

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

UNSTARRED QUESTION NO:895

ANSWERED ON:06.12.2004

DECENTRALISATION OF PROCUREMENT AND DISTRIBUTION

Ramadass Prof. M

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

- (a) whether the Government proposes to decentralise procurement and distribution of foodgrain through Public Distribution System (PDS);
- (b) if so, whether the State Governments would be permitted to decide the issue prices and quantum of foodgrains to be supplied;
- (c) whether the Government will allow 26 per cent Foreign Direct Investment (FDI) in food retailing as a measures for enhancing the role of private sector in the distribution system; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

- (a): The Decentralised Procurement Scheme was introduced in 1997 and it is being undertaken by State Governments of West Bengal, Madhya Pradesh, Uttar Pradesh, Chhatisgarh, Uttaranchal, A & N Islands, Orissa, Tamilnadu & Gujarat. Under the scheme the Central Government undertakes to meet the entire expenditure incurred by the State Governments on the operations of procurement, storage & distribution of foodgrains as per the approved costing.
- (b): No, Sir.
- (c)&(d): Government has put in place a liberal and transparent policy of FDI which is reviewed on an ongoing basis. The present policy permits FDI upto 100% in wholesale trading. FDI in retail trading is prohibited.