

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

UNSTARRED QUESTION NO:3006
ANSWERED ON:07.12.2001
CONSTRUCTION OF GODOWNS
BHUMA NAGI REDDY;VILAS BABURAO MUTTEMWAR

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

- (a) whether the Union Government are planning reforms in the marketing structure to promote development of market yards, godowns, packing and grading centres;
- (b) if so, the details thereof;
- (c) the number of godowns proposed to be constructed and the estimated cost involved; and
- (d) the reasons for undertaking such programme by the Union Government, particularly when the deliberations on decentralisation of procurement of foodgrains, food management and diversification are already in progress with the State Governments?

Answer

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

(a)&(b): An Expert Committee on Strengthening and Developing of Agricultural Marketing, appointed by the Ministry of Agriculture, has recommended to examine the existing legal framework governing the institution of Regulated Markets and removal of such restrictive provision which inhibit growth of a cooperative market structure in the country. An Inter-Ministerial Task Force has been constituted in the Department of Agriculture & Cooperation to examine the recommendations and suggest measures for the implementation of the recommendations of the Expert Committee. The State Governments/Union Territory Administrations have also been requested to examine the recommendations.

The Government has also announced a National Policy on handling, storage and transportation of foodgrains to reduce storage and transit losses and to modernize the system of handling, storage and transportation of foodgrains in India. The policy envisages that the private sector will be encouraged to build conventional godowns in which they will store and maintain foodgrains procured by Government agencies, for which they will be entitled to storage charges.

(c): For the construction of conventional storage godowns, 78 locations involving 5.88 lakh tonnes in 14 states have been identified. Eleven (11) sites have been identified and approved for creation of integrated bulk handling facilities for wheat.

(d): The decision for introducing decentralized procurement was taken to overcome problem of centralized procurement with regard to levy of taxes, storage, huge expenditure on the cost of transportation and also losses on account of transit, storage, etc. To overcome these problems, it was considered necessary to decentralize the procurement process by dispersing the procurement centres to different parts of the country thereby encouraging local procurement to the maximum extent. States have also, over the years, developed infrastructure in the form of regulated market yards, apex Marketing Cooperative Societies and Civil Supplies Corporations, to enable them to enter the area of procurement in pockets where marketable surplus is available store the foodgrains and move them to the consumption centres. The scheme of decentralized procurement is presently operational in Uttar Pradesh, West Bengal and Madhya Pradesh. It is not being imposed on any State Government.