

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

UNSTARRED QUESTION NO:844

ANSWERED ON:24.11.2009

IMPROVEMENT IN PROCUREMENT AND STORAGE FACILITIES

Rajesh Shri M. B.

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

(a) whether the Government proposes to improve procurement and storage facilities, prolong procurement process and widen the crop basket in the country particularly in the backward regions; and

(b) if so, the details thereof?

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)&(b): Under the existing policy of foodgrains procurement, the Central Government, through Food Corporation of India (FCI) and State agencies, purchases all the foodgrains, conforming to the prescribed specifications, offered for sale by farmers at specified centers at the Minimum Support Price (MSP).

In order to maximize procurement of wheat and rice and to widen the scope of MSP operations in the country, including backward regions, the Government announced incentive bonus of Rs.50/- per quintal on paddy over and above the MSP for KMS 2009-10. 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. 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.

To improve storage infrastructure in the country, FCI has prepared a shelf of projects to establish new godowns during the 11th Five Year Plan (2007-2012). The estimated cost of construction of these godowns is Rs. 164 crores. In addition, in July 2008, the Government formulated a "Scheme for Construction of Godowns for FCI- Storage requirements through Private Entrepreneurs", under which FCI has approved creation of 126.35 lakh tonnes of storage capacity. Under this scheme, the Government has also allowed CWC/SWCs to build godowns on their own land for which FCI would provide 4 years guarantee for the storage charges.