



ANNUAL REPORT 2019-20



**Department of Food & Public Distribution
Ministry of Consumer Affairs, Food & Public Distribution
Government of India**



Hon'ble Minister for Consumer Affairs, Food and Public Distribution, Shri Ram Vilas Paswan inaugurating the pilot cluster scheme on 'One Nation One Ration Card', in New Delhi on August 09, 2019



सत्यमेव जयते

DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION
**(Ministry of Consumer Affairs,
Food & Public Distribution)**

Annual Report
2019-20

VISION

Ensuring food security for citizens of the country

MISSION

Efficient procurement at Minimum Support Price (MSP), storage and distribution of foodgrains

OBJECTIVES

To implement the National Food Security Act, 2013, throughout the country

To undertake price support operation through efficient procurement of wheat, paddy/rice and coarse grains

To strengthen the Targeted Public Distribution System

Development/Promotion of Sugar industry

Development of Warehousing Sector

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CHAPTER - I

INTRODUCTION



BRIEF HISTORY OF THE DEPARTMENT

During the World War II, India faced acute food shortages and to meet the exigencies, a separate Food Department was established on 1st December, 1942 under the Commerce Member of the Governor General's Council. Mr. Benjamin George Holdsworth, CIE, ICS, was the first Secretary of the Food Department. The new department with its headquarter at the Imperial Secretariat, New Delhi, took over all matter pertaining to the control of price and movement of food stuffs including sugar and salt (except tea and coffee). The administration of Export Trade Control in respect of food-stuffs was also transferred to this department. However, the procurement of foodstuff for the Army continued with the Supply Department.

With Food Department's Notification No.12.E (FD)/42, dated 8th December, 1942, an executive organisation was set up under the department for procurement and purchase of food stuffs, with Controller General of Foodstuffs as its head. From 1st January, 1943 this organisation took over the procurement and purchase of all food requirements of the Army, dealt earlier by the Department of Supply. It started functioning from Jamnagar House, Shajahan Road, New Delhi, with a set up of Controller of Supplies located at Bombay, Calcutta, Madras, Cawnpore, Karachi and Lahore, which were already functioning in the Supply Department.

As the work of the department increased, a separate portfolio of Food Member was created in August, 1943. In 1946, the interim Government of India was formed, with Dr Rajendra Prasad heading the department. The Food Department was renamed as Ministry of Food on 29th August, 1947 and the Directorate of Sugar and Vanaspati was made a part of the Food Ministry.

On 1st February, 1951, the Ministry of Agriculture was combined with the Ministry of Food to constitute the Ministry of Food and Agriculture, for greater administrative efficiency and economy. Over time as the work expanded significantly, the two were bifurcated into Ministry of Food and Ministry of Agriculture in October, 1956 only to be merged again on 17th April, 1957 as Ministry of Food and Agriculture. On 30th December, 1958, the work related to the Central and State Warehousing Corporations was transferred to the Department of Food, in the Ministry of Food and Agriculture. The Grain Storage, Research and Training Institute (now IGMRI) was set up at Hapur towards the end of 1958.

In 1960, the Ministry constituted two departments, namely the Department of Food and Department of Agriculture. In 1962, some subjects related to Fisheries, Fruits and Vegetables were transferred from Agriculture to the Department of Food. Subsequently, some items related to 'sugar', namely

the Indian Institute of Sugarcane Research, Lucknow, Sugarcane Breeding Institute, Coimbatore and Indian Central Sugarcane Committee were also transferred.

In 1965, under the Food Corporation Act, 1964, the Food Corporation of India (FCI) was set up in the Department, as the country was facing major shortage of foodgrains, especially wheat.

In January, 1966, the Ministry of Community Development and Cooperation was merged with the Ministry of Food and Agriculture to form a Ministry of Food, Agriculture, Community Development and Cooperation. In 1971, the Ministry of Food, Agriculture, Community Development and Cooperation was renamed as Ministry of Agriculture, with four departments, including the Department of Food.

In November, 1976, the Directorate of Sugar and Vanaspati was bifurcated, with Directorate of Sugar remaining with the Department of Food, while the work relating to vanaspati, vegetable oils and fats etc. were transferred to the Ministry of Civil Supplies and Cooperation.

In 1983, the Department of Food was taken out of the Ministry of Agriculture and a new Ministry of Food and Civil Supplies was formed. On 21st June, 1991, the Ministry of Food and Civil Supply was bifurcated into Ministry of Food and Ministry of Civil Supplies and independent charge of Ministry of Food was given to a Minister of State.

In March, 1992, to improve efficiency, the Ministry of Food, which was having a single department, was divided into two departments, Department of Food and Department of Food Procurement and Distribution. On 4th June, 1997, the Ministry of Food and Ministry of Civil Supplies were merged again to form Ministry of Food and Consumer Affairs. The new Ministry had three departments, Department of Food & Civil Supplies, Department of Sugar and Edible Oils and Department of Consumer Affairs.

On 15th October, 1999, the Ministry of Food and Consumer Affairs was renamed as the Ministry of Consumer Affairs and Public Distribution with three departments namely Department of Public Distribution, Department of Sugar and Edible Oils and Department of Consumer Affairs.

Finally in the new millennium on 17th July, 2000, the Ministry of Consumer Affairs and Public Distribution was reconstituted and renamed as the Ministry of Consumer Affairs, Food and Public Distribution. It now has only two departments, namely Department of Food and Public Distribution, in which the Department of Sugar and Edible Oils was merged and Department of Consumer Affairs. This set up continues till date.

INTRODUCTION

ORGANIZATIONAL SET-UP

- 1.1 Department of Food & Public Distribution is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. The Ministry is under the charge of Shri Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution and Shri Danve Raosaheb Dadarao, Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution, with effect from 30th May, 2019.
- 1.2. Shri Ravikant took over the charge of Secretary in the Department with effect from 17.10.2017. Secretary (F&PD) is assisted by one Additional Secretary & Financial Adviser, One Principal Adviser (Cost), Five Joint Secretaries (presently one additional Secretary and four Joint Secretaries), one Economic Advisor and one Advisor (Cost).
- 1.3 The organizational set-up of the Department is at **Annexure-I**. The sanctioned strength of the Department (including its Attached and Subordinate Offices) is at **Annexure-II** while details of Budget Estimates, Revised Estimates and Actual Expenditure are at **Annexure-III**.

FUNCTIONS

- 1.4 The main functions of the Department are:
 - i. Formulation and implementation of national policies relating to procurement, movement, storage and distribution of foodgrains;
 - ii. Implementation of the Public Distribution System (PDS) with special focus on the poor;
 - iii. Provision of storage facilities for the maintenance of central reserves of foodgrains and promotion of scientific storage;

- iv. Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of foodgrains;
- v. Administration of food subsidies relating to rice, wheat and coarse grains;
- vi. Policy matters relating to sugar and sugarcane sector, fixation of Fair and Remunerative Price (FRP) of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology) and sugar supply for PDS;
- vii. Monitoring, price control and supply of edible oils.

- 1.5 For carrying out its functions, the Department of Food and Public Distribution is assisted by one Attached Office, three Subordinate Offices, three Central Public Sector Enterprises and one Regulatory Authority.

(A) Directorate of Sugar and Vegetable Oils

Directorate of Sugar and Vegetable Oils, an attached office of the Department, is responsible for implementation of policies relating to sugar and edible oil sectors, particularly the availability of sugar and edible oils and monitoring of their prices.

(B) National Sugar Institute, Kanpur

National Sugar Institute (NSI), Kanpur is a premier Scientific & Technical Institute in the country which conducts Fellowship, Post Graduate Diploma & Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology related disciplines. Besides undertaking research and development work in sugar and allied fields, it also renders advice to Sugar, Alcohol and allied industry from "Concept to Commissioning".

(C) Indian Grain Storage Management & Research Institute, Hapur

Indian Grain Storage Management & Research Institute (IGMRI), Hapur and its field stations at Hyderabad & Ludhiana, functioning under the direct control of the Department, are engaged in applied Research & Development activities in the field of storage management of foodgrains and institutional trainings on scientific storage and inspection of foodgrains.

(D) Quality Control Cells

Quality Control Cells (QCCs) monitor the quality of foodgrains at the time of procurement, storage and distribution. These cells also ensure that guidelines / instructions issued by the Government from time to time about scientific storage and preservation of foodgrains are followed by the Food Corporation of India, Central Warehousing Corporation, State Warehousing Corporations and State agencies. These QCCs are located at Bengaluru, Bhopal, Bhubaneswar, Delhi, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna.

The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of foodgrains at the time of procurement, storage and distribution, so as to protect the interest of the farmers and also the consumers, besides rendering technical opinion on quality aspects in respect of foodgrains (wheat and rice) that are imported and/or exported by the country on Central Pool account under contractual specifications.

(E) Food Corporation of India

The Food Corporation of India (FCI), a public sector enterprise setup on 14.01.1965, under the Food Corporations Act, 1964, is the main agency responsible for execution of the food policies of Central Government. Functions of

the FCI primarily relate to the procurement, storage, movement, distribution and sale of foodgrains on behalf of the Central Government.

(F) Central Warehousing Corporation

The Central Warehousing Corporation (CWC), a public sector enterprise under the Department, was set up on 2nd March, 1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, which was repealed and replaced by the Warehousing Corporations Act, 1962. CWC is operating under the administrative control of the Ministry of Consumer Affairs, Food & Public Distribution. CWC provides scientific storage facilities for agricultural produce and other notified commodities. As on 1st November 2019, CWC was operating 415 warehouses with a total operational storage capacity of 100.15 lakh MT including 3 Air Cargo Complexes, 25 Container Freight Stations/Inland Clearance Depots and 2 Integrated Check Posts (ICPs) at Attari (Punjab) and Petrapole (West Bengal) providing services to the Export/Import trade.

CWC is 50% share holder in 19 State Warehousing Corporations (SWCs). As on 01.11.2019, these SWCs were operating 2092 warehouses with a total storage capacity of 348.51 lakh MT. CWC has established a 100% subsidiary company namely, Central Railside Warehouse Company Limited (CRWC) for development of Railside Warehouse Complexes (RWCs). CRWC a CPSE under the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution is incorporated under the Companies Act, 1956 on 10.07.2007, having authorized and paid-up share capital of ₹150 crore and ₹40.56 crore respectively. As on the 1st November, 2019, CRWC is operating 19 Railside Warehouse Complex (RWCs) with a total installed capacity of 3,34,567 MT.

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(G) Hindustan Vegetable Oils Corporation Limited

Hindustan Vegetable Oils Corporation Limited (HVOC), a fully-owned Govt. Company, was formed in 1984 with merger of two nationalized companies namely Ganesh Flour Mills and Amritsar Oils Works. The Company was engaged in the business of manufacturing of vanaspati, refining & packing of imported edible oil for PDS and manufacturing of breakfast cereal. The Company was having its manufacturing and refining units at Delhi, Kanpur, Amritsar, Mumbai and Kolkata and packing units at Bengaluru and Chennai. Due to continued losses, the company was referred to Board for Industrial and Financial Reconstruction (BIFR) and declared sick in 1999. The Company is now under liquidation under the supervision of the High Court of Delhi.

(H) Warehousing Development and Regulatory Authority

Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26th October, 2010 to ensure implementation of the provisions of the Warehousing (Development & Regulation) Act, 2007. The main objective of the Authority is to implement the Negotiable Warehouse Receipt (NWR) system in the country, which would enable farmers to store their produce for scientific storage and preservation in warehouses near their farms and to seek loan from banks against the NWRs issued against deposit of their stocks. The main functions of the Authority are to make provisions for the development and regulation of warehouses which *inter alia* includes negotiability of warehouse receipts, registration of warehouses, promotion of scientific warehousing of goods, improving fiduciary trust of depositors and banks, enhancing liquidity in rural areas and promoting efficient supply chain.

INTEGRATED FINANCE DIVISION

1.6 Integrated Finance Division of the Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) is headed by the Additional Secretary & Financial Adviser.

1.7 Broadly, following matters are dealt in IFD:

- i. Preparation of budget according to the instructions issued by Ministry of Finance from time to time;
- ii. Scrutiny of budget proposals thoroughly before sending these to Ministry of Finance;
- iii. Maintenance of Departmental accounts in accordance with the prescribed codal provisions;
- iv. Watch and review the progress of expenditure against sanctioned grants and issue timely warnings to Controlling authorities where the progress of expenditure is not known;
- v. Screening of proposals for Supplementary Demands for Grants;
- vi. Advise the Department on all matters falling within the ambit of delegated powers;
- vii. Scrutiny of proposals for re-delegation of powers to Subordinate Authorities;
- viii. Advise on formulation of schemes and important expenditure proposals from the initial stages;
- ix. Evaluation of progress/performance of projects and other continuing schemes;
- x. Monitor the settlement of Audit Objections, Inspections, Reports, Draft Audit Paras;

- xi. Action on Audit Reports and Appropriation Accounts, Reports of Public Accounts Committee, Estimates Committee and Committee on Public Undertakings;
- xii. Screening of all expenditure proposals to be referred to Ministry of Finance for concurrence/comments;
- xiii. Regular and timely submission of the prescribed statements, reports and returns to Ministry of Finance;
- xiv. Scrutiny and concurrence of subsidy proposals received from Food Corporation of India and DCP States in respect of foodgrains and for fixation of procurement incidentals and Economic Cost sheets for procurement of foodgrains for Central pool and DCP operations, and finalization of audited claims submitted by the States;
- xv. Scrutiny and concurrence of proposals for SDF loans to sugar factories, subsidy for maintenance of Buffer Stock, grants-in-aid to Research Institutions and release of advance, final sugar subsidy to States, assistance to sugar mills and transport subsidy to sugar mills to clear the cane price arrears to the farmers and release of Agency Commission;
- xvi. Monitoring, coordinating, guiding and review of procurement on GeM portal by a Standing Committee (SCoGeM) constituted for the purpose and submission of Action Taken Reports to the Ministry of Finance periodically.

DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION

Organisational set-up

- 1.8 The Secretary of Department of Food and Public Distribution is the Chief Accounting

Authority, who discharges his responsibilities with the assistance of AS & FA and Chief Controller of Accounts of the Department.

- 1.9 The departmentalized payment and accounting organization has four Pay and Accounts Offices located at New Delhi, Mumbai, Chennai and Kolkata besides one Principal Accounts Office located at New Delhi. The Chief Controller of Accounts is the Head of the Department of Departmentalized Accounting Organisation.

Functions & Responsibilities

- 1.10 The Payment and Accounting Organization under the Chief Controller of Accounts is responsible for:
- i. Arranging payments through Pay and Accounts Offices and cheque drawing and disbursing officers for pay and allowances, provident fund claims, office contingencies, miscellaneous payments, loans and advances to Government Servants and others, as well as grants-in-aid;
 - ii. Issuance of Pension Payment Orders (PPO) in respect of retiring Government servants and payment of retirement benefits;
 - iii. Supervision & Monitoring of Utilization Certificates;
 - iv. Maintenance of Loans and Grants in Aid to State Govt/PSU/Autonomous Bodies;
 - v. Submission of information under FRBM Act-2003;
 - vi. Technical Advice to Ministry/ Department/PSU/Autonomous Bodies;
 - vii. Review of Expenditure under Modified Cash Management System;
 - viii. The Internal Audit Unit is responsible for conducting the inspection and internal

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audit of offices of all DDOs and other auditable units of the Department of the Ministry;

- ix. Implementation of PFMS for all central sector schemes of the Department;
 - x. Collection of all non-tax revenue of the Department through NTRP portal.
- 1.11 The Principal Accounts Office of this Ministry generates periodic reports like the Monthly Accounts, Expenditure Statements, Capital and Revenue Expenditure Review, Annual Accounts etc. The Monthly Accounts provide an overall Head-wise picture of Receipts & Payments. The Principal Accounts Office compiles the monthly accounts submitted to it by the various PAOs through PFMS/“e-lekha”. The consolidated account of the Ministry is sent to the Controller General of Accounts, Ministry of Finance for further consolidation of accounts of the Union of India.
- 1.12 In the Pay and Accounts Offices, Public Financial Management System (PFMS)/“COMPACT” software covers the major accounting tasks of the PAOs and supplies input through e-lekha. All the Capital and Revenue payment are made through PFMS portal. It is designed and developed with an attempt to address all the Software System Attributes such as availability, portability, security and maintainability.
- 1.13 The PFMS which is administered by the Controller General of Accounts in the Department of Expenditure is an end-to-end solution for processing payments, tracking, monitoring accounting, reconciliation and reporting. It provides the scheme managers a unified platform for tracking releases and monitoring their last mile utilization. It covers all the major accounting and payment function i.e. Pre-check, Budget, Compilation. It provides various managerial reports for expenditure analysis like Expenditure Control Register, Receipts versus Expenditure Comparison, Date wise Monthly Statement (DMS) etc. All the e-payments are done through PFMS portal.
- 1.14 The Compact Software is designed and developed with an attempt to address all the Software System Attributes such as availability, Portability, Security and Maintainability. The accounting of Pension is generated in COMPACT.
- 1.15 The EIS (Employee Information System) software is adopted for payment of salary and GPF. This system enable employee to login in PFMS portal to take print of pay slip and to check previous salary and GPF records.



CHAPTER - II

SIGNIFICANT ACHIEVEMENTS



SIGNIFICANT ACHIEVEMENTS

Implementation of National Food Security Act (NFSA), 2013

- 2.1 The National Food Security Act, 2013 has been implemented in all States/UTs. Presently, around 80 Crore persons out of maximum coverage of 81.35 Crore persons under the Act, are receiving highly subsidized foodgrains through PDS.
- 2.2 Coverage under NFSA in two categories, i.e. Antyodaya Anna Yojana (AAY) and Priority Households (PHH). Monthly entitlement of 35 kg foodgrains per AAY family per month and 5 kg foodgrains per PHH person per month.
- 2.3 Beneficiaries under the Act were entitled for subsidized foodgrains at ₹3/2/1 per kg for rice /wheat/coarse grains for an initial period of three years from the date of commencement of the Act (05.07.2013). Thereafter prices were to be fixed by the Central Government from time to time, but not exceeding MSP. Government has decided from time to time to continue the above mentioned subsidized prices under NFSA and these would remain valid until further orders.
- 2.4 Central assistance of ₹1433.26 crore (as on 31.12.2019) has been released to State Governments during 2019-20, to meet their expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. Such an arrangement has been made for the first time under NFSA. Whereas, under the erstwhile TPDS, State Governments were required to either meet this expenditure on their own or pass it on to the beneficiaries (except AAY).

Major Reforms in Targeted Public Distribution System (TPDS)

- 2.5 Under PDS reforms, to bring transparency and efficiency in PDS operations, the Department is implementing schemes on End-to-End Computerization of TPDS Operations and Integrated Management of PDS (IMPDS) in association with all States/UTs.

- 2.6 Under the computerization scheme, all 23.4 Crore ration cards covering nearly 80 Crore beneficiaries under NFSA have been digitized. Supply Chain Management of foodgrains has been computerized in 28 States/UTs whereas computerization of Supply Chain is not required in UTs of Chandigarh and Puducherry being fully on DBT (Cash Transfers) scheme and islands UT of Lakshadweep.
- 2.7 To identify and weed-out duplicate/ineligible beneficiaries, and to enable rightful targeting of food subsidies, seeding of Aadhaar numbers of beneficiaries with their Ration Cards is being done by States and UTs. Presently, about 88% of all ration cards have been seeded.
- 2.8 As part of the scheme, electronic Point of Sale (ePoS) devices are being installed at Fair Price Shops (FPSs) for distribution of foodgrains through authentication and electronic recordkeeping of the sale transactions. As on December 2019, 4.67 lakh FPSs out of total 5.34 lakh FPSs have been automated using electronic Point of Sale (ePoS) devices across the country. Presently, more than 60% foodgrains are being distributed through these ePoS devices after the biometric authentication of beneficiaries on monthly basis. All transaction records are available on central Annavitran portal (<https://annavitran.nic.in>).
- 2.9 Facility of intra-State portability which enables PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State, where ePoS device has been installed, has been started in 16 States, namely Andhra Pradesh, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Telangana, Tripura, Gujarat, Jharkhand, Punjab and in few FPS areas/districts of Uttar Pradesh, Bihar, Chhattisgarh and Odisha.
- 2.10 National/inter-State portability under One Nation One Ration Card plan is operational

in 12 States w.e.f. January, 2020. These States are Andhra Pradesh, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra Rajasthan, Telangana, Tripura, Goa, Gujarat and Jharkhand. Pilot implantation of inter-State portability was started w.e.f. August, 2019 in two clusters of 2 adjoining States of Andhra Pradesh & Telangana and Gujarat & Maharashtra. Further expanded in to two more clusters of Haryana & Rajasthan and Karnataka & Kerala w.e.f October, 2019.

- 2.11 As an outcome of digitization of Ration Card/beneficiary records, de-duplication due to Aadhaar seeding, transfer/migration/deaths, change in economic status of beneficiaries, and during the run-up to and implementation of NFSA, a total of 2.98 Crore ration cards have been deleted/cancelled by State/UT Governments since 2013, onwards.

Supporting the Farmer

- 2.12 During Rabi Marketing Season (RMS) 2019-20, Govt. Agencies have procured 341.32 lakh MT wheat at Minimum Support Price (MSP) for Central Pool.
- 2.13 During Kharif Marketing Season (KMS) 2018-19, Govt. Agencies have procured 443.99 lakh MT of Paddy in terms of Rice at MSP for Central Pool. Further, in ongoing KMS 2019-20 as on 20.12.2019, a total of 214.68 lakh MT of Paddy in terms of Rice have been procured at MSP for Central Pool as against 205.27 lakh MT of paddy in terms of rice procured during corresponding period in KMS 2018-19.
- 2.14 A total of 97,05,105 farmers were benefitted from procurement of Paddy by Government Agencies during KMS 2018-19 whereas 35,57,080 farmers were benefitted from procurement of wheat during RMS 2019-20. As on 20.12.2019, a total of 44,01,693 farmers have been benefitted from procurement of paddy during ongoing KMS 2019-20.

