

National policy for procurement of foodgrains

3400. SHRI Y.S. CHOWDARY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the details of national policy for procurement of major foodgrains;
- (b) whether it is a fact that Government has been procuring food items beyond prescribed norms;
- (c) if so, the reasons therefor;
- (d) whether it is also a fact that the current storage facilities are not sufficient to meet the procurement levels;
- (e) the details of storage facility required and currently available;
- (f) whether Government is contemplating policy of involving private sector to create storage facilities; and
- (g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (c) Under the existing policy for foodgrains procurement, Government procures food grains (wheat, rice and coarse grains) conforming to uniform specifications at Minimum Support Price (MSP) from the farmers through Food Corporation of India (FCI) and State agencies procuring on behalf of FCI for the Central Pool. As such, procurement of food grains is open ended wherein all the food grains offered by farmers are procured. Farmers have a choice to sell it to FCI/State Agencies at MSP or to sell it to the open market whichever is advantageous to them. Because of remunerative MSP, procurement as percentage of production has been increasing.

(d) and (e) Yes, Sir. The total storage capacity available with the FCI (as on 31.6.2010) and State agencies (as on 31.3.2010) is 601.94 lakh MTs of which covered is 409.78 lakh MTs. The total stock in central pool as on 1.8.2010 was 544.30 lakh tonnes.

(f) and (g) To augment storage capacity, Government has formulated a scheme for construction of godown through private entrepreneurs by FCI. A ten year guarantee is given to investors under the scheme. About 149.40 lakh tonnes of storage capacity in 16 States has been identified for construction of godowns under the scheme. Under this scheme, CWC and SWCs and also constructing 10.74 lakh tonnes capacity on their own lands.

In addition FCI is constructing godowns under Plan funds in NE States, Jammu and Kashmir, U.T. of Lakshadweep and new procuring States of Orissa, Bihar and Karnataka. The details of project of constructed of godowns by FCI in Eleventh Plan are given in the Statement.

Statement

Details of project of construction of godowns by FCI in Eleventh Plan

(A) Projects completed by FCI under Eleventh Plan

Sl. No.	Name of Zone/ Centre	Capacity in MTs		
		2006-07	2007-08	2008-09
Other than North East				
1.	Tumkur/Karnataka	5,000		
2.	Dungrapalli/Orissa			10,000
North East including Sikkim				
1.	Bualpui/Mizoram	4,590		
2.	Badarpurghat/Assam	5,000		
3.	Chaulkhowa/Assam	2,500		
4.	Nandannagar/Tripura		2,500	
GRAND TOTAL:		17,090	2,500	10,000

(B) Ongoing projects with FCI

Sl. No.	Centre/State	Capacity (in MTs)
1	2	3
North East Region		
1.	Changasari/Assam	50,000
2.	Hailakandi/Assam	5,000
3.	Kohima/Nagaland	5,000
4.	Nandannagar/Tripura	2,500
5.	Jiribam/Manipur	2,500
6.	Senapati/Manipur	5000
7.	Churachandpur/Manipur	2,500
8.	Jorthang/Sikkim	5,000
Other than NE Region		
1.	Lakshadweep/Uttar Pradesh	2,500

1	2	3
2.	Dungrapally/Orissa	10,000
3.	Baripada/Orissa	10,000
4	Mohania/Bihar	25,000
5.	Udhampur/Jammu and Kashmir	15,000
6.	Budgam/Jammu and Kashmir	20,000

Remunerative price for sugarcane

3401. SHRI BHARATSINH PRABHATSINH PARMAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether sugarcane growers are not being provided remunerative price for their produce;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (c) No, Sir. In order to provide remunerative price for sugarcane to the farmers, the Central Government revised the sugarcane pricing policy by amending the Sugarcane (Control) Order, 1966 on 22.10.2009, *i.e.* by inserting a 7th criteria under Clause 3(1), which now provides that the farmers will be given margins on account of profit and risk for supplies of their cane. Accordingly, from 2009-10 sugar seasons onwards, the Central Government is fixing a Fair and Remunerative Price (FRP) for sugarcane instead of Statutory Minimum Price (SMP) being given earlier. The FRP now gives margins on account of profit and risk payable to the farmers upfront which was not available earlier under SMP.

Accordingly, the FRP payable by sugar mills for 2009-10 sugar season was determined at Rs. 129.84 per quintal, linked to a basic recovery rate of 9.5% subject to a premium of Rs. 13.7 for every 0.1 percentage point increase above that level. The FRP fixed at Rs. 129.84 per quintal for 2009-10 sugar season was about 51% higher than the SMP of sugarcane of 2008-09 calculated at 9.5% basic recovery rate. The FRP for 2010-11 sugar season has been determined at Rs. 139.12 per quintal subject to a premium of Rs. 1.46 for every 0.1 percentage point increase in recovery above that level.

Introduction of Smart Card System

3402. SHRI R.C. SINGH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether it is a fact that Government is planning to introduce a Smart Card System which would be linked to Unique Identification Card (UIC);