

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

UNSTARRED QUESTION NO:2682
ANSWERED ON:28.08.2012
SUBSIDY FOR STORAGE
Badal Harsimrat Kaur

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

- (a) whether the Government provides any incentive or direct subsidy to the States for storage of the procured foodgrains for a particular number of months and years;
- (b) if so, the details thereof;
- (c) whether some States having limited storage capacity are also required to store foodgrains stocks for Food Corporation of India (FCI)/Central pool which is adversely affecting the food security in the country; and
- (d) if so, the details thereof and the incentives proposed to be provided to the States for keeping their foodgrains beyond a certain period of time?

Answer

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

(a) & (b): The Government does not provide any incentive or direct subsidy to States for storage of procured foodgrains. However, the storage cost for the period procured stock is kept by the State Governments and their Agencies, for storage of foodgrains on behalf of Central Pool are reimbursed by the Government/Food Corporation of India (FCI) as part of procurement incidentals and carryover charges.

In case of rice, after milling of Paddy, rice is taken directly by FCI and in case of wheat, if it is stored by the State Government/Agencies beyond 30th June of the procurement year, additional storage and interest charges (carry over charges) are reimbursed by FCI.

(c) & (d): The states are not required to store food grain stocks for FCI. FCI undertakes storage of Central Pool Stocks to meet the requirement under Targeted Public Distribution System (TPDS) of the respective states. In case the states have surplus stocks, the same are handed over to FCI for its dispatch/ movement to the deficit states.