

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

UNSTARRED QUESTION NO:104  
ANSWERED ON:09.11.2010  
WAREHOUSING POLICY  
Lagadapati Shri Rajagopal

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

- (a) the aims and objectives of the PEG Scheme 2008;
- (b) whether the Food Corporation of India has changed the warehousing policy to extend lease period to 10 years;
- (c) if so, the details thereof; and
- (d) the other changes made/proposed to be made in the warehousing policy alongwith the benefits likely to accrue therefrom?

**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). Government formulated a scheme for construction of godowns through private entrepreneurs under PPP mode in the year 2008 with an aim to create storage capacity required for storing four months requirement of PDS in consumption states and by taking into account highest stock level in the last three years in the procuring states for storage of procured stocks to reduce dependence on CAP (open) storage. In addition, additional hiring would be done by FCI wherever possible and maximum utilisation would be made of existing storage capacities.
- (b). Yes Madam.
- (c) A capacity of 150.65 lakh tonnes is being created under the scheme through private entrepreneurs and Central and State Warehousing Corporations. To make the warehousing industry and potential entrepreneurs aware of the scheme and extension of Guarantee period, FCI has been holding investor meets in various States for highlighting the scheme guidelines to the prospective investors. In addition, nodal State agencies have also been holding similar investor meets.
- (d). Some changes have been made in the Guarantee Scheme to make it more attractive which include change in specification of godowns and requirement of land to CWC norms, participation of entrepreneurs without land title in the tender with the provision of bank guarantee @Rs.100 per MT with provision to furnish land title within 90 days of accepting tender, payment of godown rent by nodal agency by 15th of subsequent month, intimation of normalizing factor in the tender document, taking over of godown by the nodal agency within one month of completion and in case completed with extended period, within 3 months time; making of warehousing experience non mandatory if bids are sought without preservation. The investors have also been permitted to submit tenders separately for each site and location.