

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

LOK SABHA
UNSTARRED QUESTION NO. 3645
TO BE ANSWERED ON 11TH AUGUST, 2015

PROCUREMENT AT HIGHER PRICE

3645. SHRI CHANDRA PRAKASH JOSHI:
SHRI P.P. CHAUDHARY:

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

- (a) whether the Union and the State Governments through various agencies procure foodgrains at prices lower or higher than the Minimum Support Price (MSP) under specific circumstances;
- (b) if so, the details thereof indicating the quantum and the price of produce so procured during the last three years;
- (c) whether any order had been issued to buy lustre less wheat at relaxed quality norms;
- (d) if so, the details thereof indicating the below average quality wheat bought following the said order;
- (e) whether the Union and the State Governments have compensated the losses incurred by the procurement agencies for such procurement; and
- (f) if so, the details of the total procurement made along with the amount spent by the States and the Centre in this regard during the said period?

A N S W E R
MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): Yes, Madam. Under specific circumstances, when relaxations in quality specifications with certain value cut are declared by the Central Government, Government agencies procure foodgrains at price lower than Minimum Support Price (MSP) imposing value cut accordingly.

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(b): The quantum of wheat procured under relaxed specifications (URS) during the last three years are as under-

(in lakh MT)

Rabi Marketing Season (RMS)	Procurement
2013-14	0
2014-15	2.17
2015-16	266.26

The information about quantum of paddy/rice procured under relaxed specification during last three years is being collected.

MSP of wheat and paddy/rice with value cut imposed for URS during last three years and current year is enclosed as Annex-I.

(c) & (d): Yes, Madam. During the current Rabi Marketing Season (RMS) 2015-16, due to unseasonal & intermitted rains relaxation in uniform specifications of wheat have been allowed to the State of Gujarat, Madhya Pradesh, Rajasthan, Punjab, Haryana, Uttar Pradesh and Chandigarh (Union Territory). Details of the relaxation granted to the States are at Annex-II. The below average quality wheat under URS bought following the said order during RMS 2015-16 is 266.26 lakh MT.

(e)&(f): In this regard it is submitted that for RMS 2015-16, keeping in view the damage to wheat crop due to adverse weather condition, Government of India (GOI) has decided to reimburse the amount of value-cut to be borne by State Govt./Agencies through FCI after end of procurement operations to the concerned State Government/Agencies on submission of bill alongwith supporting documents. In case of States which have adopted Decentralized Procurement Scheme (DCP), the GOI has decided to reimburse the amount directly by the Department of Food & Public Distribution on submission of claim by the State Government/Agencies.

The State-wise details of total procurement of wheat under relaxed specification made during RMS 2015-16 are at Annex-III. The amount spent by the States and the Centre towards value cut is not known at this stage as accounts have not been finalized.

ANNEX-I

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE UNSTARRED QUESTION NO. 3645 DUE FOR ANSWER ON 11.08.2015 IN THE LOK SABHA

MSP of Paddy with value cut imposed for URS during last three years.

(in Rs. per quintal)

KMS	MSP		Reduction in MSP for one full value cut.*	
	Common	Grade 'A'	Common	Grade 'A'
2012-13	1250	1280	12.50	12.80
2013-14	1310	1345	13.10	13.45
2014-15	1360	1400	13.60	14.00

*If 1 % of relaxation is allowed with one full value cut then 1 % of MSP is reduced. However, in case more than 1% of relaxation is allowed with full value cut then reduction in MSP also increases proportionately.

MSP of Wheat with value cut imposed for URS during last three years.

(in Rs. per quintal)

RMS	MSP	Reduction in MSP				
		Luster lost wheat	Wheat with shriveled and broken grains		Luster lost wheat with shriveled and broken grains	
		Above 10% and upto 50% of one value cut	Above 6% and upto 8%	Above 8% and upto 10%	Wheat with lustre loss of above 10% & upto 50% with shriveled and broken grains above 6% and upto 8%	Wheat with lustre loss of above 10% & upto 50% with shriveled and broken grains above 8% and upto 10%.
2013-14	1350	No relaxation allowed during the year.				
2014-15	1400	3.50*	Not applicable			
2015-16	1450	3.63	3.63	7.25	7.26(3.63+3.63)	10.89 (7.26+3.63)

*In RMS 2014-15 relaxations was allowed to only State of Madhya Pradesh. Upto 10.0% without value cut and above 10% to 20% of lustre lost 1/4th of one full value cut was imposed.

