

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2883
TO BE ANSWERED ON 21st MARCH, 2018

REDUCTION OF SUBSIDIES TO FARMERS

2883. SHRI RAVI PRAKASH VERMA:
SHRI NEERAJ SHEKHAR:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) whether Government has agreed under pressure from the World Trade Organisation (WTO) to reduce the subsidies provided by Government to farmers below 10 per cent of gross agricultural production;
- (b) if so, the details thereof and reasons for compromise with the interest of farmers and food security of the country; and
- (c) if not, the year-wise details of subsidies provided by Government during the last three years in percentage of gross agriculture production?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

- a) No, Sir.
- b) Does not arise in view of (a) above.
- c) The relevant rules of the World Trade Organisation (WTO) categorise all agricultural support measures broadly into those that distort trade and those that have no or minimal trade-distorting effect. There are limits on the amount of trade-distorting support that can be provided. Agricultural support measures that have no or minimal trade-distorting effect can be freely used. The rules applicable to most developing countries allow for product-specific trade distorting support upto 10% (*'de minimis'*) of the value of production of the product. Similarly, total trade-distorting support, which is not specific to any product, can be provided upto a limit of 10% of the total value of agricultural production. India has always kept its trade-distorting support within the applicable limits. Further, India has been providing input subsidies and non-trade-distorting agricultural support, where the limits do not apply.
