

mated respectively in (BE) 1981-82. However, the procurement incidentals on wheat in 1981-82 are now estimated at Rs. 23.88 per quintal consequent on post-budgetary increase in procurement price of wheat from Rs. 117/- to Rs. 130/- per quintal mainly because of consequential increase in ad valorem statutory charges.

There has been some marginal increase in the handling expenses of the Food Corporation of India incurred in connection with storage, movement and distribution of foodgrains during 1981-82 as compared to 1980-81. During 1980-81 (RE) and 1981-82 (BE) the distribution incidentals have been estimated @ Rs. 24.81 and Rs. 27.18 per quintal respectively.

(b) The main reasons for increase in the handling expenditure of Food Corporation of India during 1981-82 have been attributed mainly towards increase in the rail freight tariff, godown rental, handling charges and higher rate of interest on Bank borrowings with effect from 2-3-1981.

(c) and (d) The figures relating to the total amount of handling expenditure incurred by the Food Corporation of India during the last year and the first six months of the current year are not readily available as the Food Corporation of India have yet to finalise the accounts for this period.

(e) The handling expenditure incurred by the Corporation on the movement, storage and distribution operations mainly consist of the transportation costs, interest charges, godown rent, handling expenses incurred at the time of receipts and issues of foodgrains, administrative costs and transit shortages. The expenditure incurred by the Corporation in respect of the distribution operations over the last few years have been maintained between 16 per cent and 20 per cent of the acquisition cost of grain. The scope for reduction in the handling costs incurred by the Corporation is rather limited. These are more or less in the nature of obligatory or un-

avoidable costs. The items of cost where there is some scope for control are the grains shortages and the administrative overheads. The Corporation has taken a number of steps to reduce the incidence of shortage and contain the administrative overheads.

Purchase of Inferior Rice by Government Agency

2761. SHRI NARASINGHA PRASAD NANDA:

SHRI RAMCHANDRA BHARADWAJ:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government's attention has been drawn to a news item which appeared in the Hindustan Times dated the 5th September, 1981 under the heading 'Purchase of inferior rice may hit export to the effect that Government may find it difficult to meet its rice export commitment in time this year because of the bad quality of rice procured; and

(b) if so, what are the details in this regard and the reaction of Government thereto?

THE DEPUTY MINISTER IN THE MINISTRIES OF AGRICULTURE AND RURAL RECONSTRUCTION (MISS KAMLA KUMARI): (a) and (b) Yes, Sir. It essentially pertains to an isolated case of delivery of broken rice not conforming to specifications at Shahjehanpur, Uttar Pradesh.

The rice taken over by the Food Corporation of India with excessive broken and other refractions beyond rejection limits in Shahjehanpur, Uttar Pradesh was for internal consumption within the country and not for export purpose. As far as export of rice is concerned, no difficulty is experienced in meeting export commitments. Rice is being exported according to contractual obligations specifications from selected stocks which have tighter specifications to meet the export requirements.