

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

**LOK SABHA  
UNSTARRED QUESTION NO. 3666  
TO BE ANSWERED ON 10<sup>TH</sup> AUGUST, 2021**

**PRIVATE ENTREPRENEURS GUARANTEE SCHEME OF FCI**

**3666. SHRI DHANUSH M. KUMAR:  
SHRI GAUTHAM SIGAMANI PON:  
SHRI ANURAG SHARMA:  
SHRI C.N. ANNADURAI:  
SHRI SELVAM G.:**

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

- (a) the aims and objectives and salient features of Private Entrepreneurs Guarantee (PEG) Scheme implemented by Food Corporation of India (FCI);
- (b) the total storage capacity created under Private Entrepreneurs Guarantee (PEG) Scheme during each of the last three years especially in Maharashtra, Tamil Nadu and Uttar Pradesh, district-wise;
- (c) whether the Government has allocated adequate funds for creating additional/Modern Storage Capacity under the said scheme, if so, the details thereof during the last three years, year-wise and State-wise;
- (d) the details of the achievements of the scheme since its inception;
- (e) whether the Government proposes to cover every State under the said scheme so as to increase the storage capacity of foodgrains, if so, the details thereof;
- (f) the details of the overall storage capacity required for central pool food grains in the country, during normal procurement season; and
- (g) whether the Government has taken steps for augmenting the storage capacity in PPP mode, to take care of increasing levels of production/procurement of foodgrains, if so, the details thereof?

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

(a): Government of India has formulated Private Entrepreneurs Guarantee (PEG) scheme for construction of storage capacity through private entrepreneurs, Central Warehousing Corporation (CWC), State Warehousing Corporations (SWCs) and other State Agencies on guaranteed hiring for 10 years in case of private investors and 9 years in case of CWC, SWCs and other State agencies. The salient features of PEG scheme are at Annexure I.

(b): Total Storage capacity created under PEG Scheme during each of the last three years is given below:

Fig. in LMT

2018-19	2019-20	2020-21
1.40	1.47	0.55

District-wise storage capacity constructed under PEG Scheme in Uttar Pradesh during each of the last three years is given below:

Fig. in LMT

District	2018-19	2019-20	2020-21
Bhadhoi	3,340	1,660	
Sonbhadra	17,500		
Mainpuri	10,000	15,000	
S. K. Nagar	5,000	5,000	
Bareilly			5,000

No Storage capacity was created in last three years in the States of Maharashtra and Tamil Nadu. However, total capacity created under the Scheme in these two States is 5.62 and 2.55 LMT respectively.

(c): Under PEG scheme, godowns are constructed by private parties, CWC, SWCs and other State agencies by arranging their own funds and land. After completion of construction work, Food Corporation of India (FCI) takes over the godowns on guaranteed hiring basis.

(d): Total Storage capacity created under PEG Scheme since its inception upto 30.06.2021 is 144.19 LMT. State-wise details of capacity created under PEG Scheme upto 30.06.2021 is at Annexure-II.

**(e): Yes Sir, storage capacity under PEG Scheme has been created in all the States except Delhi, Nagaland, Arunachal Pradesh, Manipur, Mizoram, Tripura and Sikkim. FCI has sufficient owned capacity in Delhi. In North Eastern States mentioned above, storage godowns are constructed by FCI under Central Sector scheme. Further, FCI has sanctioned storage capacity of 15,000 MT under PEG scheme in the state of Meghalaya. Details are at Annexure-II.**

**(f): Storage capacity of FCI depends upon the level of procurement, requirement of buffer norms and Public Distribution System (PDS) operations. Storage gap is assessed in the procuring States based on the highest stock levels in the last three years and in the consuming States on the basis of 4 months (6 months in case of NE regions) requirement of National Food Security Act (NFSA) and Other Welfare Schemes (OWS).**

**FCI is augmenting its storage capacity through following schemes :-**

- 1. Private Entrepreneurs Guarantee (PEG) Scheme**
- 2. Central Sector Scheme.**
- 3. Construction of Silos under PPP mode**
- 4. Hiring of godown from CWCs/SWCs/State Agencies**
- 5. Private Warehousing Scheme (PWS)**

**As on 30.06.2021, Storage capacity available with FCI and State agencies for storage of central pool foodgrain stock is 916.65 Lakh MT (Covered – 723.44 LMT and CAP – 193.21 LMT) against the stock holding of 900.45 Lakh MT.**

**(g): Yes Sir, FCI is augmenting its storage capacity through following schemes in Public-private partnership (PPP) mode :-**

