

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:4541

ANSWERED ON:25.04.2005

GRAIN POLICY

Gudhe Shri Anantrao;Mandal Shri Sanat Kumar;Sharma Shri Madan Lal

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

- (a) whether the Government has constituted any committee to formulate a long term grain policy for the country;
- (b) if so, the details thereof;
- (c) whether the Committee has since submitted its report;
- (d) if so, the details of recommendations made by the Committee; and
- (e) the action taken by the Government on the recommendations of the Committee?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b), (c), (d) & (e): A High Level Committee (HLC) was constituted on 16.11.2000 under the Chairmanship of Prof. Abhijit Sen, for formulating a long term grain policy for the country. The HLC submitted its report on 22nd July, 2002. The main recommendation made by the Committee as well as the action taken by the Government on the recommendations of the Committee is given in the Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO 4541 DUE OR ANSWER ON 25.4.2005 IN THE LOK SABHA

Main recommendations and the action taken by the Government is as under. Against 13 main recommendations, 10 have been accepted and 3 have not been accepted by the Government of India.

| Sl No. | Main Recommendations of High Level Committee on Long Term Grain Policy | Status of Action Taken | Action Taken |
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| 1. | Minimum Support Prices (MSPs) should be fixed on the basis of C2 cost of production (i.e. all costs including imputed costs of family labour, owned capital and rental on land) in more efficient regions. | Not accepted | The Government has decided that the present MSP regime should continue. |
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| 2. | The Central Government should pay a maximum of 4% of taxes and levies on the MSP for MSP purchases. | Accepted in principle | This would require consultation with State Governments where taxes and levies are more than 4% on Minimum Support price. |
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| 3. | FCI should withdraw from procurement in States like Punjab and Haryana and redeploy its manpower in East and Central India. | Accepted | It is proposed that FCI would reduce its manpower and infrastructure progressively for Punjab and Haryana and redeploy the same |
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in Eastern and
Central India.

4. The scheme of decentralized procurement Accepted The Department has
must be improved and made more attractive already taken action
to the State Governments. to make decentralized
procurement
attractive. The system of
decentralized procurement
of foodgrains is under
implementation in 10
States/UTs.
5. FAQ norms should be adhered to strictly in Accepted Procuring Agencies
all purchases of grains by the FCI. have been directed
to only purchase
FAQ foodgrains.
6. All levy orders on rice millers should be Not accepted The Department is
removed. of the view that
the dual system
of procurement of
paddy as well as
delivery of levy
rice should continue.
7. Along with MSP correction to the C2 level, Accepted in principle As recommended by
the State Governments should be given a the HLC, it
compensation package, which it could use proposed that a
for, inter alia, crop diversification. Centrally Sponsored
Scheme on crop
diversification may be
formulated and implemented
by Department of Agriculture
& Cooperation with special
focus on Punjab and Haryana.
8. There should be an immediate shift to unified Not accepted It is felt by
PDS with Central Issue Prices being fixed on the Government that
the basis of acquisition cost. the Targetted PDS
was introduced in June,
1997 with a view to
target the unprivileged
sections of society, as
the earlier Universal PDS
did not adequately focus
on the hungry and had
urban bias. The introduction
of universal PDS may
result in the PDS losing
its focus on meeting the
needs of the poor.
9. There is need for the FCI to change the Accepted FCI has been
way in which it conducts its business to suitably advised.
enable faster commercially oriented decision making.
10. The Government should introduce a major Accepted The allocation of
food based employment programme. foodgrains has been
increased for the
Sampoorna Gramin
Rojgar Yojana (SGRY)
and Food for Work
Programme run by
Ministry of Rural
Development.
11. There should be a stable and predictable Accepted The Open Market
policy regarding open market sales. Sale Scheme is
already under
implementation.

12. Exports of foodgrains should be entirely Accepted in principle The Commerce
on private account. All subsidies should be Ministry is
at the point of export rather than at the presently finalising
point of sale from the public stocks. a suitable scheme.

13 All stocks of 3 years old grain bought under Accepted Following the
relaxed specifications should be sold measures taken
immediately on commercial terms. for disposal of
such stocks, over
current stocks
95% at the
are now less than
two years old.