

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

**LOK SABHA  
UNSTARRED QUESTION NO. 292  
TO BE ANSWERED ON 19<sup>th</sup> NOVEMBER, 2019**

**FCI BORROWINGS FROM NSSF**

**292. SHRI SUSHIL KUMAR SINGH:**

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION** उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) the details of the income stream of Food Corporation of India and the ways in which FCI meets its debt obligations;
- (b) whether the FCI is securing loans from the National Small Savings Fund (NSSF) for the hiring of foodgrain storage facilities;
- (c) the details of plan choked out by FCI to deal with the increased Minimum Support Price (MSP) for wheat and rice and the manner in which FCI will be dealing with the increased financial burden;
- (d) whether the Government is planning to increase the budget for FCI and if so, the details thereof; and
- (e) the reasons for the huge rise in debt of FCI Rs. 91,409 crore in March 2014 to Rs. 2.65 lakh crore in March 2019?

**A N S W E R  
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &  
PUBLIC DISTRIBUTION  
(SHRI DANVE RAOSAHEB DADARAO)**

(a)&(b): Food Corporation of India (FCI) only implements the food security programme of Government of India (GoI) and does not transact any commercial operations. In these operations, FCI procures foodgrain at Minimum Support Price (MSP) and sells at a Central Issue Price (CIP) both of which are fixed by GoI. CIP is usually much lower than MSP. The difference between total cost of procurement (MSP and other incidentals) of food grain and CIP is provided by GoI as food subsidy to FCI. FCI receives revenue from the sale of food grain to States /UTs at CIP and the difference amount is received from GoI as food subsidy. However, since the above does not cover the cost of procurement etc, the FCI meets its debt obligations through Cash Credit Limit (CCL), Ways & Means Advances (WMA), Short Term Loan (STL), National Small Saving Fund (NSSF) Loan & bonds.

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**(c)&(d): The Department of Food & Public Distribution on behalf of FCI makes request for funds in the budget to the Ministry of Finance to meet the increased cost due to MSP plus incidentals.**

**(e): Debt of FCI as on March 2014 and March 2019 are as under:-**

**March 2014 = Rs.84,446 crore**

**March 2019 = Rs.2,53,162 crore**

**The increase in debt of FCI is mainly due to increase in arrear subsidy due from Rs.45,633 crore in March, 2014 to Rs.1,90,922 crore in March, 2019 and increase in year-end stock held by FCI from Rs.51,487 crore in March, 2014 to Rs.82,352 crore in March, 2019. Increase in stock value is caused by increase in quantity of stock due to open ended procurement policy.**

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