

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

UNSTARRED QUESTION NO:4892

ANSWERED ON:23.12.2014

PROCUREMENT

Tanwar Shri Kanwar Singh

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

(a) whether the Government agencies including Food Corporation of India and NAFED are not procuring the entire quantum of the crops brought to the procurement centres and if so, the reasons therefor, State-wise; and

(b) the revenue earned by the Government during the current year, so far through such procurement?

Answer

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

(a): As far as foodgrains are concerned, the Central Government extends price support to paddy/rice and wheat through the Food Corporation of India (FCI) and State Agencies. All the foodgrains conforming to the prescribed specifications offered for sale at specified centres are bought by the public procurement agencies at the Minimum Support Price (MSP). The producers have the option to sell their produce to FCI/State Agencies at MSP or in the open market as is advantageous to them.

NAFED is the nodal agency of Government for procurement of notified oilseeds, pulses & cotton etc. NAFED intervenes for procurement of the crops only when prevailing market prices fall below MSP. As per existing guidelines, overall procurement by NAFED should not normally exceed 25% of the actual production of the commodity for the particular year/season.

(b): Foodgrains procured under MSP operations are used for distribution under Targeted Public Distribution System (TPDS) and other welfare scheme at subsidized rates. Therefore, as such Government does not earn any revenue from such procurement operations. In case of procurement operations carried out by NAFED, normally losses are incurred and only in exceptional cases, when market improves significantly, profits are earned. During the current year NAFED sold copra (ball and milling) procured during 2013 Marketing Season by earning a profit of Rs. 60.29 crores till 30th September, 2014.