- 2.15 A total of 15,193 purchase centres were operated by FCI and State Government Agencies for procurement of wheat during RMS 2019-20. During KMS 2018-19, a total of 52,887 purchase centres were operated for procurement of paddy throughout the country and during ongoing KMS 2019-20, the number of procurement centres being operated for procurement of Kharif crop of paddy is 56,870.

- 2.16 The Department of Food and Public Distribution has developed National Food Procurement Portal (NFPP) (nfpp.nic.in) to fetch the procurement related data of wheat, paddy/rice and coarse grains from the online procurement systems of the States. The purpose of developing the portal is to have a national dashboard to monitor the entire gamut of procurement operations under MSP for central pool starting with the registration of farmers to the final disbursement of MSP to them, to enable online compilation of procurement data for the country as a whole on real-time basis, to generate analytical reports based on this information and to promote transparency by bringing information into the public domain. So far, 14 States are sharing data under NFPP for KMS 2019-20

- 2.17 Enhancing procurement in Eastern India:
- State-wise 5-year Action Plans have been drawn up by FCI for Uttar Pradesh (With focus on Eastern U.P), Bihar, Jharkhand, West Bengal & Assam. Attempt is made to increase procurement of Rice from these States and to reach out to all farmers in various paddy growing districts of these States.
 - 71.63 lakh MT of paddy in terms of rice has been procured in these States during KMS 2018-19. As on 16.12.2019, a total of 19.24 lakh MT of Paddy in terms of Rice has been procured in ongoing KMS 2019-20.

SIGNIFICANT ACHIEVEMENTS

- c. Due to combined efforts of the Department of Food & Public Distribution and the State Government of Tripura, FCI has procured 0.18 lakh MT of paddy in terms of rice in Tripura during KMS 2018-19.
- 2.18 FCI procured 15194.22 MT of Chana & 4335.79 MT of Masur during RMS 2016-17 in addition to 20257.76 MT Tur and 4.72 MT Urad in KMS 2015-16.
- 2.19 During KMS 2016-17 FCI procured around 64737.16 MT of Moong, 18234.67 MT Urad and 175301.40 MT of Tur and extended remunerative prices to large number of pulses growers across the country.
- 2.20 FCI did not participated from RMS 2017-18 onwards in procurement of pulses as per decision taken by Department of Consumer Affairs (DoCA).
- 2.21 As per the direction of DAC&FW vide letter dated 11.10.2018, FCI carried out procurement of pulses and oilseeds in three states along with NAFED and exclusively in Andhra Pradesh in KMS 2018-19 under PSS Scheme and during Rabi 2018-19, FCI carried out procurement of Pulses in Maharashtra and Andhra Pradesh along with NAFED under PSS Scheme.
- Improving Foodgrain Management**
- 2.22 FCI has developed its own e-Procurement module in Depot Online System. States which are not having its own e-Procurement Software, FCI e-Procurement software is available for use. From KMS 2017-18, procurement of foodgrains is being carried out through e-Procurement module, to usher in transparency and convenience to farmers.
- 2.23 Online Procurement Management System is implemented in procuring States. FCI is in process of implementing e-procurement module under Depot online system to capture the procurement operations at mandi level on real time basis.
- 2.24 An initiative has been undertaken for Containerized Multimodal Coastal movement through CONCOR from identified centers of Punjab to Kerala via Cochin, Quilon etc. for a period of three months on pilot basis. In this regard, Punjab Region has been instructed to initiate Containerized Multimodal Coastal movement through CONCOR from designated depots of Punjab to the designated depots of Kerala, Karnataka and Tamil Nadu, if found economical on cost benefit analysis in comparison with conventional movement of rakes. Accordingly, six rakes (approx. 13,200 MT) have been moved from Punjab to Karnataka using this mode under pilot project.
- 2.25 Movement of foodgrains is undertaken in order to evacuate stocks from surplus regions, to meet the *NFSA/TPDS/OWS* requirements of deficit regions and also to create buffer stocks in deficit regions. About 40 million MT of foodgrains are transported by FCI across the country in a year. Movement of food grain is undertaken by rail, road and riverine systems, singly or in combination. More than 85% of the movement of stocks is undertaken by rail (covering an average lead of 1500 KMs), some quantity is also moved by ocean vessels to Lakshadweep and Andaman & Nicobar Islands and through coastal shipping to Kerala.
- 2.26 FCI is also undertaking multi-modal transportation of rice involving coastal shipping and road movement from designated depots of Andhra Pradesh to designated depots in Kerala. The operation started in March, 2014 and upto March, 2018, 143123.98 MT was moved through coastal movement. During 2018-19, a Multi modal transport contract for movement of foodgrains

from designated depots of Andhra Pradesh (Kakinada) to designated depots in Kerala through coastal movement was finalized and 45,204 MT was moved. During 2019-20, upto December, 2019 approx. 44,150 MT has been moved based on cost economics in comparison to the conventional mode of transportation.

2.27 As a part of HLC recommendation, FCI made a trial of containerized movement of foodgrains through CONCOR from Chhattisgarh (Raipur) to Maharashtra (Turbhe) in August, 2016 which is extended to further containerized movement from Punjab, Haryana and Andhra Pradesh to recipient States like West Bengal, Jharkhand,

Maharashtra, Kerala, Karnataka, Gujarat and found economical in comparison to conventional Railway rakes. In 2016-17, 13 such containerized movements were undertaken which led to freight savings of around ₹44 lakhs. During 2017-18, FCI moved 134 container rakes with approx. freight savings of ₹662 lakhs. During 2018-19, FCI moved 167 container rakes with approx. freight savings of ₹796 lakhs. During 2019-20, upto December, 2019, 222 containerized rakes have been moved with approx. freight savings of ₹504 lakhs.

2.28 FCI is effectively optimizing movement in association with Railways, while minimizing cost. This can be seen from table below:

Parameters	2015-16	2016-17	2017-18	2018-19	2019 - 20 (up to December, 19)
Demurrage & Wharfage Charges (₹in Crore)	66.25	51.50	38.22	36.29	19.86
No. of Rebooking(s)/ Diversions(s) (quantity in rakes)	229	22	11	3	4
Expenditure on Rebooking/ Diversion (₹in Crore)	23.36	0.78	0.08	0.06	0.74

Improving Storage

2.29 New godowns of 1.46 lakh MT capacity under Private Entrepreneurs (PEG) Scheme have been completed during the period from 01.04.2019 up to 31.12.2019. During the same period, a capacity of 50 MT has also been completed by State Governments and 2,500 MT has been completed by FCI under the Central Sector Scheme. Further, a capacity of 36,240 MT is under construction under Central Sector Scheme by FCI in 2019-20 as on 31.12.2019.

2.30 As per the road map for creation of 100 lakh MT steel silos, during 2019-20 (as on

31.12.2019), a capacity of 0.50 lakh MT has been created by FCI. Further, concession agreements have been signed for 4.50 lakh MT between FCI and the private parties. In addition, FCI has granted permission for commencement of work to private parties for 2.50 lakh MT (5 locations). Tenders for 1.50 lakh MT (3 locations) have been floated by Government of Uttar Pradesh/Agencies.

Measures taken for sugar sector

2.31 Due to surplus sugar production during last three sugar seasons, current sugar season 2019-20 has commenced with huge carry-over/opening stock (of about 142 LMT)

SIGNIFICANT ACHIEVEMENTS

which may affect the liquidity position of sugar mills. Further, some of the sugar mills in major producing States might be forced to discontinue their operation. In order to maintain demand supply balance and to stabilize sugar prices and to improve liquidity position of sugar mills thereby enabling them to clear cane price dues of farmers, the Government has taken following measures:

- i. Creation of buffer stock of 40 lakh MT of sugar for a period of one year from 1st August, 2019 to 31st July, 2020 for which Government is reimbursing carrying cost of ₹1674 crore towards maintenance of buffer stock;
- ii. Assistance to sugar mills to facilitate export of 60 lakh MT of sugar from the country during sugar season 2019-20, for which an estimated expenditure of ₹6268 crore would be borne by the Government.
- iii. The Government has also allowed production of ethanol from sugar and sugar syrup; and has fixed the remunerative ex-mill price of ethanol derived from C-heavy molasses @ ₹43.75/litre, from B-heavy molasses @ ₹54.27/litre and ₹59.48/litre for the ethanol derived from sugarcane juice/sugar/sugar syrup.
- iv. As a result of measures taken by Government during last one and half years including the above measures also, as on 31.12.2019 about ₹82218 crore have been paid to farmers out of total cane price dues of about ₹86723 crore for sugar season 2018-19 on State Advised Price (SAP) basis. Thus, 94.80% cane dues SAP basis have been cleared. On Fair and Remunerative Price (FRP) basis, only ₹2622 crore are pending, out of total cane dues of ₹81667 crore for sugar season 2018-19. Most of the mills in current sugar season have started operations in November-December.

Other Achievement in FCI

Very Good rating in MoU 2019-20

- 2.32 One of the targets in the MoU 2019-20 is to maintain 45 days of allocation of foodgrains in number of Godowns (98% godowns-Criteria for Very Good rating). FCI would be able to achieve Very Good rating as 45 days allocation of foodgrains was maintained in more than 99% of godowns during 2019-20 (Upto 31.12.2019).

Central Warehousing Corporation (CWC)

- 2.33 CWC has achieved the turnover of ₹1604.62 crore during 2018-19 inspite of stiff competition in the market. CWC has paid a dividend of ₹49.08 crore (being 72.20% of Paid-up capital) for the year 2018-19 to the shareholders.
- 2.34 CWC has planned to create an additional storage capacity of 0.59 lakh MT during the year 2019-20.

Policy Changes

- 2.35 **Centrally Sponsored Pilot Scheme on “Fortification of Rice and its Distribution under Public Distribution System”:** Government of India has conveyed Administrative Approval for the Centrally Sponsored Pilot Scheme on “Fortification of Rice and its Distribution under PDS. Rice is to be fortified with Iron, Folic Acid and Vitamin B-12. The Pilot Scheme has been approved for a period of three years beginning 2019-20 with a total budget outlay of ₹174.64 crore (revised). The Pilot Scheme would be funded by Government of India in the ratio of 90:10 in respect of North Eastern, Hilly and Island States and 75:25 in respect of the rest of the States. To begin with, the Pilot Scheme will focus on 15 Districts, preferably 1 District per State. The decentralized model of fortification by States/UTs has been approved in the Pilot Scheme with blending at the milling stage. Fifteen (15) States- Assam (Bongaigaon District), Andhra Pradesh (West Godavari District), Odisha

(Malkangiri District), Kerala (Ernakulum District), Karnataka (Mandya, Maysore & Yadgir Districts), Maharashtra (Gadchiroli District), Uttar Pradesh (Chandauli District), Gujarat (Narmada District), Tamil Nadu (Trichy District), Telangana (Kumrambheem Asifabad or Jayashankar Bhupalapally or Khammam District), Punjab (Gurdaspur and Ludhiana Districts), Chhattisgarh (Kondagaon District), Jharkhand (Ramgarh District), Uttrakhand (Jaspur Block of Udham Singh Nagar District) & Madhya Pradesh (Singrauli District) have consented and identified their respective Districts for implementation of the Pilot Scheme.

Budgetary Position

- 2.36 As on 31.03.2019, the Department has achieved an expenditure of ₹119546.90 crore against RE 2018-19 of ₹228337.12 crore which is 52.36% of RE 2018-19.

Award

- 2.37 The Department has been awarded 2nd prize under Rajbhasha Kirti Puraskar Scheme by the Department of Official Language on 14.09.2019 for doing excellent work in the field of implementation of Official Language policy of the Government for the Year 2018-19.



CHAPTER - III

FOOD MANAGEMENT



PROCUREMENT OF FOODGRAINS

- 3.1 Procurement operations are seasonal - Kharif Marketing Season (KMS) starts from 1st October and lasts upto next 30th September of a year. Paddy/ Rice and Coarse grains like jowar, bajra, ragi & maize are procured during the KMS. The Rabi Marketing Season (RMS) starts from 1st April and lasts upto next 31st March of a year. Mostly, wheat and sometimes barley is procured during RMS.
- 3.2 Before the start of every marketing season, the Department convenes a meeting of State Food Secretaries to make advance arrangements for procurement of foodgrains/ coarse grains. In this meeting, issues like procurement centres to be opened by the FCI/ State Government Agencies (SGAs), arrangement of storage space, evacuation plan for foodgrains and

arrangement of packaging material are discussed in detail. Based on the estimates given by the State Food Secretaries, the targets of total procurement for the Central Pool are worked out in the meeting.

MINIMUM SUPPORT PRICE

- 3.3 Foodgrains are procured at the Minimum Support Price (MSP) fixed by the Government of India. For KMS 2019-20, the MSP for Common and Grade ‘A’ paddy has been fixed at ₹1815/- and ₹1835/- per quintal respectively. The MSP of wheat was fixed at ₹1840/- per quintal for the RMS 2019-20, and for upcoming RMS 2020-21, it has been fixed at ₹1925/- per quintal. The comparative MSP of wheat and paddy as announced by the Ministry of Agriculture for crop year 2015-16 to 2019-20 is given below:

(₹ per quintal)

Commodity	2015-16	2016-17	2017-18	2018-19	2019-20
Paddy-Common	1410	1470	1550	1750	1815
Paddy-Grade ‘A’	1450	1510	1590	1770	1835
Jowar-Hybrid	1570	1625	1700	2430	2550
Jowar-Maldandi	1590	1650	1725	2450	2570
Bajra	1275	1330	1425	1950	2000
Maize	1325	1365	1425	1700	1760
Ragi	1650	1725	1900	2987	3150
Wheat	1525	1625	1735	1840	1940
Barley	1225	1325	1410	1440	1525



Procurement at purchase center by FCI

PROCUREMENT OF COARSEGRAINS

- 3.4 DFPD has Guidelines for allocation, distribution and disposal of coarse grains (Jowar, Bajra, Maize & Ragi etc.) wherein States are allowed to procure these commodities from farmers at MSP under central pool subject to the prior approval of GoI on the detailed procurement plan prepared by State Governments in consultation with FCI. The whole quantity shall be distributed under TPDS (Targeted Public Distribution System)/OWS (Other welfare Schemes) in the State/UT within three months from the date of end of procurement period and the combined allocation of wheat and rice to the equivalent extent shall stand automatically reduced.
- 3.5 During the Kharif Marketing Season 2019-20, this Department approved plans for procurement of 3,49,250 MT quantity of the coarse grains. Details of approved quantity of coarse grains, grain-wise and state-wise during KMS 2018-19 are as under:

(in MT)

S. No.	State	Commodity	Approved Quantity
1.	Haryana	Bajra	1,00,000
2.	Maharashtra	Jowar	10,000
		Bajra	3500
		Maize	40,000
		Ragi	750
3.	Uttar Pradesh	Maize	1,00,000
4.	Gujarat	Maize	10,000
		Bajra	10,000
5.	Madhya Pradesh	Jowar	15,000
		Bajra	60,000
Total			3,49,250

SCHEME OF DECENTRALISED PROCUREMENT (DCP) OF FOODGRAINS

- 3.6 The scheme of Decentralized Procurement (DCP) of foodgrains was introduced by the Central Government in 1997-98 with a view to effecting savings in food subsidy, enhancing the efficiency of procurement and public distribution and encouraging local procurement to the maximum extent thereby extending the benefits of MSP to local farmers.
- 3.7 Under the DCP scheme, the State Government itself undertakes direct purchase of paddy and wheat on behalf of Government of India. Purchase centres are opened by the State Governments and their agencies as per their requirements. The State governments procure, store and distribute foodgrains under NFSA and OWS. In the event of the total quantity of wheat and rice thus procured falling short of the total allocation made by the Central Government for meeting the requirement of NFSA and other schemes, the Central Government, through FCI, meets the deficit out of the Central Pool stocks.
- 3.8 The Central Government undertakes to meet the expenditure incurred by the State Governments on the procurement operations as per approved costing based on certain fixed principles. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly.
- 3.9 The State Governments/UTs, which are undertaking procurement operations under DCP Scheme, are as under:

S. No.	State/UT	DCP adopted for
1.	Andaman & Nicobar Islands	Rice
2.	Bihar	Rice/Wheat

FOOD MANAGEMENT

S. No.	State/UT	DCP adopted for
3.	Chhattisgarh	Rice/Wheat
4.	Gujarat	Rice/Wheat
5.	Karnataka	Rice
6.	Kerala	Rice
7.	Madhya Pradesh	Rice/Wheat
8.	Odisha	Rice
9.	Tamil Nadu	Rice
10.	Uttarakhand	Rice/Wheat
11.	West Bengal	Rice/Wheat
12.	Punjab	Wheat
13.	Andhra Pradesh	Rice
14.	Telangana	Rice
15.	Maharashtra	Rice
16.	Jharkhand (6 Districts)	Rice

PROCUREMENT OF WHEAT

3.10 The State-wise procurement of wheat during the last 4 years and the current year (marketing season wise) is given below:

(in lakh MT)

State	2015-16	2016-17	2017-18	2018-19	2019-20
Haryana	67.78	67.52	74.32	87.84	93.20
Madhya Pradesh	73.09	39.92	67.25	73.13	67.25
Punjab	103.44	106.49	117.06	126.92	129.12
Rajasthan	13.00	7.62	12.45	15.32	14.11
Uttar Pradesh	22.67	7.97	36.99	52.94	37.00
Others	0.90	0.10	0.17	1.8	0.64
All India	280.88	229.62	308.24	357.95	341.32

3.11 The breakup of procurement of wheat by FCI and State Agencies in RMS 2019-20 is given below:

State	Quantity Procured (in lakh MT)		
	FCI	State Agencies	Total
Haryana	11.33	81.87	93.20
Madhya Pradesh	0.00	67.25	67.25
Punjab	15.72	113.40	129.12
Rajasthan	12.09	2.02	14.11
Uttar Pradesh	1.09	35.91	37.00
Others	0.14	0.50	0.64
Grand Total	40.37	300.95	341.32

PROCUREMENT OF RICE

3.12 For having a comparative idea, the State-wise procurement of rice during the last 4 years and current year (marketing season wise) is given below:

(in lakh MT)

State/ UT	2015-16	2016-17	2017-18	2018-19	2019-20*
Andhra Pradesh	43.36	37.24	40.00	48.06	4.30
Telangana	15.79	35.97	36.18	51.90	19.90
Assam	0.42	0.47	0.35	1.02	0.00
Bihar	12.23	12.34	7.93	9.49	0.04
Chandigarh	0.16	0.13	0.14	0.13	0.15
Chhattisgarh	34.42	40.22	32.55	39.71	0.00
Gujarat	0.01	0.01	0.01	0.09	0.07
Haryana	28.61	35.83	39.92	39.42	43.03
Jammu & Kashmir	0.07	0.08	0.13	0.09	0.09

State/ UT	2015-16	2016-17	2017-18	2018-19	2019-20*
Jharkhand	2.06	1.39	1.43	1.52	0.00
Karnataka	0.55	0.00	0.00	0.59	0.00
Kerala	3.82	3.08	3.29	4.65	1.08
Madhya Pradesh	8.49	13.14	10.96	13.95	1.03
Maharashtra	2.30	3.09	1.79	5.80	1.21
Odisha	33.69	36.30	32.87	44.48	6.44
Punjab	93.50	110.52	118.33	113.34	108.73
Tripura	0.00	0.00	0.00	0.07	0.00
Tamil Nadu	11.92	1.44	10.11	12.94	0.31
Uttar Pradesh	29.10	23.54	28.75	32.33	22.19
Uttarakhand	5.98	7.06	0.38	4.62	6.11
West Bengal	15.68	19.23	16.73	19.79	0.00
Others	0.00	0.00	0.00	0.00	0.00
All India Total	342.16	381.08	381.85	443.99	241.68

*KMS 2019-20 is under progress. Data reported as on 20.12.2019.

3.13 The break-up of procurement of rice by FCI and State Agencies in previous 4 years and current year (marketing season wise) is given below:

(in lakh MT)

KMS	Procurement		
	FCI#	State Agencies	Total
2015-16	8.14	334.04	342.18
2016-17	9.86	371.20	381.06

KMS	Procurement		
	FCI#	State Agencies	Total
2017-18	6.77	374.15	380.92
2018-19	4.51	439.48	443.99
2019-20*	2.17	239.51	241.68

*KMS 2018-19 is under progress. Data reported as on 20.12.2019 by FCI.

includes the procurement done by private players from KMS 2015-16 to KMS 2017-18.

IMPROVEMENT OF PROCUREMENT OF PADDY IN EASTERN STATES

3.14 The Government has accepted the recommendation of High Level Committee (HLC) constituted under the Chairmanship of Shri Shanta Kumar that FCI should focus more in the Eastern States of India, where there are frequent complaints of distress sale of paddy and procurement system is ineffective. Accordingly, State-wise 5 year Action Plans drawn by FCI for Uttar Pradesh (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam, where concerns exist about distress sale of paddy (procurement is already robust in Chhattisgarh & Odisha).

3.15 71.63 lakh MT of paddy in terms of rice has been procured in these States during KMS 2018-19. As on 16.12.2019, 19.24 lakh MT of Paddy in terms of Rice has been procured in ongoing KMS 2019-20.

3.16 Due to combined efforts of the Department of Food & Public Distribution and the State Government of Tripura, FCI has procured 0.18 lakh MT of paddy in terms of rice in Tripura during KMS 2018-19.

