

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

STARRED QUESTION NO:429
ANSWERED ON:15.05.2006
OLD STOCK OF FOODGRAINS
Agarwal Shri Dharendra;Patel Shri Jivabhai Ambalal

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

- (a) whether the Food Corporation of India (FCI) holds more than five years old stock of foodgrains in its godowns across the country;
- (b) if so, the reasons therefor;
- (c) whether efforts have been made by the Government for disposing the old stock; and
- (d) if so, the outcome thereof?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION(SHRI SHARAD PAWAR)

(a), (b), (c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO. 429 DUE FOR ANSWER ON 15.05.2006 IN THE LOK SABHA.

(a): As on 1.4.2006, the Food Corporation of India (FCI) was holding 4511 MT of rice and nil stocks of wheat which is more than 5 years old in its godowns all over the country. The present level of more than 5 year old stocks constitutes a negligible percentage (0.028%) of the total stocks of foodgrains held by the FCI on 1.4.2006.

(b), (c) & (d): To ensure old crop year foodgrain stocks are not held by the FCI, it follows the principle of FIFO (First in first out) while issuing foodgrains from its godowns. However, at times it is not possible to adhere to the FIFO principle in respect of negligible quantities of foodgrains mainly due to the stocks being involved in litigation and stayed from being disposed of as per Court orders or being the subject of vigilance inquiries.

Old stocks of foodgrains available with the FCI are disposed of through tenders (in the case of rice) and under the Open Market Sale Scheme (Domestic) OMSS(D) at pre-determined prices(in the case of wheat) which is an ongoing process. The prices of wheat under the OMSS(D) are fixed crop yearwise so that the rates of older stocks are comparatively lower than fresh stocks. This facilitates fast liquidation of old stocks.