

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

UNSTARRED QUESTION NO:2400

ANSWERED ON:16.08.2011

PAYMENT FOR PROCUREMENT

Das Gupta Shri Gurudas;Mcleod Smt. Ingrid;Raghavan Shri M. K.;Singh Shri Vijay Bahadur

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

- (a) whether there has been a record production of wheat and rice, the two main food crops of the country, during the current year;
- (b) if so, the details thereof;
- (c) whether the Food Corporation of India (FCI) has defaulted in payment to the States, other procurement agencies, rice millers etc. on several occasions during the last one year and the current year due to paucity of funds;
- (d) if so, the details thereof;
- (e) whether such a situation alongwith complex procurement system and ban on exports has led to distress sale by farmers affecting their livelihood and increasing indebtedness;
- (f) if so, the details thereof and the reaction of the Government thereto;
- (g) whether there is any proposal to release additional funds to FCI to tackle the situation; and
- (h) if so, the details thereof and the other steps taken to mitigate the problems of the farmers?

**Answer**

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

(a) & (b): Yes, Madam. As per 4th Advance Estimate of Department of Agriculture & Co-operation, the estimates of production of wheat and rice from 2010-11 Crop are 85.93 lakh tonnes and 95.32 lakh tonnes respectively. The wheat production is all time high. However, the rice production is second highest, the highest being 99.18 lakh tonnes in crop year 2008-09.

(c) & (d): State Governments of Andhra Pradesh, Chhattisgarh, Uttar Pradesh and Madhya Pradesh have represented regarding non-payment of dues on account of non-availability of funds with FCI. FCI has been asked to settle the dues of these states at the earliest.

(e) & (f): No such report has been received in the Department.

(g) & (h): During the 2nd quarter i.e. July to September, 2011, this Department has released Rs.4,000 crore on 06.07.2011 and Rs.7635.84 crore on 21.07.2011 to FCI. During the current financial year, an amount of Rs.24,000 crore has so far been released to FCI to be utilized inter alia for making payments to State agencies for procurements made by them.