

increased to 62 million tonnes, from the existing 60 million tonnes to sustain and support implementation of the Food Security Bill;

(b) if so, by when this storage capacity would be created in order to avoid decomposition/rottening of foodgrains as it happened last year, when the Supreme Court had to intervene to suggest free distribution of such foodgrains; and

(c) whether any realistic financial estimate has been arrived at, keeping in view the constant and uncontrollable rise in foodgrain prices?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) As per provisions of National Food Security Bill and using Census population, the requirement of foodgrains for Targeted Public Distribution System (TPDS) and Other Welfare Scheme (OWS) is estimated at 60.74 million tonnes. The shortage capacity, Covered and Cover and Plinth (CAP) available with the Food Corporation of India as on 01.03.2012 was about 33.5 million tonnes, both owned and hired. The storage capacity with state agencies for storage of Central stock of foodgrains as on 31-03-2011 was 29 million tonnes including both covered and CAP capacity. Thus, a total quantity of about 62.5 million tonnes of storage capacity was available for storage of Central stock of foodgrains. However due to the increased procurement of foodgrains and to reduce to storage under Cover and plinth (CAP), the Government formulated the Private Entrepreneur Guarantee (PEG) Scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Under the scheme, a capacity of about 151 lakh tonnes is to be created in 19 States. As per the scheme guidelines, the time schedule for completion of godowns is one year, in case of non-railway siding godowns and two years for railway siding godowns. The Government has also finalised a plan for construction of an additional total storage capacity of 5.4 lakh tonnes in the North Eastern States.

(c) The rentals to be paid for the godowns constructed under the scheme is decided through a transparent two-bid tendering process. Thus the rentals can vary from one location to the other.

Price rise in food items

†1271. SHRI KAPTAN SINGH SOLANKI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that there is a rise in the prices of food items in the country due to inadequate logistic and storage capacity;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.

(c) whether Government has framed any policy to provide imported food items at reasonable prices; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) Rise in the prices of food items are caused by several factors such as shortfall in domestic supplies relative to demand, hardening of international prices, changes in consumption pattern, adverse weather conditions, and improvement in income and living standards as well as changes in dietary habits.

(c) and (d) The steps taken by the Government, *inter alia*, to provide imported food items at reasonable prices are enclosed in Statement.

Statement

*Steps taken by the Government to provide imported food items
at reasonable prices*

1. Fiscal Measures

- (i) Reduced import duties to zero – for rice, wheat and onion, pulses, edible oils (crude) and to 7.5% for refined and hydrogenated oils and vegetable oils.
- (ii) NDDDB has been allowed to import 50000 tonnes of skimmed Milk Powder and Whole milk powder and 15000 MT of Butter, Butter Oil and Anhydrous Milk Fat at zero duty under Tariff Rate Quota.
- (iii) Permitted Sugar mills to import duty-free raw sugar under Open General Licence (O.G.L.). Later this facility was extended to private trade on job basis.
- (iv) Permitted STC/MMTC/PEC and NAFED to import duty-free white/refined sugar initially with a cap of 1 million tonnes. Later duty-free import was also allowed by other Central/State Government Agencies and private trade without any cap on the quantity.

2. Administrative Measures

- (i) Removed levy obligation in respect of all imported raw sugar and white/refined sugar.
- (ii) Extended the scheme for distribution of subsidized imported pulses through State Governments/UTs with subsidy of Rs. 10/- kg for distribution of BPL families @ 1 kg per month up to 31-3-2012.
- (iii) Extended the Scheme for distribution of subsidized imported edible oils through State Governments/UTs with subsidy of Rs. 10/- kg for distribution of ration card holders @ 1 litre per ration card per month up to 30-9-2012.