3.17 The procurement of Rice in Eastern States during the last four years and the current year is as detailed below:

(in lakh MT)

States	2015-16	2016-17	2017-18	2018-19	2019-20 [#]
Assam	0.42	0.46	0.35	1.03	0.00
Bihar	12.25	12.34	7.93	9.27	0.00
Jharkhand	2.06	1.41	1.46	1.55	0.00
Uttar Pradesh.	29.10	23.54	28.74	32.33	19.24
West Bengal	26.87	28.22	22.11	27.27	0.00
Tripura	-	-	-	0.18	0.00
Total	70.70	65.97	60.59	71.63	19.24

under progress. Data as on 16.12.2019

PROCUREMENT OF RICE UNDER LEVY SYSTEM

3.18 In previous years, rice used to be also procured under levy system from the rice millers/ dealers at prices announced separately for each State. Levy on rice is imposed by the State Governments in exercise of powers conferred on them by the Central Government under the Essential Commodities Act, 1955. As direct purchase of paddy from the Farmers through the purchase centres opened by the Government Agencies is more beneficial to the farmers and also looking at the sufficiency of rice stocks under Central Pool and problems/ likelihood of malpractices associated with the levy system, the Government of India had decided to limit the procurement through levy to the maximum extent of 25% only w.e.f. 1st October, 2014 i.e. in KMS 2014-15. The levy has been limited to ‘zero’ w.e.f. 1st October, 2015 i.e. in KMS 2015-16.

PROCUREMENT OF PULSES BY FCI

3.19 HLC recommended that Government of India needs to revisit its MSP policy. Currently, MSPs are announced for 23 commodities, but effectively price support operates primarily in wheat and rice and that too in selected states.

This Department agreed for procurement of pulses and oilseeds through FCI on the pattern of NAFED under the Price Support Scheme of the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW). With the approval of CCEA, the DAC&FW has, vide orders dated 23.06.2015, decided that FCI should be included as an Additional Central Nodal Agency for procurement of Pulses and Oilseeds.

3.20 Accordingly, the Department of Food & Public Distribution has issued orders allowing FCI to be the Additional Central Nodal Agency for procurement of pulses and oilseeds and has further required FCI to make arrangements for procurement of such commodities at MSP with the support of the State Government Agencies having experience and expertise of procurement of such commodities.

3.21 The pattern of arrangements for Price Support Operations are going to be similar to the modus operandi adopted by NAFED for procurement of pulses and oilseeds and the required credit etc. should be mobilized under the guarantee provided to FCI separately by the DAC&FW for that purpose. The losses incurred with regard to the MSP operations of pulses and oilseeds will be required to be directly compensated to FCI by the Department of Agriculture & Cooperation on the pattern of NAFED.

3.22 For creating the buffer under Price Stabilization Fund (PSF), FCI procured pulses during KMS 2015-16, RMS 2016-17 & KMS 2016-17. As per the decision of Department of Consumer Affairs, GoI, FCI did not participate in procurement of pulses during RMS 2017-18 and KMS 2017-18 Season.

3.23 FCI procured 15194.22 MT of Chana & 4335.79 MT of Masur during RMS 2016-17 in addition to 20257.76 MT Tur and 4.72 MT Urad in KMS 2015-16. During

KMS 2016-17 FCI procured around 64737.16 MT of Moong, 18234.67 MT Urad and 175301.40 MT of Tur and extended remunerative prices to large number of pulses growers across the country.

POLICY ON FOODGRAINS STOCKING NORMS

3.24 The main objectives of the Policy are:

- To meet the prescribed Minimum Foodgrain Stocking norms for food security,
- For monthly releases of foodgrains for supply through the TPDS/ OWS,
- To meet emergent situations arising out of unexpected crop failure, natural disasters etc., and
- For market intervention to augment supply so as to help moderate the open market prices.

FOODGRAINS STOCKING NORMS FOR THE CENTRAL POOL (BUFFER NORMS)

3.25 The existing foodgrain stocking Norms for the Central Pool from January, 2015 are as under:

(in million MT)

As on	Operational stocks		Strategic Reserve		Total
	Rice	Wheat	Rice	Wheat	
1 st April	11.58	4.46	2.00	3.00	21.04
1 st July	11.54	24.58	2.00	3.00	41.12
1 st Oct	8.25	17.52	2.00	3.00	30.77
1 st Jan	5.61	10.80	2.00	3.00	21.41

STOCK POSITION IN CENTRAL POOL

3.26 The stock of foodgrains in the Central Pool as on 01.01.2020 was 568.35 lakh MT, which comprised of 327.96 lakh MT of wheat, 237.15 lakh MT of rice and 3.24 lakh MT of Nutri-cereals (coarsegrains). The total stock

of foodgrains in the Central Pool including Nutri-cereals as on 1st January during the last four years is as follows:

(in lakh MT)

Year	Stock
1 st Jan, 2017	273.66
1 st Jan, 2018	359.30
1 st Jan, 2019	456.13
1 st Jan, 2020	568.35

3.27 Quarterly stock position of wheat and rice in the Central Pool vis-à-vis foodgrain stocking norms is at **Annexure-IV**. State-wise position of stocks of rice and wheat in the Central Pool as on 01.01.2020 is at **Annexure-V**.



Preventive treatment of Foodgrains at FCI Depot



Quality check of Foodgrains

OPEN MARKET SALE SCHEME (DOMESTIC)

3.28 In addition to maintaining buffer stocks and for making a provision for meeting the requirement of the National Food Security Act (NFSA) and Other Welfare Schemes (OWS), the Food Corporation of India (FCI) on the instructions from the Government sells excess stocks out of Central Pool through Open Market Sale Scheme (Domestic) [OMSS (D)] in the open market from time to time at predetermined prices to achieve following objectives:

- i. To enhance the supply of foodgrains during the lean season and deficit regions,
- ii. To moderate the open market prices,
- iii. To offload the excess stocks,
- iv. To reduce the carrying cost of foodgrains.

3.29 A target of 100 lakh MT of wheat has been set for sale by FCI out of Central Pool in the open market under OMSS (D) during 2019-20. For Madhya Pradesh, Punjab and Haryana reserve price for wheat for first, second, third and fourth quarter of FY 2019-20 has been kept at ₹2,080/-, ₹2,135/-, ₹2190/- and ₹2,250/- per quintal respectively. For other states, railway freight ex-Ludhiana to the nearest railway and road transportation cost from railhead to depot where sale is undertaken, is added to the reserve price of wheat. In case of dedicated movement, FCI only loads trucks at depots. Under the OMSS Policy, sale of wheat is undertaken after end of procurement period of wheat.

3.30 Under the OMSS Policy, sale of wheat is undertaken after end of procurement period of wheat. In non procuring States, sale of wheat under OMSS (D) is commenced immediately.

3.31 A target of 50 lakh MT of Grade ‘A’ rice has also been set for sale by FCI out of Central

Pool in the open market under OMSS (D) during 2019-20; however it may be reviewed by Department of Food and Public Distribution (DFPD), if offtake is more. The overall reserve price for sale of Grade ‘A’ rice under OMSS (D) has been kept at ₹2,785/- per quintal upto 30th September, 2018. From 1st October, 2018, it has been kept as ₹2,785/- per quintal or MSP derived price (MSP of Gr A Paddy * (1.5)), whichever is higher. Since 2785/- is higher than MSP derived price based on KMS 2019-20, therefore, reserve price of rice from 1st October, 2019 continues to be ₹2785/- per quintal. In view of large stock of rice as compared to buffer stocking norms the reserve price has been reduced to ₹2250/- per quintal from the auction dated 03.01.2020 for rest of the year 2019-20.

3.32 Sale of rice is undertaken throughout the year but there would be no sale under OMSS (D) in procuring states during procurement period of paddy in those States. In deficit procuring States/UTs, sale of rice under OMSS (D) will be held in case of demand from State Governments for the same. Deficit procuring States/UTs will be allowed by DFPD to buy CMR under OMSS(D) during procurement period.

3.33 OMSS(D) policy for 2019-20 has been reviewed in view of huge stocks lying with FCI and its agencies.

3.34 The mode of sale of wheat and rice under OMSS (D) through e-auction is same as undertaken during OMSS 2018-19.

3.35 The quantities of wheat and rice sold under the OMSS (D) during the last 4 years and FY 2019-20 are as under:

(in lakh MT)

Year	Wheat	Rice
2015-16	70.77	1.11
2016-17	45.67	1.78

Year	Wheat	Rice
2017-18	14.22	4.90
2018-19	81.84	8.46
2019-20*	17.73	7.40

* Upto 2nd tender Jan, 2020

ALLOCATION OF FOODGRAINS UNDER TPDS

3.36 With a view to make receipt of foodgrains under TPDS a legal right, Government of India enacted National Food Security Act, 2013 which came into force w.e.f. 5th July, 2013. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under Targeted Public Distribution System (TPDS), thus covering about two-third of the population. The eligible persons identified by the States/UTs are entitled to receive 5 kgs of foodgrains per person per month at subsidized prices of ₹3/2/1 per kg for rice/wheat/nutri-cereals (coarsegrain). The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, continue to receive 35 kg of foodgrains per household per month. As of 1st November, 2016 NFSA has been implemented in all 36 States/UTs.

3.37 During the Financial Year 2019-20, Government of India has allocated 603.95 lakh MT of foodgrains to States/UTs/Welfare Institutions, etc. as per break up given below:

Category	Quantity (in lakh MT)
National Food Security Act (Including MDM, ICDS)	596.27
Additional allocation (Festival & natural calamity etc.)	2.14
Other Welfare Schemes (OWS)	5.54
Total	603.95

OFF-TAKE OF Foodgrains

3.38 During the Financial Year 2019-20, the offtake of foodgrains under Targeted Public Distribution System (TPDS) and various other schemes including OWS, OMSS/Export etc. are as under:

- The offtake of foodgrains (wheat and rice) against the allocation upto December, 2019 from the Central Pool under NFSA/Targeted Public Distribution System (TPDS) including MDM & WBNP (a component of ICDS) during the period has been 426.43 lakh tons. In addition there has been offtake of 2.25 lakh tons under allocation made to States/UTs at economic cost/MSP rate.
- The offtake under Other Welfare Schemes has been 3.57 lakh tons. In addition there has been offtake of 21.1 lakh tons under Other schemes including Open/Tender Sale/Relief/WFP/Defence etc.

3.39 During the financial year 2019-20, the total offtake of foodgrains from the Central Pool is as under:

SCHEMES WISE OFFTAKE OF FOODGRAINS DURING 2019-20 (upto December, 2019)

(in lakh MT)

Name of Scheme	Rice	Wheat	Total
[1] NFSA			
TPDS	215.74	164.50	380.24
WBNP	3.93	5.90	9.83
MDM	12.90	2.99	15.89
TPDS (Tide Over)	15.43	5.03	20.46
Total	248	178.43	426.43

FOOD MANAGEMENT

Name of Scheme	Rice	Wheat	Total
[2] OWS			
Hostels and Welfare institutions	2.96	0.45	3.41
Scheme for adolescent Girls(SAG)	0.03	0.06	0.09
Annapurna	0.06	0.01	0.07
Total	3.05	0.52	3.57
Total (1+2)	251.05	178.95	430
[3] NATURAL CALAMITY/ DROUGHT/ FESTIVAL/ETC			
Natural Calamity/ Drought/ festival/etc	0.93	1.32	2.25
[4] DEFENCE ALLOCATION			
Defence allocation	0.72	0.03	0.75
[5] OPEN MARKET SALE SCHEME [OMSS]			
OMSS	6.66	14.44	21.10
Grand total	259.36	194.74	454.1

SCHEMES UNDER NFSA UMBRELLA

Mid-Day Meal Scheme

3.40 The Mid-Day Meal Scheme was launched on 15.08.1995 by the Ministry of Human Resource Development with a view to enhancing enrollment, retention, attendance and simultaneously improving nutritional levels among students in primary schools, initially in 2408 blocks in the country. By the year 1997-98 the scheme was introduced in all the blocks of the country. The Scheme presently covers students of Class I-VIII of Government and Government aided schools,

Education Guarantee Scheme/Alternative and Innovative Education Centres (EGS/AIE).

3.41 The Department of Food & Public Distribution makes annual allocation of foodgrains under the MDM Scheme to the Department of School Education & Literacy, Ministry of Human Resource Development. Sub-allocation of foodgrains to States/UTs is made by the Department of School Education & Literacy. With effect from 1st April, 2016, allocation of foodgrain under MDM is made at NFSA rates to the Department of School Education & Literacy.

3.42 Annual allocation/offtake of foodgrains under the MDM scheme during the last four years & the current year is as under:

(in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2015-16	23.19	4.56	27.75	19.43	3.96	23.39
2016-17	22.96	4.21	27.17	19.22	3.73	22.95
2017-18	21.88	3.64	25.52	18.38	3.57	21.95
2018-19	21.48	4.06	25.54	17.27	3.92	21.19
2019-20	21.17	4.20	25.37	12.90	2.99	15.89*

*upto December, 2019

Wheat Based Nutrition Programme (WBNP)

3.43 This Scheme is implemented by the Ministry of Women & Child Development. Foodgrains for the scheme are allotted by the Department of Food & Public Distribution. With effect from 01.04.2016, allocation of foodgrains under WBNP is made at NFSA rates to the Ministry of Women & Child Development. The foodgrains allotted under this Scheme are utilized by the States/UTs under the Umbrella of Integrated Child Development

Scheme (ICDS) for providing nutritious/energy food to children below 6 years of age and pregnant/lactating women.

3.44 Annual allocation/offtake of foodgrains under the WBNP scheme during the last four years & the current year is as under:

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
2015-16	8.03	10.00	18.03	5.47	8.26	13.73
2016-17	9.63	10.67	20.30	5.99	7.94	13.93
2017-18	9.63	10.40	20.03	4.86	6.51	11.37
2018-19	9.63	10.27	19.90	5.03	7.36	12.38
2019 -20	10.60	11.30	21.90	3.93	5.90	9.83*

*upto December, 2019

OTHER WELFARE SCHEMES (OWS)

ALLOCATION OF FOODGRAINS TO WELFARE INSTITUTIONS AND HOSTELS SCHEME

3.45 With a view to meeting the requirement of (i) Welfare Institutions such as beggar homes, nari-niketans and other similar welfare institutions not covered under TPDS or under any other Scheme; and (ii) SC/ST/OBC Hostels, an allocation of foodgrains (rice and wheat) not exceeding 5% of the erstwhile BPL allocation is made to States/UTs by the Department of Food and Public Distribution under the Scheme "Allocation of Foodgrain under Welfare Institutions & Hostels Scheme", based on the request received from

the States/UTs. The allocation is made only in respect of hostels and institutions that are owned or run by State Government/UT Administrations./Administrative Ministries. This Scheme was introduced on 1st September, 2017 by clubbing two schemes namely Welfare Institutions Scheme and SC/ST/OBC Hostels Scheme into a single scheme.

3.46 The Central Issue Price charged for the scheme is BPL rates and the scale of issue of wheat and rice is as per the requirements of the residents, subject to a maximum of 15 kg per resident per month. The allocation/offtake of foodgrains under the above two schemes (Welfare Institutions and SC/ST/OBC Hostels) during the last four years & the current year is as under:

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
2015-16	2.92	1.03	3.95	2.37	0.66	3.03
2016-17	4.35	0.66	5.01	3.75	0.58	4.33
2017-18	3.99	0.53	4.52	3.53	0.33	3.86
2018-19	5.16	0.86	6.02	5.42	0.59	6.01
2019 -20	4.16	0.69	4.85	2.96	0.45	3.41*

*upto December, 2019

Annapurna Scheme

3.47 The Ministry of Rural Development (MoRD) launched the Annapurna Scheme in 2000-2001. Department of Food & Public Distribution allocates foodgrains as per the requirement projected by MoRD. 10 kgs of foodgrains (wheat or rice) is given per month per beneficiary free of cost under the scheme. The scheme aims at providing food security

to meet the requirements of those eligible old aged persons who remained uncovered under the National Old Age Pension Scheme (NOAPS). The Central Issue Price charged for the scheme is at BPL rates.

3.48 Annual allocation/offtake of foodgrains under the scheme during the last four years and the current year is as under:

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
2015-16	0.62	0.18	0.80	0.26	0.06	0.32
2016-17 ^s	0.114	0.0	0.114	0.20	0.0	0.20
2017-18*	0.072	0.0	0.072	0.0	0.0	0.0
2018-19	0.52	0.21	0.73	0.25	0.04	0.29
2019 -20	0.16	0.09	0.25	0.06	0.01	0.07**

\$ Ex post-facto allocation made to Odisha dated 04.02.2019, Offtake also includes backlog quota

* Ex post-Facto Allocation made to Odisha dated 10th July, 2019,

**upto December, 2019

SCHEME FOR ADOLESCENT GIRLS (SAG)

3.49 The Ministry of Women and Child Development administers the scheme at the central level and State/UT Governments implement the scheme at States/UTs level. However, foodgrains for the scheme are allotted by the Department of Food & Public Distribution at BPL rates to the Ministry of Women & Child Development. The Scheme for Adolescent Girls, (earlier known as SABLA) was launched on 19.11.2010 by merging two schemes namely Nutrition Programme and Adolescent Girls (NPAG) and Kishori Shakti Yojana (KSY) into a single scheme and proposed to be implemented in 200 selected districts across the country. Now, this scheme i.e. SAG is being implemented in all the districts of the country with effect from 01.04.2018 and Kishori Shakti Yojana (KSY) has been phased out with expansion of SAG. The Scheme will cover out-of-school girls in the age group of 11-14 years. The

out-of-school girls in the age group of 11+ to 14 years, are entitled for supplementary nutrition under the scheme. They will also receive life skills education, nutrition and health education, awareness about socio-legal issues, existing public services etc. Each out-of-school adolescent girl in the age group of 11-14 years registered under the scheme will be provided supplementary nutrition similar to that of pregnant women and lactating mothers under ICDS, to the extent of 600 calories, 18-20 grams of protein and micronutrients, for 300 days in a year. Nutrition is provided in the form of Take Home Ration (THR) or Hot Cooked Meals (HCM), whichever is feasible. The scheme aims at motivating out-of-school girls to go back to formal schooling or vocational/skill training under non-nutrition component of the scheme. Annual allocation and offtake of rice & wheat during the last four years and the current year under the SAG is as under:

(in lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
2015-16	0.81	1.28	2.09	0.27	0.61	0.88
2016-17	1.25	1.48	2.73	0.36	1.09	1.45
2017-18	0.77	1.29	2.06	0.27	0.60	0.87
2018-19	0.38	0.64	1.02	0.01	0.13	0.14
2019 -20	0.20	0.25	0.45	0.03	0.06	0.09*

*upto December, 2019

REVISION OF IMPORT DUTY ON WHEAT

3.50 The duty of wheat was increased to 30% w.e.f. 23.05.2018 and it has been raised to 40% w.e.f. 26.04.2019.

POST HARVEST MANAGEMENT OF FOODGRAINS

3.51 Under the Post Harvest Management of Foodgrains, the following activities are being carried out in the Department of Food & Public Distribution:

A. Applied Research & Development and Training on Storage Management of foodgrains (Indian Grain Storage Management and Research Institute-IGMRI)

3.52 IGMRI and its field stations are carrying out applied Research & Development activities on various aspects of storage management of foodgrains. Storage technology developed elsewhere is also tested in Indian conditions. Besides, the quality of foodgrain is monitored by analyzing samples of foodgrains for physical parameters, pesticide residue and mycotoxin contamination.

3.53 IGMRI, Hapur and its field stations are organizing Long Term and Short Term Training Courses (LTTC & STTC) on scientific storage and inspection of foodgrains for the officers of FCI, CWC, SWCs, State agencies, pest control operators and private candidates.

3.54 During the Year 2019-20, IGMRI has undertaken a study on effect of different botanical extracts on *Callosobruchus chinensis*: Bruchidae, Coleoptera on Bengal gram in laboratory conditions.

3.55 The performance of IGMRI, Hapur and its field stations under various activities during 2019-20 is summarized below:

S. No.	Item /Activity	Achievement (upto Dec, 2019)*
1.	Long term/Short term Training Courses (LTTCs)	4 (113)
2.	Short Term Training Courses (STTCs) 1. Two weeks duration 2. One week duration	6 (189) 3 (70)
3.	Analysis of foodgrain samples for (i) Physical quality parameters (No. of samples) (ii) Mycotoxin contamination (No. of samples) (iii) Pesticide residue (No. of samples)	611 367 612

*values in parenthesis indicate number of trainees attended the training programme.

B. Quality Standards for foodgrains (Central Grain Analysis Laboratory-CGAL)

- 3.56 The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of foodgrain at the time of procurement, storage and distribution, so as to protect the interest of the farmers and also the consumers, besides, rendering technical opinion on quality aspects in respect of foodgrains (wheat and rice) that are imported and/or exported by the country on Central Pool account under contractual specifications.
- 3.57 The main function of CGAL is to, lay down quality standards for procurement of Kharif and Rabi foodgrains being procured for Central Pool stock keeping in view the interest of producers, consumers and the provisions under the Food Safety and Standards Act. In addition it also carries out classification of rice/paddy varieties for fixation of procurement and issue prices, assessment of the quality of foodgrains that are imported or exported under Central Pool account in relation to the contractual specifications and assessment of the quality of foodgrain samples brought by inspecting officers of Quality Control Cell, New Delhi and other senior officers.
- 3.58 This lab has also been designated as referral lab in case of disputes in acceptance of Custom Milled Rice consignments between FCI and State agencies/rice millers. A number of 1018 foodgrain samples analysed for physical parameters and 1230 foodgrain samples were analysed for chemical parameters such as Protein content, Falling Number, Gluten content and Uric acid (upto December, 2019).

C. Monitoring quality of foodgrains (Quality Control Cells-QCCs)

- 3.59 Eleven QCCs are functioning under the direct control of the Department. The main objective of these cells is to ensure the quality of foodgrains at the time of storage.

