

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

UNSTARRED QUESTION NO:892  
ANSWERED ON:24.11.2009  
REVIEW OF PROCUREMENT POLICY  
Gangaram Shri Awale Jaywant

**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 with a view to putting a control on food subsidy;
- (b) if so, whether the Government proposes to fix the limit for procurement of foodgrains from farmers under the scheme of decentralisation of procurement;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the steps being taken by the Government to ensure availability of surplus stock of foodgrains with the farmers?

**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): Under the existing policy for foodgrains procurement, Food Corporation of India (FCI) and Agencies of State Governments purchase all the foodgrains, conforming to the prescribed specifications, offered for sale by farmers at procurement centers at the Minimum Support Price (MSP).

Foodgrains procured in the Central Pool are allocated to States/UTs at Central Issue Prices for distribution to the beneficiaries under Targeted Public Distribution System and Other Welfare Schemes of the Government.

(b)&(c): No, Madam. Procurement of foodgrains under MSP operations is open ended and hence all the foodgrains (rice and wheat) offered by farmers at designated centres are purchased by Food Corporation of India/State Agencies.

The Government is committed to procure foodgrains under MSP Operations.

(d): The farmers have the options to sell their produce to FCI/State agencies at MSP or in the open market, as is advantageous to them.