

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

UNSTARRED QUESTION NO:842
ANSWERED ON:27.07.2001
SALE OF RICE IN NON-RICE PROCURING STATES
ABUL HASNAT KHAN

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

- (a) whether the Government had decided to sell the 6.5 lakh tonnes of rice to traders in non-rice procuring States such as Gujarat, Maharashtra, West Bengal, Bihar, Kerala and the North-East;
- (b) if so, the details in this regard;
- (c) whether the Food Corporation of India after sending around 60,000 tonnes of rice had abruptly cut off the supplies;
- (d) if so, the reasons therefor; and
- (e) the action taken against the persons responsible for this?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a)&(b): The Government, during September, 2000 authorised the Food Corporation of India (FCI) to dispose of upto 30 lakh tonnes of rice in open market subject to the following conditions:

- (i) The open sale of rice will be undertaken by the FCI in the consuming States only i.e.where there is no/negligible procurement of rice for the Central Pool;
- (ii) While FCI will attempt to dispose of rice procured under relaxed specifications (URS) to the maximum extent possible, it is also authorized to sell other stocks of rice in view of the constraints of covered storage space;
- (iii) The sale prices of URS rice of 1998-99 crop and other stocks of rice will be fixed separately by the High Level Committee (HLC) of FCI through a transparent mechanism.

Subsequently, during December, 2000, the FCI has been authorized to undertake open sale of rice in those States also where rice is procured for Central Pool, subject to the condition that the price of open sale of rice will not be less than the levy price of rice in those States.

(c),(d) &(e): The sale of URS rice was suspended by the FCI on receipt of certain complaints which have been investigated and action is being initiated against the erring officials.