Surprise checks are conducted of food storage depots, by the officers of these cells to ensure the quality of foodgrains. It is also ensured that the guidelines/instructions issued by Government about proper storage and maintenance of foodgrains are followed by the FCI, CWC, SWCs and State agencies. These cells attend to various complaints received from MPs, VIPs, State Governments, media and consumers about the quality of foodgrains during procurement, storage and distribution. Discrepancies / shortcomings noticed during inspection/ investigations are communicated to the concerned authorities for taking remedial measures including action taken against the delinquents.

MOVEMENT OF FOODGRAINS

3.60 Movement of Foodgrains is as follows:

- i. **Coordination with Railways:** Coordinating and monitoring the movement of foodgrains from surplus regions to deficit regions, taking into account the storage capacity, procurement, stocks, allocations and offtake of foodgrains, is one of the major functions of the Department. Movement division of the department closely monitors the movement and co-ordinates with FCI and Railways. An inter-Ministerial Co-ordination Committee with JS (P&FCI), Deptt. of F&PD, ED (T), FCI and ED (TTF), Railway Board as member, has been working since January, 2013 to actively take up the operational issue with Railways.

To increase the co-ordination between Railways and FCI, coordination committees at Zonal and Regional levels have also been formed. Due to the regular interactions between Railways and FCI, the compliance of loading plan of FCI has improved and issues related to penal charges by Railways, infrastructure development at Railway good sheds have

been sorted out. The availability of rakes have improved through the mechanism of these Coordination Committees, incurrence of demurrage charges has reduced and settlement of railway claims of FCI has been speeded up. Issue of arbitrary imposition and adjustment of punitive charges in Railways has been resolved.

- ii. **New Modes of Transportation:** FCI has undertaken a pilot project of multi-modal transportation involving coastal shipping and road movement of rice from designated depots of Andhra Pradesh to designated depots in Kerala. The operations were started in March, 2014. The movement is in containers, therefore, quality is well maintained and there are less chances of contamination or pilferage, as is in the case of transportation through railways and roads. The number of handlings is also less and transit loss is also prevented. The only limitation could be the availability of boiled rice at Kakinada in Andhra Pradesh, which is the port of origin for these operations.
- iii. **Optimization of Movement of Foodgrains by FCI:** Railways has undertaken major infrastructural development in North-East with conversion of MG lines to BG. Due to which foodgrains are being inducted directly from Punjab/ Haryana to South Assam, Tripura, Manipur & Mizoram. As a result of Gauge conversion, the dependability on long route Inter State Road Movement has reduced. Further, with improvement of paddy procurement in Eastern States & expansion of DCP operations, some States are self-sufficient and some are surplus in rice requirement. This means more movement of rice by rail from Chhattisgarh & Odisha for Southern and Eastern India, effecting savings in transportation.

FOOD SUBSIDY

- 3.61 States are allocated foodgrains at subsidized rates under National Food Security Act, 2013 (NFSA) and Other Welfare Schemes. Difference between Economic Cost and Central Issue Price (CIP) at which foodgrains are issued to States are reimbursed to Food Corporation of India (FCI) as subsidy. In case of States which have adopted Decentralized Procurement Scheme (DCP), food subsidy is released to States by Government of India for quantity of foodgrains procured and distributed by them under NFSA and Other Welfare Schemes. Food subsidy is released to FCI & DCP State depending on the subsidy claim, amount of food subsidy found admissible, and the monthly/quarterly availability of budget. Status of food subsidy released to FCI and State Government in the last four years and current year may be seen as below:

(₹in crore)

Year	Food Subsidy Released		
	FCI	States	Total
2015-16	112000.00	22919.00	134919.00
2016-17	103334.61*	27338.35	130672.96*
2017-18	101981.69@	38000.00	139981.69@
2018-19	140098#	31029.4850	171127.485#
2019-20 (upto Dec, 2019)	119164.02	31499.9999	150664.0199

* Includes NSSF loan of ₹25,000 crore to FCI

@ Includes NSSF loan of ₹40,000 crore to FCI

Includes NSSF loan of ₹70,000 crore to FCI

DISASTER MANAGEMENT

- 3.62 The Department also assists in the Disaster Management Operations/ Emergency Support Functions of the Government by maintaining a close liaison with the Disaster Management Division of the Ministry of Home Affairs to meet the requirement of foodgrains in the various parts of the country, whenever, affected by any natural calamity or disaster.



CHAPTER -IV

PUBLIC DISTRIBUTION SYSTEM



INTRODUCTION

- 4.1 Public Distribution System (PDS) which was started to manage food supplies during scarcity has evolved as a system for distribution of foodgrains at affordable prices. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society.
- 4.2 Until 1997, the Public Distribution System was universal in nature, however, the Government introduced “Targeted Public Distribution System” (TPDS) w.e.f June, 1997 to focus on poor. The coverage was linked to poverty estimates under two categories, namely, Below Poverty Line (BPL) and Above Poverty Line (APL). Later w.e.f. December, 2000, Government introduced “Antyodaya Anna Yojana” (AAY) in order to make TPDS more focused and targeted to poor and the poorest of poor (Antyodaya). Detailed guidelines for identification and inclusion of AAY category households under TPDS were also issued to all State Governments/UT Administrations by the Department. Presently, about 2.5 Crore households are covered under AAY across the country.

NATIONAL FOOD SECURITY ACT, 2013

- 4.3 The National Food Security Act, 2013 (NFSA) was enacted in the year 2013 and came into force w.e.f. 5th July, 2013. The Act provides for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity.
- 4.4 The Act delinked the coverage under TPDS from erstwhile poverty estimates, instead coverage is linked to the population estimates and inter alia entitles up to 75% of the rural population and up to 50% of the urban population for receiving subsidized foodgrains under TPDS. Thus, covering nearly two-third of the country’s population,

as per Census 2011, to receive highly subsidized foodgrains under TPDS.

- 4.5 Eligible households/beneficiaries under NFSA comprise of Antyodaya Anna Yojana (AAY) households and persons belonging to Priority Households (PHH) categories. AAY households, which constitute the poorest of the poor, are entitled to receive 35 Kg of foodgrains per household per month whereas households covered under PHH category are entitled to receive 5 Kg of foodgrains per person per month at highly subsidised prices of ₹3/2/1 per Kg for Rice/Wheat/Coarse-grains.
- 4.6 NFSA is implemented in all States/UTs, covering about 80 crore persons, against the total intended coverage of about 81.35 crore persons under the Act. In the Union Territories of Chandigarh, Puducherry and urban areas of Dadra & Nagar Haveli, the Act is implemented in DBT (Cash Transfer) mode wherein cash equivalent to entitled subsidy is being transferred directly into the bank accounts of eligible households to enable them to purchase foodgrains from open market. Whereas, in rest of the States/UTs highly subsidized foodgrains under NFSA are being distributed to eligible households through TPDS every month.
- 4.7 The Act also contains provisions for nutritional support to pregnant women & lactating mothers and children upto fourteen years of age. Pregnant women and lactating mothers are entitled to meals, free of charge, during pregnancy and six months after the child birth as well as maternity benefit of not less than ₹6,000. Children up to 14 years of age are entitled to nutritious meals as per the prescribed nutritional standards. In case of non-supply of entitled foodgrains or meals, the beneficiaries will receive food security allowance. For effective implementation and monitoring, the Act also provides for setting up of grievance redressal mechanism at the District and State levels. Separate

provisions have also been made for ensuring transparency and accountability.

- 4.8 TPDS is presently operated under the joint responsibility of the Central and the State Governments, where the Central Government has assumed the responsibility for procurement, storage, transportation and allocation of foodgrains to all States/UTs. The operational responsibility of allocation of foodgrains within State/UT, identification

of eligible families under NFSA, issuance of ration cards, distribution of foodgrains through Fair Price Shop (FPS) and licensing and monitoring of FPSs, etc. rests with the respective State/UT Governments. Under PDS, foodgrains, namely, Rice, Wheat and Coarse-grains are being distributed to eligible households. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt and spices etc.



Meeting with State Food Secretaries on Food Security Issues on 27th June, 2019

- 4.9 The eligibility criteria for coverage under TPDS are such that vulnerable groups like beggars, female domestic workers, rag-pickers, sanitation workers etc. get covered. The Department has issued instructions to States/UTs from time to time to make special efforts to ensure the identification and inclusion of the extremely poor and needy households under NFSA. Ration card deletion during annual verification drives, deletion of duplicate ration cards under TPDS by many States/UTs under PDS reforms including computerization which provides scope for issuance of new ration cards to such left out genuine beneficiaries. Recently, the Ministers-in-charge of Food & Civil Supplies in all States/UTs have been requested by Hon'ble Minister of Consumer Affairs, Food and Public Distribution to personally intervene in the matter and issue necessary directions to the concerned officers to work in a mission mode to ensure that all left out deserving people belonging to weaker sections are covered under NFSA before March, 2020.

LIFTING AND DISTRIBUTION OF RATION UPTO SIX MONTHS UNDER TPDS

- 4.10 Department of Food & Public Distribution, Government of India has permitted the State/UT Governments for lifting and distribution of up to six months' ration under TPDS in one go, subject to the condition that there should be no compulsion on the beneficiaries to lift their entitlements to avoid undue financial burden/inconvenience to the beneficiaries and the existing system of lifting the quota every month and in installments should be permitted to continue for those who are not interested or cannot afford to lift the entire quantity.
- 4.11 Provision for advance lifting of foodgrains up to six months under Other Welfare Schemes (OWS) such as Mid-Day Meal (MDM), Wheat Based Nutrition Program, Scheme for Adolescent Girls, Annapurna Scheme and Allocation of Foodgrain under Welfare Institutions & Hostels Scheme are also available. In this regard, revised guidelines

regarding validity period and advance lifting for lifting the foodgrains under these schemes are issued to all States/UTs vide circular dated 25.04.2019.

MEASURES TAKEN TO STRENGTHEN TPDS

4.12 To eliminate leakages and to ensure that eligible households receive their entitlements under the TPDS, the following measure has been taken by this Department:

a. Modernization of TPDS: Modernization of Targeted Public Distribution System (TPDS) has been taken up by the Department of Food and Public Distribution with a view to addressing challenges such as leakages and diversion of foodgrains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal etc. With an objective to introduce best practices, transparency in TPDS operations and for achieving rightful targeting of food subsidy, Government is implementing a Plan Scheme on '**End-to-End Computerization of TPDS Operations**' in collaboration with all the States/UTs under the 12th Five Year Plan (2012-17). The validity of scheme has been extended up to March, 2020 after approval of Competent Authority without escalation of project cost. The major components of the scheme includes –

i. Digitization of ration cards/beneficiaries data – Completed in all States/UTs. Details of almost 23.4 Crore ration Cards covering nearly 80 Crore beneficiaries are available on transparency portals of States/UTs.

ii. Aadhaar seeding of ration cards – Seeding of Aadhaar numbers is completed with almost 87% ration cards (at least one member of household), whereas nearly 82% beneficiaries are also seeded with Aadhaar.

iii. Online allocation of foodgrains up to FPS level – Implemented in all States/UTs except UTs of Chandigarh and Puducherry which have adopted Direct Benefit Transfer (DBT) (Cash transfer) scheme.

iv. Computerisation of Supply Chain Management for foodgrains – Implemented in 28 States/UTs and computerization is in full-swing in remaining States/UTs.

v. Online grievance/toll free helplines and transparency portals – Online Grievance Registration system/Toll-free helpline numbers (1967/1800-series) are available in all States/UTs.

vi. Automation of Fair Price Shops – More than 4.67 Lakh of total 5.34 Lakh (87%) FPSs in the country are having operational electronic Point of Sale (ePoS) devices.

4.13 Another scheme, namely '**Integrated Management of PDS**' (IM-PDS) is also being implemented w.e.f. April, 2018 which mainly aims to implement nation-wide portability of ration card holders/beneficiaries covered under NFSA to lift their entitled foodgrains from any FPS of their choice in the country by using their same/existing ration card after biometric/Aadhaar authentication on a ePoS device. Besides, the scheme also includes setting up of central data repository, national de-duplication, data analytics, etc. The validity of the scheme has been extended up to 31.03.2021.

a. Under the scheme, the facility of inter-State/National portability of ration card holders under 'One Nation One Ration Card' plan is seamlessly available in a single cluster of 12 States, namely– Andhra Pradesh, Goa, Gujarat, Haryana, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan,

Telangana and Tripura. Through this facility, the migratory beneficiaries/ households of these States are able to lift their entitled foodgrains from any FPS of their choice anywhere in these States. Initially this facility was launched in two clusters of 2 adjoining States, namely – Andhra Pradesh & Telangana and Gujarat & Maharashtra w.e.f August, 2019 by Hon'ble Minister of Consumer Affairs, Food and Public Distribution. Later two more clusters of 2 adjoining States, namely – Haryana & Rajasthan and Karnataka & Kerala were added w.e.f. October, 2019.

- b. Besides, the facility of intra-State portability of ration card holders to lift the entitled foodgrains from any FPS within the State is introduced in 16 States, namely Andhra Pradesh, Haryana, Karnataka, Kerala, Maharashtra, Rajasthan, Telangana, Tripura, Gujarat, Jharkhand, Punjab, Madhya Pradesh and Bihar. The facility is partially operational in few FPS areas/districts of Uttar Pradesh, Chhattisgarh and Odisha.

4.14 **Direct Benefit Transfer (DBT) Cash Transfers of food subsidy:** To eliminate leakages, the Department has suggested two models to States/UTs under Direct Benefit Transfer Scheme i.e. Direct Cash Transfer and Automation of Fair Price Shops (FPSs). Cash Transfer of Food Subsidy Rules, 2015 have been notified in August, 2015. Direct Cash Transfer scheme has already been started in UTs of Chandigarh and Puducherry from the month of September, 2015 and part of Dadra & Nagar Haveli from March, 2016.

4.15 Financial assistance given to States/UTs under the schemes:

- a. **End-to-End Computerization of TPDS Operations scheme** is being implemented in collaboration with States/UTs on cost-sharing basis. Costs are shared with States/UTs on 50:50 basis

except for North-Eastern States where cost sharing is done on 90:10 basis. The Cabinet Committee on Economic Affairs (CCEA) approved Component-I of the Scheme in October, 2012 with funding requirement of ₹884.07 crore during FY 2012-17. The Department conveyed the administrative approval for the Scheme on 10.12.2012. The validity of this scheme is up to March, 2020. So far, financial assistance of ₹412.75 crore has been released to 33 States/UTs, NIC etc. State/UT wise status of implementation of various activities under computerization scheme as on 31.12.2019 is at **Annexure-VI**

- b. **ePoS based distribution of subsidized foodgrains:** Fair Price Shop (FPS) automation involves issuance of foodgrains to eligible beneficiary after his/her successful authentication at the FPS using electronic Point of Sale (ePoS) device/ mobile terminal. Department of Food & Public Distribution had issued guidelines on FPS automation, including technical specifications for ePoS device to all States/UTs. Government has approved ₹17 per quintal towards purchase and operations of the ePoS device at FPS for automation under National Food Security Act (NFSA), 2013. Such expenditure would be shared between Centre and State Governments on 50:50 and 75:25 basis for General and Special Category States/UTs respectively.
- c. **Intra-State movement of foodgrains:** NFSA provides for Central assistance to States/UTs to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. For this purpose. An amount of ₹3,883.94 crore has been released during 2018-19 and during the Financial Year 2019-20, ₹1,433.26 crore (as on 31.12.2019) has also been released to State Governments.

4.16 **Notification dated 8th February, 2017 issued under Aadhaar Act, 2016:**

Notification has been issued vide S.O. No. 317 (E) dated 08.02.2017 (as amended from time to time) under Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 which requires individual beneficiary to get his/her ration card authenticated to receive subsidies under NFSA and those who do not possess Aadhaar to make application for Aadhaar enrolment by giving their details to the UIDAI designated agency or as prescribed by the State/UT Governments.

- a. The notification further provides that till the Aadhaar is assigned to the beneficiaries under NFSA, the entitlements shall be given to such individuals on production of ration card and either Aadhaar Enrolment ID slip or copy of his/her request made to the State/UT Government for Aadhaar Enrolment, along with any of the following identification documents, namely: (i) Voter ID card issued by the Election Commission of India; or (ii) PAN Card issued by Income Tax Department; or (iii) valid Passport; or (iv) Driving License issued by Licensing authority under Motor Vehicles Act, 1988 (59 of 1988); or (v) Certificate of Identity having photo issued by the Gazetted officer or Tehsildar on an official letter head; or (vi) Address card having Name and Photo issued by Department of Posts; or (vii) Kisan Photo Passbook; or (viii) any other document as specified by the State Government or Union Territory Administration. Department has extended the timeline of the notification up to 31.03.2020 in order to allow the States/UTs to complete the Aadhaar seeding with all ration cards.
- b. Instructions have been issued vide letter dated 24.10.2017 directing all State/UT Governments not to delete any person/household from the list of eligible

households and not to deny subsidized foodgrains or cash transfer of food subsidy under NFSA only on the ground of not possessing Aadhaar number. In case of failure of biometric authentication due to network/connectivity/linking issue or due to poor biometric of beneficiary or other technical reasons, the beneficiary is to be provided subsidized foodgrains or cash transfer of Food Subsidy on the basis of physical production of Aadhaar Card by him/her in place of biometric authentication. Department has further re-iterated the above instructions to all States/UTs as and when required.

4.17 **Evaluation of schemes and capacity building**

- a. **Concurrent Evaluation of TPDS/NFSA:** An evaluation study on the functioning of TPDS in 27 States/UTs, based on their consent, was awarded to 26 esteemed Monitoring Institutions (MIs). Quarterly reports submitted by MIs for undertaking evaluation exercise in allotted States/UTs had been shared with respective State/UT Governments for necessary actions at their end. The process of submission of quarterly reports by selected MIs is ongoing.
- b. **Training Programmes for TPDS/NFSA functionaries:** With greater infusion of technology and structural reforms and process re-engineering undertaken by the States/UTs for efficient implementation of TPDS operations, it has become necessary to keep the States/UTs, districts and sub-district level functionaries and other officials associated with PDS abreast with the changes and latest happenings in the PDS operations across different parts of the country, so that they can be active and informed participants in the process of change. Besides, there are several new initiatives in the areas of data analysis,

viability of FPSs, portability of ration cards, dash-boarding of data/reports, social audits, oversight and monitoring mechanism under NFSA etc. which need to be understood clearly and properly practiced as a routine. To attain the stated objectives, PDS – Training guidelines have been revised and have been shared with State/UT Governments to conduct the training programmes on the devised guidelines.

- c. Under this,** training has been imparted to two States i.e. Nagaland and Meghalaya covering 550 officials and relevant stakeholders in operations of Supply Chain Management during 18th to 22nd November, 2019. Similar trainings are also planned in other States/UTs in this financial year.

4.18 Formation of vigilance committees at all levels and institutionalization of social audits in TPDS:

a. Vigilance Committees:

- i. Vigilance Committees have been in existence since the inception of the rationing system to ensure transparency and proper functioning of TPDS. Further, NFSA provides that Vigilance Committees shall supervise the implementation of all schemes under the Act, inform the District Grievance Redressal Officer of any violation of the provisions of the Act as well as any malpractice or misappropriation of funds found by it. Every State Government is thus required to setup Vigilance Committees at the State, District, Block and FPS levels consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, Women and Destitute Persons or Persons with

Disability. The TPDS (Control) Order, 2015 stipulates that the meetings of the Committee shall be held at least once every quarter at all levels. The date and periodicity of the meeting would be notified by the State Governments.

- ii. Clause 11(4) of the TPDS (C) Order, 2015 requires the State Governments to set up Vigilance Committees for the TPDS at the State, District, Block and fair price shop levels as per the provisions of the NFSA to perform functions as specified in the said Act. As per clause 11(5) of the TPDS (C) Order, 2015, meetings of the Vigilance Committees shall be held at least once in every quarter at all levels and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity. As per clause 11(6) of the TPDS (C) Order, 2015, the State Government shall send a report annually to the Central Government on the functioning of Vigilance Committees in the prescribed format. As per clause 11(7) of the TPDS (C) Order, 2015, the number of meetings held by the Vigilance Committees shall be displayed on the State web portal and the action taken on issues discussed in meetings of vigilance committees shall be reviewed in the next meeting.

- b. Social Audits:** All States/UTs have been requested vide letter dated 12.09.2017 to consider adopting the guidelines on social audit of the Government of Chhattisgarh including eliciting views/grievances/suggestions from the public on certain important parameters related to functioning of FPSs. States/UTs are also free to modify these guidelines or evolve their own mechanism to suit State specific requirement, for conduct of social audit as per provisions under Section 28 of NFSA, and notify relevant Rules under Section 40(2)(i) of the Act.

4.19 Other initiatives taken to strengthen TPDS:

Following initiatives have also been taken by this Department to strengthen TPDS:

a. Central Portals: Annavitran Portal (annavitran.nic.in) has been developed for the monitoring of electronic transactions made through the ePoS devices in States/UTs for the distribution of highly subsidized foodgrains through TPDS to beneficiaries covered under NFSA. This portal also provides details of biometric/Aadhaar authentication of beneficiaries at the national level besides allocation and distribution of foodgrains up to district level. Further, National Food Security Portal (nfsa.gov.in) has also been setup for continuous monitoring of Ration Cards Management Systems, Online Allocation and Supply Chain Management Systems of States/UTs at the National Level. These portals are developed by Central Technical Partner (NIC).

b. FPS viability:

i. Increase in dealer margins: A few of the States/UTs have taken own steps to increase the FPS dealer margin and increasing the viability of FPSs over and above the dealer margin of ₹70/ Quintal and ₹143/ Quintal given by the Government of India for general category and special category States/UTs respectively. Such States are Maharashtra (₹150/ Quintal), Goa (₹190/ Quintal), Jharkhand (₹100/ Quintal), Gujarat

(₹108/ Quintal), Kerala (₹220/ Quintal), Delhi (₹200/ Quintal), Haryana (₹150/ Quintal), Rajasthan (₹125/ Quintal) and Karnataka (₹100/ Quintal).

ii. Sale of non-PDS items: To make operations of FPSs economically viable, the Clause 9(9) of the TPDS (C) Order, 2015 provides that State/UT Governments may allow FPS owners to enlarge basket of commodities by allowing sale of non-PDS items for daily use as per local requirements at the fair price shop to improve the viability of FPS operations.

