

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

UNSTARRED QUESTION NO:6537

ANSWERED ON:07.05.2013

DECENTRALISED PROCUREMENT SCHEME

Bajwa Shri Partap Singh;Choudhry Smt. Shruti;Ponnam Shri Prabhakar;Shetkar Shri Suresh Kumar

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

- (a) the aims and objectives of the Decentralised Procurement Scheme (DPS) along with the benefits accruing therefrom; and
- (b) the number of States presently following DPS along with the steps taken to urge/ convince other States to join DPS?

**Answer**

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

(a): The Scheme of Decentralised Procurement (DCP) of foodgrains was introduced in 1997-98 with a view to enhance the efficiency of procurement and Public Distribution System (PDS) and to encourage local procurement and reduce out go of food subsidy. In it, the States undertake the responsibility of procurement of foodgrains, its scientific storage and distribution through Targeted Public Distribution System (TPDS). The surplus of foodgrains procured by DCP States, in excess of their TPDS requirement is handed over to Food Corporation of India (FCI) for the Central Pool stocks and deficit, if any, is met by FCI. Following benefits accrue to States under Decentralized Procurement System:-

- (i) The State is made self sufficient in procurement and distribution of foodgrains, thereby reducing the dependence on Central Government agencies for procurement of food grains.
- (ii) The State can boost local cultivation and enhance coverage of MSP to the farmers.
- (iii) Higher local production and procurement saves cost towards freight in bringing the stocks from outside the State.
- (iv) Additional revenue will generate to the State Governments concerned by way of higher levy and taxes with increased procurement.
- (v) States are encouraged to contribute more foodgrains towards the Central Pool, thereby enhancing food security.

(b): At present the States of West Bengal, Madhya Pradesh, Chhattisgarh, Uttarakhand, Andaman and Nicobar Islands, Odisha, Tamil Nadu, Karnataka and Kerala are procuring rice under the decentralised procurement scheme while the Government of Andhra Pradesh have adopted the Decentralised Procurement (DCP) Scheme of procurement from KMS 2012-13 onwards. The States of West Bengal, Madhya Pradesh, Chhattisgarh, Uttarakhand and Gujarat are procuring wheat under the DCP Scheme. Government of Rajasthan have decided to adopt the DCP mode of procurement w.e.f RMS 2013-14, initially in the Alwar district of the State. The matter is being pursued with other State Governments for adoption of DCP Scheme. However, the Governments of Delhi, Haryana and Sikkim have conveyed their inability to adopt the DCP system of procurement of foodgrains due to infrastructural problems.