

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

UNSTARRED QUESTION NO:2984
ANSWERED ON:16.03.2010
LOSSES TO FCI
Manjhi Shri Hari

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

(a) whether the Food Corporation of India has incurred losses running into crores of rupees by taking warehouses of the State Warehousing Corporations on rent at higher rates without assessing its requirement properly; and

(b) if so, the details thereof, indicating the hired storage capacity that was not utilised by FCI during the last three years and the current year alongwith the rentals paid therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): No, Madam. The warehouses of State Warehousing Corporations are hired by the Food Corporation India after proper assessment of the requirement on rates decided by the Government. The rates are at par with Central Warehousing Corporation (CWC) rates for the same specifications.

(b): The details of storage capacity hired from State Warehousing Corporations are as under:-

As on	Capacity (in Lakh MT) utilization	Stocks (in Lakh MT)	% age
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31.3.2006	69.68	43.15	62
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30.6.2006	68.72	48.92	71
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31.3.2007	67.96	45.57	67
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30.6.2007	66.42	47.98	72
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31.3.2008	63.26	40.25	64
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30.6.2008	63.79	54.42	85
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31.3.2009	62.21	55.68	90
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30.6.2009	70.92	69.70	98
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15.2.2010	73.75	59.33	80
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Average during the period	67.41	51.67	77
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As per the norms, based on Bureau of Industrial Costs and Prices (BICP) studies, the optimum utilization of capacity should be 75%. During the last three years and current year upto 15.2.2010, the average utilization of capacity has been good.