

Robust purchase may burden govt with 2x rice buffer stock

Need To Take Steps To Offload Surplus Grain, Say Officials

Dipak.Dash@timesgroup.com

New Delhi: The government is likely to face the “problem of plenty” of rice stock once again, barely five months after it stopped selling the food staple from its buffer stock to state governments, citing that the move was aimed at putting a check on prices.

With robust paddy procurement during the current kharif marketing season (KMS) and very little sale of rice from FCI stock in the open market, the agency is likely to be saddled with more than twice the buffer requirement by the end of current procurement season, as per estimates.

To handle increasing stock, and that too of fortified rice, the government will need to take measures to offload the grain, officials said. The elections next year may give the government an opportunity to allocate more foodgrain to the poor, they



Since e-auction of rice started in July, FCI has sold barely 1 lakh tonne of rice in the open market, making the selling target unattainable

added. **TOI** has learnt that the Centre’s decision in June to scrap the policy of allowing states to buy rice from FCI under ‘open market sale scheme’ (OMSS) for their own programmes has impacted the offloading of excess rice. Moreover, putting on hold the sale of rice to grain-based ethanol plants has also contributed to this. Since the e-auction of rice started in July, FCI has sold barely one lakh tonne of rice

in the open market, making the target to sell 25 lakh tonnes to bulk buyers by next March almost unattainable.

Government data show that so far FCI and state government agencies have purchased about 170 lakh tonnes of rice in the current procurement season that commenced last month. Officials said they are confident of the procurement crossing 500 lakh tonnes as the purchase in some states such as Odisha

and Jharkhand has not yet started. Currently, FCI has 194 lakh tonnes of rice, against the buffer requirement of 76 lakh tonnes for January 1. This stock excludes 230 tonnes of rice which is yet to be received from the millers. Moreover, during the next Rabi marketing season the government expects the rice procurement to be around 50-60 lakh tonnes.

Officials said even the opening stock of rice with FCI as on October 1 was 221 lakh tonnes and this was more than double the required buffer stock. They added that the good pace of procurement in the current season will push the stock further.

As per government estimates, the Centre needs around 400 lakh tonnes of rice annually to meet the free ration scheme, Pradhan Mantri Garib Kalyan Anna Yojana under which nearly 81 crore people get five kg foodgrain every month.