

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

UNSTARRED QUESTION NO:3946
ANSWERED ON:15.12.2009
LOWER PROCUREMENT FROM FARMERS
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government procured only small quantities of foodgrains directly from the farmers;
- (b) if so, the details thereof indicating the total production of foodgrains in the country during each of the last three years and the current year alongwith the quantum of foodgrains that remained unprocured during the said period;
- (c) the reasons therefor; and
- (d) the reaction of the Government thereto?

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): 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.

(b): The production of wheat and rice and its procurement by FCI and State Agencies for the Central Pool in the last three years and current year is as follows:

Marketing Year	Wheat	Rice
	Production as percentage of production	Procurement as percentage of production
2006-07	693.5 92.26 13.30	933.5 251.07 26.89
2007-08	758.1 111.28 14.68	966.9 287.36 29.72
2008-09	785.7 226.89 28.88	991.5# 336.84 33.97
2009-10	805.8# 253.82 31.50	694.5@ 130.96 18.86

Fourth Advance Estimate of Department of Agriculture & Cooperation
as on 10.12.2009

@ First Advance Estimate of Department of Agriculture & Cooperation (Kharif Rice only)

(c)&(d): Procurement of wheat and rice in any marketing season depends on a number of factors which include production, marketable surplus, market sentiment, prevailing market prices, stock of wheat and rice available in the Central Pool and extent of participation by private trade.