

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

UNSTARRED QUESTION NO:1342
ANSWERED ON:05.03.2013
PROCUREMENT COST OF FOODGRAINS
Natarajan Shri P.R.

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

- (a) whether the procurement cost of foodgrain is quite high across the country;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the details of foodgrain arrival in the market and procurement made by the Union Government agencies during each of the last three years, State-wise/foodgrain-wise?

Answer

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

(a) and (b) Food Corporation of India (FCI) and State Agencies procure foodgrains from the farmers across the country at the Minimum Support Price (MSP) declared by the Government of India. The MSP is uniform across the country. In addition to MSP, Bonus is also declared in certain years either by the Central Government or by the State Government. In addition to MSP and Bonus, some additional cost is incurred by FCI / State Agencies towards Statutory Charges (of the State Government), gunny bags, labour charges and local transportation etc., which are integral part of the procurement cost of foodgrains. These costs are called Procurement Incidentals which vary from State to State. The MSP for wheat and rice declared during the last three years is given at Annexure-I.

(c) As per the existing procurement policy, all the foodgrains conforming to the prescribed specifications offered for sale at specified centers are bought by the public procurement agencies at the Minimum Support Price (MSP). A statement showing the details of procurement of foodgrains, State wise, during the last three years is given at Annexure-II.