

Ban on bonus on purchase price of wheat

†2214. DR. VIJAYLAXMI SADHO: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government has put a ban on bonus on purchase price of wheat if so, the reasons therefor; and

(b) whether Government is aware that the yield of wheat crop has been low due to irregular rain this year?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI RAOSAHEB DADARAO DANVE):

(a) No, Sir. The Government has not put any ban on bonus on purchase price of wheat, but has decided that in case, a surplus under decentralised mode of procurement (DCP) State gives bonus to farmers for wheat or paddy from Kharif Marketing Season (KMS) 2014-15 and Rabi Marketing Season (RMS) 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for Targeted Public Distribution System (TPDS)/Other Welfare Schemes (OWS) allocation of that State and will provide acquisition and distribution subsidy to the State Government accordingly. FCI may acquire any additional quantity of foodgrains from such State Government/ its agencies for augmenting its stocks elsewhere, but it would not be under any compulsion to do so. The State Government will be responsible for the disposal of any surplus quantity procured in the State over and above this quantity and bear the financial burden in that regard. Further, if a Non-DCP State gives bonus to farmers over and above the Minimum Support Price (MSP), the Food Corporation of India (FCI) will not take part in MSP operations in that State and State Agencies will have to mobilize resources and take care of MSP operations in the State on their own including the arrangements to be made for storage of procured foodgrains. With respect to such States, FCI in consultation with the Department of Food and Public Distribution will decide as to how much stock of wheat or rice it should acquire from the concerned State in a particular season and will restricts its Central Pool procurement to that extent leaving rest of the surplus stock to be disposed off by the State Government concerned at its own risk and cost. The reasons for taking this decision are that bonus distorts the market of concerned commodity and drives away private buyers out of the market in the State leaving farmers to depend on Government only for sale of their produce. It also generates possibilities of various kinds of malpractices.

(b) No, Sir. There is no such report.

†Original notice of the question was received in Hindi.