

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

UNSTARRED QUESTION NO:333
ANSWERED ON:01.03.2002
DISTRESS SALE OF WHEAT AND PADDY
ANANTA NAYAK;LAKSHMAN CHANDRA SETH;SUBODH MOHITE

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

- (a) whether despite farmers having been provided minimum support price for their produce the cases of distress sale of paddy and wheat have been reported from various States particularly from Orissa;
- (b) if so, the reasons thereto;
- (c) whether the FCI is adopting uniform policy of procurement throughout the country;
- (d) if so, the details thereof;
- (e) if not, the reasons thereto;
- (f) whether the Union Government have issued guidelines to FCI to stop distress sale of paddy and wheat; and
- (g) if so, the details thereof?

Answer

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

(a)&(b): Reports about alleged distress sale of wheat and paddy have been received during the current Kharif and Rabi Marketing Seasons, 2001-2002, from some States including Orissa. However, investigations have revealed that only foodgrains not conforming to the specifications laid down were sold below Minimum Support Price (MSP).

(c),(d)&(e): FCI, along with the State Governments and their agencies, undertakes procurement of foodgrains conforming to Fair Average Quality Specifications at Minimum Support Prices (MSP) for the Central Pool. All the foodgrains conforming to prescribed specifications offered for sale at specified centers are bought by the FCI and State agencies. FCI also collects rice by way of statutory levy on rice millers/dealers. The procurement in a State depends upon the capacity of the FCI and the State Government and its agencies and the infrastructure available.

In order to ensure, inter alia, that the benefit of MSP reaches the farmers, the Government had, in 1997 - 1998, introduced the scheme of Decentralised Procurement. This scheme is now in operation in three States, namely, Madhya Pradesh, Uttar Pradesh and West Bengal. Efforts are being made to encourage other States to adopt the scheme.

(f)&(g): In order to extend the benefits of the Minimum Price Support Scheme to the farmers and to avoid distress sale of wheat and paddy, Special Control Rooms are also set up to monitor the procurement operations and to take action on any report of distress sale. Publicity about the same is given through the media.