

Offtake and measures to liquidate stocks

5.45 Over the last few years, while there had been excessive procurement of rice and wheat due to higher MSPs, offtake of foodgrains from the Central Pool had remained very poor. This led to the accumulation of huge surplus stocks of foodgrains. In an effort to encourage offtake and to liquidate the surplus stocks of foodgrains, various measures were adopted during 2001-02 which included - open market sale at prices much below economic cost, lowering of issue prices under Targeted Public Distribution System (TPDS) for Above Poverty Line (APL) families, increasing of monthly allocation for APL, Below Poverty Line (BPL) and Antyodaya families to 35 kg per month per family and utilisation of foodgrains for various welfare schemes. The offtake situation thus improved during 2001-02.

Table 5.13 : Foodgrains allocation and offtake under Public Distribution System

(Million tonnes)

Year	Wheat		Rice	
	Allocation	Offtake	Allocation	Offtake
1992-93	9.25	7.47	11.48	9.55
1993-94	9.56	5.91	12.41	8.87
1994-95	10.80	4.83	13.32	8.03
1995-96	11.31	5.29	14.62	9.46
1996-97	10.72	8.52	15.10	11.14
1997-98	10.11	7.08	12.83	9.90
1998-99	10.11	7.95	12.94	10.74
1999-00	10.37	5.76	13.89	11.31
2000-01*	11.57	4.07	16.26	7.97
2001-02*	13.14	5.68	17.23	8.16
2002-03*	29.45	6.12@	27.35	7.39@

* including Antyodaya

@upto December

Source: Department of Food and Public Distribution.

Box 5.5 : Surplus foodstocks - Fundamental resource for drought relief

This year, 17 major States including Andhra Pradesh, Chattisgarh, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu and UP faced drought like situation. Unlike floods where the impact is limited to only one season, the impact of drought lasts not only through the four months of kharif (July-October) but also through rabi (November-March) and next kharif upto October, when new harvest arrives and incomes begin to accrue. Distress due to drought therefore lasts for three seasons.

Fortunately, this year, the country's godowns were overflowing with surplus stocks of foodgrains which constituted the fundamental resources for providing timely relief to the States under the various welfare schemes of the Government. Total stock of foodgrains as on January 1, 2003 was 48 million tonnes as against a minimum norm of 16.8 million tonnes for January. This surplus stock helped mitigate the adverse effects of the drought. Further, FCI and its agencies had adequate foodgrain stocks located in the drought-affected states, where there are at present 3.04 lakh fair price shops.

Offtake of foodgrains (rice + wheat) under welfare schemes

(Lakh tonnes)

Welfare schemes	2000-01	2001-02	2002-03 (upto Dec.)
Annapurna	0.25	0.93	0.87
Earthquake	10.72	0.12	0.00
World Food Programme	0.05	0.50	0.32
Sampoorna Grameen Rozgar Yojana	0.33	18.83	54.76
Indigent People	0.00	0.17	0.08
Nutrition Prog.	0.18	1.35	1.22
Hostel SC/ST/OBC	0.00	0.83	1.02
Food For Work	5.44	28.36	1.18
Mid-Day-Meal	14.93	20.76	15.11
Total	31.91	71.85	74.58

Offtake under the various welfare schemes picked up considerably during the current year and was 7.46 million tonnes upto December. Offtake under SGRY and Mid Day Meal Scheme has been very good. Surplus stocks of foodgrains were well utilised to provide relief to the drought-affected States.

5.46 Under TPDS offtake this year was 13.5 million tonnes (upto December) as against 10.1 million tonnes in the corresponding period of the last year. (Table 5.13) Offtake under various welfare schemes also picked up and was 7.5 million tonnes upto December as against 3.6 million tonnes last year. Offtake

under Sampoorna Grameen Rozgar Yojana (SGRY) and Mid Day Meal Scheme has been very good. (see Box 5.5) Export of foodgrains (rice and wheat) from the Central Pool during 2002-03 and was 9.6 million tonnes upto December as against 3 million tonnes in corresponding period last year.