

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

UNSTARRED QUESTION NO:2892
ANSWERED ON:11.12.2012
PROCUREMENT AND STORAGE
Muttemwar Shri Vilas Baburao;Sharma Shri Jagdish

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

- (a) whether in view of the problems being faced in procurement and storage of foodgrains the Government proposes to entrust it to some private agency;
- (b) if so, the details thereof along with the modalities worked out in this regard;
- (c) whether the Government has assessed its likely impact on farmers and procurement as well as the scope for corruption/irregularities under the new system and the measures to check the same;
- (d) if so, the details and the outcome thereof along with the steps taken to protect the interest of farmers and the consumers;
- (e) whether the Government proposes to construct new godowns under the Mahatma Gandhi National Rural Employment Guarantee Scheme; and
- (f) if so, the details thereof?

Answer

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

- (a): There is no proposal to entrust the procurement of foodgrains to any private agency. However, in view of 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 covered storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs).
- (b): Assessment of additional storage needs under the PEG scheme is based on the overall procurement / consumption and the storage space already available. For the consuming areas, storage capacity is to be created to meet four month requirement of PDS and other Welfare Schemes in a State. For the procurement areas, the highest stock levels in the last three years are considered to decide the storage capacity required. A capacity of 181.08 lakh tons has been approved for construction of godowns in 19 states out of which a capacity of 128.48 lakh tons has been sanctioned for construction.
- (c) & (d): The involvement of private entrepreneurs in developing storage facilities is likely to have a positive impact on procurement and thereby on farmers and there is no scope for corruption/irregularities in this system.
- (e) & (f): No, Madam. There is no such proposal.