

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

UNSTARRED QUESTION NO:1523
ANSWERED ON:02.12.2014
PROCUREMENT OF RICE
Galla Shri Jayadev

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

- (a) whether the Government has reduced the extent of paddy procurement from 75% to 25% for the States of Andhra Pradesh and Telangana to the detriment of the farmers;
- (b) if so, the details thereof and the reasons therefor indicating the additional financial burden on the said States as a result of this decision;
- (c) whether the States have requested the Union Government for restoration of the earlier system; and
- (d) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a) & (b): No Madam, the Government has not reduced the extent of paddy procurement from 75% to 25% for the States of Andhra Pradesh and Telangana.

Normally, the paddy procurement is done by two routes viz Customised Milled Rice (CMR) and through Levy route. For procurement through Levy route, levy rice limit has been restricted up to maximum 25% of the rice purchased or processed or held by the millers/dealers all over the Country (with effect from 1st October 2014 onwards).

Rice procurement through Customised Milled Rice (CMR) mode is increasing steadily. Procurement through CMR route ensures payment of MSP to farmers and avoids chances of irregularities in procurement through Levy route. As farmers are being benefited through direct procurement by State agencies and this has also resulted in availability of huge stocks of rice in central pool, the levy percentage is decided to be up to 25%. This decision has not any additional financial burden on the States.

Moreover, there will not be any adverse effect on the overall procurement of rice in the country by reducing the limit of levy upto 25% as it does not reduce the quantum of Central Pool.

(c): Telangana, Andhra Pradesh, Punjab, Uttarakhand and West Bengal had requested to restore the earlier levy orders.

(d): In view of (a) above, Government of India has decided to adhere to the amended levy policy of rice as this is considered to be more viable & beneficial to safeguard the overall interests of farmers as well as of the consumers.