

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

UNSTARRED QUESTION NO:676
ANSWERED ON:24.11.2009
AVAILABILITY OF FOODGRAINS AT AFFORDABLE PRICES
Ramasubbu Shri S.

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

- (a) whether the Government has recently convened a conference of Food and Civil Supplies Ministers of the States;
- (b) if so, the details of issues deliberated and the decision taken therein;
- (c) whether expected decline in the production of rice and sugarcane was also discussed;
- (d) if so, the details and outcome thereof; and
- (e) the steps taken to tackle the situation and to ensure adequate availability of essential foodgrains to the common man at affordable prices?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

- (a): Yes, Madam. A Conference of State Food, Civil Supplies and Sugar Ministers was organised on 19.8.2009.
- (b),(c)&(d): Following issues were discussed in the Conference:-
 - (i) Procurement of rice and coarsegrains in the Kharif Marketing Season (KMS) 2009-10.
 - (ii) Ensuring effective delivery of essential commodities through Targeted Public Distribution System (TPDS) and availability through other avenues for cushioning impact of price rise.
 - (iii) Issues relating to sugar such as sugar production, effect of low sugar production on prices, measures taken by Central Govt. to augment domestic availability of sugar, fixation of price for sugar cane (SMP/SAP), etc.
 - (iv) Implementation of stock holding limits of essential commodities and effective enforcement measures to ensure effective compliance.
 - (v) Enactment of Proposed National Food Security Act (NFSA).

States were informed that to ensure availability of sugar in the ensuing 2009-10 sugar season the Government is in dialogue with the sugar industry to explore the possibility of increasing the levy obligation from 10% to 20% or more. State Governments were also requested for submission of correct estimate of sugar cane and sugar production.

- (e): The steps taken to ensure adequate availability of essential foodgrains are at Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE UNSTARRED QUESTION No.676 DUE FOR ANSWER ON 24.11.2009 IN THE LOK SABHA.

Steps taken by the Government to maximize procurement of wheat and rice:

Wheat

- (i) Wheat export on private account has been banned from 9.2.2007 till further orders.
- (ii) Import of wheat on private account at zero duty has been permitted till further orders.
- (iii) The Central issue prices of wheat have not been increased since 1.7.2002 in order to lessen the burden of inflation on the poor.

(iv) The MSP for wheat was fixed at Rs.1000 per quintal for RMS 2008-09. As a result of this and other measures taken by Government, 226.89 lakh tonnes of wheat was purchased in RMS 2008-09, which has enhanced the availability of wheat. The MSP for wheat in RMS 2009-10 was fixed at Rs.1080 per quintal, which has contributed to procurement of 253.82 lakh tonnes of wheat.

Rice

(i) In KMS 2008-09, the MSP of Rs.850/- and Rs.880/- per quintal was fixed for Common and Grade 'A' varieties of paddy. The Government also allowed a bonus of Rs.50/- per quintal on both varieties of paddy during KMS 2008-09 to maximize the procurement. As a result of this, a record quantity of 333.07 lakh tonnes of rice was procured in KMS 2008-09, which has enhanced the availability of rice in the Central Pool. In KMS 2009-10, the MSP of Rs.950/- and Rs.980/- per quintal was fixed for Common and Grade 'A' varieties of paddy. The Government has also approved a bonus of Rs.50/- per quintal on both varieties of paddy during KMS 2009-10 to maximize rice procurement for Central pool.

(ii) Export of non-basmati rice has been banned w.e.f. 1.4.2008. Export of Basmati Rice is allowed only at Minimum Export Price(MEP) of US\$ 900 per MT.

(iii) Import of rice at zero duty has been permitted.

(iv) The Central Issue Prices of Rice have not been revised since 1.7.2002.

(v) To have an assessment of major rice purchases by private trade, a notification titled "Rice (Stock Declaration by Companies or Firms or individuals) Order 2009 has been issued under the Essential Commodities Act 1955 on 11.11.2009.

(vi) State Governments have been requested to maximize the procurement of rice by opening sufficient number of procurement centres and by making other necessary arrangements for the procurement of paddy and its milling. State Governments have also been requested to enforce a minimum levy of 50% on rice millers.

(vii) Commission to societies and Self-Help Groups (SHGs) for KMS 2009-10 has been fixed at 2.5% of MSP to maximize procurement from small and marginal farmers.