

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

UNSTARRED QUESTION NO:3683  
ANSWERED ON:05.08.2014  
ECONOMIC COST OF WHEAT  
Chandumajra Shri Prem Singh

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

- (a) whether the Food Corporation of India has estimated the economic cost of wheat and rice for the year 2013-14;
- (b) if so, the details thereof indicating the estimated cost per quintal and the amount by which it is greater than that in the year 2009-2010;
- (c) the details of items of expenditure covered at the time of estimating the said cost; and
- (d) the amount of funds spent per quintal on each of the said items during the years 2009-2010 and 2012-2013?

**Answer**

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a): Yes Madam.

(b): The estimated economic cost of wheat and rice per quintal for the year 2013-14 (RE), 2009-10 and per quintal increase over 2009-10 is given as under:

Economic cost	2013-14 (RE)	2009-10	Increase over 2009-10
Wheat	1932.39	1424.61	507.78
Rice	2648.54	1820.07	828.47

(c): Economic cost consists of acquisition cost (i.e. average Minimum Support Price (MSP) + procurement incidentals) and distribution cost.

The procurement incidentals are expenses which are incurred from procurement point till the first storage point and include the following:

1. Statutory/obligatory cost.
2. Labour & transportation charges.
3. Storage & interest charges.
4. Other Expenses.

The elements which are part of the Distribution Cost are as under:

1. Freight
2. Handling charges
3. Storage charges
4. Interest
5. Transit shortages
6. Storage shortages
- 7 Administrative overheads

(d): The amount of funds spent per quintal of wheat and rice during the year 2009-10 and 2012-13 is given at Annexure-I & II respectively.