

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

UNSTARRED QUESTION NO:3633

ANSWERED ON:11.08.2015

PEG Scheme

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

- (a) the salient features of the Private Entrepreneurs Guarantee (PEG) Scheme implemented by the Government for augmentation of storage capacity;
- (b) whether the Government has allocated adequate funds under the said scheme for construction of godowns in the country during each of the last three years and the current year, if so, the details thereof, State-wise;
- (c) whether the Government proposes to cover each State of the country under the said scheme so as to increase the capacity of godowns for storage of foodgrains in the country, if so, the details thereof along with the time by which it is likely to be completed; and
- (d) the other steps taken by the Government to ensure safe storage of foodgrains across the country?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): The salient features of Private Entrepreneur Guarantee (PEG) Scheme are as under:-

â€¢ This scheme is implemented through private investors as well as Central Warehousing Corporation (CWC)/ State Warehousing Corporations (SWCs)/other State agencies in PPP mode.

â€¢ Investment and construction is done by the PPP partner. As return for investment FCI guarantees hiring of the godown constructed by a private party for 10 years. The guarantee period for CWC/SWCs is 9 years.

â€¢ The location and capacity of godowns is identified as per storage requirements by the State Level Committees and finally approved by the High Level Committee (HLC) headed by Chairman & Managing Director, FCI.

â€¢ Minimum capacity for a godown is 5,000 MT in plain areas and 1,670 MT in hilly areas. Godowns of 5,000 MT and above capacity should be preferably within 8 KMs of full rake capacity railway goods shed/procuring mandi. Godowns of 25,000 MT and above capacity should be preferably with Railway sidings. All godowns should be near National/State highways.

â€¢ The godown must be constructed as per the specifications stipulated by FCI. In addition to construction, the partner may also provide services like security and preservation if required by FCI.

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â€¢ The period of construction normally allowed is one year for godowns without railway siding and two years for godowns with railway siding. Delay in construction upto one year may be allowed with similar reduction in the guarantee period and in case of delay beyond one year the agreement may be cancelled.

â€¢ Selection of the private party is done through open advertisement and two stage tendering process. The private party may be an individual or partnership firm or a company or trust, having ownership of land in the location where godown is to be constructed.

â€¢ A person holding land under Registered Lease for a minimum period of 13 years with permission to construct godown can also apply.

â€¢ A party, who does not own land, but intends to acquire the same within 120 days from the date of acceptance letter, can apply by furnishing an additional amount of Earnest Money Deposit (EMD) and a Supplementary Bank Guarantee @ Rs. 100.00 per MT.

(b): Under this scheme, arrangements for land and funds are made by investor itself. Hence, no funds are allocated by the Government.

(c): Under the Scheme storage facility can be created through private entrepreneurship as per need analysis done on the basis of foodgrain procurement/consumption and availability of existing storage facility. As on 30.06.2015, a capacity of 150 lakh LMT has been sanctioned, out of which about 128 lakh MT has been completed and 16 lakh MT is under construction.

(d): The various steps being taken to ensure safe storage of foodgrains across the country are:

(i) Proposal for modernization of existing storage facilities of FCI, wherever feasible by constructing modern steel silos for wheat storage is under process.

(ii) Godowns are so designed and constructed to make them are rodent proof and damp proof.

(iii) Before the stocks are stored, the godown are properly cleaned.

(iv) Floor and walls are treated with chemicals such as air charging with Malathion and DDVP (insecticide) to make them pest free.

(v) Foodgrain bags are properly stored on dunnages and arranged as per the stack plan.

(vi) Prophylactic spraying of insecticides and curative measures like fumigation are carried out regularly for the control of insects,

pests and rodents .

(vii) Fortnightly inspection of stocks is done on 100% basis to check the quality of foodgrains.

(viii) Further surveillance inspections of sample stocks at monthly and quarterly intervals are also done to ensure compliance with stipulated procedures.
