

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

UNSTARRED QUESTION NO:1274
ANSWERED ON:29.11.2011
DIFFICULTY IN PROCUREMENT
Rajendran Shri C.;Reddy Shri Magunta Srinivasulu

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

- (a) whether difficulty is being faced in procuring foodgrains from farmers to meet the demand/entitlement under various food based schemes;
- (b) if so, the details thereof;
- (c) whether there is any proposal to change the procurement policy;
- (d) if so, the details thereof; and
- (e) the other steps taken to improve procurement in order to meet the demands?

Answer

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

- (a) & (b): No Madam. There is no difficulty in procuring the required quantities of food grains from farmers to meet the demand of Targeted Public Distribution System (TPDS) and other welfare schemes.
- (c) & (d): No Madam. Government is not proposing any change in the existing procurement policy.
- (e) Steps taken to improve procurement of wheat and rice are at Annexure-I.

Annexure-I

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF UNSTARRED QUESTION NO. 1274 FOR ANSWER ON 29.11.2011.

Steps taken to improve procurement of wheat and rice

1. The MSP for wheat in RMS 2008-09 was fixed at Rs. 1080 per quintal, which resulted in a record procurement of 253.82 lakh tonnes. In RMS 2009-10, the MSP of wheat was fixed at Rs. 1100/- per quintal and the procurement of wheat was 225.14 lakh tonnes. In RMS 2011-12, the Govt. had announced the MSP of wheat at Rs. 1120/- per quintal. In addition, a bonus of Rs. 50/- was also approved, which resulted into procurement of 281.44 lakh tonnes of wheat, which is a record procurement.
2. In KMS 2009-10, the MSP of Rs. 950/- and Rs. 980/- per quintal was fixed for Common and Grade 'A' variety of paddy, respectively. In addition, the Govt. had also allowed a bonus of Rs. 50/- per quintal on both varieties of paddy during KMS 2009-10. A total of 320.34 lakh tonnes of rice was procured during KMS 2009-10. For KMS 2010-11, MSP of Rs. 1000/- and Rs.1030/- per quintal for Common and Grade 'A' variety of paddy was fixed. The procurement of rice in KMS 2010-11 is 341.80 lakh tonnes. The MSP of paddy for Common and Grade 'A' variety of paddy was declared at Rs. 1080/- and Rs. 1110/- respectively for KMS 2011-12. The estimated procurement of rice in KMS 2011-12 is 353 lakh tonnes.
3. State Governments have been requested to issue instructions for recording correct market arrivals and ensuring imposition of at least 50% compulsory levy on rice millers.
4. The Govt. has increased the common charges for the cooperative societies and self help groups to 2.5. % in KMS 2009-10 and 2010-11 to encourage procurement from small and marginal farmers especially in states where infrastructure for procurement is not well developed. This will also ensure increased reach of MSP to farmers.
5. States are encouraged to adopt Decentralised Procurement (DCP) system for better reach of MSP to farmers.