

No.16-19/2013-Py.I
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

संख्या एवं दिनांक (वा.सं.दि.) / CMD FCI
1002
दिनांक / Date 12-6-14
समय / Time

Krishi Bhawan, New Delhi
Dated: June 12, 2014

To
All Principal Secretaries/Secretaries,
Food & Civil Supplies Department
in State Governments.

संख्या एवं दिनांक (वा.सं.दि.) / IG (Proc)
अ. संख्या / No 1875
दिनांक / Date 12-6-14

Subject: Declaration of bonus by some State Governments over and above MSP – Change in policy of procurement for Central Pool – Reg.

Sir,

The Government of India, on the basis of recommendation of CACP, announces Minimum Support Price (MSP) for wheat and paddy every year to ensure reasonable price to the farmer. It has been observed that some of the State Governments are announcing bonus over and above the MSP. I hope you will appreciate that such declaration of bonus by the State Government distorts the market of concerned commodity and drives private buyers out of the market in the State. This also generates possibilities for malpractices.

In view of above, it has been decided that in case, a surplus DCP State declares bonus for wheat or paddy from KMS 2014-15 and RMS 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for TPDS/OWS allocations of that State and will provide acquisition and distribution subsidy to the State Government accordingly. FCI may acquire any additional quantity of foodgrains from the State Government/ its agencies for augmenting its stocks elsewhere, but it would not be under any compulsion to do so. The State Government will be responsible for the disposal of any surplus quantity procured in the State over and above this quantity and bear the financial burden in that regard.

3. Further, with regard to non-DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and take care of entire MSP operations in the State on their own including the arrangements to be made for storage of procured foodgrains. With respect to such States, FCI in consultation with the Department of Food and Public Distribution will decide as to how much stock of wheat or rice it should acquire from the concerned State in a particular season and will restrict its Central Pool procurement to that extent leaving rest of the surplus stocks to be disposed off by the State Government concerned at its own risk and cost.

4. Receipt of this letter may kindly be acknowledged.

Yours faithfully,
Sd/-
(U.K.S. Chauhan)
Joint Secretary (P&FCI)
Tel. No.23382512
Fax No.23389358

संख्या एवं दिनांक (वा.सं.दि.) / IG (Proc)
अ. संख्या / No 288
दिनांक / Date 13/6/14

Copy for information and necessary action to:-

- (1) CMD, FCI
- (2) AS&FA
- (3) All JSs in the Department of Food & Public Distribution
- (4) PS to Hon. Minister for CA, F&PD
- (5) PS to Hon. MoS for CA, F&PD
- (6) PS to Secretary (F&PD)
- (7) Guard File concerned.

(U.K.S. Chauhan)
Joint Secretary (P&FCI)

Handwritten notes:
Imp-
P. Discussion
ED (Pool)
C. M. S. B. S.
D. M. (13/6)
on file for
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by
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