

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

UNSTARRED QUESTION NO:6308
ANSWERED ON:05.05.2015
FOOD SUBSIDY
Mohan Shri P. C.

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

- (a) the total amount of food subsidy released during the last three years and the current year along with the amount due to Food Corporation of India (FCI) for the same period;
- (b) whether the FCI has reduced the procurement of foodgrains during the last two years;
- (c) if so, the details thereof along with the subsidy saved as a result thereof;
- (d) whether any guidelines/directives have been issued to FCI to reduce the carrying cost in future to reduce wastages; and
- (e) if so, the details thereof?

Answer

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

(a): The total amount of food subsidy released during the past three years and the current year along with the amount due to Food Corporation of India for the same period is as under:

Year	Subsidy released	Amount due
2012-13	71980.00	80306.00
2013-14	75500.00	89380.00
2014-15	91995.35	102476.00
2015-16	24250.00#	118734.00##

Subsidy released till 29.04.2015

Projected requirement for the FY 2015-16

(b) & (c): Food Corporation of India (FCI)/State Agencies procures all the foodgrains conforming to the prescribed specifications at the Minimum Support Price (MSP) offered for sale at specified centers by the farmers. Under Decentralized Procurement (DCP) Scheme, State Governments themselves procure, store and distribute foodgrains under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS). If the stocks of the foodgrains procured by the State Government exceeds its allocation under TPDS and other Welfare Schemes, such excess stocks are taken by the Food Corporation of India (FCI). In Non-DCP States, FCI undertakes procurement of wheat or paddy as per plan prepared by the State Government and purchase centres assigned to FCI. In the case of paddy procured by the State Agencies in Non-DCP States, the rice derived from it is directly received by FCI only. Thus, with increase in the procurement of wheat by the State Agencies and expansion of DCP Scheme, the level of procurement of wheat and rice by FCI has gradually reduced over a period. Procurement of wheat, paddy and rice in the central pool during the last two years is as under:

(Fig. in LMT)

Wheat	FCI	State Govt.	Total
RMS 2013-14	38.95	211.97	250.92

RMS 2014-15	35.33	244.90	280.23
Paddy FCI State Govt. Total			
KMS 2012-13	6.40	381.65	388.05
KMS 2013-14	5.01	350.77	355.78
Rice			
FCI State Govt. Total			
KMS 2012-13	217.67	96.17	313.84
KMS 2013-14	202.84	107.46	310.30

Though targets are fixed for procurement of foodgrains for each marketing season, there is no restriction on maximum quantity to be procured on MSP decided by Govt. of India.

(d) & (e) Government of India disposes excess stock of food grains through Open Market Sale Scheme (OMSS). The following quantity of food grains has been sold under OMSS(D) during the last two years:

Year	Allocation	Disposed/Sold
Wheat 2013-14	100	61.16
2014-15	100	42.37
Rice		
2013-14	5	1.68
2014-15	---	---

Now, Government of India has constituted a Committee of Secretaries to decide offloading of stock in excess of foodgrains stocking norms either under Open Market Sales Scheme (OMSS-Domestic) or Export. The Committee is to decide on price and quantity for such disposal, so as to reduce carrying cost of food grains by FCI. Based on recommendation of this Committee, Government has directed FCI to undertake sale of wheat in non-wheat producing States w.e.f. 01.04.2015 and has also decided to liquidate 20 lakh MT of Grade-A Rice under OMSS.