concepts.

Agricultural Price Policy and Farmer Welfare: Impact of MSP on farmers' income, Regional disparities in procurement, Agricultural price policy and rural livelihoods, Challenges faced by small and marginal farmers.

Agricultural Marketing Reforms: Electronic National Agriculture Market (e-NAM), Farmer Producer Organizations (FPOs) and price realization, Contract farming and price discovery, Agricultural market reforms and their implications.

Emerging Issues in Agricultural Pricing: Climate change and agricultural prices, Globalization and international trade impacts, Digital technologies and market information systems, Future challenges and policy directions.

References:

1) Agricultural price policy in India by Ashok Gulati.
2) Reports of the Commission for Agricultural Costs and Prices.
3) Reports of the Ministry of Agriculture and Farmers' Welfare.
4) Reports of NITI Aayog.
5) Agricultural Census: 2024/25.