

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

UNSTARRED QUESTION NO:3937  
ANSWERED ON:15.12.2009  
SURPLUS WHEAT AND RICE  
Reddy Shri Anantha Venkatarami

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

- (a) the estimated quantum of surplus wheat and rice likely to be available in the Government godowns by the end of March, 2010;
- (b) whether the economic burden on the Government has increased due to the said surplus storage of foodgrains;
- (c) if so, the additional economic burden estimated on this account during the year 2009-10; and
- (d) the reasons for storage of such huge quantum of foodgrains and the measures taken to tackle this situation and cut costs?

**Answer**

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

(a): Food Corporation of India (FCI) has intimated that 76.19 lakh tonnes of wheat and 48.31 lakh tonnes of rice may be available as on 31.3.2010 after meeting the requirements under Targeted Public Distribution System, Other Welfare Schemes and Open Market Sale Scheme (Domestic).

(b)&(c): As estimated by FCI, the impact/ on account of carrying cost (storage charges plus interest) on the available stocks is Rs. 985.374 crores in respect of wheat and Rs.259.13 crore in respect of rice during 2009-10.

(d): 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). However, 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. As such, 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.

In order to check inflationary trends, Government has decided to release 10 lakh tonnes of wheat and 5 lakh tonnes of rice to States/UTs from October to December, 2009. Besides, a quantity of 5 lakh tonnes of wheat to bulk consumers through open tenders has also been permitted for October to December, 2009.