

Guaranteed prices do not make agriculture economical

The Guaranteed Purchase Act was adopted in year 1368. Under the decree, the Ministry of Agriculture is required to announce to the government and the Supreme Economic Council, by the end of July of each year, the real and finished price of all agricultural products based on production costs and inflation. The government is also required to announce a guaranteed purchase price at the end of September of that year, before the start of the crop year, based on the Ministry's stated price.

Hamid Shafi Malekzadeh – Head of the National Agricultural Trade Union

Now, despite the fact that in recent years there has been a lot of difficulty in not guaranteeing a purchase rate in time, the announced guarantee price has been announced each year with a significant gap in production cost.

Always one of the main bases for determining the price of the "inflation" index announced by the responsible authorities, but the Supreme Economic Council, without regard to this matter, only provides the basis for the rate announcement of the budget. Of course, the formula or method of calculating the guarantee price has not been announced by

the Supreme Economic Council and has never been disclosed.

The Higher Council of Economics and the government set the same guarantee price every year but do not pay attention to the fact that it will undoubtedly damage and destroy the sustainable agricultural production infrastructure in the near term. Keep in mind, too, that we need the self-reliance of agricultural production, which is problematic given the rising costs of imports and sanctions.

We planned to set the price and bid on the production costs, and demanded production costs from all provinces and sectors. After reviewing the price based on the cost of production in addition to the farmer's interest, we considered the price of IRR 28680 for ordinary wheat and offered it.

This year is more difficult than previous years, given the conditions of farmers. In order to solve this problem, we made correspondence with the Minister of Agriculture, the First Vice President, the members of the Agriculture Commission, the Planning and Budget Organization, and so on. At the time of the bid, even the price of 2650 Toman was accepted by the Ministry of Agriculture, but the final price announced by the Supreme Economic Council was 2200 Tomans.

However, many farmers will definitely give up wheat cultivation, and many of the wheat may not be stored in storage and sold

to the government like last year. In the 1397-98 crop year, about 40% to 50% of wheat growers did not sell their crops. Unfortunately, this is the case with the five commodities for which the government determines the price, and farmers in recent years have been reluctant to sell priced goods. Unfortunately, the government seems to have a way of pricing agricultural commodities, while commodities such as cars or parts of it are very convenient, and in some cases, more than inflationary. This procedure only reduces the viability of farmers and the exit from economical and farming.