- 1. Private Entrepreneurs Guarantee (PEG) Scheme**
- 2. Construction of Silos**

\*\*\*\*\*

**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE UNSTARRED QUESTION NO.3666 FOR ANSWER ON 10.08.2021 IN THE LOK SABHA.**

HIGHLIGHTS OF SCHEME FOR CONSTRUCTION OF GODOWNS FOR FCI STORAGE REQUIREMENTS THROUGH PRIVATE ENTREPRENEURS – 2008

(PEG – 2008) – AS AMENDED IN August 2010

1. Circulated by Govt. of India on 28.07.2008 & amended vide notification dated 25.01.2010. Further, amended to 10 year guarantee scheme by GOI vide letter dated 05.08.2010.
2. Competent Committees :
  - a. State Level Committee (SLC) headed by ED(Zone), FCI (For recommendation) include State (Food) Secretary besides the state nominees of FCI, SWC, CWC & Railways.
  - b. High Level Committee (HLC) headed by CMD, FCI (For approval) include nominees from different Ministries of GOI besides Executive Directors dealing with storage / transportation / procurement / distribution and finance.
3. Criteria for additional storage proposals after considering capacities available within a radius of 100 Kms.:
  - a) In consuming states: Based on 4 months PDS and OWS requirement.
  - b) In procurement states: Highest stock of last three years.
  - c) Such requirement will be considered at 80% utilization of capacities.
4. Salient features of Godowns to be constructed :
  - i) No godown for less than 5000 MTs in plain areas and less than 1670 MTs in hilly areas.
  - ii) All godowns of 5000 MTs & above capacity should be preferably within 8 kms. of full rake capacity railway goods shed / procuring mandi.
  - iii) All 25000 MTs and above capacity godowns should be preferably railway siding godowns.
  - iv) The private investor / entrepreneur will be allowed to develop additional storage capacity in the same premises for storage of other agricultural facilities for cold storage, food processing etc. to optimize asset utilisation so long as it does not adversely affect storage and operations of SWC / CWC / state agency.
  - v) The private investor will build godown as per FCI specifications and may provide services like security, preservation of stock etc.
  - vi) All godowns should be on national / state highways.

5. Implementing Agency:

- i) Capacity to be created by CWC & SWCs.
- ii) If CWC & SWC do not agree to undertake construction of godown, any other state agency having procurement and warehousing experience can construct godowns.
- iii) If CWC / SWC / State Agency do not agree to act as a nodal agency, FCI will go in for tendering under 7/10 year guarantee scheme.

6. Guarantee Period :

- i) FCI will provide guarantee to hire the godowns for 7/10 years that may be extended after ten year guarantee period on the basis of utilization and storage capacity demand.
- ii) Out of the capacities approved, CWC and SWCs can construct godowns under 6/9 years guarantee scheme at the locations where they possess the land.

7. Ceiling of Rates :

- i) Either equal or less than the CWC indexed rate (upto Sept. 2009) of Rs.4.78 per qtl. per month (latest rate is for 2010-11, which is Rs. 5.84/ctl/month).
- ii) There is no cap on this maximum indexed rate for acceptance.
- iii) HLC is given power to accept higher rates after recording the reasons in writing, on case to case basis.

8. Construction of Godown:

- i) The party finalised after the tender process will get 15 days to sign the agreement. Construction has to be completed as follows :  
Godowns with Railway siding - Two years  
Godowns without Railway siding - One year
- ii) The delay in construction of maximum up to one year may be allowed with a clause of similar reduction in the guarantee period. In case of delay beyond one year the agreement will stand cancelled.
- iii) FCI will have freedom to choose a date of taking over the godown within 6 months of the completion of the godown and the guarantee period will start from the date of taking over the godown.

HIGHLIGHTS OF SCHEME FOR CONSTRUCTION OF GODOWNS FOR DCP STATES  
STORAGE REQUIREMENTS THROUGH PRIVATE ENTREPRENEURS – 2009  
(PEG – 2009)

1. Circulated by Govt. of India on 08.04.2010.
2. Competent Committees :
  - a. State Level Committee (SLC) headed by Secretary (Food) of the State including ED (Zone), FCI besides the state nominees from finance department of Govt., FCI, CWC, SWC and Railways.
  - b. High Level Committee (HLC) headed by CMD, FCI (For approval) include nominees from Ministry of CAF&PD, GOI, FCI, CWC, Railway Board besides the nominees from the State Govt. & SWC.
3. (a) Criteria to examine the storage needs of the State :

