

(a) whether it is a fact that Government has decontrolled sugar sector; and

(b) if so, the estimated increase in profit of the sugar mills and the burden of subsidy on the part of Government to maintain supply of sugar through PDS?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS): (a) Yes, Sir. The Central Government has considered the recommendations of Dr. C. Rangarajan Committee and has *inter-alia*, decided to do away with levy obligation on sugar mills for sugar produced after September, 2012 and dispense with the regulated release mechanism on open market sale of sugar.

(b) With the abolition of levy obligation on sugar mills the State Governments/UT Administrations would be required to procure sugar from the open market and the Central Government would provide fixed subsidy of Rs. 18.50 per kg. to States/UTs for maintaining the current retail issue price of Rs. 13.50 per kg. Considering that the States/UTs quota is about 27 lac tons, the total subsidy burden on Central Government would be approximately Rs. 4995 crores. Since the States /UTs would procure sugar at open market price instead of fixed levy price, the sugar mills would stand benefited to that extent. Further, due to dispensing with the regulated release mechanism, the sugar mills would make savings on account of reduced inventories resulting in reduced interest burden on working capital and the storage cost. These benefits/savings would enable the sugar mills to pay the cane price to farmers in time.

#### **Regularisation of FCI employees**

3601. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the workers of FCI depots, where similar prohibition of employment of contract labour was notified during 1990-91, are presently working as contract labourers;

(b) the reasons why FCI has engaged these workers under "No Work No Pay" (NWNP) system, instead of regular departmental employees; and

(c) whether Government has any action plan to regularise all of them in a time-frame?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS): (a) No, Madam.

(b) No Work No Pay system is a recognised labour system which has been implemented after bilateral settlements signed with the Labour Unions subsequently in the notified depots.

(c) No, Madam.

#### **Export of wheat through private sector**

†3602. SHRI RAM JETHMALANI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government has decided to export 5 million tonnes of wheat through private sector from the country;

(b) if so, whether tenders have been issued by the Food Corporation of India to implement this decision;

(c) if so, the floor price fixed in the tender; and

(d) the basis on which this price has been fixed along with the number of private sector companies from which expression of interests have been received, so far?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS): (a) Yes, Sir.

(b) to (d) Food Corporation of India (FCI) has invited technical bids for empanelment of private exporters. The floor price of sale of wheat of Rabi Marketing Season (RMS) 2011-12 has been fixed at Rs. 14,840 per metric ton, ex-FCI godown, which is the current Open Market Sales Scheme (Domestic) price. Four technical bid for Punjab and ten technical bids for Haryana have been received.

#### **Stock of wheat and rice**

†3603. SHRI RAM JETHMALANI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the stock of wheat and rice in public sector godowns in the country has been found to be in excess of the requirements of the Public Distribution System (PDS) and public welfare schemes;

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†Original notice of the question was received in Hindi.