

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

UNSTARRED QUESTION NO:3050
ANSWERED ON:24.04.2012
EXPENDITURE ON TRANSPORTATION OF FOODGRAINS
Reddy Shri Modugula Venugopala

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

- (a) whether the expenditure incurred on transportation of foodgrains for distribution under the Public Distribution System (PDS) pushes up the cost of foodgrains;
- (b) if so, the details thereof indicating the economic cost, central issue price, expenditure incurred on transport and final price for distribution of foodgrains under PDS during each of the last three years and the current year;
- (c) whether the Government proposes to construct godowns including base depots at strategic locations so as to reduce the cost on transport of foodgrains;
- (d) if so, the details thereof and the time limit fixed for the purpose; and
- (e) the other steps proposed to be taken to rationalise and check such wasteful expenditure?

Answer

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

(a) & (b) : The Central Issue Prices (CIPs) of foodgrains distributed under Targeted Public Distribution System (TPDS) are uniform throughout the country and have not been revised since July 2002. However, the end retail price of foodgrains distributed under TPDS, except under Antyodaya Anna Yojana (AAY), is fixed by the respective State Governments/Union Territory Administrations taking into account various elements like transportation costs from the FCI depots to fair price shops, storage and handling expenses, margins for whole sellers/retailers, etc. The details of the transportation costs incurred by the States/UTs is not maintained by this Department.

A statement showing economic cost of foodgrains and central issue price during the last three years and current year is at Annexure-I.

(c), (d) and (e) : In FCI, godowns are constructed as per the guidelines issued from time to time and considering the various factors such as (i) Engineering feasibility, (ii) distance for Railway siding in case of Rail-fed godowns and (iii) PDS requirement of the district.

A capacity of 5,74,230 MT has been proposed to be constructed by FCI during 12th Five Year Plan.

However, under Private Entrepreneurs Guarantee Scheme (PEG) for construction of godowns in the country, the storage gap has been identified on the basis of 4 months requirements of TPDS & other welfare schemes (OWS) for the consuming areas and the highest stock level observed during the last three years for procuring areas and accordingly, a capacity of 151.21 Lakh MT has been approved to be created in 19 states of the country. The state-wise details of capacity approved and the status of construction work under PEG scheme as on 31.03.2012 is placed at Annexure-II.

To reduce the cost of transportation of food grains, under PEG Scheme, all godowns of 25,000 MTs or above capacity will be preferably Railway siding godowns and all other godowns will be preferably within 8 Kms. of a Railway goods shed with full rake Railway siding facility.

As per guidelines of PEG scheme, the time period for completion of godowns is one year after issue of work order in case of non-Railway siding godown and two years for Railway siding godowns for completion of the project.

Central Warehousing Corporation (CWC) has plans to create additional storage capacity of 2.10 Lakh MT during the year 2012-13.