ANNEXURE REFERRED TO IN REPLY TO PART (c) & (d) OF THE UNSTARRED QUESTION NO. 3645 DUE FOR ANSWER ON 11.08.2015 IN THE LOK SABHA

State wise Relaxation allowed to States in specifications of wheat during RMS 2015-16

State	Refractions	
	Shrivelled and Broken grains	Luster Lost grains
Gujarat	-	(i) Upto 10% without value cut. (ii) Above 10 upto 25% with $\frac{1}{4}$ th of one value cut on flat basis or say Rs. 3.63 per quintal.
Madhya Pradesh	Upto 10% with value cut @ $\frac{1}{4}$ th of one value cut for every additional relaxation of 2% or part thereof, i.e. for above 6 upto 8% Rs.3.63 per quintal and for above 8 upto 10% Rs 7.25 per qtl. will be deducted.	i) Upto 10% without value cut. ii) Above 10 upto 40% with $\frac{1}{4}$ th of one value cut on flat basis or say Rs. 3.63 per quintal.
Rajasthan	Upto 9% with value cut @ $\frac{1}{4}$ th of one value cut for every additional relaxation of 2% or part thereof, i.e. for above 6 upto 8% @ Rs.3.63 per quintal and for above 8 upto 9% @ Rs 7.25 per qtl. will be deducted.	i) Upto 10% without value cut. ii) Above 10 upto 50% with $\frac{1}{4}$ th of one value cut on flat basis or say Rs. 3.63 per quintal.

Haryana*	Upto 10% with value cut @ $\frac{1}{4}$ th of one value cut for every additional relaxation of 2% or part thereof, i.e. for above 6 upto 8% @ Rs.3.63 per quintal and for above 8 upto 10% @ Rs 7.25 per qtl. will be deducted	i) Upto 10% without value cut ii) Above 10 upto 95% in Kaithal district, upto 90% in Mewat, Sonipat, Jind, Palwal, Faridabad & Kurkshetra districts, upto 80% in Karnal, Hissar, Fatehabad & Panipat districts and upto 50% in rest of the States with $\frac{1}{4}$ th of one value cut on flat basis or say Rs. 3.63 per quintal.
Uttar Pradesh	Upto 10% with value cut @ $\frac{1}{4}$ th of one value cut for every additional relaxation of 2% or part thereof, i.e. for above 6 upto 8% Rs.3.63 per quintal and for above 8 upto 10% Rs 7.25 per qtl. will be deducted.	i) Upto 10% without value cut. ii) Above 10 upto 50% with $\frac{1}{4}$ th of one value cut on flat basis or say Rs. 3.63 per quintal.
Punjab*	Upto 10% with value cut @ $\frac{1}{4}$ th of one value cut for every additional relaxation of 2% or part thereof, i.e. for above 6 upto 8% Rs.3.63 per quintal and for above 8 upto 10% Rs 7.25 per qtl. will be deducted.	i) Upto 10% without value cut ii) Above 10 upto 50% with $\frac{1}{4}$ th of one value cut on flat basis or say Rs. 3.63 per quintal.
Uniform specifications	6%	Full Luster

*Wheat can be procured with damaged and slightly damaged grains put together upto 6% with the condition that damaged grains alone may not be exceed more than 4%.

The relaxation in wheat specifications allowed in case of Punjab has also been extended to UT Chandigarh.

ANNEX-III

ANNEXURE REFERRED TO IN REPLY TO PARTS (e) & (f) OF THE UNSTARRED QUESTION NO. 3645 DUE FOR ANSWER ON 11.08.2015 IN THE LOK SABHA

The details of the procurement of below average quality wheat under URS in RMS 2015-16 is as follows:-

(Figs in MT)

State	URS		
	FCI	State	Total
PUNJAB	1758612	8197016	9955628
HARYANA	0	6753095	6753095
U.P.	139418	1933679	2073097
M.P.	0	6509167	6509167
BIHAR	0	0	0
RAJASTHAN	945564	345400	1290964
UTTRAKHAND	0	0	0
CHANDIGARH	3939	0	3939
DELHI	0	0	0
GUJARAT	0	40294	40294
JHARKHAND	0	0	0
MAHARASHTRA	0	0	0
HIMACHAL PRADESH	0	0	0
J & K	0	0	0
WEST BENGAL	0	0	0
TOTAL	2847533	23778651	26626184
