

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

UNSTARRED QUESTION NO:703

ANSWERED ON:10.12.2013

DISPOSAL OF OLD STOCKS

Laguri Shri Yashbant Narayan Singh;Mahato Shri Narahari;Roy Shri Nripendra Nath;Yadav Shri M. Anjan Kumar

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

- (a) the quantum of three years or older and damaged foodgrains held by the Government along with the steps taken/being taken by the Government for proper utilisation of the foodgrains under various welfare schemes before they get damaged;
- (b) whether the Government holds auction to dispose of the damaged rice and wheat as cattle feed;
- (c) if so, the details thereof indicating the total quantity of damaged foodgrains auctioned and the revenue earned therefrom during each of the last three years; and
- (d) whether the Government has any mechanism to ascertain the actual end use of the foodgrains so auctioned and if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) Quantum of more than three years old foodgrains stocks held by Government as on 01.11.2013 is as under:

Commodity Quantity of old foodgrains stocks (In LMT)

Wheat 0.01

Rice 0.02

Total 0.03

Quantum of Non-Issuable/Damaged foodgrains accrued during last three years is as under:

Year Quantity of Non-Issuable Stocks (In LMT)

2010-11 0.063

2011-12 0.033

Central Pool stocks held by Government are allocated under Targeted Public Distribution System(TPDS) and Other Welfare Schemes(OWS) for their proper utilisation. If the stocks are still surplus, additional allocations are made under TPDS, Open Market Sale Scheme (OMSS) to liquidate the surplus stocks. Depending on stock availability, decision to export stocks from central pool is also taken. Steps are also taken as per laid down procedure to safely store and preserve the central pool stocks to avoid any damages.

(b) & (c) Yes Madam. Damaged rice and wheat stocks are disposed of through auction as cattle and poultry feed. Quantum of Non-Issuable/damaged foodgrains auctioned and revenue earned during last three years is as follow:

(1) Wheat

Year	Wheat
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	Quantity (In MTs)	Value (In Rs.)
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2010-11	1634.047	6234331.50
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2011-12	1156.344	4298395.85
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2012-13	4053.966	19383362.53
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(2) Rice

Year	Rice
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	Quantity (In MTs)	Value (In Rs.)
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2010-11	6954.780	55980512.19
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2011-12	210.202	553016.00
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2012-13	3203.289	17787693.95
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(3) Coarse Grain

Year	Coarse Grain
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Quantity (In MTs) Value (In Rs.)

2010-11

2011-12 3.157 14205.00

2012-13 2427.128 28174520.00

(d) Yes Madam. There is a strict mechanism followed by FCI to ascertain the actual end use of the foodgrains so auctioned. There is a provision in the Model Tender Form for sale of Non-Issuable/ damaged foodgrains wherein the buyer has to give an undertaking that the stocks will be strictly used for the manufacture of Animal Feed, Cattle Feed, Poultry Feed or for Industrial Use for which the foodgrains is purchased. The buyers are further required to undertake that in case the stocks are used for other than the intended purpose or if they fail to render full and satisfactory accounts of utilization of the damaged stocks, the Security deposit furnished by the party shall be forfeited by FCI. In addition, communications are sent to the State Govt. to ensure that the damaged stocks are actually utilized for the purpose it is meant for and is not put in circulation for human consumption /open market.