

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

UNSTARRED QUESTION NO:844

ANSWERED ON:27.11.2012

ALLOCATION FOR BULK CONSUMERS

Acharia Shri Basudeb; Dharmshi Shri Babar Gajanan; Karunakaran Shri P.; Majhi Shri Pradeep Kumar; Yadav Shri Dharmendra

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

- (a) whether the Government proposes to release additional quantity of wheat to bulk consumers including flour mills and biscuits manufacturers in the country;
- (b) if so, the details thereof indicating the quantity, price and the criteria fixed for allocation of wheat to bulk consumers;
- (c) whether the Government has fixed any profit margin for the bulk consumers benefitted thereunder and if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government has received any suggestions/ recommendations to distribute the surplus stock universally under PDS instead of allocating it to bulk consumers; and
- (e) 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): Under Open Market Sale Scheme (OMSS) Government on 10.11.2012 has approved an allocation of 65 lakh tonnes of wheat for tender sale to bulk consumers /traders upto February, 2013. Initially, wheat for open market sale is allocated to all States/UT @ 1 lakh tonnes per State/UTs except Himachal Pradesh, North Eastern States, A&N Islands, Dadra and Nagar Haveli, Daman Diu, Lakshadweep and Puducherry for whom the allocation is @ 25000 tonnes to begin with. The balance quantity of wheat out of 65 lakh tones is kept at the disposal of FCI for further release as per progress of sale. Reserve price for tender sale of wheat and price for sale of wheat to small/private traders in surplus states i.e. Punjab, Haryana, Uttar Pradesh and Madhya Pradesh is fixed at MSP of wheat for RMS 2012-13 (Rs.1285/- per quintal) plus State wise Statutory charges and levies as applicable on procurement. For other consuming States/UTs except Chandigarh, reserve price for tender sale of wheat and price for sale of wheat to small/private traders is fixed at MSP of wheat for RMS 2012-13 (Rs.1285/- per quintal) plus Statutory charges and levies as applicable on procurement in Punjab plus freight from Ludhiana to concerned State/UT Capital. For Chandigarh, the reserve price is same as reserve price fixed for Punjab.

(c): No profit margins have been fixed for bulk users/ traders. Under OMSS Government releases wheat and rice to offload surplus stock available in the central pool and to increase supply of wheat and rice in open market to moderate their prices. There is no provision under the scheme to fix profit margins of bulk users/ traders.

(d)&(e): Requests have been received for Universal Public Distribution System. However, Government is not considering to introduce Universal PDS as the focus on poor will get diluted. It would require procurement of huge quantities of wheat and rice which would result in less availability of foodgrains in the market, leading to rise in open market prices. If the same quantity of foodgrains is distributed equally among all, then the scale of issue will have to be reduced. Further, in order to manage the level of the food subsidy, the issue prices of rice and wheat may have to be increased substantially from the present Central Issue Prices (CIPs) which have not been revised for the Below Poverty Line (BPL)/ Antyodaya Anna Yojana (AAY) families since 2000 and for Above Poverty Line (APL) families since 2002. At present Government of India is making allocation of foodgrains under TPDS on the basis of 1993 poverty estimates of Planning Commission and 2000 population estimates. However in view of demand received from the States / UTs and availability of surplus stocks in the Central Pool Government has been making additional allocations from time to time.