

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

UNSTARRED QUESTION NO:3126
ANSWERED ON:13.12.2011
RENT FOR HIRING GODOWNS
Badal Harsimrat Kaur

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

- (a) whether the efforts of the Food Corporation of India (FCI) to increase storage space in Punjab through hiring of godowns has been adversely affected by the low rent offered by it;
- (b) if so, the details thereof indicating the rent offered by FCI;
- (c) whether the State Government of Punjab has requested the Union Government to increase the rents offered by FCI for hiring godowns in Punjab; and
- (d) 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): Due to the increased procurement of foodgrains and to reduce the storage under Cover and Plinth (CAP), the Government formulated the Private Entrepreneurs Guarantee (PEG) Scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Under the PEG a capacity of 51.25 lakh tonne has been allotted to the state of Punjab. Out of which 49.99 lakh tonne is to be constructed in Punjab and balance 1.26 lakh tonne in Haryana.

A capacity of 46.31 lakh tonne was approved for construction through the private investors, out of which a capacity of 41.27 lakh tonne has been finalised, showing a satisfactory performance in this respect. The balance capacity of 3.68 lakh tonne is being constructed by Central Warehousing Corporation (CWC) and Punjab State Warehousing Corporation (PSWC).

The rent payable at present to CWC/PSWC is Rs. 4.90 per quintal per month. The rent approved for the private investors, range from Rs. 3.89 per quintal per month to Rs. 5.00 per quintal per month (for lease only) and Rs. 5.89 per quintal per month to Rs. 6.48 per quintal per month (for lease and services).

(c) & (d): The State Government of Punjab had requested the Union Government to increase the rents offered by FCI for hiring godowns in Punjab. However the High Level Committee (HLC) of FCI, in order to get better response decided to invite fresh bids as per the revised scheme guidelines and existing Government rules. Better response at competitive rates has since been received for the fresh bids and a total capacity of 41.27 lakh tonne has been finalised out of a capacity of 46.31 lakh tonne allotted to the private investors.