

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

UNSTARRED QUESTION NO:2129
ANSWERED ON:27.03.2012
IMPACT OF SUBSIDISING FOOD
Rao Shri Sambasiva Rayapati

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

- (a) whether the subsidising of food for the poor is leading to payment of lower price to the farmers for their produce;
- (b) if so, the details thereof and the views of the State Governments and the people in this regard; and
- (c) the corrective steps being taken in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): No Madam. Government is running price support operations for specified crops to ensure payment of reasonable price to the farmers for their produce. As per existing procurement policy of Government, farmers are paid Minimum Support Price (MSP) for their produce brought at specified procurement centres operated by Food Corporation of India, other agencies nominated by Government, State Governments and their Agencies. MSP of specified crops is fixed by Government in advance, of every Marketing season on the basis of the recommendations given by the Commission for Agricultural Costs and Prices (CACP). While giving its recommendations for MSP, input costs required for a particular crop and reasonable returns expected are taken into account by the CACP.

(b)&(c): In view of (a) above, does not arise.