

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

UNSTARRED QUESTION NO:6237

ANSWERED ON:05.05.2015

IMPLEMENTATION OF DCP

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

- (a) whether the Government has assessed the performance of the Decentralised Procurement Scheme (DCP); and
- (b) if so, the details and the outcome thereof indicating the subsidy outgo saved as a result thereof during each of the last three years, State-wise?

Answer

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

(a) & (b) Under the Decentralized Procurement Scheme (DCP), the State Governments themselves undertake direct purchase of paddy and wheat and procurement of levy rice on behalf of Government of India. Purchase centers are opened by the State Governments and their agencies as per their requirements. The State Governments procure, store and distribute foodgrains under Targeted Public Distribution System (TPDS) and other welfare schemes. In the event of the total quantity of wheat and rice thus procured falling short of the total allocation made by the Central Government for meeting the requirement of TPDS and other schemes, the Central Government, through Food Corporation of India (FCI), meets the deficit out of the Central Pool stocks.

The Central Government undertakes to meet the expenditure incurred by the State Governments on the procurement operations as per the approved costing in the form of subsidy. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly.

Merits of DCP Scheme:

- a) The State is made self-sufficient in production, procurement and distribution of food grains and thereby reducing the over dependence on Central Government agencies towards procurement and distribution of foodgrains.
- b) Boosts local cultivation and enhances coverage of MSP to the farmers.
- c) Generation of direct and indirect employment.
- d) Encourages the State to contribute more towards the Central Pool, thereby enhancing the food security.

The details of state-wise production and procurement of wheat and rice may be seen at Annex-I and Annex-II respectively. From perusal of long-term data, it can somewhat be concluded that there is an improvement in production and procurement of foodgrains in DCP States and it ensures wide reach of MSP operations.

In so far as quantification of savings under DCP Scheme is concerned, no specific exercise has been undertaken for quantifying the benefits in financial terms. Keeping in view the different geographical locations, tax structure and other conditions which vary from States to States, it is difficult to calculate exact financial benefits under the Scheme. However, on comparing from the economic cost of foodgrains in FCI and in DCP States, one can conclude that there may be some savings in case of some items of expenditure under DCP Scheme.