

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

STARRED QUESTION NO:134

ANSWERED ON:02.12.2014

RESTRUCTURING OF FCI

Boianapalli Shri Vinod Kumar;Chowdhury Shri Adhir Ranjan

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

- (a) whether the Government proposes to overhaul/restructure the Food Corporation of India (FCI) to improve its operational efficiency and financial management and if so, the details thereof;
- (b) whether a High Level Committee has been set up to recommend ways/models for restructuring of FCI;
- (c) if so, the composition and terms of reference thereof along with the salient features of the recommendations made by the Committee;
- (d) whether the Government has issued advisories to the States to cut down on incentives being provided to the farmers for procurement, if so, the details thereof and response of the States thereto; and
- (e) the other steps taken to reduce the costs incurred and improve the efficiency of FCI?

**Answer**

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

(a) to (e): 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. 134 DUE FOR ANSWER ON 02.12.2014 IN THE LOK SABHA.

(a) to (c): Yes Madam. A High Level Committee under the chairmanship of Shri Shanta Kumar has been set up to study the need for restructuring Food Corporation of India (FCI) to improve its operational and financial efficiency. The composition and terms of reference of the committee are at Annex- I. The committee was directed to submit its recommendation within a period of three months, however, committee has sought an extension of two months.

(d): Yes Madam. Government of India has decided that in case, a surplus Decentralized Procurement (DCP) State declares bonus for wheat or paddy from KMS 2014-15 and RMS 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for TPDS/OWS allocations of that State and will provide acquisition and distribution subsidy to the State Government accordingly. For non-DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and take care of entire MSP operations in the State on their own.

Government of Madhya Pradesh and Chhattisgarh have requested Government of India to reconsider the decision related to bonus, however, the same has not been accepted by Government of India.

(e): Details of steps taken to reduce the costs incurred and improve the efficiency of FCI are at Annex – II.