ALLOTMENT OF FAIR PRICE SHOPS TO INSTITUTIONS AND GROUPS

4.20 Issue of licenses to fair price shops fall within the purview of State/UT Governments. However, as per NFSA, 2013, States/UTs shall give preference to public institutions or public bodies such as Panchayats, Self Help Groups, Co-operatives, in licensing of fair price shops and management of fair price shop by women or their collectives. Clause 9(5) of the TPDS (C) Order, 2015 reiterates the provisions of NFSA, 2013.

4.21 As per reports received from State/UT Governments up to the end of December, 2019 out of 5.34 lakh fair price shops reported to be in operation in the country, about 1.43 lakh fair price shops have been allotted to Cooperatives, Women's Self Help Groups, Village Panchayats, Urban Local Bodies and other Self Help Groups in 36 States/UTs.



Fair Price Shops

MEETING WITH STATES/UTs

4.22 Operational issues of PDS under NFSA and their Computerization is regularly reviewed through meetings, conferences, video conferencing, etc.

- a. A Meeting was chaired by Hon'ble Minister of Consumer Affairs, Food & Public Distribution at Imphal, Manipur on 20.09.2019 to review the FCI Operations, PDS Computerization, Procurement & Other related matters in the North Eastern States.
- b. A two-day National Conference of State Food Secretaries on "PDS Reforms and New Initiatives" was held on 14th-15th

October, 2019 at Gujarat. The important aspect of PDS reforms which came up for discussion included the seamless working of the online systems, improving strategy for grievance redressal, enhancing outreach to deprived segment of the society, ensuring effective safeguards for non-denial of entitled foodgrains to the beneficiaries, and improving the viability of Fair Price Shops.

- c. Review meetings/video conferences with States/UTs on implementation progress of "End-to-End Computerization of TPDS Operations" were held on 23rd July, 12th July, 24th June, 30th May, 16th May and 24th April, 2019.



National Conference of State/UT Food Secretaries on PDS Reforms & New Initiatives held on 14th -15th October, 2019, Kevadiya, Gujarat



CHAPTER -V

STORAGE



STORAGE

STORAGE OF FOODGRAINS AND AUGMENTATION OF STORAGE CAPACITY

- 5.1 Procurement has touched new heights on account of remunerative Minimum Support Price coupled with better operational outreach. To meet the short-term peak requirements of storage capacity, FCI opts for short-term hiring of covered godowns as well as Cover and Plinth (CAP) for storage of foodgrains. CAP is also a scientific method for storage of foodgrains.
- 5.2 Total storage capacity available with Food Corporation of India is 405.15 lakh MT as on 31.12.2019. Storage capacities, both Covered and CAP, available with State Agencies for Central Pool stock of foodgrains is 353.31 lakh MT. As a result, total of 758.46 lakh MT of storage capacity is available for storage of Central Pool stock of foodgrains. The detailed statement is at **Annexure-VII**.
- 5.3 A lion's share of Storage capacity available with FCI is concentrated mainly in the procuring hub located in the Northern Zone which is about 64% of the total available storage capacity. The Southern Zone, Western Zone, Eastern Zone and North-Eastern Zone have about 16%, 11%, 7% and 2% of the total available storage capacity respectively. Around 76% of the storage capacity is concentrated in 7 major procuring States i.e. Punjab, Haryana, Uttar Pradesh, Andhra Pradesh, Telangana, Maharashtra and Rajasthan, while 7% storage capacity is available in the four newly emerging procuring States of Bihar, Odisha, Jharkhand and West Bengal. Considering that Government of India has initiated an ambitious programme of extension of Green revolution to Eastern States, this has assumed greater importance.

PRIVATE ENTREPRENEURS GUARANTEE (PEG) SCHEME

- 5.4 Under this Scheme, which was formulated in 2008, storage capacity is created in Public Private Partnership (PPP) mode by private parties, Central Warehousing Corporation (CWC) and State Government Agencies for guaranteed hiring by FCI. Assessment of additional storage capacities required under the scheme is based on the overall procurement/consumption and storage space already available. Under the PEG Scheme, FCI gives a guarantee of 10 years to private investors and 9 years to CWC/State Warehousing Corporations (SWCs)/State Agencies.
- 5.5 A total capacity of 150.17 lakh MT has been sanctioned for construction of PEG godowns at various locations in 22 States. Out of this, a capacity of 143.63 lakh MT has already been completed and a capacity of 5.27 lakh MT is under various stages of construction as on 31.12.2019. The State-wise details are at **Annexure-VIII**.
- 5.6 A capacity of 1.46 lakh MT has been completed during the period from 01.04.2019 to 31.12.2019.

SILOS – Scientific Storage of Foodgrains.

- 5.7 Steel silo storage with bulk handling facility is highly mechanized and modernized way of storing of foodgrains in bulk. It ensures better preservation of foodgrains and enhances its shelf life. If foodgrains are stored in silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to foodgrains storage in bags in conventional warehouses. Further, since land availability in existing FCI godowns is scarce, it would be prudent to shift to storage of foodgrains in silos as it requires approximately 1/3rd land as compared to conventional storage warehouses. Moreover,

silos can be operated round the clock which would bring in flexibility and improve overall efficiency. As such, construction and utilization of silos for storing and transportation of foodgrains in bulk would be beneficial to the nation as a whole besides creating an efficient Food Supply Chain Management System. Accordingly, FCI has planned to modernize its storage facilities by construction of modern steel silos in Public Private Partnership (PPP) mode.

- 5.8 In pursuance of recommendations of High Level Committee headed by Shri Shanta Kumar, Hon'ble Member of Parliament, received in January, 2015, this Department has approved a road map/action plan prepared by FCI to augment Silo capacity in the country to the tune of 100 lakh MT. Construction will be done in PPP mode through FCI, State Governments and other agencies like CWC.



Silo storage facility for foodgrains

CENTRAL SECTOR SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS

- 5.11 The Department is implementing a Central Sector Scheme (earlier Plan Scheme) for construction of godowns with focus on augmenting capacity in the North Eastern Region (NER) alongwith few other States.
- 5.12 In addition, under this scheme, assistance is provided to the State Governments to create intermediate storage capacities at Block/

- 5.9 The progress of modernisation of storage facilities and construction of steel silos under the action plan is as given below (up to 31.12.2019):

Silos constructed: 7.25 lakh MT (15 locations)

Under construction: 7.50 lakh MT (14 locations)

Further awarded: 29.50 lakh MT (at 56 locations)

Under tender action/to be/yet to be re-tendered: 8.00 lakh MT (16 locations)

Locations approved by High Level Committee for tendering: 30.50 lakh MT (35 locations)

Total: 82.75 lakh MT

- 5.10 The above capacity includes 0.25 lakh MT rice silos on pilot basis for which FCI has awarded work at Buxar and Kaimur (Bihar). Further construction of rice silos will, however, depend on outcome of these pilot projects.



Taluka level to store foodgrains collected from FCI depots, for further distribution to Fair Price Shops. This is necessary to improve the supply chain logistics for TPDS. While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing funds under Central Sector Scheme to Governments of the NE States including Jammu & Kashmir for this purpose, considering their difficult geographical conditions.

STORAGE



Food Storage Depot at Imphal East & Thoubal

- 5.13 During 12th Five Year Plan, a capacity of 1,17,680 MT in North Eastern (NE) States and a capacity of 10,000 MT in Kerala and 10,000 MT in Odisha has been completed by FCI. Further, a capacity of 46,495 MT has been created by State Governments.
- 5.14 The scheme is being continued w.e.f. 2017-18 to 2021-22. There is a plan to create a capacity of 2,52,330 MT with a financial outlay of ₹455.72 crore, out of which 2,10,440 MT capacity (₹379.71 crore) is to be created by FCI and 41,890 MT capacity (₹76.01 crore) by State Governments of North East Region including Jammu & Kashmir. A capacity of 45,870 MT has been completed by FCI and a capacity of 6,055 MT has been completed

by State Governments (as on 31.12.2019). An amount of ₹52.62 crore has been released to State Governments and ₹117.50 crore to FCI from April, 2017 to December, 2019.

- 5.15 From 01.04.2019 to 31.12.2019, a capacity of 50 MT has been completed by Government of Arunachal Pradesh. An amount of ₹31.00 crore has been released to FCI and a capacity of 2,500 MT has been created from 01.04.2019 to 31.12.2019.
- 5.16 In addition, hiring of storage capacities is done by FCI, wherever required. The storage capacity available with FCI as on 30th June, 2019 and the percentage utilization during last five years is at **Annexure-IX**.



Bag Filter & Bagging Bin

DEPOT ONLINE SYSTEM (DOS)

- 5.17 FCI has implemented Depot Online System (DOS) to automate all the operations at the Depot level and eliminate usage of manual register by capturing data online on a real time basis. DOS is operational at 533 depots of FCI (as on 31.12.2019).
- 5.18 In case of Central Warehousing Corporation (CWC), DOS was implemented in 156 depots

hired by FCI but 12 depots have since been de-hired. As on 31.12.2019, DOS has been installed in all 144 depots hired by FCI.

INSTALLATION OF CCTV CAMERAS

- 5.19 CCTV cameras were installed in 516 depots of FCI during 2013-14 to 2017-18 which includes Integrated Security Surveillance System set up in seven depots during 2014-15 on pilot basis.



CHAPTER -VI

SUGAR



SUGAR

6.1 There are 747 installed sugar factories in the country as on 31.12.2019, with sufficient crushing capacity to produce around 345 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and co-operative sector units. The capacity of sugar mills is, by and large, in the range of 2500 TCD to 5000 TCD bracket which is expanding and in some cases going beyond 10000 TCD. Two standalone refineries have also been established in the country in the coastal belt of Gujarat and West Bengal. These refineries are producing refined sugar from imported raw sugar as well as from indigenously produced raw sugar. The sector-wise break-up of sugar mills in the country is as given below:

S. No.	Sector	Number of factories
1.	Co-operative	329
2.	Private	375
3.	Public	43
Total		747*

*Including refineries.

SUGARCANE PRICING POLICY

6.2 With the amendment of the Sugarcane (Control) Order, 1966 on 22.10.2009, the concept of Statutory Minimum Price (SMP) of sugarcane was replaced with the 'Fair and Remunerative Price (FRP)' of sugarcane for 2009-10 and subsequent sugar seasons. The cane price announced by the Central Government is decided on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) in consultation with the State Governments and after taking feedback from associations of sugar industry. The amended provision of the Sugarcane (Control) Order, 1966 provides for fixation of FRP of sugarcane, having regard to the following factors:

- i. cost of production of sugarcane;
- ii. return to the growers from alternative crops and the general trend of prices of agricultural commodities;
- iii. availability of sugar to consumers at a fair price;
- iv. price at which sugar produced from sugarcane is sold by sugar producers;
- v. recovery of sugar from sugarcane;
- vi. the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value (inserted vide notification dated 29.12.2008);
- vii. reasonable margins for the growers of sugarcane on account of risk and profits (inserted vide notification dated 22.10.2009).

6.3 Under the FRP system, the farmers are not required to wait till the end of the season or for any announcement of the profits by sugar mills or the Government. The new system also assures margins on account of profit and risk to farmers, irrespective of the fact whether sugar mills generate profit or not and is not dependent on the performance of any individual sugar mill.

6.4 In order to ensure that higher sugar recoveries are adequately rewarded and considering variations amongst sugar mills, the FRP is linked to a basic recovery rate of sugar, with a premium payable to farmers for higher recoveries of sugar from sugarcane.

6.5 Accordingly, FRP for 2019-20 sugar season has been fixed at ₹275 per qtl. linked to a basic recovery of 10% subject to a premium of ₹2.75/ctl for each 0.1% increase of recovery over and above 10% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate till 9.5%. With a view to protect interest of farmers, the Government has

decided that there shall not be any deduction in case where recovery is below 9.5%; such farmers will get ₹261.25 per quintal for sugarcane in the current season.

- 6.6 The FRP of sugarcane payable by sugar factories for each sugar season from 2009-10 to 2019-20 is tabulated below:

Sugar Season	FRP (₹ per quintal)	Basic Recovery Level
2009-10	129.84	9.5%
2010-11	139.12	9.5%
2011-12	145.00	9.5%
2012-13	170.00	9.5%
2013-14	210.00	9.5%
2014-15	220.00	9.5%
2015-16	230.00	9.5%
2016-17	230.00	9.5%
2017-18	255.00	9.5%
2018-19	275.00	10%
2019-20	275.00	10%

DE-REGULATION OF SUGAR SECTOR ON THE RECOMMENDATIONS OF DR. C. RANGARAJAN COMMITTEE REPORT

- 6.7 The year 2013-14 was a watershed year for the sugar industry. The Central Government considered the recommendations of the committee headed by Dr. C. Rangarajan on de-regulation of sugar sector and decided to discontinue the system of levy obligations on mills for sugar produced after September, 2012 and abolished the regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector was undertaken to improve the financial health of sugar mills, enhance cash flows, reduce

inventory costs and also result in timely payments of cane price to sugarcane farmers. The recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to State Governments for adoption and implementation, as considered appropriate by them. The gist of recommendations of the Committee and action taken by the Government thereon is given at **Annexure-X**.

DISTRIBUTION OF SUGAR THROUGH PDS TO ANTODAYA ANNA YOJANA (AAY) FAMILIES

- 6.8 Sugar was being distributed through the Targeted Public Distribution System (TPDS) by the States/UTs at subsidized prices for which the Central Government was reimbursing them at ₹18.50 per kg. The scheme was covering all BPL population of the country as per 2001 census and all the population of the North Eastern States / special category/ hilly states and Island territories. The National Food Security Act, 2013 (NFSA) is now being universally implemented by all 36 States/UTs. Under the NFSA, there is no identified category of BPL; however, the Antyodaya Anna Yojana (AAY) beneficiaries are clearly identified. The Government of India has reviewed the Sugar Subsidy Scheme and has decided to give access to consumption of sugar as a source of energy in diet, for the poorest of the poor section of the society i.e. AAY families. Accordingly, it was decided on 2nd June, 2017 that the existing system of sugar distribution through PDS may be continued as per the following:

- The existing scheme of supply of subsidized sugar through PDS may be continued for restricted coverage of AAY families only, providing 1 kg of sugar per AAY family per month.
- The current level of subsidy at ₹18.50 per kg provided by the Central Government

SUGAR

to States/UTs for distribution of sugar through PDS may be continued for the AAY population. The States/UTs may continue to pass on any additional expenditure on account of transportation, handling and dealers' commission etc. over and above the retail issue price of ₹13.50 per kg to the beneficiary or bear it themselves.

- 6.9 Pursuant to the above decision, revised guidelines for reimbursement of sugar subsidy to States/UTs for distribution of sugar under PDS for AAY families have also been issued.

SUGAR STANDARDS

- 6.10 Sugar Industry Sectional Committee of Food & Agricultural Division (FAD-2) of which Director, National Sugar Institute, Kanpur is Chairman, Bureau of Indian Standard (BIS), with the concurrence of Head, Food & Agricultural Division, recommends the Indian Sugar Standards for use by the sugar factories, trade, Government Organizations etc. and to review the price differentials for different grades of sugar and other related matters.

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

- 6.11 From sugar season 2017-18 and 2018-19, there has been surplus production surpassing the domestic consumption of around 253 lakh MT and 255 lakh MT respectively. Season wise production of sugar from 2014-15 and onwards is given below:

Sugar Season (October-September)	Production of Sugar (in lakh MT)
2014-15	284.63
2015-16	251.21
2016-17	202.27
2017-18	323.87
2018-19 (Provisional)	331.30

- 6.12 The closing stocks of sugar at the end of each sugar season from 2014-15 and onwards is given below:

(in lakh MT)

Sugar Season	Closing Stock
2014-15	90.00
2015-16	77.10
2016-17	39.77
2017-18	106.73
2018-19 (Provisional)	145.03

- 6.13 The details of estimated carry-over stocks, production, imports, availability, estimated internal consumption, closing stocks for the last five seasons are at **Annexure-XI**.

EX-MILL & RETAIL PRICES OF SUGAR

- 6.14 The range of price of sugar (S-30 Grade) in the major centres of the country from sugar season 2014-15 to 2018-19 is as under :

Sugar Season (October - September)	*Range of Ex-mill Prices (₹per quintal)	**Range of retail prices (₹ per kg.)
2014-15	2050-2860	29-36
2015-16	2350-3500	31-41
2016-17	3391-3731	41-44
2017-18	2670-3660	36-43
2018-19	3050-3400	35-40

Source: * Daily Trade Mart Enquiry, Directorate of Sugar and Vegetable Oils.

** Price Monitoring Cell, Department of Consumer Affairs

EXPORT OF SUGAR

- 6.15 Sugar is an essential Commodity. Its sales, delivery from mills, and distribution were regulated by the Government under EC Act,

1955. Till 15.01.1997, the exports of sugar were being carried out under the provisions of the Sugar Export Promotion Act, 1958, through the notified export agencies, viz. Indian Sugar & General Industry Export Import Corporation Ltd. (ISGIEIC) and State Trading Corporation of India Ltd. (STC).

- 6.16 Through an Ordinance, the Sugar Export Promotion Act, 1958, was repealed w.e.f. 15th January, 1997 and thus the export of sugar was decanalised. Under decanalised regime, the export of sugar was being carried out through the Agricultural and Processed Food Products Export Development Authority (APEDA), under Ministry of Commerce. Thereafter, the sugar export was undertaken by the various sugar mills/merchant exporters, after obtaining the export release orders from the Directorate of Sugar.
- 6.17 During the surplus phase of 2006-07 and 2007-08 sugar seasons, the sugar exports were permitted without release orders vide notification dated 31.07.2007. Subsequently, the permission for obtaining release order was reintroduced from 01.01.2009, in view of drop in sugar production. However, due to surplus production during 2010-11 sugar season, Government permitted exports under Open General License (OGL) on the strength of the release order.
- 6.18 The phase of surplus production continued and the Government vide Notification No. 1059 (E) dated 11.05.2012 has again dispensed with the requirement of export release orders. Thereafter, the export of sugar was allowed free subject to prior registration of quantity with DGFT. Subsequently, w.e.f. 7th September, 2015, the requirement for prior registration (RC) was also dispensed with.
- 6.19 As per information published by DGCIS, Kolkata, the export of sugar from sugar season 2014-15 and onwards is given below:

S. No.	Year	Quantity exported (in Lakhs MT)
1.	2014-15	24.32
2.	2015-16	37.98
3.	2016-17	21.30
4.	2017-18	21.51
5.	2018-19	46.95

IMPORT OF SUGAR

- 6.20 Import of sugar, which was placed under Open General License (OGL) with zero duty in March, 1994, continued with zero duty upto 27.04.1999. The Government imposed a basic customs duty of 5% and a countervailing duty of ₹850.00 per MT on imported sugar with effect from 28.04.1998. The basic custom duty was increased from 5% to 20% w.e.f. 14.04.1999 in addition to the countervailing duty. In the Union Budget for the year 1999-2000, duty on imported sugar was further increased from 20% to 25% with surcharge of 10%. The customs duty on imports of sugar was again increased to 40% on 30.12.1999 and 60% on 09.02.2000 along with continuance of countervailing duty of ₹950/- per MT (w.e.f. 01.03.2008) plus 3% education cess.
- 6.21 Due to decline of sugar production in the sugar season 2008-09 and in order to augment the domestic stock of sugar, the Central Government has allowed import of raw sugar at zero duty under Open General License (OGL) w.e.f. 17.04.2009 which was applicable till 30.06.2012. Thereafter, a moderate duty of 10% was re-imposed w.e.f. 13.07.2012 which was subsequently increased to 15% w.e.f. 08.07.2013. Due to surplus stocks of sugar in the country and in order to check any possible imports, the Government

SUGAR

increased the import duty from 15% to 25% on 21.08.2014, which was subsequently increased to 40% w.e.f. 30.04.2015, which was further increased to 50% w.e.f. 10.07.2017. Further, it was increased from 50% to 100% w.e.f. 06.02.2018.

- 6.22 In order to minimise the regional imbalances in demand and supply and to keep the sugar prices at reasonable level during the sugar season 2016-17, the Government permitted 8 lakh MT of raw sugar import by sugar mills in two tranches of 5 lakh MT at 0% duty and 3 lakh MT at 25% duty for domestic consumption
- 6.23 As per information published by DGCIS, Kolkata, the export/import of sugar from sugar season 2014-15 to 2018-19 is given below:

S. No	Year	Quantity imported *	
		OGL	AAS
1.	2014-15	-	12.82
2.	2015-16	-	19.06
3.	2016-17	5.00	21.82
4.	2017-18	2.50	18.17
5	2018-19	0.02	11.59

* under Open General License (OGL) and Advance Authorisation Scheme (AAS).

ETHANOL BLENDED PETROL PROGRAMME (EBP PROGRAMME)

- 6.24 Ethanol is an agro-based product, mainly produced from a by-product of the sugar industry, namely molasses. In years of surplus production of sugarcane, when prices are depressed, the sugar industry is unable to make timely payment of cane price to farmers. The Ethanol Blending Programme (EBP) seeks to achieve blending of Ethanol with motor spirit with a view to reducing pollution, conserve foreign exchange and

increase value addition in the sugar industry enabling them to clear cane price arrears of farmers.

