

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

STARRED QUESTION NO:274

ANSWERED ON:16.03.2010

PROCUREMENT AND DISTRIBUTION OF FOODGRAINS BY FCI

Danve Shri Raosaheb Patil;Lal Shri Kirodi

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

- (a) whether the expenditure on procurement, storage and distribution of foodgrains by the Food Corporation of India has been rising during the last three years;
- (b) if so, the details thereof, and the reasons therefor, indicating the per quintal expenditure incurred thereon during the said period;
- (c) whether the said expenditure has been categorised separately;
- (d) if so, the details thereof;
- (e) the additional economic burden to be borne by FCI on account of excess stocks held by it; and
- (f) the steps being taken to bring about better management in this regard?

Answer

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE STARRED QUESTION NO.274 DUE FOR ANSWER ON 16.03.2010 IN THE LOK SABHA.

(a), (b), (c) & (d):Yes, Madam.The details of total costs incurred by FCI during the last three years is at Annexure-I.The details of economic cost of wheat and rice of FCI for the last three years is at Annexure-II.

Increase in cost incurred by FCI inter-alia is on account of the following reasons:

- (i) Increase in Minimum Support Price (MSP);
 - (ii) Increase in quantity of foodgrains procured and buffer stocks maintained by the Government.
 - (iii) Increase in operational cost of FCI on account of wage revision and increase in cost of labour, storage and interest.
- (e): The cost incurred by the FCI on maintenance of buffer stocks during the last three years is as under:

Year Cost per year (Rs./qtl.)

2006-07 407.42

2007-08 326.77

2008-09 (Provisional) 435.56

(f): For better management of stock in the central pool, the Government of India has allocated 476.71 lakh tonnes of foodgrains under Targeted Public Distribution System (TPDS) during 2009-10 as compared to 387.76 lakh tonnes of foodgrains allocated in 2008-09. In addition 25.44 lakh tonnes of wheat and 10.62 lakh tonnes of rice was allocated to State Governments for the months of January and February, 2010 at MSP/MSP derived price. 20 lakh tonnes of wheat and 10 lakh tonnes of rice was allocated to State Governments for sale to retail consumers/small processors under Open Market Sales Scheme (domestic). In addition, 20.18 lakh

tonnes of wheat was allocated to FCI for tender sale to bulk users.