

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

LOK SABHA
UNSTARRED QUESTION NO. 3026
TO BE ANSWERED ON 11TH MARCH, 2026

FUND ALLOCATION FOR FCI AND CWC OPERATIONS

3026. THIRU D M KATHIR ANAND:

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

- (a): whether the Union Government has taken appropriate measures to ensure that Food Corporation of India (FCI) and Central Warehousing Corporation (CWC) are efficiently managed with operational capabilities and if so, the details thereof;
- (b): whether the Government has implemented reforms suggested by the Shanta Kumar Committee to restructure FCI and CWC's to improve its financial management and operational efficiency in procurement, storage and distribution of foodgrains;
- (c): if so, the details thereof and if not, the reasons therefor; and
- (d): the details of the funds allocated to FCI and CWC in Tamil Nadu during the last five years, year-wise?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a) to (c): Yes. In reference to the recommendations made by the High-Level Committee (HLC) on restructuring of the Food Corporation of India (FCI), chaired by Hon'ble Shri Shanta Kumar, FCI has implemented key recommendations relating to storage infrastructure and operations of FCI.

The Committee had recommended that FCI should outsource its stocking operations to Central Warehousing Corporation (CWC), State Warehousing Corporations (SWCs), private investors under the Private Entrepreneurs Guarantee (PEG) Scheme, and also to State Governments undertaking silo construction through private entities. It was further advised that such engagements be undertaken through competitive bidding to enhance participation and reduce storage costs.

The HLC also emphasized the need for each State especially those in deficit and difficult terrain such as the North Eastern States and Jammu & Kashmir to maintain foodgrain storage equivalent to at least three months of their consumption requirement.

In this regard, as on 01.02.2026, total Covered Storage Capacity available with FCI is 470.67 LMT (Owned – 147.20 LMT + Hired – 323.47 LMT) and 381.92 LMT covered capacity is available with the State agencies for storage of Central Pool foodgrain stock across the country. This is utilized to meet procurement requirements, buffer norms, and operational needs under the Public Distribution System (PDS).

Storage capacities are continuously assessed based on procurement levels and storage gaps and are being augmented through the following schemes:

1. Private Entrepreneurs Guarantee (PEG) Scheme
2. Central Sector Scheme (CSS) 2017–2025 (culminated on 31.03.2025)
3. Construction of Silos under PPP Mode
4. Hiring from CWCs/SWCs/State Agencies
5. Private Warehousing Scheme (PWS)
6. Creation of godowns under Asset Monetization
7. Modified PEG Scheme for North Eastern and Hilly States (with a guarantee period of 15 years)

These initiatives are aligned with the recommendations of the HLC and are being implemented in a structured and region-specific manner to ensure robust, scientific, and cost-effective foodgrain storage across the country.

Effective measures being taken to increase storage facilities for developing efficient storage system in the country as under:

PEG Scheme 2008/09: Under the PEG Scheme, construction of conventional godowns has been undertaken in 24 States by attracting private investment. PEG Scheme was initiated in 2008. Total capacity sanctioned for godowns as on 01.02.2026 is 151.58 LMT. Out of this, 148.61 LMT has been completed.

PEG Scheme II (CAP Phase Out): In order to create covered capacity in wheat procuring states specially Punjab and Haryana, new Capacity was sanctioned in Punjab and Haryana to Phase out Open Storage i.e. 60 LMT in Punjab and 30 LMT in Haryana is envisaged under this Plan.

Modified PEG Scheme for NE and Hilly States: For creation of new capacities in North Eastern/Hilly states, suitable modifications were made in the PEG Scheme to attract investors to North Eastern/Hilly states. Total 4.32 LMT capacity is assessed to be created under this scheme.

Construction of Silos under PPP mode: To improve operational efficiency in storage of food grains with the participation of private sector, and to upgrade and modernize the storage facilities, Government of India has approved construction of Steel Silos for bulk storage of food grains across the country under PPP mode.

Accordingly, Silos at 57 locations with capacity 32.25 Lakh MT are functional (as on 31.01.2026).

Central Sector Scheme (CSS): For the augmentation of godowns, under Central Sector Scheme (2017-25), Ministry had approved the construction of godowns at 24 locations (15 in North-East and 9 in other than NE region) with a total capacity of 1,05,890 MT in NE regions and 54,760 in Other than NE regions.

Under this scheme, a total capacity of 1,23,970 MT (72,550 MT in NE regions and 51,420 MT in Other than NE regions) has been created by FCI from 01.04.2017 to 01.02.2026. This scheme is culminated on 31.03.2025.

Asset Monetization: Under this scheme, additional capacity is created on FCI's owned existing depots in PPP mode. Total 58,950 MT capacity has been taken over as on 01.02.2026.

Hiring of godown from CWC/ SWCs/ State Agencies/ Private parties: FCI hires storage capacity from CWC, SWCs, State Agencies and Private Parties (under PWS scheme) as per the requirement.

Furthermore, the godowns are constructed by FCI in accordance with the BIS standards, CPWD specifications and manuals issued by CPWD for ensuring uniformity, safety and compliance with established engineering practices.

(d): PEG, Silos, Asset Monetization capacities are being constructed under PPP (Public Private Partnership) mode where capital expenditure is made by private parties and rentals are paid by FCI.
