

BY FAX/POST

GOVERNMENT OF ODISHA
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

No. 1347 / Bhubaneswar dated the 24/1/2014
09-61-25/2013

From

Shri Ananta Charan Nayak, O.A.S. (SAG)
Additional Secretary to Govt.

To

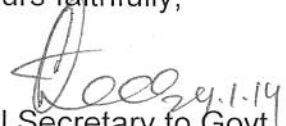
The Managing Director, OSCSC Ltd., Bhubaneswar
The Secretary, All Odisha Rice Millers Association,
S-3/36, Sec-A, Zone-B, Mancheswar Industrial Estate, Bhubaneswar.

Sub: **Comments/ views on open sale or export of paddy/ rice.**

Sir,

I am directed to send herewith the copy of the D.O. No.1(8)/2013- Py.I dt.15.01.2014 of Joint Secretary (Policy & FCI), Government of India, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, Krishi Bhawan, New Delhi on the subject mentioned above and request you to kindly offer your views in the matter to this Department immediately for taking further action at this end.

Yours faithfully,


Additional Secretary to Govt.

U.K.S. Chauhan, IAS
Joint Secretary (Policy&FCI)
Ph. No.: 2338 2512
Fax No.: 2338 9358
Email: jspolicy.fpd@nic.in



संयुक्त सचिव
भारत सरकार

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय
खाद्य और सार्वजनिक वितरण विभाग
कृषि भवन, नई दिल्ली - 110001

JOINT SECRETARY

GOVERNMENT OF INDIA

MINISTRY OF CONSUMER AFFAIRS,

FOOD & PUBLIC DISTRIBUTION

DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

KRISHI BHAWAN, NEW DELHI-110001

January 15, 2014

D.O. No.1(8)/2013-Py.I

MD/AS
Let's take input
from Miller &
traders
on this
MCM

Dear Shri Padhi,

In the past few years, increasing procurement of wheat and paddy has posed a challenge to FCI and State Government agencies for safe storage of procured foodgrains as well as additional burden on Government Exchequer in terms of subsidy as whenever these excess stocks over the requirement of TPDS and OWS are liquidated either by way of open sale or export, the Government incurs substantial losses. Over procurement of wheat and paddy is mainly the result of certain policies of the State Governments in terms of levying of higher statutory taxes and duties to raise their revenues from the grain market, use of artiyas/commission agents for inducing Government purchases, declaration of bonus over and above MSP to encourage farmers to sell their produce to the Government agencies only. These measures adopted by the State Government have almost driven away private purchasers from the grain market in various prominent foodgrain producing States.

2. In view of the above, the Central Government may have to consider/adopt certain policy measures to make foodgrains market competitive for the private purchasers so that they can compete with the Government agencies in making purchases of foodgrains during the harvest season and procurement by the Government agencies could be contained to the level of the buffer stocks for TPDS/OWS and other schemes. Such options may include a policy decision to cap the procurement at a certain level in such foodgrain producing States where high statutory taxes and levies have been imposed or bonus is given to the farmers over and above MSP. Government may also fix an overall target for procurement of foodgrains in a particular marketing season and divide such target among the States based on their production levels, TPDS requirements and level of market friendliness. For the purpose of capping the procurement, the procurement operations could also be limited based on first come first serve basis or quota of purchase from individual farmers could be fixed based on their production levels and size of land holdings.

3. We shall be grateful to you for providing the valuable comments/views of the State Government on above options urgently so that a suitable policy decision can be taken in this regard.

With regards,

Yours sincerely,


(U.K.S. Chauhan)

Shri M.S. Padhi,
Food Secretary,
Government of Odisha,
Department of Food & Public Distribution
Odisha Secretariat,
Bhubneshwar-751001