

- Adoption of 50kg packing to avoid use of hooks
- Double line machine stitching of bags.
- Supervision of loading/unloading operations by the ICCS (Independent Consignment Certification Squad).
- MOU is signed between FCI and Ministry of CAF and PD for the last 5 years. One of the parameters of MOU is to bring down/control storage and transit losses.
- Monitoring of S and T Losses during Monthly Performance Review Meetings at Regional/Zonal/Headquarters levels.

Safeguards for Movement and Storage

- Inspection and monitoring of calibration of weigh-bridges.
- Ensuring that all FCI owned godowns are constructed and maintained on scientific lines for storage of foodgrains.
- Movement of foodgrains from one place to another by safe means *i.e.* normally covered wagons etc.
- Loading of standardized bags as far as possible and leaving 18 inches space near the flap doors.
- Proper weighment and accounting at the time of receipt and issue.

Increase in prices of essential commodities due to petrol and diesel prices

360. SHRI KANWAR DEEP SINGH:

SHRI N.K. SINGH:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether it is a fact that the prices of essential commodities are affected by an increase in the prices of petrol and diesel;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the measures Government is taking to control the prices of essential commodities?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) According to the Kirit Parikh Report of Feb. 2010, as petrol is largely an item of final

consumption, its price has a small impact on inflation. However as diesel is used in several sectors as an input, any increase in diesel price has a cascading effect on inflation.

(c) The steps taken by the Government to contain the price rise of essential commodities are given in Statement.

Statement

*Steps taken by the Government to contain price rise in
essential commodities are listed below:*

- Reduced import duties to zero—for rice, wheat, onion, pulses, crude palmolein and to 7.5% for refined and hydrogenated oils and vegetable oils.
- Allowed the import of 50000 tonnes of Skimmed Milk Powder and other milk products.
- Presently the import duty of white and raw Sugar has been kept at 10%.
- Banned export of edible oils (except coconut oil and forest based oil) and pulses (except Kabuli chana and organic pulses up to a maximum of 10000 tonnes per annum).
- Banned export of non-basmati rice and wheat for short period of time.
- Imposed stock limits from time to time in the case of select essential commodities such as pulses, edible oil, and edible oilseeds and in the case of paddy and rice for specific seven states.
- Ban on export of onion was imposed for short period of time whenever required. Exports of Onion were calibrated through the mechanism of Minimum Export Prices (MEP).
- Maintained 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.
- Suspended Futures trading in rice, urad, tur, guar gum and guar seed.
- To ensure adequate availability of sugar for the households covered under TPDS, the levy obligation on sugar factories was restored to 10% for sugar season 2011-12.
- Government allocated rice and wheat under OMSS Scheme.

- Extended the scheme for subsidized imported edible oils with subsidy of Rs. 15/- kg for distribution to ration card holders @ 1 litre per ration card per month upto 30.09.2012.

Food subsidy deficit

361. SHRI KANWAR DEEP SINGH:

SHRI N.K. SINGH:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the increase in Minimum Support Prices (MSP) would lead to a total food subsidy deficit of about Rs. 40,000 crore at the end of the current year;
- (b) whether the subsidy burden on Government would fuel inflation;
- (c) whether Government would resort to improving productivity to increase profitability of farmers instead of increasing prices; and
- (d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) The rise in food subsidy is mainly attributable to increase in economic cost of foodgrains on account of increase in Minimum Support Price (MSP) whereas Central Issue Prices (CIPs) of subsidized foodgrains have remained unchanged since 2002. During the current year 2012-13(BE), against the projected requirement of Rs. 92493.00 crore, an amount of Rs. 74551.99 crore has been allocated at BE stage. The rise in MSPs may have marginal impact on inflation as the wholesale prices of Wheat and Rice are related to their MSP.

(c) and (d) MSP for foodgrains is so determined as to give a remunerative price to the farmer for his produce. The Government has taken up various schemes for increasing production and productivity of foodgrains. The National Food Security Mission was launched in the year 2007-08 to increase production of foodgrains through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm level economy. In order to increase the productivity of Rice in the seven States of eastern India, a programme of Bringing Green Revolution in Eastern India (BGREI) has been launched in the Year 2010-11.