

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:3188
ANSWERED ON:28.07.2009
IMPACT OF THE HIKE IN MSP
Rao Shri Kavuri Samba Siva

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether any assessment has been made regarding the impact of shortage of storage space and hike in Minimum Support Price of foodgrains on its availability and prices in the country; and

(b) if so, the details and outcome thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): Due to hike in Minimum Support Price (MSP) in last three years, production of rice and wheat in the country has shown an increasing trend. An all time record of 805.8 lakh tonnes of wheat and 991.5 lakh tonnes of rice has been produced in 2008-09.

Due to record procurement of wheat in RMS 2009-10 and of rice in KMS 2008-09, shortage of storage space has been experienced by FCI and state agencies. In order to address the problems of shortage of storage capacity, various steps have been taken by FCI and state agencies which, inter-alia include hiring of additional storage space, direct dispatch from mandis to consuming states and storage of wheat stocks in Cover and Plinth (CAP) storage.

Due to increased production in the country and adequate availability of wheat and rice in the Central Pool, open market prices of wheat and rice have remained stable in 2008-09 and 2009-10.