

Governments in poor Third World countries

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To gain favor with their more politically powerful urban residents. Governments impose price controls to keep food prices artificially low.

By artificially depressing the price of food, **Third World governments** reduce incentives for farmers to produce and **reduce the availability** of food from domestic sources.

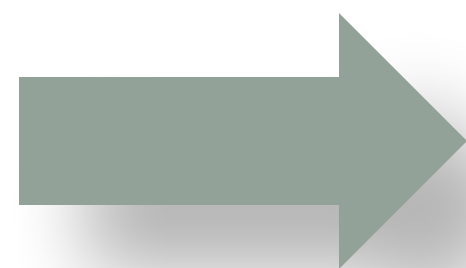
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Why Price Supports?