

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

UNSTARRED QUESTION NO:1558

ANSWERED ON:09.08.2011

IMPROVEMENT IN PROCUREMENT AND STORAGE

Angadi Shri Suresh Chanabasappa;Thamaraiselvan Shri R.

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

- (a) whether the Union Government had urged the State Governments to step up procurement operations and to create additional storage capacity in order to meet the increasing demand of foodgrains in the country;
- (b) if so, the details thereof;
- (c) the reaction of the State Governments in this regard;
- (d) whether the Union Government proposes to allocate additional funds to the States for this purpose; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) to (c): State Governments have been urged to increase procurement by strengthening procurement machinery in the States and by adopting Decentralised Procurement (DCP) system. Minimum Support Price (MSP) of wheat and rice has also been increased substantially during the last few years to enhance procurement.

In view of increase in procurement during the last few years, Govt. of India has taken necessary measures to enhance foodgrains storage capacity. To increase storage capacity, Govt. has formulated a scheme, namely, Private Entrepreneur Guarantee (PEG) scheme for construction of storage godowns through public entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Under the scheme, a capacity of 152.97 lakh tonnes has been finalized for creation in 19 States. Out of this, tenders have been finalized for creation of storage capacity of 52.32 lakh tonnes by the private entrepreneurs. CWC and SWCs are constructing 5.31 and 15.49 lakh tonnes respectively under the Scheme, out of which a capacity of about 3.5 lakh tonnes has already been completed by CWC/SWCs.

(d) & (e): In the 11th Five Year Plan, an allocation of Rs. 154.82 crore has been made to FCI for construction of storage godowns. This is likely to result in the construction of about 1.2 lakh tonnes capacity. Under the Plan scheme, about 5.4 lakh tonnes of additional capacity has been taken up for creation in North-Eastern States with an allocation of Rs. 568.17 crore. Under the PEG scheme, the additional capacity being created will be funded by the private entrepreneurs/CWC/SWCs, for which long term guarantee of rent will be given by FCI.