“The quantity equivalent to 14 months allocation under TPDS and OWS will be retained by the State Govt. and balance quantity will be taken over by FCI”

  - (b) Assessment of Storage capacity:
    - (i) For each month in the year, the sum of average stock of wheat and rice in a month in the last three years will be calculated.
    - (ii) The highest of the sum of average stock of wheat and rice will be considered as the storage capacity required if it is less than 14 months requirement under TPDS and other welfare schemes. If this is excess of the state's 14 months' requirement under TPDS and other welfare schemes, such excess stocks will be taken over by FCI and suitable storage capacity will be created by FCI for management of these stocks. If sum of average stock is less than requirement of 4 months TPDS and other welfare schemes, then the requirement of 4 months would be considered.
    - (iii) At the Micro level, the requirement of storage capacity will be assessed in the following manner:
      - (a) In plain areas, the existing storage capacity within 100 kms. available with FCI/CWC/SWC and other State Agencies will be taken into account.
      - (b) In hilly areas, the existing storage capacity within 50 kms available with FCI/CWC/SWC, other State Agencies will be taken into account.
4. Salient features of Godowns to be constructed :
  - (i) No godown for less than 5000 MTs in plain areas and less than 1670 MTs in hilly areas.
  - (ii) All godowns of 5000 MTs & above capacity should be preferably within 8 kms. of full rake capacity railway goods shed / procuring mandi.

.....4/-

- (iii) All 25000 MTs and above capacity godowns should be preferably with railway sidings.
- (iv) The private investor / entrepreneur will be allowed to develop additional storage capacity in the same premises for storage of other agricultural facilities for cold storage, food processing etc. to optimize asset utilisation so long as it does not adversely affect storage and operations of SWC / state agency.
- (v) The private investor will build godown as per FCI specifications and may provide services like security, preservation of stock etc.
- (vi) All godowns should be on national / state highways.

5. Implementing Agency:

- (i) Capacity to be created by SWC / any other State Govt. agency engaged in business of procurement and warehousing.
- (ii) Where no agency, then FCI.

6. Guarantee Period :

7/10 years for creation of new storing facilities only.

7. Ceiling of Rates :

- i) Either equal or less than the CWC indexed rate (up to Sept. 2009) of Rs.4.78 per qtl. per month (latest rate is for 2010-11, which is Rs. 5.84/qlt/month).
- (i) There is no cap on this maximum indexed rate for acceptance.
- (ii) HLC is given power to accept higher rates after recording the reasons in writing, on case to case basis.

8. Construction of Godown :

- (i) The party finalised after the tender process will get 15 days to sign the agreement & further maximum one year in case of non-railway siding godown & two years for railway siding godown for completion of the project.
- (ii) The delay in construction of maximum up to one year may be allowed with a clause of similar reduction in the guarantee period. In case of delay beyond one year the agreement will stand cancelled.
- (iii) In case of delay in construction of maximum up to one year, SWC/State Govt. Agency will have freedom to choose a date of taking over the godown within 6 months of the completion of the godown and the guarantee period will start from the date of taking over the godown.

\*\*\*\*\*

**ANNEXURE REFERRED TO IN REPLY TO PARTS (d)&(e) OF THE UNSTARRED QUESTION NO.3666 FOR ANSWER ON 10.08.2021 IN THE LOK SABHA.**

State-wise details of capacity created under PEG Scheme upto 30.06.2021

(Fig. MT)

Sl. No.	State	Capacity sanctioned/ allotted	Capacity completed
1	Andhra Pradesh	112,800	87,800
2	Bihar	446,180	355,000
3	Chhattisgarh	537,230	537,230
4	Gujarat	49,800	49,800
5	Haryana	3,501,589	3,469,289
6	Himachal Pradesh	115,870	54,180
7	Jammu & Kashmir	275,520	179,690
8	Jharkhand	366,000	278,000
9	Karnataka	241,440	241,440
10	Kerala	5,000	5,000
11	Madhya Pradesh	1,379,660	1,303,160
12	Maharashtra	562,811	562,811
13	Odisha	360,000	357,500
14	Punjab	4,468,836	4,468,836
15	Rajasthan	235,000	235,000
16	Tamilnadu	265,000	255,000
17	Telengana	319,000	299,000
18	Uttar Pradesh	1,811,127	1,491,127
19	Uttarakhand	10,000	10,000
20	West Bengal	184,090	154,090
21	Assam	25,000	25,000
22	Meghalaya	15,000	0
	<b>Grand Total</b>	<b>15,286,953</b>	<b>14,418,953</b>

\*\*\*\*\*