

Distribution of food subsidy through bank account

2520. SHRI K.N. BALAGOPAL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is planning to distribute food subsidy amount through bank account;

(b) if so, the details thereof; and

(c) what would be the role of existing ration shops and other outlets for subsidized public distribution?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD, AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) The Department proposes to introduce a pilot scheme in six Union Territories (UTs), namely Andaman and Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep and Puducherry for direct transfer of food subsidy under Targeted Public Distribution System (TPDS). Under the proposed scheme, foodgrains will be issued by Food Corporation of India at the economic cost. The cash subsidy equal to the difference in the economic cost and the present issue price will be credited to the bank account of the beneficiary in advance to enable the beneficiary to purchase the foodgrains at this cost. The details of the scheme will be finalized in consultation with UTs. etc.

(c) Under the proposed scheme, foodgrains shall continue to be distributed to the beneficiaries under TPDS through the Fair Price Shops.

Procurement of paddy

2521. SHRI Y.S. CHOWDARY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of paddy procured by Government during the last three years, State-wise;

(b) whether it is a fact that FCI is not showing any interest to procure paddy from some States and farmers are unable to get the benefit of Minimum Support Price fixed by Government; and

(c) the steps/measures taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD, AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) The details of paddy procured for the Central Pool during the last three years, State-wise, is given in the Statement-I (*See* below).

(b) As per the existing procurement policy, the Central Government extends price support to paddy 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 centers are bought by the public procurement agencies at the Minimum Support Price (MSP). The farmers have the option to sell their produce to FCI/State Agencies at the MSP or in the open market as is advantageous to them. There is no compulsion on the farmers to sell their produce, to their disadvantage. To increase procurement of foodgrains in States, the State Governments of non DCP States have been repeatedly requested to adopt the Decentralised Procurement (DCP) System, which was introduced in 1997-98 with a view to enhance efficiency in procurement and to encourage local procurement to the maximum extent, thereby extending the benefits of MSP to local farmers.

(c) Steps taken to increase the reach of MSP operations and increase procurement are given in the Statement-II.

Statement-I

Paddy procurement during the last three and Current KMS

(In lakh tonnes)

Sl. No.	States/Union Territories	2009-10	2010-11	2011-12	2012-13*
1	2	3	4	5	6
1.	Andhra Pradesh	4.52	24.47	21.23	5.15
2.	Assam	0.12	0.23	0.34	0.00
3.	Bihar	10.68	11.44	22.87	0.00
4.	Chandigarh	0.20	0.13	0.19	0.18
5.	Chhattisgarh	44.28	51.16	59.71	17.25
6.	Delhi	0.00	0.00	0.00	0.00

1	2	3	4	5	6
7.	Gujarat	0.00	0.00	0.05	0.00
8.	Haryana	26.36	24.82	29.67	38.27
9.	Himachal Pradesh	0.00	0.00	0.00	0.003
10.	Jharkhand	0.14	0.00	4.11	0.00
11.	Jammu and Kashmir	0.00	0.04	0.02	0.03
12.	Karnataka	0.15	0.35	2.29	0.00
13.	Kerala	3.89	3.93	5.54	0.00
14.	Madhya Pradesh	2.07	4.28	9.39	0.001
15.	Maharashtra	2.33	1.94	2.60	0.20
16.	Nagaland	0.00	0.00	0.00	0.00
17.	Odisha	35.99	36.14	42.10	0.00
18.	Puducherry	0.01	0.00	0.00	0.00
19.	Punjab	138.06	128.86	115.39	127.21
20.	Rajasthan	0.00	0.00	0.00	0.00
21.	Tamil Nadu	18.53	23.03	23.82	0.01
22.	Uttar Pradesh	13.99	14.46	23.24	4.35
23.	Uttarakhand	0.35	0.15	0.19	0.28
24.	West Bengal	8.32	11.76	14.43	0.00
TOTAL:		310.00	337.21	377.18	192.93

*As on 07.12.2012.

Statement-II

Steps taken to increase the reach of MSP

- (i) Sufficient number of procurement Centres are opened by FCI/State Government agencies in mutual consultation before onset of procurement season, keeping in view the procurement potential and geographical spread of the State concerned.

Review is made from time to time on the need for additional procurement Centres, if any, during the procurement season and required additional procurement Centres are also opened.

- (ii) Before the start of every marketing season, Department of Food and Public Distribution convenes a meeting of State food secretaries, Food Corporation of India and other stake holders to prepare a detailed action plan for making the arrangements of procurement in the coming marketing season. Details of number of procurement Centres to be opened and arrangements like purchase of packaging material and storage space are discussed in the meeting.
- (iii) The Commission charges for procurement by cooperative societies and self help groups has been increased to 2.5% of Minimum Support Price (MSP) since 2009-10 to encourage procurement from small and marginal farmers especially in States where marketing infrastructure is not well developed. This measure will increase the reach of MSP to farmers particularly for small and marginal farmers.
- (iv) State Governments are encouraged to adopt Decentralised Procurement (DCP) system of procurement so as to maximise procurement and increase the reach of MSP operations. Under this system, State governments undertake procurement and distribution of food grains by themselves. Procured quantities in excess of State's requirement is taken in the Central Pool for distribution elsewhere, while shortfall is met from the Central Pool. Instructions have been issued to FCI and States to open procurement Centres at locations convenient to farmers where they could bring their produce for government procurement.
- (v) During RMS 2011-12, the Government had announced MSP of wheat at Rs. 1120 per quintal. In addition, a bonus of Rs. 50 was also approved, which resulted in procurement of 283.35 lakh tonnes of wheat, which was a record procurement. The MSP of wheat for RMS 2012-13 was further enhanced to Rs. 1285 per quintal. A record quantity of 381.48 lakh tonnes of wheat has been procured during RMS 2012-13.

Benefits from futures trading

2522. PROF. ANIL KUMAR SAHANI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Department of Consumer Affairs or Forward Market Commission