

Food Security Act

2354. SHRI M.V. MYSURA REDDY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the reasons for not enacting the proposed Food Security Act announced in 2009-10 Budget;
- (b) details of beneficiaries going to be covered under the above Act; and
- (c) in view of Tendulkar Commission increasing the BPL to 41.8 per cent, Saxena Committee increasing it to more than 50 per cent and with original BPL cards presently at 6.52 crores according to 1993-94 prices, which estimate Government is going to follow to implement the above Act?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (c) As announced by the President in her address to the joint session of Parliament on 4-6-2009, the Government proposes to enact a National Food Security Act which, *inter-alia*, envisages entitling all Below Poverty Line (BPL) families to 25 Kg. of foodgrains per family per month at highly subsidized prices. A Concept Note was circulated on 05.06.2009 and 10.06.2009 on the proposed National Food Security Act to all State/ Union Territory (UT) Governments and concerned Central Ministries. The responses received have been examined. An Empowered Group of Ministers (EGoM) has been constituted to firm up various aspects of the proposed law.

To review the methodology used for estimation of poverty, the Planning Commission has set up an Expert Group under the chairmanship of Professor Suresh Tendulkar. The report of the Expert Group is under examination.

The draft National Food Security Bill is still under preparation in consultation with Ministry of Law and Justice. After finalization, the draft Bill will be placed on the website of the Department of Food and Public Distribution for public scrutiny and comments.

Commission at wheat procurement centres

†2355. SHRI VEER PAL SINGH YADAV: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the steps taken by Government to curb the commission at wheat procurement centres;
- (b) the number of private companies which have been issued licences for wheat procurement;
- (c) whether Government has made any arrangement for cash procurement of wheat from farmers;
- (d) whether Government will procure wheat through middlemen this year also like last many years; and

†Original notice of the question was received in Hindi.

(e) the details of advantages to Government to procure wheat through middlemen, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) No Commission charges other than the "Commission to societies" and "Arhtiya Charges" is prescribed by the Government for procurement operations under Minimum Support Price (MSP);

(b) No license has been issued by the Government to any private company for wheat procurement.

(c) The wheat procurement for the Government is being made by FCI and as well as State agencies. As far as FCI concerned, all payments to the farmers are made through cheques. The State agencies make payments as per their procedures.

(d) The procurement of wheat is made by FCI and State agencies and no middlemen is involved.

(e) Does not arise.

Improper use of FCI godowns

2356. SHRIMATI MOHSINA KIDWAI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is aware that thousands of tonnes of wheat is rotting outside the FCI godowns in the country, particularly in Rajasthan while the FCI sheds stocked alcohol bottles as reported in the media;

(b) if so, the facts and the details thereof;

(c) whether it is also a fact that most of the FCI godowns have been rented out to private parties and FCI's own stocks are rotting outside; and

(d) if so, the facts thereof and corrective steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) In 2006-07 and 2007-08, when the wheat stock were lower in the country, serious objections were raised by Comptroller and Auditor General of India (CAG) that FCI is incurring infructuous expenditure on maintenance of godowns while there are no stocks. The consultant hired by the Department, M/s Mckinsey and Co., and the Parliamentary Standing Committee of the Department recommended hiring out of storing capacity wherever possible so as to earn rental income from the vacant space available.

Accordingly, some godowns were hired out by FCI in some regions for a limited period with the condition that they can be taken anytime by FCI by giving a three months notice without assigning any reason. FCI has earned a rental income of Rs. 59 crores (appx.) in the last few years by renting out surplus capacities at certain places where they were not required during that particular period.