

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

UNSTARRED QUESTION NO:7484  
ANSWERED ON:22.05.2012  
ECONOMIC COST OF FOODGRAINS  
Badal Harsimrat Kaur

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

- (a) whether the economic cost of foodgrains has been increasing over the years;
- (b) if so, the details thereof;
- (c) whether the Government has taken any steps to decrease the economic cost and pass on the benefit to the farmers; and
- (d) if so, the details thereof?

**Answer**

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

(a): Yes, Madam.

(b): The economic cost of foodgrains (Rice and Wheat) for last three years is as under:-

(Rs./qtl.)

Years    Rice    Wheat

2009-10    1820.07    1424.61

2010-11    1983.11    1494.35

2011-12    2184.20    1651.93

(c) & (d): The Minimum Support Price (MSP) paid to farmers is being increased every year to provide remunerative prices to them. While this is one reason for the increase in economic cost, the Government has taken several measures to reduce the economic cost. These are as follows:-

- (i) Encouraging decentralised procurement and distribution of Foodgrains.
- (ii) Borrowing of short terms loans by FCI for its operational requirement at lower interest rates as compared to interest rates on cash credit limit.
- (iii) Improving the operational efficiency of the FCI and reduction in administrative expenditure.