- 6.25 Government has also allowed production of ethanol directly from sugar/sugar syrup in addition to sugarcane juice. Further with a view to support sugar sector and in the interest of sugarcane farmers, the Government has fixed the remunerative ex-mill price of ethanol derived from C-heavy at ₹43.75/litre, from B-heavy molasses at ₹54.27/litre and at ₹59.48/litre for the ethanol derived from sugarcane juice/ sugar/ sugar syrup.

SCHEME FOR EXTENDING FINANCIAL ASSISTANCE TO SUGAR UNDERTAKINGS (SEFASU-2014)

- 6.26 The Government on 03.01.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans by banks as additional working capital to sugar mills, for clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season to sugarcane farmers. An amount of ₹6,486 crore has been disbursed under the scheme. Interest burden on this loan, for five years is borne by the Government through the Sugar Development Fund (SDF). So far, ₹2,630.20 crore has been released to the banks as payment towards interest.

LEVY SUGAR PRICE EQUALISATION FUND (LSPEF)

- 6.27 The Levy Sugar Price Equalisation Fund Act, 1976 (as amended in 1984) was enacted by the Parliament of India to provide for the establishment, in the public interest, of a Fund to ensure that the price of levy sugar may be uniform throughout India and for matters connected therewith or incidental thereto. It has been enforced w.e.f. 01.04.1976. As per the provisions of the Act, the Fund shall be

administered by the Central Government and is to be utilized, having regard to the interest of consumers of levy sugar as a class.

- 6.28 The said Act was amended in 1984 to provide for certain modifications in the principal Act, with a view to obviating litigations on the subject in the light of the experience gained during the administrations of the LSPEF Act, 1976.
- 6.29 In exercise of powers conferred in the LSPEF Act, 1976, the Levy Sugar Price Equalisation Fund Rules, 1977 were made, to provide for the manner of: (i) crediting moneys to the Fund, (ii) accounting and transactions of the Fund, (iii) inviting applications from buyers for refund, (iv) utilisation of Fund by the Central Government, etc. besides prescription of forms for various purposes in terms of the LSPEF Act.
- 6.30 Till date total recovery of ₹1,624,923,943.44/- has been made and remitted to the said Fund. The details thereof are given at **Annexure-XII**.
- 6.31 The Central Government considered the recommendations of the committee headed by Dr. C Rangarajan on de-regulations of sugar sector and decided to discontinue the system of levy obligations on Mills for sugar produced after September 2012 and abolished the regulated release mechanism on open market sale of sugar. As such, the LSPEF dues as mentioned herein pertain to the period prior to September, 2012.

SUGAR DEVELOPMENT FUND

- 6.32 Under the Sugar Cess Act, 1982, a cess was used to be levied and collected as a duty of excise for the purpose of the Sugar Development Fund (SDF) in addition to the excise duty collected on sugar under the Central Excise Act, 1944.

- 6.33 The Sugar Development Fund Act, 1982, provides that an amount equivalent to the proceeds of the duty of excise levied and collected under the Sugar Cess Act, 1982, reduced by the cost of collection as determined by the Central Government, together with any money received by the Central Government for purpose of this Act, shall after due appropriation made by Parliament by law, be credited to the Sugar Development Fund (SDF). However, Central Government through Taxation Laws Amendment Act, 2017 has abolished various cesses including Sugar Cess which was collected under the provisions of the Sugar Cess Act, 1982. The expenditure under the SDF Act is now met through the normal budgetary process of the Government.
- 6.34 During the period from 1982-83 to 2019-20, a net Cess amount of ₹12,834.44 crore has been collected (up to 30.06.2017, as Cess is abolished by Central Government after GST). Out of this, till 31.03.2018, an amount of ₹10195.52 crore has been transferred to the Sugar Development Fund.
- 6.35 In accordance with the SDF Act and SDF Rules loans are disbursed to the sugar mills for facilitating the rehabilitation and modernisation, bagasse-based co-generation power projects, production of anhydrous alcohol or ethanol from alcohol, conversion of existing ethanol plant into Zero Liquid Discharge (ZLD) plant, and development of Sugarcane. The loans are provided at a concessional rate of 2% below the prevailing bank rate. A brief description of loans granted from Sugar Development Fund is given at **Annexure-XIII**.
- 6.36 The amount disbursed to various sugar mills for various scheme during financial year 2019-20 (as on 31.12.2019) is as follows:

Name of Scheme	Amount disbursed (₹ in Crore)
Admn. of Sugar Development Fund	₹ 21.00
Loan to sugar factories for modernization/ rehabilitation of plant and machinery, including expansion of crushing capacity	0
Loans to sugar factories for sugar cane development	0
Loans to sugar factories for bagasse based cogeneration power projects	₹ 29.50
Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	₹ 60.00
Scheme for Extending Financial Assistance to Sugar undertaking 2014	₹ 0
Total	₹110.50

6.37 List of SDF beneficiaries (non-official recipients of Government funds) who have received financial assistance in respect of Scheme of Modernisation/ Expansion, Cane development, Cogeneration, Ethanol/ ZLD, SEFASU-2014, during 2019-20 (as on 31.12.2019) is at **Annexure-XIV**.

6.38 During the financial year 2019-20 (as on 31.10.2019), an amount of ₹286.26 crore has been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.

MAXIMUM ADMISSIBLE EXPORT QUANTITY (MAEQ)

6.39 In view of high inventory levels with the sugar industry and to facilitate achievement of financial liquidity, mill-wise MAEQ of 60 lakh MT have been fixed for sugar

season 2019-20 vide DFPD’s order dated 16.09.2019. Sugar mills are required to export their MAEQ entitlement by 30.09.2020.

SUGAR EXPORT POLICY FOR EVACUATION OF SURPLUS STOCKS DURING SUGAR SEASON 2019-20

6.40 With a view to facilitate export of sugar during the sugar season 2019-20 (1st October, 2019 to 30th September, 2020) thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2019-20, the Government vide notification dated 12.09.2019 has notified a scheme for providing assistance to sugar mills for expenses on export of 60 lakh MT of sugar to the extent of Maximum Admissible Export Quantity (MAEQ) for sugar season 2019-20. Under the scheme, Govt would be providing a lump sum assistance at ₹10,448/ MT to sugar mills to facilitate export in sugar season 2019-20 for which an estimated expenditure of ₹6268 crore would be borne by Government.

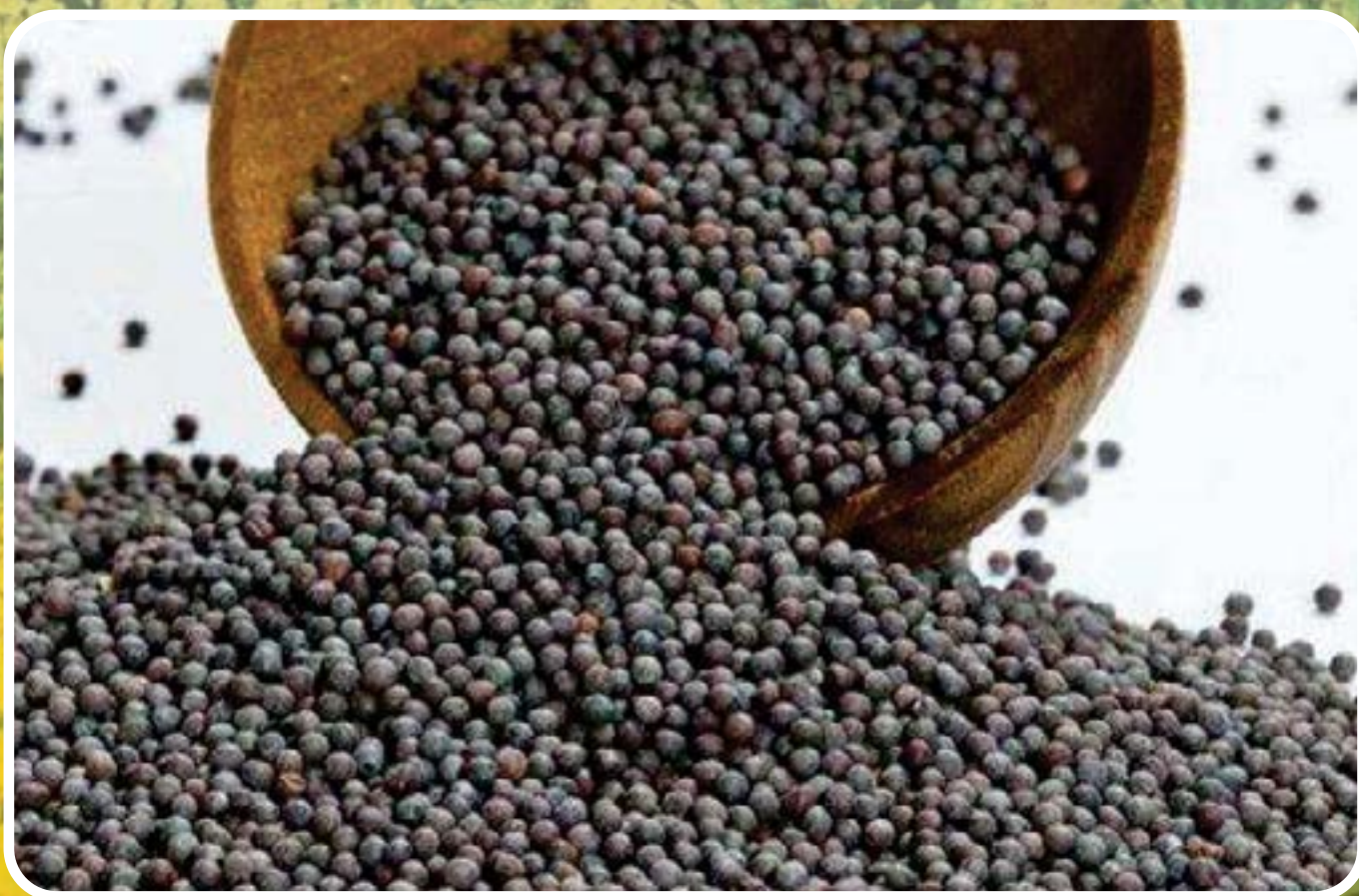
SCHEME FOR CREATION AND MAINTENANCE OF BUFFER STOCK OF 40 lakh MT OF SUGAR

6.41 In order to maintain demand supply balance in the domestic market and to stabilize sugar prices thereby improving liquidity of sugar mills enabling them to clear cane price arrears of farmers, Government has created a buffer stock of 40 lakh MT of sugar for a period of one year from 1st August, 2019 to 31st July, 2020, the Scheme has been notified on 31st July, 2019. The Government will reimburse carrying cost of ₹1674 crore to sugar mills for maintaining such buffer stock. The subsidy shall be credited to a no-lien bank account opened by the sugar mill. From this no-lien account, banks shall directly remit the funds into the accounts of farmers on behalf of sugar mills against cane price arrears and subsequent balance, if any, would be credited to mills’ account.



CHAPTER -VII

EDIBLE OILS



EDIBLE OILS

7.1 Edible oils and Fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. The Department of Food and Public Distribution deals with issues related to the Vegetable Oil Processing Industries, Price Control, Inter State trade & commerce and also supply & distribution of vanaspati, oilseeds, vegetable oil, cakes and fats. The Directorate of Sugar and Vegetable Oils is staffed with qualified technical people who assist the Ministry in the coordinated management of Vegetable Oils Policy, particularly relating to production/availability and monitoring of prices.

MAIN EDIBLE OILS

Domestic Production of Edible Oils (2018-19)

(in lakh MT)

Mustard	28.97
Soyabean	22.09
Groundnut	15.18
Sunflower	0.73
Sesame	2.36
Niger Seed	0.19
Castor	4.27
Linseed	0.4

Coconut	5.9
Cottonseed	11.13
Rice Bran	10.68
Solvent Extracted Oils	3.25
Tree & Forest Origin	1.5
Palm Oil	2.8

7.2 Domestic production of edible oils is unable to meet domestic demand. As per the 4th Advance Estimates released by the Department of Agriculture, Cooperation and Farmers Welfare the estimated production of oilseeds for 2018-19 is 322.57 lakh MT as against 314.59 lakh MT in 2017-18. The total availability of edible oils from all sources (primary and secondary) for 2018-19 is estimated at 103.52 lakh MT as against 103.80 lakh tons in 2017-18. The gap between demand and supply is about 60% and is met through imports. Out of the total quantity of oils imported, Palm oils (Crude + Refined) constitute around 60% and are imported mainly from Indonesia and Malaysia, while Soyabean oil constitutes around 20% and is imported from Argentina and Brazil. Sunflower oil constitutes around 15% and is imported mainly from Ukraine. The domestic production and import of edible oils during the last five years is as follows:

(in lakh MT)

Year (Nov.-Oct.)	Domestic Availability of Edible Oils#	Imports of Edible Oils*	Total Availability/Consumption	% Self sufficiency	% Share of imports
2014-15	92.06	138.53	230.59	40	60
2015-16	86.30	148.50	234.80	36.8	63.2
2016-17	100.99	153.17	254.16	39.7	60.3
2017-18	103.80	145.92	249.72	41.6	58.4
2018-19	103.52	155.70	259.22	40	60

* Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce)

Based on the Advance Estimates declared by DACFW

7.3 There are two sources of oils viz. primary source and secondary source. The primary sources of oil are nine principal oilseeds viz. groundnut, rapeseed/mustard, soyabean, sunflower, sesame, niger, safflower, castor and linseeds. Edible oils obtained through secondary sources include coconut, cottonseed, palm, rice bran and oilseed cakes. The production of nine principal oilseeds and availability of edible oils from domestic sources (primary source and secondary source) for the last three years and the estimated production for 2018-19 are given at **Annexure - XV**.

7.4 As per the 4th Advance Estimates of Ministry of Agriculture released on 19.08.2019 for 2018-19, estimated Oilseeds production is about 322.57 lakh MT and estimated production of oils from these oilseeds in 2018-19 comes to about 74.26 lakh MT. The total availability of edible oils from primary as well as secondary sources is estimated at 103.52 lakh MT.

7.5 Vegetable Oil Products Production and Availability (Regulation) Order, 2011 which came into force w.e.f. 7th September, 2011 is administered by the Department. A producer who intends to produce, stock for sale or offer for sale vegetable oil, vegetable oil product, solvent extracted oil, de-oiled meal or edible

flour shall make an application to the Director (S&VO) as specified in the Schedule-I, and obtain a registration certificate as specified in Schedule-II of the said order. So far 864 edible oil refining industries and solvent extraction units have been registered under the said order till 03.12.2019.

ASSESSMENT OF PRODUCTION AND SUPPLY OF EDIBLE OILS

7.6 The production of domestic oilseeds has shown an increase since 2003-04. As oilseeds are cultivated on marginal land and largely dependent on rainfall, their production has been stagnant for the last couple of years. Favorable climatic conditions all over the country during the past year has led to an increase in the production of oilseeds and thereby edible oils. However, domestic demand for edible oils has been increasing at a pace faster than that of production due to growth in population and improvement in the standards of living of people, hence domestic production is insufficient to meet the demand. The shortfall which is around 60% is met through imports.

7.7 Production of major oil seeds, availability of edible oils from all domestic sources and consumption of edible oils (from domestic sources and imports) during the last five years are as under:

(in million MT)

Year (Nov.-Oct.)	Production of oilseeds*	Domestic Availability of Edible Oils@	Imports of Edible Oils#	Total Availability/ Consumption
2014-15	27.51	9.20	13.85	23.05
2015-16	25.25	8.63	14.85	23.48
2016-17	31.27	10.09	15.32	25.41
2017-18	31.46	10.38	14.59	24.97
2018-19 ^s	32.26	10.35	15.57	25.92

Source :

* Ministry of Agriculture

@ Directorate of Sugar and Vegetable Oils

Directorate General of Commercial Intelligence & Statistics (Department of Commerce).

^s As per 4th Advance Estimates of the Deptt. of Agriculture, Cooperation & Farmers Welfare.

EDIBLE OILS

7.8 Per capita consumption of edible oils in the country as compared to world per capita consumption of edible oils since last five years has been as under:

(Kg. per annum)

YEAR	2014-15	2015-16	2016-17	2017-18	2018-19
INDIA	17	19	18.9	19.5	19.8
WORLD	30	30.5	28	29.3	30.5

IMPORT POLICY ON EDIBLE OILS

7.9 Since domestic production of edible oils is unable to meet demand, import of edible oils has been resorted to for more than two decades to make this item of mass consumption easily available to consumers at reasonable prices.

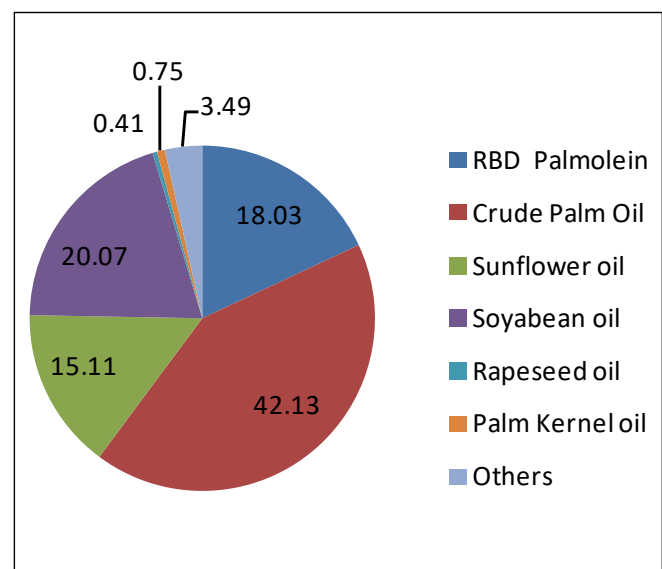
7.10 In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. With effect from 14.06.2018, the import duty on all crude and refined edible oils, except Palm oil and Olive oil was raised to 35% and 45% respectively while the import duty on Olive oil was increased to

40%. With effect from 01.01.2020 the import duty on Crude and Refined Palm Oil was revised to 37.5% and 45% respectively for imports from ASEAN countries. However, w.e.f. 04.09.2019, additional 5% duty is being levied on imports of Refined Palm oils from Malaysia as a safeguard measure.

7.11 Around 60% of domestic demand of edible oils is met through imports. The total import of edible oils in 2018-19 (Nov-Oct) was 155.70 lakh MT. The major edible oils imported are Crude Palm Oil, Soyabean Oil and Sunflower Oil which constituted 42.13%, 20.07% and 15.11% respectively while RBD Palmolein constituted 18.03% of total edible oil imports.

IMPORT OF EDIBLE OILS- 2018-19

Name of Oil	Percentage
RBD Palmolein	18.03
Crude Palm Oil	42.13
Sunflower oil	15.11
Soyabean oil	20.07
Rapeseed oil	0.41
Palm Kernel oil	0.75
Others	3.49



EXPORT OF VEGETABLE OILS, OILSEEDS AND DE-OILED MEAL

7.12 With effect from 06.04.2018, export of all edible oils except mustard oil has been made free without quantitative ceiling; pack size etc, till further orders. Export of mustard oil

is permitted in packs of up to 5 Kg with a Minimum Export Price (MEP) of USD 900 per MT.

7.13 Exports of Vegetable Oils, Oilseeds and De-Oiled Meal during the last four years and the current year are as under:

(Qty.in lakh MT)
(Value in ₹ crore)

Year (April - March)	Oil Seeds		Vegetable Oils		De-Oiled Meal	
	Qty.	Value	Qty.	Value	Qty.	Value
2015-16	10.90	8175.68	0.31	522.94	20.56	3599.55
2016-17	12.40	9103.98	0.60	779.97	26.32	5410.09
2017-18	11.45	7573.41	0.37	566.04	35.71	7043.15
2018-19	10.28	8081.19	0.50	744.58	44.93	10557.48
2019-20 (upto Oct, 19)	3.97	3819.80	0.32	522.11	16.04	3389.98

Source: DGCIS

TARIFF VALUE

7.14 In order to check the instances of under-invoicing of Edible Oil imports, the Government had fixed tariff value on import of Crude Palm Oil, RBD Palm Oil and RBD Palmolein vide Notification dated 03.08.2001 issued by Ministry of Finance. Subsequently, tariff values on import of edible oils such as Crude and Refined Palm oils, Crude and Refined Palmolein, Crude Soyabean Oil etc are being revised fortnightly to align it with the current international prices.

SOME OF THE MEASURES TAKEN BY THE GOVERNMENT

7.15 An Inter Ministerial Committee Chaired by Secretary (Food) is in place which closely monitors the duty structure of edible oils and other commodities in addition to their price and availability keeping in view the interest of farmer, industry and consumer. Wholesale and Retail prices of major edible oils were stable and range bound throughout the year.



CHAPTER -VIII

INTERNATIONAL CO-OPERATION



INTERNATIONAL CO-OPERATION

8.1 India is associated with a number of international agencies working in the field of food related matters. These include World Food Programme (WFP), SAARC Food Bank, Food and Agriculture Organisation (FAO), International Grains Council (IGC) and International Sugar Organisation (ISO) etc. Interface of Department of Food & Public Distribution with these organizations is handled by International Cooperation (IC) Section of the Department.

SAARC FOOD BANK

8.2 In pursuance of the decision taken in the 14th SAARC Summit held in New Delhi on April 3rd – 4th, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries have signed the Agreement to establish the SAARC Food Bank. The Food Bank will supplement national efforts to provide food security to the people of the region. The agreement on Establishing the SAARC Food Bank has since been ratified by the President of India on 17th April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of foodgrains to be maintained by each member States consisting of either wheat or rice, or a combination of both as assessed share of the country. India's initial assessed share in the reserve was 1,53,200 MT out of a total share of 2,43,000 MT. The assessed share is presently kept as 3,06,400 MT out of a total share of 4,86,000 MT. The reserves have been kept in different strategic locations in the designated Godowns of Food Corporation of India (FCI). Joint Secretary (IC), Department of Food & Public Distribution has been designated as Member of SAARC Food Bank Board to represent India. The Board has considered and agreed to the proposal to designate the Central Grain Analysis Laboratory (CGAL), New Delhi as the regional reference laboratory for SAARC Food Bank.

