

## LOK SABHA DEBATES

### LOK SABHA

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) the percentage of overall consumption of foodgrains supplied by the Public Distribution System, State-wise;

(b) the average price differential between the price of major items as charged by the PDS and the ruling free market price; and

(c) the mechanism, if any, for controlling the wholesale price of major items like rice, wheat, sugar etc. as in force at present?

Wednesday, April 26, 1989/Vaisakha 6,  
1911 (Saka)

*The Lok Sabha met at Eleven of the Clock*

[MR. SPEAKER *in the Chair*]

#### ORAL ANSWERS TO QUESTIONS

[English]

**Price differential of foodgrains supplied by P.D.S. and in Open Market**

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI SUKH RAM): (a) to (c). A Statement is given below

\*737. SHRI SYED SHAHABUDDIN:

#### STATEMENT

The Central Government allocates Wheat and Rice to State Governments/UT Administrations. During the year 1988 the percentage of Wheat and Rice lifted against Central Allocations are given below:

Sl. No.	State/UT.	Rice	Wheat
1	2	Percentage of Lifting	Percentage of Lifting
1	2	3	4
1.	Andhra Pradesh	99.22	69.15
2.	Assam	100.98	93.78
3.	Bihar	25.10	90.18

1	2	3	4
4.	Gujarat	93.24	90.73
5.	Haryana	69.47	48.39
6.	Himachal Pradesh	97.33	88.93
7.	Jammu & Kashmir	84.91	67.94
8.	Karnataka	98.41	84.88
9.	Kerala	105.99	65.28
10.	Madhya Pradesh	82.60	73.12
11.	Maharashtra	96.64	98.66
12.	Manipur	63.48	35.00
13.	Meghalaya	98.16	96.83
14.	Nagaland	86.25	95.83
15.	Orissa	80.95	81.93
16.	Punjab	33.89	10.82
17.	Rajasthan	37.92	89.44
18.	Sikkim	72.18	80.00
19.	Tamil Nadu	103.83	44.56
20.	Tripura	87.50	54.67
21.	Uttar Pradesh	77.75	81.47
22.	West Bengal	81.50	88.70
23.	Andaman & Nicobar Islands	34.67	38.10
24.	Arunachal Pradesh	87.20	71.88
25.	Dadra & Nagar Haveli	19.44	25.00
26.	Delhi	88.47	88.03
27.	Goa	87.93	96.67
28.	Lakshadweep	94.55	0.00

5	Oral Answers	VAISAKHA 6.1911 (SAKA)	Oral Answers	6
1	2	3	4	
29.	Mizoram	98.55	57.94	
30.	Pondicherry	13.00	0.00	
31.	Daman & Diu	29.63	47.06	
32.	Chandigarh	98.33	75.93	
	Total	91.56	82.27	

(b) The central issue prices of rice, wheat and levy sugar supplied through the P.D.S. and the average open market prices

of these items at selected centres as on 31.3.1989 are given below:—

(As on 31.3.1989)

Commodity	Price Rs. per kg.	
	Central Issue prices for PDS	Open market price (Average)
Rice	2.44 (rice common)	4.34
Wheat	2.04	3.07
Sugar	5.25 (and retail price)	7.16

(c) Some of the steps taken by Government to contain the prices of essential commodities are given below:—

products etc. to augment domestic supply, as and when necessary;

- 1) Efforts are continuously being made to increase the production of various essential commodities;
- 2) Provision of selected essential commodities through Public Distribution System;
- 3) Imports of certain essential commodities which are in short supply, such as, rice, wheat, edible oils, pulses, petroleum

- 4) Regulation of exports of commodities, such as pulses, edible oil, meat, etc.;
- 5) State Governments/U.T. Administrations have been urged to take strict action and intensify the operations against traders, middlemen, etc. who indulge in black-marketing, hoarding and such other anti-social activities;
- 6) Prices and availability of essential commodities are being con-

tinuously monitored at various levels.

**SHRI SHED SHAHABUDDIN:** Mr. Speaker, Sir, I am sorry to say that the Statement tabled on the floor of the House reminds me of the famous Persian proverb *Saval-e-Deegar, Jawab-e-Deegar*. I have not asked in the first part of the question about the allocation to the States or the percentage of lifting of these allocations by various State Governments. What I have asked for is a simple thing. What is the total consumption and the total supply through the PDS and what percentage of the total consumption is met through the PDS?

