

(b) the quantum of wheat purchased in May, 2010 by Food Corporation of India and various agencies;

(c) whether Government left most of the wheat purchased this year in Punjab, Madhya Pradesh, Haryana, Rajasthan and Chhattisgarh under the open sky;

(d) if so, the quantum of wheat left under open sky; and

(e) the quantum of wet wheat from May, 2010 till date?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) A quantity of 337.13 lakh MTs wheat was available in Central Pool on 30th April 2010. The new wheat crop arrival started before 30th April and wheat procurement started from 1st April, 2010 in major procuring states.

(b) A quantity of 27.05 lakh MT of wheat was purchased in May 2010 by Food Corporation of India and various agencies.

(c) and (d) As informed by FCI 168.05 lakh tonnes of wheat was kept under CAP (Covered & Plinth storage as on 1.7.2010.

(e) Instances of foodgrains affected by moisture have come to notice. Details are given at Statement. [Refer to the statement appended to Answer to USQ 1377 Part (b) to (d)]

High food inflation rate

1392. SHRIMATI BRINDA KARAT: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether despite declaration of the Prime Minister a few months ago that the "worst of food inflation is over", the food inflation rate continues to remain extremely high at over 16.5 per cent;

(b) the concrete steps Government proposes to take to curb the food price rise; and

(c) the reasons for not using buffer stock of over six crore tonnes of foodgrains rotting in Government godowns to restore the huge cut in foodgrains allocations to the States for APL sections who have been wrongly excluded from the Public Distribution System?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) No Sir. The WPI food inflation had declined to 9.67% for the week ending 17.7.2010.

(b) Government had already taken several fiscal and administrative measures to contain the inflation which is given in Statement (See below).

(c) Buffer stock of rice and wheat is maintained by the Central Government. Allocation of foodgrains under Targeted Public Distribution System (TPDS) is made for Below Poverty Line (BPL) and Antyodaya Anna Yojna (AAY) families on the basis of 1993-94 poverty estimates of the Planning Commission projected on the population estimates of Registrar General of India as on 10.3.2000, or the number of families actually identified and ration cards issued by the State Governments, whichever is less. Accordingly, allocations of foodgrains for BPL and AAY categories are made @ 35 kg per family per month for all accepted 6.25 crore families in the country. Allocations under Above Poverty Line (APL) category are made depending upon the availability of stocks of foodgrains in the Central Pool and past offtake. Presently, these allocations range between 10 kg and 35 kg per family per month in different States/UTs.

Statement

Steps taken by the Government to contain price rise in essential Commodities such as rice, wheat, pulses and sugar are briefly stated below:

I. Fiscal Measures

- (i) Reduced import duties to zero - for rice, wheat, pulses
- (ii) Allowed import of raw sugar at zero duty under O.G.L. up to 01.08.2009 by sugar mills (notified on 17.04.2009) extended up to 31.12.2010. Furthermore, import of raw sugar has been opened to private trade up to 31.12.2010 for being processed by domestic factories on job basis.
- (iii) Allowed import of white/refined sugar by STC/MMTC/PEC and NAFED up to 1 million tons by 01.08.2009 under O.G.L. at zero duty (notified on 17.04.2009). Furthermore, the duty free import of white/refined sugar under OGL has been opened to other Central/State Government agencies and to private trade in addition to existing designated agencies. The cap on the quantity to be imported upto 31.03.09 has also since been removed vide notification dated 27th November, 2009. The Government has extended it upto 31.12.2010 without any quantitative cap.

II. Administrative Measures

- (i) Removed levy obligation in respect of imported raw sugar and white/refined sugar.
- (ii) Banned export of non-basmati rice, pulses (except Kabuli chana).
- (iii) Imposed stock limit orders in the case of paddy, rice, sugar, upto 30.9.2010; In order to discourage non-household sector consumers from stockpiling sugar and to ensure adequate availability of sugar in the open market for actual consumers, the Central Government has issued a notification dated 22.08.2009 imposing stockholding limit on bulk consumers: it has been provided that w.e.f 19.09.2009 no person, establishment, or industrial unit using or consuming more than 10 quintals of sugar per month as a raw material for production or consumption or use, in any manner, shall keep stock, at any time, sugar exceeding 15 days of such use or consumption. Further, the stockholding limit for stocking domestically produced sugar by bulk consumers was reduced from 15 days to 10 days *vide* notification dated 05.02.2010, which came into effect on 20.02.2010 and remain in force for 180 days.
- (iv) Using Minimum Export Price (MEP) to regulate exports of basmati rice (\$900 PMT);
- (v) Maintaining the Central Issue Price (CIP) for rice (at Rs 5.65 per kg for BPL and Rs 3 per kg for AAY) and wheat (at Rs. 4.15 per kg for BPL and Rs. 2 per kg for AAY) since 2002.
- (vi) Futures trading in Rice, Urad and Tur suspended by the Forward Market Commission in the year 2007-08 and continues during 2010-11. Futures trading in sugar were suspended w.e.f. 27.5.2009 upto 30th of September, 2010.
- (vii) Permitted sugar factories to sell processed raw sugar in the domestic market and fulfil export obligation on ton to ton basis.
- (viii) Proportion of sugar production requisitioned as levy sugar was increased from 10 to 20% for 2009-10 sugar season to ensure adequate levy sugar supplies under PDS.
- (ix) For the month of June, 2010, 17.00 lakh tons of non-levy sugar have been made available which includes 12.80 lakh tons of normal non-levy sugar and 3.70 lakh tons of sugar processed from imported raw sugar during April, 2010. Estimated availability out of imported

