

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

UNSTARRED QUESTION NO:1762

ANSWERED ON:04.12.2012

DAMAGED FOODGRAINS

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

- (a) whether the extent of damage to foodgrains has considerably increased due to the policy of holding buffer/strategic and surplus stocks, shortage of storage space and poor condition of the godowns;
- (b) if so, the details thereof indicating the quantum of foodgrains procured, buffer, strategic and surplus stocks, availability of storage space and the quantum of foodgrains stored in open and damaged during each of the last three years and the current year, State-wise;
- (c) whether reports have been received from the States with regard to damage to foodgrains;
- (d) if so, the details thereof and the reaction of the Government thereto, State-wise;
- (e) whether the Government has recently reviewed/assessed the availability, functioning and condition of godowns in various States;and
- (f) if so, the details and the outcome thereof along with the corrective steps taken in this regard?

Answer

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

(a) & (b) No, Madam. In fact the extent of accrual of damaged foodgrains has been decreasing over the years as informed by Food Corporation of India (FCI). During 2002-03 a quantity of 1.35 lakh ton foodgrains accrued as damaged in FCI which has been brought down to 0.03 lakh ton during 2011-12. State wise procurement of foodgrains (wheat, rice and coarse grains) during last three years and current year is at Annexure-I A, I B & I C.

Buffer norms including Food Security Reserve have been fixed for central pool stocks as on 1st January, 1st April, 1st July and 1st October of the year. Buffer norms and central pool stocks for the last three years and current year are at Annexure-II. State-wise details of storage capacity available with FCI and State agencies as on 31.3.2010, 31.3.2011, 31.3.2012 and 30.9.2012 is at Annexure III, IV, V & Annexure VI respectively.

Foodgrains stored in cover and plinth (CAP) storage during last three years and current year State-wise is at Annexure-VII. Rice is not stored in CAP storage.

Details of region-wise stock of foodgrains accrued as damaged/ non-issuable in FCI in CAP storage during last three years and current year is at Annexure VIII.

(c) & (d): FCI has informed that a quantity of 6702 tons, 6346 tons and 3338 tons have accrued as damaged/ non-issuable in various regions of FCI during 2009-10, 2010-11 and 2011-12 respectively. State-wise details of damaged /non-issuable foodgrains accrued during the last three years and current year are at Annexure IX. Due to regular inspection as well as surprise inspections in FCI, cases relating to Sub-standard/Damaged stocks could be detected and action was initiated against the following officials during the last three years and current year:-

Year	No. of officials proceeded against for rotting /damage of foodgrains
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2009-10	28
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2010-11	20
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(e) & (f): Storage capacity requirement for central pool depends upon the procurement level, buffer stocking and PDS requirement of the Consuming States. An assessment for required storage capacity has been made under the Private Entrepreneur Guarantee (PEG) Scheme formulated by the Government for creation of storage capacity through Private Entrepreneurs.

District wise storage gap was calculated in each State to meet their consumption/procurement requirement. For consuming areas, the storage gap is assessed on the basis of 4 months requirement of PDS and OWS while for procuring states the storage gap has been assessed based on the highest stock levels in the last three years, and keeping in view the potential of procurement. Under the PEG Scheme, FCI gives guarantee for the storage charges to the private investors for 10 years. A capacity of 181.08 lakh tons has been approved for construction of godowns in 19 States under the PEG Scheme. A capacity of 20 lakh tons will also be constructed in Silos within the overall storage requirements of FCI.

State wise details of the total capacity approved i.e. 181.08 Lakh tons under PEG Scheme is at Annexure-X.

Out of the approved capacity of 181.08 lakh tons under PEG Scheme, tenders have been sanctioned for a capacity of 93.96 lakh tons to private investors. A capacity of 6.50 lakh tons and 28.02 lakh tons have been allotted to CWC and SWCs respectively for construction of godowns on their own land (total capacity sanctioned/ allotted 128.48 lakh tons). A capacity of 31.56 lakh tons has already been completed upto 31.10.2012.

Following measures have been taken by FCI to accelerate the pace of creation of storage capacity under PEG Scheme:-

1. Replacement of Nodal Agencies: In view of failure of some of the state level agencies- other than SWC in attracting the investors to the PEG Scheme, High Level Committee(HLC) of FCI decided to replace and designate FCI as the nodal agency and this has resulted in improvement in response.

2. In case of land related issues, these have been consistently followed up with the Chief Secretaries/Secretary

(Food) of the concerned States to have a mechanism of co-ordination in place and requested them to intervene and involve Secretary (Revenue) and District Collector in resolving the land related issues with request to review the progress of the PEG Scheme at least once in a quarter.

3. To attract the private investors, wide publicity has been assured by publishing the Notice Inviting Tenders (NIT) in at least one National & one Regional leading newspaper with regional language having large circulation in the concerned State as well as uploading the same on the website. Investor's meets/conferences were also organized from time to time by FCI in collaboration with State Agencies in different States to encourage the prospective investors and clear their doubts, if any.

4. Prompt handling of investor's grievances has been assured at Headquarters level in FCI and if necessary, guidance is issued to field offices and nodal agencies to examine and dispose off the grievances/complaints at the earliest.