Obviously, the PDS does not supply 100 per cent of the needs and requirements of the people. It has been increasing over a period of time. It has been establishing more and more units. We imagine that there has been an increase percentage wise, of the total consumption in the country being supplied through the PDS. But we would like to know what is the present level? Unfortunately, the Minister's reply is absolutely silent on this.

**MR. SPEAKER:** Now, at least the percentage is there.

**SHRI THAMPAN THOMAS:** That is for lifting.

**MR. SPEAKER:** I didn't mean anything else.

**SYED SHAHABUDDIN:** My own information is based on the Annual Report here. In 1988, the total quantity of wheat and rice supplied through the PDS was of the order of about 156 lakh tonnes, which is roughly 15.6 million tonnes.

Now assuming that our average production of fine grain wheat and rice was of the order of 100 million tonnes, then in fact the PDS was supplying only about 15 per cent of the total needs of the people.

I would like to know from the hon. Minister what are the concrete figures; or if not

readily available, he can supply these figures to me at a later date.

**MR. SPEAKER:** He is very accommodative.

**SHRI SUKH RAM:** The consumption statistics are not maintained by my Ministry. In order to ascertain the consumption percentage Statewise which the hon. Member has asked for we have to first ascertain the shortfall of foodgrains production for every State and to which extent we are meeting and then to which extent the State Governments are augmenting from other sources. These statistics are not available in my Ministry. On the basis of the supply and off-take by the State Governments, we have simply furnished this information which the hon. Member has asked for. Actually, it is not possible even at a later stage to furnish this information.

**SHRI SYED SHAHABUDDIN:** You should have said that.

**SHRI SUKH RAM:** Because all these statistics are needed to come a conclusion as to how much percentage is met by the PDS. For that purpose, the entire shortfall of the particular State has to be ascertained.

**SHRI SYED SHAHABUDDIN:** If the Statewise figures are not available, then at least the national figure can easily be given. I have just calculated the figures and I am placing them before you. In view of the fact that the PDS is included in the Minimum Needs Programme and it is a national objective that most of the requirements of foodgrains of the people should be met through the PDS, I imagine that all that is produced is consumed within the country—may be a little more because we also import. We have the import figures. The total production plus the total import is the total consumption.

Now, I will put my second question.

**SHRI SUKH RAM:** I may clarify this point. If the hon. Member had asked for the entire country, then, of course, this figure

could be arrived at. But he has asked for each State. How is it possible to do it? You just see your own question.

**SYED SYED SHAHABUDDIN:** If it is not possible for you to give State-wise figures, you could have given the total national figure and said that State-wise figures were not available.

**SHRI SUKH RAM:** In that case, you would have objected.

**SHRI SYED SHAHABUDDIN:** My second question is a conceptual question. It is related to the very philosophy of the public distribution system. Now, as I understand, no answer has been given to part (c) of my question. In part (c) I have asked, whether PDS mechanism or any mechanism conceived by the Government controls the wholesale price of foodgrains in the market. I am not talking about the retail prices in the market; I am talking about the social control on the wholesale price, which is the key to the problem. For the present public distribution system, as conceived by the Government, if I may use a simile from electricity, allows a parallel circuit between the retailer and the consumer; you allow the consumer an alternative. Instead of going to the *baniya* of the locality, to the grocery of the locality, he can go to the PDS. What is really required is a parallel circuit between the wholesaler and the retailer, because it is the wholesaler who has the capacity, the resources, the motivation and the necessary infrastructure to hoard, to force the price up, to bring the price down, to short-circuit supply and all that. I would like to know whether the Ministry or the Government has applied their mind to this aspect of the problem about controlling the wholesale trade in foodgrains and creating a second source of supply for the retailer.

**PROF. MADHU DANAVATE:** The answer is simply no, Sir.

**SHRI SUKH RAM:** Under the Essential Commodities Act, we fix the stock limit for the wholesalers and traders, and we do not allow hoarding of the wholesalers and trad-

ers under this Act. That is why we are in a position to maintain a certain level in the wholesale price also. As far as retail prices are concerned, this PDS is a very effective instrument. We release at least 14 to 15 million tonnes of foodgrains every year under the public distribution system; and that is an effective instrument, intervention by the Government of India; and this helps in maintaining the price line, as far as consumer prices are concerned.

