

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

STARRED QUESTION NO:213
ANSWERED ON:16.08.2011
EXPENDITURE ON FOODGRAIN DISTRIBUTION
Singh Shri Jagada Nand

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

- (a) whether the expenditure incurred on transportation of foodgrains for distribution under the Public Distribution System (PDS) pushes up the cost of foodgrains;
- (b) if so, the details thereof indicating the economic cost, central issue price, expenditure incurred on transport and final price for distribution of foodgrains under PDS during each of the last three years and the current year;
- (c) whether the Government proposes to construct godowns including base depots at strategic locations so as to reduce cost on transport of foodgrains;
- (d) if so, the details thereof and the time limit fixed for the purpose; and
- (e) the other steps proposed to be taken to rationalise and check such wasteful expenditure?

Answer

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

(a) to (e): A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE STARRED QUESTION NO. 213 DUE FOR ANSWER ON 16.08.2011 IN THE LOK SABHA

(a) to (e): Targeted Public Distribution System (TPDS) is operated under the joint responsibility of Central Government and State/Union Territory (UT) Governments. In respect of transportation of foodgrains under TPDS, the Central Government is responsible for allocation of foodgrains and transportation upto the designated depots of the Food Corporation of India (FCI). The operational responsibilities for lifting the allocated foodgrains within the States/UTs and transportation upto the fair price shops are that of the State/UT Governments.

The economic cost of rice and wheat in the last three years and the current year is as below:

(Rupees per Quintal)

Year Rice Wheat

2008-09 1740.73 1380.58

2009-10 (Provisional) 1834.52 1421.73

2010-11 (BE) 1981.03 1513.04

2011-12 (BE) 2068.95 1580.58

The Central Issue Prices (CIP) for distribution of rice and wheat to Antyodaya Anna Yojana (AAY), Below Poverty Line (BPL) and Above Poverty Line (APL) categories are as below:-

(Rupees per Quintal)

Rice Wheat CIP unchanged since

AAV 300 200 25.7.2000
BPL 565 415 25.7.2000
APL 795 (Common grade) 610 1.7.2002

830 (Grade A)

The end retail price of foodgrains at fair price shops are determined by the respective States/UTs taking into consideration various aspects including transportation costs within the States/UTs. As per reports received from State/UT Governments from time to time, the prices of foodgrains (rice and wheat) being distributed under TPDS to the AAV, BPL and APL categories at the fair price shops in different States/UTs is given as per Annexure.

The Government formulated a scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). The godowns so constructed would also reduce cost on transport of foodgrains. Under the scheme, capacity of about 152.97 lakh tonnes is to be created in 19 States. Out of this, tenders have been finalised for creation of storage capacity of 52.32 lakh tonnes by the private entrepreneurs. CWC and SWCs are constructing 5.31 lakh tonnes and 15.40 lakh tonnes respectively under the scheme, out of which a capacity of about 3.5 lakh tonnes has already been completed by CWC/SWCs. As per the guidelines of the scheme, the time period of completion of road fed godown is one year and for Railway Siding godown it is two years after acceptance of tenders.

TPDS has been strengthened and streamlined over the years. To improve functioning of TPDS, Government has been regularly issuing advisories and requesting State/UT Governments for continuous review of lists of BPL and AAV families, ensuring timely availability of foodgrains at Fair Price Shops (FPSs), ensuring greater transparency in functioning of TPDS, improved monitoring and vigilance at various levels and introduction of new technologies such as Computerization of TPDS operations at various levels.