

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

UNSTARRED QUESTION NO:979
ANSWERED ON:01.03.2011
DECENTRALISED PROCUREMENT
Kataria Shri Lal Chand

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

- (a) the details and objectives of the decentralised procurement scheme;
- (b) the names of States having decentralised procurement systems for wheat and rice, separately; and
- (c) the details of assistance provided by the Union Government/Food Corporation of India to the State Governments and Union Territories under the decentralised procurement scheme?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): The Scheme of Decentralised Procurement (DCP) of food grains was introduced in 1997-98 with a view to enhance the efficiency of procurement & PDS and to encourage local procurement and to reduce the out go of food subsidy. Under the scheme, the states undertake the responsibility of procurement of food grains, its scientific storage and distribution through Targeted Public Distribution System (TPDS). The surplus food grains procured by DCP states, in excess of their TPDS requirement, is handed over to FCI for the Central Pool stocks and deficit, if any, is met by FCI.

(b): For wheat, 5 states (Madhya Pradesh, Uttrakhand, Chhattisgarh, Gujarat and West Bengal) and for rice, 9 states (Uttrakhand, Chhattisgarh, Orissa, Tamil Nadu, West Bengal, Kerala, Karnataka, Madhya Pradesh and A&N Islands) have adopted the DCP system of procurement.

(c): Based on the estimates given by concerned DCP States, an advance subsidy covering 90% of the likely requirement is released during every quarter and another 5% is released at the end of the quarter based on provisional estimates given by the State Governments. The remaining actual subsidy is released based on the final audited statements furnished by DCP States.