**SHRI SYED SHAHABUDDIN:** I take it that there is no State intervention in the wholesale trade.

**SHRI C. MADHAV REDDI:** Mr. Speaker Sir, according to the figures given by the hon. Minister, out of the stock allotted to Punjab the percentage of lifting for rice is 33.89 and for wheat is 10.82. Does this mean that the allotment was more than they needed or was the lifting not possible due to the disturbed conditions.

**MR. SPEAKER:** They produce it for national consumption. If they use it for self-consumption what will they export.

[*English*]

**SHRI SUKH RAM:** I think the hon. Member knows that Punjab contributes at least 60 to 65 per cent to the Central pool both in wheat and rice. So, they hardly need any foodgrains under this public distribution system. Whatever we allot to Punjab they are not lifting that. So, that is the reason why there is less lifting of foodgrains by Punjab.

[*Translation*]

**SHRI RAM NAGINA MISHRA:** Hon. Mr. Speaker Sir, even minor increases in prices of wheat and rice lead to loud protests from the public. The Government claims that the country is absolutely self-sufficient in the matter of foodgrains. Self-sufficiency means what is produced in mills can be sold anywhere. But there is a restriction on the movement of foodgrains. May I know from the hon. Minister if free trade will be permitted since there is no shortage of foodgrains?

**SHRISUKHRAM:** Mr. Speaker Sir, that the country is self-sufficient in foodgrains is evident from the fact that last year when the country was in the grip of a severe drought nearly 24 million tonnes of foodgrain, buffer stock was released and supplied in the country. We did not import foodgrain from outside. This proves that we are self-sufficient foodgrains.

As far as free trade is concerned, we give a support price so that the farmer does not resort to 'distress sale' of his produce. We buy at minimum prices so that farmers do not suffer a loss.

Others are free to sell wherever they wish to.

**SHRI RAM NAGINA MISHRA:** Movement of foodgrain is restricted in many States. With free trade it can move anywhere.

**SHRI SUKH RAM:** There is no zonal system anywhere. It can move everywhere. There is no ban on the movement of foodgrains.

[*English*]

**SHRI THAMPAN THOMAS:** It is very wise of Mr. Shahabuddin to have asked this question. Certain figures have been given in the statement attached to the answer which give us an opportunity to understand the things. When I went through them I found that the percentage of lifting of foodgrains by the States varied from 14 to 105; certain States lifted only 14 per cent while some others lifted 105 per cent. In the matter of rice and also in the matter of wheat Kerala had lifted 105 per cent and 65 per cent respectively. The quantum has been reduced in some cases. For the last three years 145 lakh tonnes of foodgrains were given by the Public Distribution System but it has been reduced to 115 lakh tonnes only. That marks a reduction. And the question is by how much the consumption has gone up and what the ratio is. Here the ratio of lifting is given. It brings out certain startling facts.

Firstly, I would like to know the reasons for reducing the allocation for the States. Secondly, will the Government consider allotting rice in place of wheat if wheat is not required by a particular State as per their demands and re-allocate the quota of rice in respect of each State?

**SHRI SUKH RAM:** The Public Distribution System is only supplemental. It is not a substitution to the shortfall of the entire State's production. As a matter of fact, food is a State subject. We supplement the activities of the State Governments. As far as the allocation is concerned, as the hon. Members are aware, a year ago we had a very severe drought and there was a lot of off-take as I just now told the House and the food production also suffered on account of that and as a result of it, the procurement was also not to the extent we estimated; and with the coming down of the stock level and with a bumper crop we had in the Rabi and Kharif also, lot of foodgrains are available in the open market and we had to reduce the allocation of rice to the States by 20 per cent. It is not in the case of Kerala only but in all the States we have reduced it and I think we are meeting the demand of all the States to the maximum extent and as far as Kerala is concerned, 105 is only a percentage. That is on account of some carry-over stock or some balance of the previous months which was given to Kerala and members should feel happy that Kerala has been given the highest percentage. Kerala is the biggest lifter as far as the rice is concerned.

**SHRI SURESH KURUP:** Will you restore the earlier quantity?

#### **Public Distribution System for tribal Areas**

\*738. **SHRI K. PRADHANI:** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) the number of Fair Price Shops opened so far in the tribal areas in different States, State-wise; and

(b) the steps taken to further strengthen