

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

UNSTARRED QUESTION NO:5709

ANSWERED ON:28.04.2015

PROCUREMENT BY STATE AGENCIES

Naik Prof. Seetaram Ajmeera;Patil Shri Bheemrao Baswanthrao

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

(a) whether the Government is encouraging the States to increase their grain procurement by creating State agencies and financing them through bank credit; and

(b) if so, the details thereof and the response of the States including Andhra Pradesh and Telangana thereto indicating the number of agencies created and foodgrains procured by them during the last three years, State-wise?

**Answer**

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN)

(a) & (b): Yes, Madam. Government of India is encouraging the States to increase their grain procurement by strengthening their State Agencies, roping in new agencies to improve the outreach of procurement machinery and involving cooperative societies / self help groups etc. Government of India has also encouraged States to adopt decentralized mode of procurement (DCP), where entire responsibility of procuring foodgrains at Minimum Support Price (MSP) from the farmers is vested with the State Agencies only. The State Governments are provided with cash credit facility by the Reserve Bank of India (RBI) for procurement of foodgrains for central pool. State Government/ Agencies of DCP States are provided with advance subsidy on quarterly basis by the Central Government on the basis of their claims in respect of foodgrains to be procured and distributed under Targeted Public Distribution (TPDS) and Other Welfare Schemes

Number of State Agencies involved by the State Government in procurement of wheat and rice in a particular State varies from commodity to commodity and year to year. State wise, total quantity of wheat and rice procured by the State Agencies including Andhra Pradesh and Telangana during the last three years and current year are at Annex-I & II respectively.