8.3 The Ninth SAARC Food Bank Board (SFB) meeting was held on 21st – 22nd September, 2016 in Kathmandu, Nepal. India represented the meeting at the level Joint Secretary (IC) in the department in the capacity of Member, SAARC Food Bank Board. The meeting inter-alia discussed matters relating to the review of the Implementation status of the decisions taken at the Eighth Meeting of the SAARC Food Bank Board (Malé, 2nd – 3rd September, 2015) and matters related to amending the Agreement on establishing the SAARC Food Bank, collaboration and cooperation with the International Organizations (e.g. FAO, IFAD, WFP etc.) to enhance regional food security. A presentation by SAARC Agriculture Centre on the status of the SAARC Food Bank Information System (SFBIS) was also made.

8.4 The Tenth SAARC Food Bank Board (SFB) meeting was held on 21st - 22nd January, 2019 in Islamabad, Pakistan. Representative from MEA attended the meeting on behalf of India. During the meeting inter-alia issues relating to review of the Status of Implementation of the decisions taken at the Ninth Meeting of the SAARC Food Bank Board (Kathmandu, 21st – 22nd September, 2016), consideration of the update on the draft amendment to the Agreement on establishing the SAARC Food Bank, matters relating to formulation of Guidelines on Storage Methods, Practices and Quality Control Measures, Collaboration and Cooperation with International Organizations (e.g. FAO, IFAD, UNESCAP, WFP etc.) to enhance regional food and nutrition security.

8.5 Eleventh Meeting of the SAARC Food Bank Board held in Colombo, Sri Lanka on 21st and 22nd January, 2020.

FAO AND COMMITTEE ON WORLD FOOD SECURITY (CFS)

8.6 Food and Agriculture Organization (FAO) is one of the largest specialized agencies in the UN System founded in 1945 with a mandate

to raise levels of nutrition and standard of living by improving agricultural productivity and living conditions of rural population. The Committee on World Food Security (CFS) serves as a forum in the United Nations System for review and follow-up of policies concerning world food security, including food production, physical and economic access to food. India is a member to both FAO and CFS. Committee on World Food Security (CFS) monitors the progress of implementation of the WFS Plan of Action.

- 8.7 The 45th session of the Committee on World Food Security (CFS) was held at FAO Headquarters in Rome, Italy from 15th –19th October, 2018 which was attended by Shri Kamal Datta, Joint Secretary (Impex & IC) inter-alia the deliberation on the following issues were made during the session:
- i. State of Food Security and nutrition in the World 2018
 - ii. State of Food and Agriculture 2018: Panel Discussion
 - iii. Critical and Emerging issues in Food Security and Nutrition - Towards a Strategic Multi-Year Programme of Work (MYPoW) 2020-2023
 - iv. CFS Workstream Updates and Decisions
 - a. Endorsement of the Terms of Reference for Policy Guidance on Food Systems and Nutrition
 - b. CFS and the 2030 Agenda: Contributions to the High Level Political Forum (HLPF)
 - v. Global Thematic Event on the Right to Food Guidelines
 - vi. The High Level Panel of Experts (HLPE) Report on Multi stakeholder Partnerships to finance and improve Food security and nutrition in the framework of the 2030 Agenda

vii. Good Practices and Lesson Sharing

G-20 MATTERS

- 8.8 A Steering Committee has been constituted in the Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) under the Chairmanship of Secretary (DAC&FW) to oversee the follow-up action on the initiative declared in Ministerial declaration endorsed at G-20 Agriculture Ministers meeting held in June, 2011. The Committee is comprised of representatives from different Ministries. Department of Food & Public Distribution has been made the Nodal Department for (i) Rapid Response Forum and (ii) Emergency Humanitarian Food Reserves. Besides, this Department has been included as a member of Agricultural Marketing Information System (AMIS) under the Nodal authority of DAC&FW to carry out different mandate as considered appropriate.

INTERNATIONAL GRAINS COUNCIL (IGC)

- 8.9 India is a member of the International Grains Council (IGC) an inter-governmental forum of exporting and importing countries for co-operation in wheat, rice and coarse grain matters which was previously known as International Wheat Council up to 1995. It administers the Grains Trade Convention 1995. The IGC Secretariat, based in London since 1949, also services the Food Aid Committee, established under the Food Aid Convention. International Grains Agreement comprises of Grains Trade Convention (GTC) and Food Aid Convention (FAC). India is a signatory to the International Grains Agreement (IGA) 1995 and its Grain Trade Convention (GTC) 1995 which is effective from 1st July, 1995. IGC have two types of members-Importing Members and Exporting Members. India has been included in the category of Exporting members in July, 2003 and represented in the meetings/session of the Council held from time to time. Besides, this Department also participates in other meetings of IGC like Market Conditions

INTERNATIONAL CO-OPERATION

Committee meetings and Executive Committee meetings. Department of Food and Public Distribution pays India's Annual membership contribution to the Council.

- 8.10 47th Session of International Grains Council (IGC) was held on 18th June, 2018 and 27th International Grains Council Conference was held on 19th -20th June, 2018 at London, U.K. Indian delegation comprising of the then Economic Adviser (NFSA), Department of Food and Public Distribution and an Executive Director, FCI attended Council Session and IGC Grain Conference.
- 8.11 48th Session of International Grains Council (IGC) was held on 4th -5th December, 2018 at Paris, France wherein delegation comprising of Mrs. Manisha Sensarma, Economic Adviser (NFSA), and Mrs. Hema Jaiswal, Deputy Secretary (Finance), Department of Food and Public Distribution had attended Council Session and IGC Grain conference.
- 8.12 49th Session of International Grains Council (IGC) was held on 11th-12th June, 2019 at London, U.K. wherein Dr. Chunni Lal Ram, Executive Director, Food Corporation of India had attended the Session.
- 8.13 50th Session of International Grains Council (IGC) was held on 3th - 4th December, 2019 at London, U.K. which was attended by Shri D.K. Gupta, Director (PD), Department of Food and Public Distribution.

WORLD FOOD PROGRAMME (WFP)

WFP'S Country Strategic Plan (CSP) 2019-23

- 8.14 Country Strategic Programme (CSP 2019-2023) seeks to support India in inter-alia achieving Sustainable Development Goals 2 by capitalizing on its investments. Department of Agriculture, Cooperation and Farmers Welfare has signed a Memorandum of Understanding between Government of India and the United Nations World Food Programme (UNWFP) on cooperation for

2019-2023. The Strategic outcome 1 of CSP 2019-2023 which is mainly relates to this Department states as under:

Strategic outcome 1: The most vulnerable people in India are better able to meet their minimum food and nutrition all year;

Activity 1: Provide policy inputs, advocacy and technical assistance aimed at enhancing the efficiency, targeting service delivery and supply chain of government programmes for improving access to food.

Key activity

WFP will provide technical assistance in partnership with the Department of Food and Public Distribution of the Ministry of Consumer Affairs, Food and Public Distribution and in collaboration with the Ministries of Agriculture and Farmers' Welfare, Women and Child Development, and Human Resource Development, NITI Aayog, the Food Corporation of India, the Unique Identification Authority of India, State Governments, United Nations agencies and the private sector.

Through technical assistance, WFP will support national and state governments enhancing the efficiency and equity of the three NFSA safety net programmes. WFP support will be used to improve targeting, enhance the quality of service delivery, and develop complaints and feedback mechanisms while increasing beneficiaries' awareness and participation in safety net programmes. WFP will tailor its support to evolving needs, ensuring that all vulnerable populations, including migrant workers, have access to their TPDS rations anywhere in the Country.

Building on the 2017 supply chain assessment, WFP will support the enhancement, optimization and integration of food supply chains for social safety net programmes; the reduction of storage losses and waste;

and improvements in the quality of grains resulting from better warehouse and transport management. WFP will also support data analysis of the entire TPDS value chain with a view to assisting national and state governments in assuming responsibility for reporting and the management of data analytics platforms. This will result in more informed, data-driven policy decisions, better management, increased transparency and clearer accountability.

While the Government is promoting the use of direct benefit transfers in many of its schemes, their use in food safety net programmes is currently limited. Building on the 2016 assessment of government cash-based transfer pilots and a direct benefit transfer handbook developed with WFP's assistance, WFP will support the design and scale up of government cash-based transfers within TPDS, leveraging the recent financial inclusion initiatives Jan Dhan Yojana and Aadhaar and the expanded coverage of mobile phone networks. This will be achieved by supporting pilots in urban areas; providing policy inputs and developing robust guidelines, transfer modalities and solutions; and disseminating best practices informed by sound analysis of situations, markets and gender dynamics.

Leveraging its experience, WFP will foster improvements in the food baskets of safety net programmes through the inclusion of fortified and other nutritious products and the strengthening of quality standards and protocols. WFP will support district level pilots in order to demonstrate operational models for the use of nutritionally enhanced diverse rations that include millets and locally preferred foods. Through the pilots, WFP will aim to reach vulnerable communities served by the three NFSA safety nets and will advocate for the scale up of the improved food baskets. WFP will also develop a strong gender-transformative communication plan for raising awareness of and increasing

demand for nutritious products, especially through safety net Programmes.

Enhancing smallholder farmers' productivity and incomes is a major government's priority. With FAO, IFAD and other partners, WFP will pursue opportunities for linking smallholder farmers to government supply chains and markets in order to increase the purchasing power of small and marginal farmers, particularly women, thereby increasing their access to nutritious food. WFP will also explore the options for working with other government platforms for improved market linkages.

Annual Work Plan 2019

8.15 WFP's Annual Work Plan Strategic Outcome 1 for the year 2019 relating to Department is as under:

Strategic Outcome 1: The most vulnerable people in India are better able to meet their minimum food and nutrition all year;

National Goal

The CSP focuses on technical assistance to ensure the efficient delivery of 'Zero Hunger and National Food Security Act strategies' in line with the goals, targets and indicators of Sustainable Development Goals (2015-2030) and Government of India's priorities including the commitment to 2030 agenda to end hunger and promote sustainable food security and nutrition in the Country. UNSDF Strategic

Priority IV: By 2022, all children enjoy essential nutrition services and rural smallholder farmers and other vulnerable groups have improved livelihoods and greater access to a nutritionally adequate food basket.

Expected CSP Outputs

- i. Vulnerable people become aware of their entitlements and have improved access to assistance as a result of collaboration among the activities of different agencies,

INTERNATIONAL CO-OPERATION

- improved targeting and service delivery and optimized supply chains for social safety nets, which enable vulnerable people to meet their basic nutrient needs.
- ii. People benefiting from social safety nets become aware of receive and demand nutritious foods including fortified foods.
 - iii. Smallholder farmers, especially women, benefit from Government programmes, including better supply chains and market integration, which enable them to increase their incomes and improve the quality and sustainability of their livelihoods.
- 8.19 91st Meeting (24th-26th June, 2019) of Committee on Agriculture (regular) and Agriculture Symposium (27th-28th June, 2019) held in the WTO, Geneva during 24th-28th June, 2019. Shri Nand Kishore Kashmira, Director represented the Department of Food and Public Distribution as a member of the Indian Delegation to attend the Agriculture Symposium (27th-28th June, 2019).
- 8.20 92nd Meeting of the WTO Committee on Agriculture was held on 29th-31st October, 2019 at Geneva, Switzerland, there was no participation from Department of Food and Public Distribution in the meeting.

WORLD TRADE ORGANIZATION (WTO)

- 8.16 87th and 88th Meetings Committee on Agriculture meeting of the WTO were held on 13th-14th June, 2018 and 25th -26th September, 2018 at Geneva, Switzerland to discuss issues relating to agricultural policies including public stockholding and policies related to sugar trade framed by DFPD. Plurilateral meeting with the delegation of other Countries on trade policies adopted by India on pulses and sugar were also held by the Indian Delegation during the COA meetings. For both the meetings, Shri Kamal Datta, Joint Secretary represented the Department of Food and Public Distribution as a member of the Indian Delegation.
- 8.17 89th (Regular) meeting of the WTO Committee on Agriculture (CoA) was held on 25th -27th November, 2018 in Geneva, Switzerland and in the meeting Shri Pramod Kumar Tiwari, Joint Secretary represented the Department of Food and Public Distribution as a member of the Indian Delegation.
- 8.18 90th meeting of the WTO Committee on Agriculture (CoA) was held on 25th -27th February, 2019 in Geneva, Switzerland. Shri Kamal Datta, Joint Secretary represented the Department of Food and Public Distribution as a member of the Indian Delegation.

SHANGHAI COOPERATION ORGANISATION (SCO)

- 8.21 The Shanghai Cooperation Organisation (SCO) or Shanghai Pact, is a Eurasian political, economic and security alliance, the creation of which was announced on 15th June, 2001 in Shanghai, China by the leaders of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan; the Shanghai Cooperation Organisation Charter formally establishing the organisation, was signed in June, 2002 and entered into force on 19th September, 2003. The original five nations, with the exclusion of Uzbekistan, were previously members of the Shanghai Five group, founded on 26th April 1996. Since then, the organisation has expanded its membership to eight countries when India and Pakistan joined SCO as full members on 9th June, 2017 at a summit in Astana, Kazakhstan. The Heads of State Council (HSC) is the supreme decision-making body in the SCO. It meets once a year and adopts decisions and guidelines on all important matters of the organization.
- 8.22 Department of Food and Public Distribution is associated with SCO in connection with the Implementation Plan of SCO Programme of Cooperation on Food Security. Department is furnishing its comments on Food Security Meeting of Permanent Expert Working

Group of Shanghai Cooperation Organisation (SCO) was held on 11th and 12th December, 2019 Moscow, Russia which was attended by Shri Dhirendra Kumar, Deputy Secretary, Department of Food and Public Distribution.

MEETINGS OF FOREIGN DELEGATIONS

8.23 A working meeting with delegation led by Chairman, National Council for Financial Inclusion in Tanzania, the Governor of the Bank of Tanzania Professor Florence Luoga to India with Shri Ravikant,

Secretary(F&PD) was held 26th August, 2019 to learn from India's experience in successful implementation of end-to-end computerization of Public Distribution System (PDS) and cash-transfer scheme in India. A working meeting with delegation from Socialist Republic of Vietnam with Shri D.K. Gupta, Director (PD), Department of Food and Public Distribution was held on 21st November, 2019 to discuss the matters relating enhancing cooperation and exchange in the field of food reservation.



CHAPTER -IX

SWACHHHTA AND OTHER ACTIVITIES



SWACHH BHARAT ABHIYAN

9.1 On 2nd October, 2014, Hon'ble Prime Minister of India had given a call for Swachh Bharat as a mass movement to realize Gandhiji's dream of a clean India by the 150th birth anniversary of Mahatma Gandhi in 2019. To make this move a great success and also to achieve the set targets by 2019, the Department along with its Attached & Subordinate Offices and CPSEs has continued their efforts.

9.2 As a precursor to the launch of the 150th birth anniversary celebration of Mahatma Gandhi, and in the run up to the 5th Anniversary of Swachh Bharat Mission, the Department along with its Subordinate Offices observed Swachhta Hi Seva (SHS) 2019 campaign from 11th September to 2nd October, 2019 mainly focused on creating awareness on the need to curb the use of Single-Use-Plastics (SUPs) and Plastic Waste Management.

9.3 In order to keep the working environment neat and clean, white-washing and deep cleaning of the rooms in the Department is being done in phased manner in every month. Pest control and rodent control of the corridors and rooms are being done at regular intervals.

9.4 The activities during the SHS campaign was planned in consultation with all the associated organizations of this Department including FCI, CWC, CRWC, IGMRI Hapur and NSI Kanpur, etc. Details of some of the activities carried out during "Swachhta Hi Seva" campaign are as under:

- Oath of Swachhta was administered to the officials in the Department by Secretary (F&PD) on 11.09.2019. Oath was also administered in all its Offices of the Department and PSUs at HQs as well as at regional offices.

- Swachhta pledge was followed by cleanliness drive by Secretary (F&PD) on 11.09.2019 along with officers and staff in the Department in Krishi Bhawan premises.
- Hon'ble Minister for CA, F&PD personally assessed the cleanliness of the Department.
- Banners/flex boards on stopping use of SUPs were displayed at different places by the Department and all its organizations to create awareness in public.
- Awareness camp was organized by WDRA at South Delhi Nigam Model School, Hauz Khas, Delhi on 23.09.2019 for spreading awareness about ill-effects of plastic and also distributed cloth bags.
- "Shramdaan" for cleaning at Kalyanpur railway station was organized by National Sugar Institute, Kanpur on 18.09.2019. The Institute also organized Tree Plantation on 20.09.2019 at the institute.
- Several rallies and cleaning drives in public areas were carried out by the Department and its organizations to generate awareness on "Swachhta, Shramdaan & stopping/ reducing SUPs".
- The Department organized one blood donation camp on 26.09.2019 under Swachhta Hi Seva campaign in collaboration with Red Cross Society of India in Krishi Bhawan. The intention was to emphasize on Seva leading to Swachhta and to encourage volunteerism. Total 93 persons donated blood on this occasion.

- To keep cleanliness of the office, floor officers were appointed for each floor for taking stock of the cleanliness, regular meetings were held and various measures were taken in cooperation with CPWD, wherever necessary.
- Three Running Trophies have been constituted in the Department and were given to the cleanest section of the Department who stood first, second and third, after inspection conducted annually.
- Drawing competition on the theme “Say No to Plastic: Save Earth” was organized on 29.09.2019 for the wards of officials of DFPD and its organization. The intention was to spread the awareness of harmful effects of plastic among the children.
- An Essay competition in bilingual on the theme “Plastic Pollution: Problem & Solution” was also organized on 24.09.2019 during SHS campaign among the employees of the Department.
- A special drive for recording, reviewing and weeding out of old records was carried out during the Campaign.
- To improve hygiene in the office space, dustbins have been placed in rooms/ canteen/ corridors/ premises of Krishi Bhawan.
- To create awareness on sustainable basis Swachh Bharat Logo is printed on stationery items.

9.5 Similar activities such as, taking pledge on Swachhta, Swachhta awareness rally along with Swachhta activity and Shramdaan, nukkad natak, drawing competition,

recording and reviewing of old records, essay writing competition etc. were carried out in all the offices of this Department including FCI, CWC, CRWC, IGMRI Hapur and NSI, Kanpur during the SHS campaign.

9.6 Continuing activities on Swachhta during the whole year:

- Pest and Rodent control measures are being undertaken at regular intervals.
- Digital Notice Board at Reception in Krishi Bhawan and at the office of Hon’ble Minister is continuously displaying messages and photos of Swachhta activities, inter alia.
- Oxygen emitting plants are placed in the corridors.
- Awarding monthly Cash Prize & Certificate of Appreciation to the cleanest Section, Under Secretary’s Chamber, Deputy Secretary/ Director’s Chamber in the Department and Washroom on each floor.

OTHER ACTIVITIES

9.7. Communal Harmony Campaign from 19.11.2019 to 25.11.2019 has been organized. Funds had been raised on Flag day 25.11.2019 to assist National Foundation for Communal Harmony to help Children rendered destitute in violence.

9.8 The Department had Celebrated 5th International Day of Yoga (IDY-2019) on 21.06.2019 and organized a fifteen days Yoga Session for the employees of department based on Common Yoga Protocol (CYP) with the help of Morarjee Desai Yoga Institute, New Delhi.



Celebration of International Yoga Day in Krishi Bhawan on 21st June, 2019

9.9 The Current Year 2019, marks the 70th years of the adoption of the Constitution. “Constitution Day” on 26.11.2019 was celebrated. A ceremony to read out the Preamble to Constitution of India by Secretary (F&PD) and employees of the department was organized and awareness campaign focused Citizens’ Duties including Fundamental Duties as enshrined in Indian Constitution, from 26.11.2019 to 26.11.2020 and subsequent activities culminating in “Dr. Ambedkar Jayanti” on 14.04.2020 is started.



Celebration of Constitution Day in Krishi Bhawan on 26th November, 2019



Swachhta Shapath in Krishi Bhawan on 11th September, 2019.



**Awareness camp by WDRA on 23rd September, 2019
at South Delhi Nigam Model School, Hauz Khas, Delhi.**



**“Shramdaan” by NSI, Kanpur for cleaning on 18th September, 2019
at Kalyanpur railway station, Uttar Pradesh.**



Blood Donation Camp in Krishi Bhawan on 26th September, 2019.



Drawing Competition on 29th September, 2019 & Essay Competition on 24th September, 2019 in Krishi Bhawan.

REDRESSAL OF PUBLIC AND STAFF GRIEVANCES

9.10 Public Grievance (PG) Cell of the Department under Joint Secretary (Storage & PG) is entrusted with the work relating to redressal of public and staff grievances. PG Cell of the Department receives grievances/representations mostly from two sources i.e. electronically on pgportal.gov.in and also through post and transmits these grievances to the concerned Organisations/Divisions for redressal. The redressal of grievances/representations are monitored regularly with Nodal Officers of organizations

concerned viz FCI, CWC, CRWC, NSI, PAO (Pay & Accounts Office) and respective Administrative Divisions of the Department.

9.11 The progress report for the period 01.04.2019 to 31.12.2019 of Public Grievances received in the Department is as under: -

Total Public Grievances pending as on 01.04.2019	203
Additional Public Grievances received during the year	3094

Total Public Grievances	3297
Total Public Grievances disposed of	3139
Total Public Grievances Pending as on 31.12.2019	158
Percentage of disposal	95%

WOMEN EMPOWERMENT

9.12 Necessary steps have been taken by the Department and the organizations under its control to provide a healthy work environment to its women employees. Department functions on the principle of gender equality and no discrimination is made on this account. Based on the guidelines issued by the National Commission for Women and DoPT, a Complaint Committee has been set up in the

Department to attend to the complaints of its women employees.

