

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

**LOK SABHA  
UNSTARRED QUESTION NO. 3533  
TO BE ANSWERED ON 10<sup>TH</sup> DECEMBER, 2019**

**INCREASE IN OPERATIONAL EXPENSES**

**†3533. SHRI KHAGEN MURMU:**

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

- (a) whether operational expenses of FCI have increased owing to increase in Minimum Support Price (MSP) of wheat and rice and expenditure on storage under Public Distribution System over the years;**
- (b) if so, whether the Government has formulated/proposes to formulate any scheme to reduce the operational expenses without reducing MSP; and**
- (c) the extent to which the operational expenses of Food Corporation of India are likely to be reduced after the implementation of the said scheme?**

**A N S W E R**

**MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION**

**(SHRI DANVE RAOSAHEB DADARAO)**

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**(a) to (c): The operational costs of Food Corporation of India (FCI) consist of Freight, Storage, Handling, Employee Cost, Interest and other expenses. These expenses are incurred after procurement is over and food grains are brought to godowns for storage and movement from surplus States to deficit States. These expenses are not related to Minimum Support Price (MSP) and depend on inflation and volume of operations.**

**Reduction of operational costs is a continuous process. Various steps have been taken from time to time for the same like rationalisation of labour by pooling labour forces to lesser number of depots and deployment of contract labour, increase in number of bags handled by labourers per day, implementation of Depot Online System in FCI depots, etc.**

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