

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

UNSTARRED QUESTION NO:2467
ANSWERED ON:16.08.2011
WAREHOUSING FACILITIES
Dhruvanarayana Shri R.

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

- (a) whether there has been no abatement of food inflation despite a comfortable level of foodgrains production;
- (b) if so, whether the Government has so far failed to keep up the flow of foodgrains to retail outlets despite there being an acute problem of warehousing with large volumes of foodgrains stored in the open;
- (c) if so, whether lapses in warehousing management by Food Corporation of India (FCI) led to such a situation; and
- (d) if so, the steps to be taken to revamp the storage/warehousing system in the country?

Answer

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

(a) & (b): There is no inflationary trend in the prices of wheat and rice. As on 1.7.2011, the combined stock of wheat and rice in Central Pool was 640.06 lakh tonnes as against the combined buffer norms and strategic reserve for wheat and rice of 319 lakh tonnes. In order to liquidate surplus stocks of wheat and rice, additional allocations of 50 lakh tonnes of foodgrains for BPL and 50 lakh tonnes of foodgrains for APL families have been made in the month of May and June, 2011 respectively. The Govt. has also made allocations for 25 lakh tonnes of wheat and 10 lakh tonnes of rice for sale under Open Market Sale Scheme (Domestic) for the period January to September, 2011.

(c) & (d): No, Madam. However, due to increase in procurement of foodgrains and to reduce storage in Cover and Plinth (CAP), the Government has formulated Private Entrepreneur Guarantee (PEG) scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs) to augment covered storage capacity. Assessment of additional storage needs under the scheme is based on the overall procurement/ consumption and the storage space already available. For the consuming areas, storage capacity is to be created to meet four months' requirement of PDS and other Welfare Schemes in a State. For the procurement areas, the highest stock levels in the last three years are considered to decide the storage capacity required. So far, a capacity of 152.97 lakh tonnes has been finalized for creation under the scheme 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.