

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

RAJYA SABHA
UNSTARRED QUESTION NO.2785
TO BE ANSWERED ON 24TH MARCH, 2023

DECENTRALIZED PROCUREMENT SCHEME

2785 SHRI P. WILSON:

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

- (a) whether Central agencies discriminate against the States in the procurement of crops under the Decentralized Procurement scheme and if so, the complaints made by the States in this regard from time to time;
- (b) whether the Ministry can provide data on amount pending to the State of Tamil Nadu under the concerned scheme; and
- (c) whether the Ministry is planning to move from Minimum Support Price (MSP) in procuring paddy/crops to a higher rate ensuring higher profit margin to the farmers?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)

(a): The estimates for procurement of wheat and paddy are finalized by Government of India in consultation with State Governments and Food Corporation of India, before the commencement of each marketing season based upon estimated production, marketable surplus and agricultural crop pattern.

Central agencies do not discriminate towards States in the procurement of crops under Decentralized Procurement scheme.

(b): The provisional/final food subsidy is released to States on the basis of rates of incidentals allowed in Provisional/Final Cost Sheet (PCS/FCS) of concerned crop year which includes incidentals like Minimum Support Price, Statutory Charges such as Rural Development Fee, Market Fee, etc. also, among others. The provisional quarterly claims of State Governments are processed keeping in view the opening and closing balance of stocks, procurement, allocation and distribution of food grains, Food Corporation of India's reconciliation, Utilization Certificates received, Economic Cost of food grains, prevalent guidelines etc., among others, which is a continuous process. Department of Food & Public Distribution, Government of India releases quarterly admissible amount of food subsidy to the all DCP States including Government of Tamil Nadu.

The details of admissible amount of provisional food subsidy released to Government of Tamil Nadu for last three years is as under:

(Rs in crores)

2019-20	2020-21	2021-22	2022-23 (as on 16.03.2023)
3242.79	3109.76	6250.93	7000.76

(c): There exists a transparent and uniform policy for procurement of wheat and paddy by Government Agencies across the country. State Government agencies and Food Corporation of India (FCI) purchase wheat & paddy within the stipulated period with prescribed Fair Average Quality (FAQ) specification at Minimum Support Price (MSP) for Central Pool. However, if any producer/farmer get better price in comparison to MSP, he/she is free to sell his/her produce in open market.
