

- (6) System of exports and imports of foodgrains should be based on a system of variable tariffs which should replace quotas. This is required for stabilization of prices in an open economy. Also, as far as possible, releases for exports from public stocks should be on best commercial terms.
- (7) Decentralisation of the foodgrain procurement and distribution system is desirable provided this is seen as a means by which States which can be given greater flexibility in design of their PDS and the FCI be given greater incentive for cost control, without the Central Government diluting its commitment to the requirements of price stabilization and food security.
- (8) In principle, the Committee believes that dual/multiple prices of the PDS are distortionary and provide scope for leakage.
- (9) The basic approach of the Committee is that barriers to trade in the grain market should be removed so as to make it more integrated nationally. The role of public intervention should primarily be to stabilize prices and that any system of price stabilization must be national in scope. Also, decentralization will be acceptable to the States only if this is carried out in a manner which does not involve the Centre passing on to them the fiscal costs that it bears currently. The Committee will elaborate on the above mentioned issues in its final report.

Restructuring of Central Warehousing Corporation

1248. SHRI R. SARATH KUMAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether Government propose to restructure Central Warehousing Corporation (CWC);
- (b) if so, the details thereof;
- (c) whether profit of the Central Warehousing Corporation has been reduced during the last three years;
- (d) if so, the reasons therefor; and
- (e) the steps taken by Government for healthy growth of the Central Warehousing Corporation?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

(e) the following steps have been taken for healthy growth of the Central Warehousing Corporation (CWC):—

- (i) The Warehousing Corporations (Amendment) Act, 2001 has been notified on 29.08.2001 and has come into force w.e.f. 1.11.2001. The amendments would enable CWC to set up warehouses abroad and also to enter into joint ventures.
- (ii) The status of CWC has been upgraded from a Schedule 'C' company to a Schedule 'B' company w.e.f. 29.10.2001.
- (iii) CWC will be one of the major players in bulk silo storage infrastructure.
- (iv) Seven new Container Freight Stations (CFSs) have been opened by CWC during 2001-2002 so far.
- (v) No fresh recruitment is being undertaken by CWC with a view to controlling the establishment cost.
- (vi) CWC is creating additional storage capacity of approximately 5.83 lakh MTs for storing foodgrains under the guaranteed utilisation scheme of FCI.

Procurement of foodgrains through FCI

1249. SHRI NILOTPAL BASU: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government have recently stated that they will not procure foodgrains from the farmers through FCI for the PDS; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) No, Sir. No concrete proposal in this regard is under consideration.

(b) Does not arise.