

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

UNSTARRED QUESTION NO:5103  
ANSWERED ON:25.04.2003  
DISTRESS SALE OF PADDY  
ANANTA NAYAK;SRIKANTA DATTA NARASIMHARAJA WADIYAR

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

- (a) whether the Government have taken steps to stop distress sale of paddy in various States;
- (b) if so, the States from where the distress sale has been reported during 2002-03; and
- (c) the present position in those States after efforts made to stop distress sale?

**Answer**

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

(a)to(c): Before the start of each marketing season, State Governments/UTs are advised to ensure that Fair Average Quality (FAQ) foodgrains are procured from farmers at Minimum Support Price (MSP) announced by the Government. In order to closely monitor the price support operations, a Control Room has been set up on a permanent basis in the Department of Food and Public Distribution. Special Control Rooms are also set up in the FCI Headquarters and its Regional Offices. The State Governments are also advised to set up Control Rooms, which should function round the clock during the procurement season. Any report of distress sale is forwarded to the concerned State Governments for taking immediate remedial measures.

The Government, in its efforts to ensure that the benefits of MSP are invariably passed on to farmers, has issued instructions to the FCI to implement a suitable mechanism so that necessary proof/documents are obtained from the millers at the time of procurement to the effect that, the benefit of MSP and special drought relief price etc. had been passed on to the farmers. Steps to prevent distress sale of paddy have been taken by the FCI by opening more procurement centres, posting of staff and releasing of funds etc for this purpose.

During the Kharif Marketing Season 2002-2003, instances of sale of paddy below the Minimum Support Price (M.S.P.) were reported from parts of Bihar, Gujarat, U.P. and West Bengal. Investigations, however, have so far revealed that only non-F.A.Q. paddy was sold below the M.S.P.