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**SPEECH OF HON'BLE DEPUTY CHIEF MINISTER OF TAMILNADU AT
THE MEETING OF CORE GROUP OF CENTRAL MINISTERS AND
STATE CHIEF MINISTERS ON 08.04.2010**

Hon'ble Prime Minister,

Hon'ble Finance Minister,

Hon'ble Union Minister of Agriculture, and Consumer Affairs, Food & Public Distribution,

Hon'ble Chief Ministers, and members of the Core Group,

Respected Deputy Chairman, Union Planning Commission,

Respected Chairman, Economic Advisory Council, to the Prime Minister,

Officers of the Union and State Governments

Vanakkam. I thank the Hon'ble Prime Minister, for constituting this Core Group, as a follow-up measure of the meeting held on 6th February 2010, and nominating our Chief Minister as a Member.

As we all know, both Central and State Governments have initiated, several measures, to bring down the prices of essential commodities. As a result, there are signs of decline, in the price of essential commodities. The price of foodgrains like rice, wheat, and edible oil, are more or less stable. There is some relief in the price of sugar. But decline in the price of pulses could not be sustained, as it has started rising-up again. There is an apprehension that the price of these commodities may go up further due to demand-supply mismatch. Therefore this Core Group should focus on the strategy for increasing the production, as a long term measure and strengthen the Public Distribution System, as a short term measure.

Keeping in view our experience, I would like to make the following suggestions to the Core Group for consideration.

1/3

1. Among all commodities the price of pulses is the biggest concern at present. Its price is unstable, due to inadequate domestic production and high dependency on the import. As the source of importing pulses is limited to a few countries like Burma, Canada, etc, it is necessary to improve the domestic production. I suggest the following measures in this regard.

❖ Cultivation of pulses should be promoted as a mono crop instead of treating it as a marginal crop. In Tamil Nadu, a Task Force headed-by our Chief Secretary is working on the method of improving production and productivity of pulses.

❖ A fair remunerative price should be fixed for pulses as there is a vast gap between the minimum support price and the actual market price. This will encourage farmers to cultivate pulses.

❖ Special programme should be launched for improving the production in rainfed areas as pulses are mostly grown as rainfed crops.

2. Since the gap between the farm gate price and retail price are high, mostly in perishables, 'farmers market' like 'Uzhavar Santhai' in Tamil Nadu may be promoted. Cooperatives may be encouraged to intervene in the market at the time of crisis to bridge the price gap. Cold storage chain has to be improved to reduce the wastages and smoothen the seasonal price- variations.

3&4 To strengthen the PDS the following measures may be considered:

❖ The Central Government may increase the allocation of rice under APL category to all the needy States to ensure, that adequate quantity of foodgrains are made available to PDS. This will also ease the storage problem for the central agencies while assuring availability of stock with the State agencies, to cover the vulnerable APL families under PDS.

- ❖ As the import and supply of pulses by the Central Government Undertakings under central subsidy scheme is not regular Central Government may ensure regular supply of fixed quantity of pulses every month to the States. I suggest that the Central Government may build up the buffer stock by importing pulses. This buffer stock may-be released in the market, when the open market price goes up besides supplying it under PDS regularly.
 - ❖ To improve the delivery system and plug the leakages technological intervention alone will give the desired results. Biometric identification to eliminate bogus-card, billing machine with smart card reader to eliminate bogus billing complete e-governance solution to the PDS administration, to improve the service level to the public will help us to make the PDS better and effective.
 - ❖ Tamil Nadu is ready to implement such project. Since the Director General of Census is also planning to capture biometric data while carrying out total population register.
 - ❖ I suggest that the Government of India may issue instructions for taking up the biometric capture of data as per UIDAI standards jointly by the States and Census Department to avoid duplication of work. The expenditure may be shared. This will go a long way in improving the PDS administration.
5. As the private sector are not keen to invest in warehouses in certain areas where the State requires strategic buffer storage space, a new scheme may be launched by the Government of India to augment the warehousing facilities, with 50% subsidy grant to the State Warehousing Corporations, State Civil Supplies Corporation and Cooperatives.

I thank the Hon'ble Prime Minister and other Ministers for giving me the opportunity to place our views, in this august gathering and I hope that our discussions will help us to take appropriate decisions. I assure you to extend all support to win the battle of price rise decisively.

Thank you.

வெளியீடு, இயக்குநர்.
செய்தி, மக்கள் தொடர்புத் துறை,
நலைமைச் செயலகம், சென்னை-9

3/3