

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

UNSTARRED QUESTION NO:2488
ANSWERED ON:04.08.2015
Fall in Foodgrain Prices
Hegde Shri Anant Kumar Dattatreya

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

- (a) whether the United Nations has recently published a report indicating that the prices of foodgrains are likely to decline during the current decade i.e. 2015 to 2024;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the decline in prices is likely to take place due to decline in demand;
- (d) if so, whether the increasing production of foodgrains will pose a threat to the world economies including India; and
- (e) if so, the prospective policy of the Government in this regard?

Answer

THE MINISTER FOR
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) to (e) : Yes Madam. The Report titled 'OECD-FAO Agricultural Outlook 2015-2024' brought out jointly by Organisation for Economic Cooperation and Development (OECD) and Food and Agriculture Organisation (FAO) of United Nations has indicated that in real terms (i.e. after adjusting for inflation), the prices for agricultural products are expected to decline over the next ten years on account of productivity growth, lower input prices and slower demand increases etc.

However, the report provides only plausible scenario based on certain assumptions like macroeconomic conditions, weather conditions, international market developments etc. In so far as foodgrains are concerned Government has put in place a mechanism of price policy wherein Minimum Support Prices (MSPs) are announced for various agricultural crops with the objective that farmers are assured of remunerative price for their produce and to prevent distress sale. In order to insulate the vulnerable sections of society, Government has initiated measures like allocation of foodgrains at affordable prices under Targeted Public Distribution System (TPDS).
