

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

UNSTARRED QUESTION NO:154
ANSWERED ON:22.02.2011
PROCUREMENT OF PADDY
Rao Shri Nama Nageswara

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

- (a) whether the Food Corporation of India (FCI) is procuring paddy from farmers indirectly through rice millers instead of conducting procurement operations itself thereby causing inconvenience and delay/underpayment to the farmers;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the remedial steps taken/proposed to be taken to ensure direct procurement by FCI?

Answer

MINISTER OF STATE (I/C) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b) : FCI alongwith other State Agencies procure paddy directly from the farmers at MSP and get it converted into rice through Custom Milling process. Rice millers are also procuring paddy for their commercial operations and deliver a portion of resultant rice as per the levy orders to FCI or State Governments. This procurement of rice through millers is called levy procurement, which is regulated through statutory provisions of levy control order issued by respective State Governments.

(c): To encourage direct procurement of paddy from farmers, the Government has initiated number of steps including commission to Cooperative Societies/Self-help Groups in order to extend the reach of MSP operations to the small and marginal farmers, and asking State Governments to open adequate no. of procurement centres.