white/refined sugar during the month is about 0.50 lakh ton. Besides, levy sugar quota of 2.08 lac tons also been released. Thus, for the month of June, 2010, 19.08 lac tons of sugar have been made available.

(x) An additional allocation of wheat/rice @ 10 kg/family/month of January and February 2010 has been made to the accepted number of AAY, BPL and APL ration cards. This is in addition to existing allocation while the wheat will be allocated at MSP price; rice will be allotted at MSP derived price.

(xi) Specific ad hoc additional allocation of 30.66 lakh tons of food grains has been made for all cardholders wef 19.5.2010 with validity for lifting up to 20.11.2010 @ of Rs.8.45 per kg for wheat and Rs. 11.85 per kg for rice.

(xii) **OMSS interventions:**

(a) Allocation to State Governments under OMSS (Domestic) for release of 20.00 lakh tons of wheat was made to check inflationary trends in food economy from October 2009 to March 2010. The State/UT Government were asked to distribute wheat released under OMSS(D) to household consumers and small processors of wheat.

(b) In addition to above, a quantity of 10 lakh MTs wheat was also allocated for sale to bulk consumers through open tenders by FCI from October, 09 - March, 10. Another 10.88 lakh tons of wheat from the expected savings from retail allocations was allocated for bulk consumers through tender sale.

(c) In order to check inflationary trend in prices of Rice, a quantity of 10.0 lakh tons of rice was allocated during October 2009 to March 2010 to State Governments for distribution to retail consumers.

(d) On 18.1.2010, NAFED was allotted 37400 tons of wheat and 17000 tons of rice from the un-lifted quantity of OMSS allocations to State Governments. Similarly, NCCF was allocated 32684.21 tonnes wheat and 11000 tons rice for sale to retail consumers.

(e) On 16.2.2010, another allocation of 5 lakh tons of wheat was made for tender sale to small processors by FCI. High Level Committee of FCI has formulated guidelines for tender sale to small processors. The reserve price fixed for tender sale of wheat to bulk consumers undertaken by

FCI. The total wheat allocation under OMSS now in 35 lakh tons, and total rice allocation is 10 lakh tons.

(xiv) The Government also contemplating bringing legislation on Food Security.

(B) **Medium Term Measures:**

In the medium term, Government has taken initiatives such as the National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojna (RKVY) to improve production and productivity in agriculture.

Universalization of PDS

1393. DR. T.N. SEEMA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the name of the States in the country that have introduced statutory rationing for essential commodities through Public Distribution Shops; and

(b) whether Government would take steps to implement universalized Public Distribution System for essential commodities in all States of the country?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (b) Targeted Public Distribution System (TPDS) is implemented jointly by Central Government and State/Union Territory (UT) Governments with sharing of responsibilities in this regard. The Central Government has taken the responsibility for procurement, storage, transportation and bulk allocation of food grains to the States and UTs. The responsibilities for allocation of food grains within State/UT, identification of eligible Below Poverty Line (BPL) families based on estimates of Planning Commission, issuance of ration cards to them and distribution of allocated food grains to eligible ration card holders through fair price shops (FPSs) and supervision of the functioning of FPSs, etc., rest with the State/UT Governments.

Food grains (rice and wheat) @ 35 kg per family per month are allocated to the State/UT Governments to 6.52 crore accepted number of BPL families, including 2.43 crore Antyodaya Anna Yojana (AAY) families for distribution at subsidized prices through Fair Price Shops. Depending upon their availability in Central pool, food grains are also allocated to Above Poverty Line (APL) families.