

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

UNSTARRED QUESTION NO:1762

ANSWERED ON:12.03.2007

PROCUREMENT OF WHEAT

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Oram Shri Jual;Singh Shri Kirti Vardhan

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

- (a) the steps taken by the Government to increase the procurement of wheat during the ensuing Rabi Season;
- (b) the States where the procurement is currently taking place alongwith the quantum procured so far;
- (c) whether in view of shortfall in procurement of wheat during 2005-06 due to the excessive procurement by private companies, Government proposes to ban the private players from procurement of wheat in the country; and
- (d) if so, the details thereof and the action taken thereon?

Answer

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

(a): The steps taken by the Government to ensure adequate procurement of wheat during the ensuing Rabi Marketing Season (RMS) 2007-08 are given in Annexure-I.

(b): Procurement of wheat by Government agencies in RMS 2007-08 is yet to commence in any of the wheat producing states. This will commence on 15th March, 2007 in Madhya Pradesh while in most of the other major wheat producing states it will commence on 1st April, 2007.

(c)&(d): There is no proposal to ban the private players from procurement of wheat in the country. However, a notification titled `Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firm or individual who purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

The Department of Consumer Affairs has also extended the validity of period of the relaxation given to States upto 31st August, 2007 for imposing Stock limits on wheat & pulses by issuing a notification under the EC Act titled Removal of (Licensing Requirements, Stock Limits and Movement Restrictions) on Specified Foodstuffs (Amendment) Order, 2007 on 27.2.2007.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE UNSTARRED QUESTION NO.1762 DUE FOR ANSWER ON 12.03.2007 IN THE LOK SABHA.

Steps taken by the Government to ensure adequate procurement of wheat in RMS 2007-08.

- a) The Minimum Support Price of wheat announced for RMS 2007-08 is Rs. 750 per quintal which is Rs. 100 per qtl more than that announced for RMS 2006-07.
- b) According to the Second Advance Estimates of the Department of Agriculture & Cooperation, the estimated production of wheat is likely to be 72.5 million tonnes in crop year 2006-07 compared to 69.35 million tonnes in crop year 2005-06.
- c) Import of wheat of 55 lakh tonnes was done in 2006-07 which has improved the stock position of wheat in the central pool; and the wheat stocks will be more than the buffer norms of 40 lakh tonnes at the start of RMS 2007-08.
- d) Wheat exports have been banned upto 31.12.2007.
- e) Decision was taken to release 4 lakh tonnes of wheat under OMSS to cool the market prices.
- f) The Government is keeping very close watch on domestic and international prices of wheat.
- g) During the Meeting held on 12.02.2007 with the Food Secretaries of wheat procuring States and officers of the Food Corporation of India (FCI), it has been confirmed that all advance arrangements for wheat procurement have been made for RMS 2007-08 both by State agencies as well as by FCI.
- h) A notification titled `Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firms or individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

i) Department of Consumer Affairs has extended upto 31st August, 2007 notification under the EC Act enabling State Governments to impose stock limit on wheat and pulses.