

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

UNSTARRED QUESTION NO:208
ANSWERED ON:22.11.2011
HANDLING OF FOODGRAINS
Pradhan Shri Nityananda

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

- (a) whether the World Bank in a report has indicated that the inefficiency of Food Corporation of India in handling foodgrains leads to a high rate of foodgrains wastage and cost of handling as compared to the private sector;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the World Bank has also commented on the reasons for high food inflation and increasing food insecurity in the country;
- (d) if so, the details thereof;
- (e) whether the said report has also suggested certain remedial measures for the same; and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a) & (b) Yes, Madam. World Bank in its report on Food Inflation, issued in June, 2001 has commented upon operational inefficiency of FCI. In the report it has been mentioned that FCI loses 10-16 million tonnes of grains every year. However, this position is factually incorrect. The position of accrual of damaged foodgrains in FCI during last three years are as under:-

Year Commodity Accrued Quantity
of Damaged foodgrains
(in Lakh MTs)

2009-10 Wheat 0.020
Rice 0.050
Total 0.070

2010-11 Wheat 0.020
Rice# 0.040
Total 0.060

2011-12 Wheat 0.004
(up to Rice 0.003
01.10.11) Total 0.007

including 0.02 lakh tonnes of damaged coarse grains.

(c) to (f): World Bank Report has attributed the current high food inflation in India to non-cereal items like fruit, vegetable, milk, fish, meat and spices. The World Bank Report has suggested the following policy options in its report:

- (i) Efficient management of foodgrains
- (ii) Increasing Agriculture output and productivity
- (iii) Increasing the role of Private Sector in foodgrain marketing.

Government of India has already taken steps to implement many of suggestions mentioned in the World Bank Report.