

## Foodgrains Procurement, Stocks and Allocation

17. Procurement of foodgrains is one of the essential aspects of the food security policy of the Government. It serves the objective of providing price security to the farmers which induces them to sustain production levels beside meeting the government's objective of PDS as an instrument to protect the vulnerable sections against price volatility. Procurement prices are based on support prices announced by the Government. The Central Government maintains food stocks commensurate with the requirements of (i) the prescribed minimum buffer stock for food security, (ii) operational stock for monthly releases of foodgrains for supply through the PDS, and (iii) market intervention stock for release in the open market to help moderate the open market prices.

18. The procurement operations of wheat, paddy and coarse-grains are totally voluntary. The producers have the option to sell their produce to FCI/State agencies at support prices or in the open market which ever is advantageous to them. Rice is collected by way of statutory levy on rice millers and rice dealers. The percentage of levy is fixed by the State Governments with the approval of Central Government. Procurement of rice depends on the quantum of paddy milled by the rice millers/dealers. Therefore, no targets for procurement of foodgrains can be fixed. The central pool stocks as well as minimum buffer stock norms during last few years are listed in Table 5.8.

Marketing Year	Wheat (April - March)		Rice (Oct - Sept)	
	Qty	%change	Qty	%change
	1991-92	7.75	-29.9	9.24
1992-93	6.38	-17.7	11.79	27.6
1993-94	12.83	101.1	13.65	15.7
1994-95	11.87	-7.5	13.40	-1.8
1995-96	12.33	3.9	9.95	-25.7
1996-97	8.16	-33.8	12.22	22.8
1997-98	9.30	14.0	14.31	17.1
1998-99	12.65	36.0	8.17*	

\* up to 9.2.99

Procurement of foodgrains during last few years is listed in Table 5.9.

19. The minimum buffer stock norms were revised with effect from October 30, 1998 which are as follows:

### Buffer Stock Norms

(million tonnes)

	Jan.	April	July	Oct.
<b>Pre-revised Norms</b>				
Wheat	7.7	3.7	13.1	10.6
Rice	7.7	10.8	9.2	6.0
Total	15.4	14.5	22.3	16.6
<b>Revised Norms</b>				
Wheat	8.4	4.0	14.3	11.6
Rice	8.4	11.8	10.0	6.5
Total	16.8	15.8	24.3	18.1

**TABLE 5.8**  
**Central Foodgrain Stocks and Minimum Buffer Stock Norms**

(Million Tonnes)

Beginning of the month	Wheat		Rice		Total (wheat and rice)	
	Min. norm	Actual Stock	Min. norm	Actual Stock	Min. norm	Actual Stock
<b>January—1994</b>	7.7	10.8	7.7	11.2	<b>15.4</b>	<b>22.0</b>
April	3.7	7.0	10.8	13.5	14.5	20.5
July	13.1	17.5	9.2	13.3	22.3	30.7
October	10.6	15.6	6.0	10.9	16.6	26.5
<b>January—1995</b>	7.7	12.9	7.7	17.4	<b>15.4</b>	<b>30.3</b>
April	3.7	8.7	10.8	18.1	14.5	26.8
July	13.1	19.2	9.2	16.4	22.3	35.6
October	10.6	16.9	6.0	13.0	16.6	29.9
<b>January—1996</b>	7.7	13.1	7.7	15.4	<b>15.4</b>	<b>28.5</b>
April	3.7	7.8	10.8	13.1	14.5	20.9
July	13.1	14.1	9.2	12.9	22.3	27.0
October	10.6	10.5	6.0	9.3	16.6	19.8
<b>January—1997</b>	<b>7.7</b>	<b>7.1</b>	<b>7.7</b>	<b>12.9</b>	<b>15.4</b>	<b>20.0</b>
April	3.7	3.2	10.8	13.2	14.5	16.4
July	13.1	11.4	9.2	11.0	22.3	22.4
October	10.6	8.3	6.0	7.0	16.6	15.3
<b>January -1998(P)</b>	<b>7.7</b>	<b>6.7</b>	<b>7.7</b>	<b>11.5</b>	<b>15.4</b>	<b>18.2</b>
April	3.7	5.1	10.8	13.0	14.5	18.1
July	13.1	16.5	9.2	12.0	22.3	28.5
October	10.6	15.2	6.0	9.0	16.6	24.2
<b>January -1999(P)</b>	<b>8.4</b>	<b>12.7</b>	<b>8.4</b>	<b>11.7</b>	<b>16.8</b>	<b>24.4</b>

(P) – Provisional