

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

**LOK SABHA**  
UNSTARRED QUESTION NO. 1765  
**TO BE ANSWERED ON 29<sup>TH</sup> JULY, 2026**

**DELAY IN SETTLEMENT OF PADDY PROCUREMENT PAYMENTS IN KERALA**

**1765 SHRI KODIKUNNIL SURESH:**

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

- (a) whether the Government is aware of delays in settlement of paddy procurement payments to farmers in Kerala under the Decentralised Procurement (DCP) Scheme;
- (b) the details of paddy procured, MSP reimbursable by the Union Government amount released and balance pending to Kerala during the last five years, year-wise;
- (c) whether such delays have affected timely payment to farmers and if so, the details thereof;
- (d) whether the Government has received any representation from the Government of Kerala regarding pending reimbursement under the DCP Scheme or changes in the earlier PRS-based payment mechanism and if so, the action taken thereon; and
- (e) the steps taken or proposed to be taken by the Government to ensure timely reimbursement of procurement claims and prompt payment to paddy farmers under the DCP Scheme?

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

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(a) to (e): The expenditure incurred by the States including Kerala under Decentralized Procurement (DCP) mode for distribution of food-grains to the beneficiaries of Central Schemes as per allocation made by Government of India, is reimbursed by Department of Food and Public Distribution. Besides, funds are also released by Food Corporation of India (FCI) to the States for the quantum of food-grains handed over to them by the States for Central Pool. The difference

between Economic Cost and the Central Issue Price (CIP), at which foodgrains are issued to States, is reimbursed to FCI and DCP States as Food Subsidy. The Economic Cost covers procurement and distribution incidentals such as MSP, Packaging material, Transportation, Handling, Storage, Interest, Milling, Driage, Administrative charges etc.

The quantity of paddy procured in Kerala during the last five years and the current year is as given below:

| Marketing Year                   | Paddy Procurement (in LMT) |
|----------------------------------|----------------------------|
| KMS 2020-21                      | 7.65                       |
| KMS 2021-22                      | 7.48                       |
| KMS 2022-23                      | 7.31                       |
| KMS 2023-24                      | 5.59                       |
| KMS 2024-25                      | 5.63                       |
| KMS 2025-26<br>(Upto-26.07.2026) | 5.72                       |

The detail of admissible food subsidy released to Government of Kerala under DCP mode during the last five years and the current year (as on 27.07.2026) is as below:

| Financial Year            | Food Subsidy released to<br>Kerala (Rs. in Crore) |
|---------------------------|---------------------------------------------------|
| 2021-22                   | 1777.86                                           |
| 2022-23                   | 1544.89                                           |
| 2023-24                   | 1151.85                                           |
| 2024-25                   | 1062.36                                           |
| 2025-26                   | 900.51                                            |
| 2026-27(as on 27.07.2026) | 294.85                                            |

The release of food subsidy is an ongoing and continuous process. The subsidy claims are processed keeping in view the opening and closing balance of stocks, procurement, allocation, distribution of food grains, FCI's reconciliation, Utilization Certificates etc. The food subsidy released to DCP States & FCI is made as per budgetary allocation made by Ministry of Finance (MoF).

Under the DCP mode of procurement, the procurement is undertaken by the State Government agencies and payment of MSP to the farmers is also made by these agencies. As per the Memorandum of Understanding (MoU) between the State Governments and the Government of India (GoI) for procurement operations, MSP payments must be credited directly to farmers' bank accounts through the online procurement system, preferably within 48 hours of paddy purchase. This provision ensures timely payments and prevents financial distress for farmers. Payment of MSP has been ensured directly into farmers' account. DBT of MSP has brought in responsibility, transparency & real time monitoring in the system.

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