Government of India

Ministry of Consumer Affairs, Food and Public Distribution

Department of Consumer Affairs

LOK SABHA
UNSTARRED QUESTION NO. 4007
TO BE ANSWERED ON 12.08.2026

DEPLETION OF PRICE STABILISATION FUND CORPUS

4007. DR. BACHHAV SHOBHA DINESH:

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

(a) whether the Corpus Fund balance under the Price Stabilisation Fund (PSF) has declined sharply and if so, the reasons therefor;

(b) whether the PSF is now depending increasingly on accrued sale proceeds rather than budgetary support to meet its operational requirements and if so, the details of year-wise breakup of expenditure met from budgetary allocation vis-à-vis sale proceeds for the last three years;

(c) the current status of the medium-term financial planning framework for PSF operations proposed to be appraised by the Expenditure Finance Committee under the Sixteenth Finance Commission cycle and the expected timeline for its finalisation;

(d) whether the Government has assessed the fiscal risk to PSF operations including onion and pulses procurement, if the realisation of sale proceeds falls short of projections; and

(e) if so, the details of the steps being taken by the Government to strengthen the Corpus Fund and ensure predictable, adequately funded price stabilisation interventions in the future?

ANSWER

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L.VERMA)

(a) : No, Sir. Corpus Fund under the Price Stabilisation Fund (PSF) is a revolving fund and the balance in the Corpus may vary at different points of time depending upon the quantum of market interventions undertaken in the form of procurement and disposal; and the amount of sale proceed realisation and the budgetary support. Since funds in the PSF corpus are used for building buffer stock and sale proceeds are ploughed back to the corpus, conversion of funds to stocks and stocks to funds are ongoing process under the revolving fund mechanism.

(b) : No, Sir. Annual operational requirements under PSF depends upon the market condition and the quantum of interventions required. Taking into account the anticipated sale proceeds realization and the quantum of market interventions during the year, adequate annual budgetary supports have been provided under PSF.

(c): The annual budgetary support proposed in the Expenditure Finance Committee memorandum for the 16th Finance Commission cycle submitted to Department of Expenditure is given below:

Financial Year	Proposed annual budgetary support (Rs. crore)
2026-27	4,319
2027-28	2,457
2028-29	2,809
2029-30	2,972
2030-31	3,261
Total	**15,818**

(d) and (e): Government continuously monitors the funds position under PSF to meet requirements for market interventions like procurement of pulses and onion for the buffer and the amount of sale proceeds accruing to the Corpus upon the disposal of stocks from the buffer. The mechanism of revolving corpus fund and regular budgetary support provide adequate safeguards for meeting operational requirements. Government is committed to ensuring availability of sufficient funds for PSF operations.

In order to strengthen financial management and implement Just-in-Time expenditure mechanism PSF scheme has been brought under Public Financial Management System (PFMS) which has been further integrated with DigiGov system - State Bank of India fund management system. Apart from fund management, DigiGov system is being used for tracking of buffer stocks, disposal and the deposit of sale proceeds to the corpus.

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