

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

STARRED QUESTION NO:25
ANSWERED ON:13.08.2007
IMPORT OF WHEAT
Chinta Mohan Dr.

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

- (a) the quantum of wheat produced and procured during 2006-07 and 2007-08 so far;
- (b) whether there has been a shortfall in procurement of wheat as compared to its requirement under different schemes in the country during the current year;
- (c) if so, the details and reasons therefor indicating the quantum of wheat procured by private agencies during the said period;
- (d) whether the Government has decided to import wheat and rice to meet the shortfall;
- (e) if so, the details thereof indicating the quantity, price, time-schedule and countries from where it is to be imported;
- (f) whether some countries have asked for relaxation in quality specification; and
- (g) if so, the steps being taken by the Government to ensure that good quality wheat is distributed in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d), (e), (f) & (g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF THE STARRED QUESTION NO. 25 DUE FOR ANSWER ON 13.08.2007 IN THE LOK SABHA.

(a): As per the fourth advance estimates released by the Department of Agriculture & Cooperation in July, 2007 the production of wheat in Rabi Marketing Season (RMS) 2007-08 is estimated at 748.09 lakh tonnes as compared to final estimates of 693.5 lakh tonnes in RMS 2006-07.

The procurement of wheat in RMS 2007-08 by the Government agencies (State agencies and FCI) for Central Pool was 111.04 lakh tonnes as compared to 92.25 lakh tonnes in RMS 2006-07.

(b): Yes, Sir.

(c): Against the estimated requirement of 150 lakh tonnes of wheat required for TPDS and other welfare schemes during 2007-08, the Government agencies have procured a quantity of 111.04 lakh tonnes of wheat in RMS 2007-08 despite taking several steps to enhance procurement of wheat in RMS 2007-08 (details are at Annexure I). The procurement was less than the estimated requirement due to low market arrivals and high private participation in procurement. As per returns filed, the purchase of wheat by large companies, who have purchased more than 50,000 tonnes each, is 18.76 lakh tonnes as of 30th July, 2007.

(d): The Government has decided to import wheat in RMS 2007-08 in order to meet the requirements of TPDS and other welfare schemes, and to maintain sufficient buffer stocks for food security. There is no proposal to import rice.

(e): The Government has decided to import the required quantity of wheat, but upto 50 lakh tonnes during 2007-08. So far the State Trading Corporation (STC) has placed orders for import of 5.11 lakh MTs wheat. The names of the countries, suppliers, quantity, price details and time-schedule are given in Annexure II.

(f): Yes, Sir. Request has been received from USA for relaxation in quality specifications.

(g): Only wheat meeting tender specifications will be allowed to be imported into the country.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE STARRED QUESTION NO. 25 DUE FOR ANSWER ON 13.08.2007

IN THE LOK SABHA.

Steps taken by the Government to maximize procurement of wheat in (RMS) 2007-08

- i) The MSP for wheat was fixed at Rs. 750 per quintal for RMS 2007-08, an increase of Rs. 100 per quintal, in order to encourage farmers to grow more wheat. Now, according to the Fourth Advance Estimates of the Department of Agriculture & Cooperation, the estimated production of wheat is likely to be 74.89 million tonnes in crop year 2006-07 compared to 69.35 million tonnes in crop year 2005-06.
- ii) An incentive bonus of Rs. 100 per quintal over and above the MSP was also given in RMS 2007-08.
- iii) Import of 55 lakh tonnes of wheat was done in 2006-07 which improved the stock position of wheat in the Central Pool and the wheat stocks (as on 1.4.2007) were more than the buffer norms of 40 lakh tonnes at the start of RMS 2007-08.
- iv) Wheat exports on private account have been banned upto 31.12.2007. Wheat exports from Central Pool are also banned.
- v) Decision was taken to release 4 lakh tonnes of wheat under OMSS in February and March 2007 to cool the market prices before the start of RMS 2007-08.
- vi) A notification titled `Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firm or Individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/ address of the company, quantity of wheat purchased and quantity of wheat held in stock.
- vii) Department of Consumer Affairs has extended upto 31st August, 2007 notification under the EC Act enabling State Governments to impose stock limit on wheat.
- viii) Import of wheat on private account at zero duty has been permitted upto 31.12.2007.
- ix) 13128 centers for wheat procurement were opened by Government agencies in RMS 2007-08 as compared to 8985 centers in RMS 2006-07.
- x) In order to encourage wheat procurement in States like U.P., Madhya Pradesh, etc. Commission to Societies/sub-agents was enhanced to 2.5% on the lines of the Arthiya Commission in Punjab and Haryana for RMS 2007-08.
- xi) NAFED was also engaged to procure wheat on behalf of FCI during RMS 2007-08.