

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

STARRED QUESTION NO:496
ANSWERED ON:12.08.2014
FOODGRAINS PROCUREMENT
Muddahanumegowda Shri S.P.

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

- (a) the policy laid down by the Government for procurement of foodgrains and its broad objectives along with the nodal agencies involved in undertaking procurement of foodgrains;
- (b) whether the said policy is followed uniformly across the country, if so, the details thereof and if not, the reasons therefor;
- (c) the quantum of foodgrains procured during each of the last three years and the current year, State/agency-wise;
- (d) whether complaints have been received by the Government regarding the present policy being followed for procurement of foodgrains, if so, the details thereof and the response of the Government thereto; and
- (e) the measures taken/being taken by the Government to review the procurement policy so as to make it farmer friendly?

Answer

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

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE STARRED QUESTION NO. 496 DUE FOR ANSWER ON 12.08.2014 IN THE LOK SABHA

(a) & (b): The procurement policy of Government of India is uniform throughout the country. Food Corporation of India (FCI) works as the nodal procurement agency for Central Government. In addition, State Governments also appoint nodal agencies for foodgrain procurement at their level. Under the existing procurement policy, the Central Government extends price support for paddy, wheat and coarsegrains through FCI and State Governments/ State agencies. All the foodgrains conforming to the prescribed specifications offered for sale by farmers at specified procurement centres are bought by the procurement agencies at Minimum Support Price (MSP). The farmers have the option to sell their produce to FCI/State agencies at MSP or in the open market whichever is advantageous to them. The main objective of the procurement policy is to provide price support to the farmers and to purchase foodgrains for the central pool to meet the Governments' obligations under Targeted Public distribution System (TPDS) including requirements under National Food Security Act (NFSA) & Other Welfare Schemes (OWS). The foodgrains procured for central pool are also utilized for creating and maintaining buffer and strategic reserves as per prescribed norms.

(c): Details of quantum of foodgrains procured during each of the last three years and the current year, State/ Agency wise are at Annex-I.

(d): No Madam. However, some suggestion like allowing local level procurement by Non Governmental Organizations (NGOs) and procurement of rice instead of paddy have been received but have not been found to be feasible for implementation.

(e): The following steps have been taken by Government of India to improve the procurement process:-

(i) States are encouraged to adopt Decentralised Procurement (DCP) system to maximize procurement and to ensure better reach of MSP to farmers.

(ii) Interactions are held with State Food Secretaries from time to time to monitor procurement operations and to speed up the procurement process.

(iii) Instructions have been issued to open procurement centres at the locations convenient to farmers.

(iv) In order to extend the reach of Minimum Support Price (MSP) operations to marginal/small farmers, payment of commission has been allowed to Cooperative Societies/Self Help Groups.