

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

UNSTARRED QUESTION NO:5581
ANSWERED ON:30.04.2013
REVIEW OF DISTRIBUTION SYSTEM
Nagorao Shri Dudhgaonkar Ganeshrao

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

- (a) whether the Government proposes to review the present procurement/distribution policy to cut food subsidy;
- (b) if so, whether the Government proposes to prescribe a limit on procurement of foodgrains from farmers under the Decentralised Procurement Scheme;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the steps being taken by the Government to ensure storage facility for the excess foodgrains?

Answer

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

(a): No, Madam.

(b) & (c): No, Madam. As per the existing procurement policy, the Central Government extends price support to paddy and wheat through the Food Corporation of India (FCI) and State Agencies. All the foodgrains conforming to the prescribed specifications offered for sale at specified centers during/within the predecided marketing season are bought by the public procurement agencies at the Minimum Support Price (MSP). The farmers have the option to sell their produce to FCI/State Agencies at the MSP or in the open market as is advantageous to them. This policy is followed uniformly in all the States, irrespective of their following the Decentralised mode of procurement or not.

(d): To increase storage capacity for foodgrains procured for the Central Pool and to reduce the storage under Cover and Plinth(CAP), the Government has formulated the Private Entrepreneur Guarantee(PEG) Scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Under the Scheme, a capacity of about 197 lakh tons is to be created in 19 States. For construction of the storage capacity under the Scheme, CWC/SWCs/State Government agencies are appointed as implementing agencies on behalf of FCI.