RESERVATION

9.13 The instructions issued by the DoP&T from time to time regarding representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes and persons with disabilities and for filling up of backlog vacancies reserved for these categories are followed.

9.14 Representation of SCs, STs, OBCs, differently abled persons, ex-service men and women employees in the Department (including its Attached and Subordinate offices) against the total number of officials (as on 31.12.2019) is given in the table below:

Groups	Total No. of Employees	SC	ST	OBC	No. of Differently Abled Persons				Ex-Service Men	Total No. of Women Employees
					VH	HH	OH	TOTAL		
Gr. 'A'	127	21	8	10	-	-	1	1	-	23
Gr. 'B'	262	41	15	59	1	1	7	9	-	72
Gr. 'C'	279	66	19	68	4	1	3	8	4	22
Total	668	128	42	137	5	2	11	18	4	117

ACTIVITIES FOR DEVELOPMENT OF NORTH EASTERN (NE) REGION

(A) Activities of FCI in NE Region

Strengthening of PDS

9.15 The Department through the FCI is taking all possible steps to induct as much stocks as possible to meet the monthly allocations in NE States despite adverse climatic conditions, the law and order problems and constraints of the Railways in carrying the required number of rakes on daily basis.

Augmentation of Storage Capacity in the NE Region (including Jammu & Kashmir)

9.16 The Department is implementing a Central

Sector Scheme (earlier Plan Scheme) for construction of godowns with focus on augmenting capacity in the North Eastern Region (NER) alongwith few other States. In addition, the Department has been requesting the State Governments to create intermediate storage capacities at Block/Taluka level to store foodgrains collected from FCI depots, for further distribution to Fair Price Shops. This is necessary to improve the supply chain logistics for TPDS. While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing plan funds to Governments of the NE States including Jammu & Kashmir for this purpose, considering their difficult geographical conditions.

(B) Activities of CWC in NE Region

9.17 CWC is operating 12 warehouses in the North Eastern Region, with a total storage capacity of 1.30 lakh MT with 95% occupancy as on 01.10.2019. The average occupancy of these warehouses was 78%, 72%, 77%, 89% and 90% for the year 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 (Apr.- Sept. 19) respectively. The State-wise capacities being operated by the CWC in the North Eastern Region is detailed below:

State / Warehouse	Capacity in MT
Assam	
Amingaon	20883
Aminagaon-II	6772
Dhubri	12100
Maligaon	10313
Jorhat-I	10500
Jorhat-II	5000
Sorbhog	18993
FSD, Nilam Bazar	5000
CW, Jogighopa	7000
Total	96561
Nagaland	
Dimapur	13000
Tripura	
Agartala	22927
Agartala CS	3750
Total	26677
Grand Total	136238

Tribal Sub Plan

9.18 With a view to provide infrastructure and financial support, the Department is implementing “End-to-End Computerization of TPDS Operation” under 12th Five Year Plan (2012-17) on 50:50 cost sharing basis with States/UTs, except for North Eastern States,

where sharing is on 90:10 basis. The Scheme has separate Budget sub- Head for Tribal Sub Plan (TSP). Under the Scheme, funds are being provided for Data Centre Infrastructure, PCs, System software, Networking etc. at State Food & Civil Supplies Department, District Offices and Block level officers. Funds of ₹2.00 crore were allocated in F.Y. 2019-20 under this scheme.

PROGRESSIVE USE OF HINDI

9.19 In compliance with the Official Language policy of Government of India to promote the use of Hindi in day-to-day official work and also to achieve the targets set by the Department of Official Language, Ministry of Home Affairs in their Annual Programme of 2019-20, the Department has been making vigorous efforts to promote the use of Hindi in its official work. For this purpose, 03 workshops have so far been organized during the year wherein officers and employees of the Department possessing working knowledge of Hindi were acquainted with the provisions of the Official Language Act and the rules framed thereunder and practical training was also imparted to them to do noting/drafting in Hindi. During the year two special workshops on “Kanthasth” a memory based translation tool developed by the Department of Official Language, were organized on 29.05.2019 and 18.12.2019 in which translators of the Department as well as its offices located in Delhi were trained to use the tool. Training was imparted by the officers of the Technical Cell of the Department of Official Language, Ministry of Home Affairs.

9.20 The Department was awarded second prize under Rajbhasha Kirti Puraskar Scheme by the Department of Official Language for doing excellent work in the field of implementation of Official Language policy of the Government for the Year 2018-19. In a prize distribution ceremony held in the Vigyan Bhawan on 14th September, 2019 to commemorate Hindi Divas, Secretary

(Food and Public Distribution) Shri Ravikant received the prestigious award from the Hon'ble Home Minister Shri Amit Shah. Department has received the honour for the sixth consecutive year.



Hon'ble Home Minister of India distributing 2nd prize under Rajbhasha Kirti Puraskar Scheme to the Secretary, F&PD

9.21 The Department has an Official Language Implementation Committee (OLIC) to review the progress made in the use of Hindi in the official work of various Sections/Desks of the Department, its attached and subordinate offices and Public Sector Undertakings under its administrative control. During the year under review, 3 quarterly meetings of the Official Language Implementation Committee were held and follow up action on the decisions taken therein was ensured. In pursuance of a decision taken in the meeting of OLIC, a special workshop of the subordinate offices of the Department located in 'A' and 'B' region was held in Quality Control Cell, Bhopal on 24.05.2019. Forms regarding Quality Control inspections of FSDs of FCI and CWC were translated in Hindi and made available in diglot form. Deputy Secretary (Impex & OL) and Assistant Director (OL) conducted the workshop.

9.22 During the year under review inspections of 39 offices and 10 sections/desks of the Department have been carried out to assess the use of Hindi in their official work and the

position of implementation of orders issued by the Department of Official Language.

9.23 In order to create an environment conducive for the use of Hindi in official work and to generate interest among employees, 'Hindi Fortnight' was organized from 1st to 15th September, 2019. Various competitions viz. Hindi noting & drafting, Hindi Translation, Rajbhasha Gyan Pratiyogita, Hindi Dictation, Hindi Typewriting and Hindi Poetry recitation were organized for the officers/employees of the Department. Winners of these competitions will be given ₹3000, ₹2500, ₹2000 and ₹1000 as first, second, third prize and consolation prize respectively.

9.24 Under the Shield/Trophy Scheme introduced for Attached/sub-ordinate offices of this Department for excellent implementation of the Official Language policy, Central Warehousing Corporation (CWC), New Delhi, Food Corporation of India (FCI), New Delhi, and National Sugar Institute, Kanpur have been selected for the First, Second and Third prize respectively from among the offices located in A and B regions and Quality Control Cell, Bhubaneswar from among the offices of 'C' region for the year 2018-19. Similarly, from among the regional offices of FCI and CWC located in A, B and C regions, FCI, Regional Office, Jaipur, CWC, Regional Office, Mumbai and FCI Regional Office, Bengluru have been selected for first, second and third prize respectively. Besides this, from among the offices located in the North Eastern region, CWC, Regional Office, Guwahati has been chosen for a special prize.

9.25 An award Scheme has also been introduced for promoting use of Hindi in the official work of various sections of the Department and to encourage the officers/staff to do their noting/drafting in Hindi. The scheme has provision to select a Section Officer and an officer of the rank of Under Secretary and above and a Section/Desk to receive a trophy. Accordingly, on the recommendation

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of the Selection Committee, Establishment-II section and Shri Ram Chandra, Under Secretary and Shri Shaileendra Tripathi, Section Officer have been selected for trophies for the Year 2018-19.

- 9.26 Website of the Department is bilingual and it is updated on regular basis. Publicity material brought out by the Department is being issued in bilingual form (in Hindi and English). All the forms and standard drafts being used in the official work of the Department are available in Hindi and English.

TRAINING

- 9.27 Training is one of the effective tools for performance enhancement as well as up-gradation of knowledge and skills of the personnel in an organization. For organizational motivation, morale boosting and development of administrative culture, it has been endeavour of the Department to nominate officials for focused and effective training programmes.
- 9.28 The Training Cell under Establishment Division liaises with training institutions like, institute of Secretariat Training & Management (ISTM), National informatics Centre (NIC), and IIPA for imparting training to the staff and officers of the Department. The details of the officials of this Department, who attended various training programmes within the country during 2018-19 and 2019 - 20 (upto 31st December, 2019) are as under:

Category	2018-19	2019-20 (upto 31.12.2019)
Gazetted	25	30
Non-Gazetted	25	05

e-GOVERNANCE INITIATIVES UNDER DIGITAL INDIA PROGRAMME

- 9.29 Department of Food & Public Distribution has been playing a pioneer role in propagating IT based development, solutions to facilitate

rapid growth and transformation in the ICT culture for efficient and effective delivery of services. Department is constantly in the pursuit of developing/implementing state of – the –art application software related to various areas of importance. It has also undertaken various projects related to capacity building and is also following Central Government e-Governance action plan. Various initiatives taken under e-governance to make Digital India Programme successful are as follows:

i. **End-to-End computerization of TPDS operations:**

The Department is implementing a Plan Scheme on ‘End-to-End Computerisation’ of TPDS Operations on cost sharing basis with States/ UTs. Costs are being shared on 90:10 basis with North Eastern States and on 50:50 basis with other states/UTs. The scheme is a Mission Mode Project (MMP) under the National e-Governance Programme. To complete key pending activities the scheme has been extended upto March, 2020 without any escalation in the project cost of the scheme.

ii. **Rapid Strides in computerization for management of sugar and edible oil sector:**

In order to improve and systemize data management system in sugar sector, the Directorate of Sugar and Vegetable Oil under the Department has developed a web based platform (esugar.nic.in) for online submission of inputs by sugars mills on monthly basis. This has helped the Government to take prompt and informed policy decisions for better management of the sugar sector. The new system also provides transparency in the data management of the sugar mills as well as Government’s working. The portal also provides window for online connectivity with the State Governments for getting inputs regarding production, cane price arrears of sugars mills on fortnightly basis etc. Similarly, online registration facility for Edible Oil

Processing Units is operational since May, 2014 (evegoils.nic.in). Registered units are providing production data on processing of vegetable oils online which in turn helps in policy formulation.

iii. Parliament Questions/Answers online:

This Department is uploading answers on the website of Rajya Sabha through <http://pqars.nic.in> from the 224th Rajya Sabha session onwards and on the website of Lok Sabha through <https://pqals.nic.in> from the Fifth session of 16th Lok Sabha.

iv. e-Granthalaya' the Library Management System:

Intra-net web-based comprehensive software to manage the library activities has been implemented. This software maintains a database of all the available books and journals in the Library of the Department and supports various searches, queries, availability status, pending status and information about new books and journals. Currently the system caters to users to access details through internet about 22,626 books and journals. The Open Public Access Catalogue (OPAC) has been published on the website <http://eg4.nic.in>.

v. e-Office:

The e-Office is a Mission Mode Project (MMP) under the National e-Governance Programme (NeGP) of the Government. The product is built as single system by bringing together independent functions and systems under a single framework and it is aimed to conduct the office procedures electronically for a simplified, responsive, effective and transparent working in all government offices. The e-Office Product has been implemented in the department since year 2010. The work flow, rule based file routing, role based access mechanism, central repository of documents, electronic file movement and online forms facilitates a paperless office. The Department

has implemented e-Office products such as the File Management System (FMS), Knowledge Management System (KMS), Leave Management System (LMS), Annual Performance Appraisal Report (APAR) and considerable progress has been achieved in Personnel Information Management System (PIMS). Employee Services like e-Notice Board, e-mail diarisation has also been made available to all Staff of the Department. The Collaboration and Messaging System (CAMS) has also been installed and is open to users. All the sections in the Department are working through e-files. Regular training and handhold support is given to all staff members to make them comfortable with e-Office products. The details of e-Office implementation during the current Financial Year 2019-20 (01.04.2019 to 31.12.2019) are as under:

- a. A total of 3,162 electronic files out of 3,530 files were created/ opened in the Department during 2019-20 (01.04.2019 to 31.12.2019), thus around 89.57% of total files created were e-files.
- b. A total of 46,555 electronic receipts out of 57,045 receipts were created/ opened in the Department during 2019-20 (01.04.2019 to 31.12.2019), thus around 81.61% of total receipts created were e-receipts.
- c. The aggregate percentage of e-files on Department's e-Office portal is currently 95.56% due to digitization of physical files and subsequent migration from physical to electronic files on e-Office and closure of inactive physical files of the Department.
- d. A new version of e-Office Portal 6.3 had been installed on 25.10.2019, which have features like Bi-lingual user information in Noting viz., User information in green note can now be displayed in two languages

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vi. **Integration and implementation of EIS module in PFMS:**

The Employees Information System (EIS) module has been implemented in Public Finance Management System (PFMS) of the Department for online payroll system. It enables Department to process the salary of all the employees through online and also pay slips may be viewed in the system by the concerned user through his login.

vii. **Training to Staff:**

Training requirement of DFPD was assessed and to improve productivity of the officers, staff and data entry operators, sensitization to various IT enabled services like e-office products (which includes e-file/FMS, KMS, e-Leave, e-tour), Court Case Monitoring System, e-Tendering, e-Samiksha, e-Bhavishya, RTI-MIS and CMS of the Department's website, PGRAMS etc is done in the department. Hand holding support to users for all IT enabled services is being provided in consultation with NIC.

viii. **ABAS (Aadhar Enabled Biometric Attendance System):**

It has been installed in the Department for maintaining punctuality. The manual system of attendance registers have been totally done away with.

ix. **CWC** has already computerized many of its core processes. The Integrated Check Posts, Air Cargo Complexes have already been computerized. Depot Online System (DOS) has also been implemented in 144 depots of CWC, presently hired by Food Corporation of India (FCI). The Pay Roll System, Contributory Provident Fund (CPF) & Pension System, Vigilance Information System and e-Tendering have been implemented. The file tracking system which was first implemented in the Vigilance Division has been rolled out at Corporate Office. The Corporation has also implemented

Warehouse Management System (WMS) at all 380 warehouses. Automation of Container Freight Stations (CFS)/Inland Containers Depots (ICDs) implemented through cloud based system at 4 CFS/ICDs and roll out at remaining CFS/ICDs is in progress. Further, for catering to the accounting needs in view of the GST implementation, the Tally Enterprise Resource Planning (ERP) Package on cloud based technology has been implemented w.e.f. FY 2018-19. In Human Resource (HR) functions, the employee service records have been digitized. The Performance Appraisal System, Leave Management System & procedures for hiring to retirement have also been implemented including Employee Self-service. For adoption of paperless e-office for electronic file movement, CWC has also signed an agreement with RailTel on 13.11.2019 for implementation of e-office in the Corporate Office along with all its Regional offices.

x. **CRWC:**

- a. **CRWC Website:** CRWC maintains a dynamic website with enhanced user friendly features.
- b. **CRWC Intranet Portal:** Intranet Portal has been developed for CRWC Employees which contains information about the company, data/information for internal use of company such as employee details, Notices, Circulars, policies, various Forms, Knowledge base, training details etc. The data/information available on the portal is accessible only to the authenticated users.
- c. **e-APAR/ACR:** CRWC as a part of Digital India initiative has developed an Electronic Annual Performance Appraisal Reports (e-APAR) online application for all of its executives. The automation process of Annual Performance Appraisal Reports (APAR) begins by setting of Key Responsibility Areas, Mid-term

review, Final Assessment by Reporting, Reviewing and Accepting authority.

- d. **CCTV Surveillance at RWCs:** CRWC has implemented Closed Circuit Television (CCTV) surveillance system at 15 RWCs, is in the process of enhancing CCTV surveillance system at four more terminals and also implementing it at three new terminals for better security and monitoring.
- e. **Warehouse Management System (WMS)** - CRWC has implemented Warehouse Management System (WMS) to make its operations online (inward/storage/outward/ billings/Reports etc.) at CRWC locations Presence Across Nation (PAN) India including Goods Service Tax (GST) invoices being generated through WMS successfully across all the Railside Warehouse Complexes (RWCs). It is also being integrated with Tally Enterprise Resource Planning (ERP) accounting system.
- f. **Human Resource Management System (HRMS)** - CRWC has implemented Human Resource Management System (HRMS) for CRWC officials which facilitates online employees leave & attendance etc.
- g. **RailTel MPLS-VPN/ IBW Connectivity-** CRWC has implemented **Multi Protocol Label Switching-** Virtual Private Network (MPLS-VPN)/ Internet Bandwidth (IBW) Connectivity through RailTel. CRWC has high internet bandwidth and connectivity between corporate office and its Railside Warehousing Complexes (RWCs) through MPLS-VPN connectivity.
- h. **Biometric Attendance System-** Biometric Attendance has been implemented at Corporate office & nine terminals and CRWC is in the process of getting it implemented at eight more terminals. It will further be integrated with HRMS application which will facilitate employees with real time visibility of attendance.
- i. **IP Telephony** - CRWC has implemented Internet Protocol Telephony (IP Telephony) System at corporate office & RWC's. This provides uninterrupted voice communication in secure manner.
- xi. **WDRA:**
 - a. WDRA undertook a transformation plan which inter alia envisages creation of an IT ecosystem for its major activities.
 - b. Under Transformation Plan, the Authority has registered two repositories, M/s CDSL Commodity Repository Limited (CCRL) sponsored by M/s Central Depository Services Limited (CDSL) and M/s National Electronic Repository Limited (NERL) sponsored by M/s National Commodity and Derivative Exchange (NCDEX), to set up electronic repository systems for creation and management of electronic Negotiable Warehouse Receipts (eNWRs) to be issued by registered warehouses. Both repositories have established automated electronic systems and have been issued certificate of registration on 26.09.2017 to commence operations. e-NWRs are now being issued by warehouses through repository system. WDRA has done away with paper NWRs and only eNWRs are in place now.
 - c. The Authority had engaged a System Integrator for development and deployment of IT-applications for its internal automation and business processes. In first phase, WDRA e-Portal and two IT application modules viz. Online Warehouse Registration Module and Inspection of Warehouses Module were developed and made operational on

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26.09.2017. In the second phase, other IT-application modules for registration renewal / surrender / cancellation, surveillance and monitoring system, grievance redressal & dispute resolution system and internal automation for HR / Finance have been developed and made operational.

- d. The Authority's Portal for Online Warehouse Registration and Inspection Modules has been launched on 26.09.2017 and online warehouse registrations are done with effect from 01st November, 2017.
- e. The IT systems for Surveillance & Monitoring, Grievance Redressal & Dispute Resolution and Internal Automation for Human Resource/ Finance have been made operational.
- f. The use of e-NWRs for trade/contract settlement has been started with Commodity Exchanges viz. NCDEX, MCX and ICEX (NMCE) from June, 2018.
- g. The process of integration of WDRA registered warehouses with e-NAM for use of e-NWR for trade settlement is under development.

xii. **Launch of the enhanced/ re-designed website of the Department:**

The enhanced/ re-designed website of the Department was hosted on the Department's server (dfpd.gov.in) on 1st January, 2019. Also, division-wise Nodal Officers were nominated and Login Credentials viz., login id and password alongwith the assignment of menus/ sub-menus and web-pages concerning their divisions were created and circulated to all the Nodal Officers for regular monitoring and updation of the Department's website. Also, a training session to all the Nodal Officers of the Department was conducted and also a User Manual on the procedure to

be adopted for updating the content on the Website was circulated for necessary action.

- xiii. Department's website is being monitored and updated on regular basis. Also, all the acts and rules concerning the Department are uploaded on the Department's website and a hyperlink for the retrieval of the concerned acts from India Code Information Systems (ICIS) website is provided on the Department's website in pursuance to instruction from DAR&PG. Further, for the purpose of linking of the Department's website through Social Media, a twitter account has been opened for the Department (<https://twitter.com/fooddeptgoi>) and is displayed of the the Department website's home page. Further, a core team has been constituted in the Department under the charge of a Joint Secretary & consisting of 3 Director level officers to deal with Social Media Activities.
- xiv. Digital Signature Certificates and e-Sign services have been provided to all the officers of the Department and all the employees have been instructed to use digital signature compulsorily in electronic files.
- xv. Continuous efforts are being made in the Department and its Organizations for exploring more items which can be made online to make the Digital India Programme successful both at the National and State/UT level.

SUMMARY OF AUDIT OBSERVATIONS

- 9.30 Position of pending audit observations and a summary of few important audit observations included in the C&AG Reports since 2013 and action taken by the Department thereon as on 24.12.2019 are at **Annexure-XVI**.

VIGILANCE SET-UP

- 9.31 In the Department of Food & Public Distribution, Vigilance Administration is headed by Chief Vigilance Officer (Additional

Secretary) while Vigilance Administration of Schedule 'A' Public Sector Undertakings viz. Food Corporation of India (FCI) and Central Warehousing Corporation (CWC), are headed by full time CVOs (Joint Secretary level). All CVOs work in tandem for redressal of complaints. In both FCI and CWC, there are full fledged Vigilance Departments, with dedicated hierarchy, overseeing the Vigilance matters. In the case of Schedule 'C' CPSE Central Railside Warehouse Company Ltd. (CRWC) which is a subsidiary of CWC, CVO of CWC is entrusted with its Vigilance administration. In other out-station subordinate offices, a suitable senior officer is entrusted with the work of Vigilance Administration.

- 9.32 Vigilance Division follows guiding principles prescribed and instructions issued by Central Vigilance Commission (CVC) and Department of Personnel & Training (DOP&T), from time to time. Stress on preventive rather than punitive action is accorded by way of addressing faulty systems/procedural flaws which permit acts of omission and commission. Scrutiny of complaints and initiation of appropriate investigation measures and follow-up action on the same are being done. Information Technology is harnessed to tackle corruption, apart from implementation of extant rules & regulations and other innovative solutions to check corruption. Tools like rotational transfers, digitization, e-office (File Management System, Knowledge Management System etc.), thorough checking of annual property returns are being applied to eradicate corruption.
- 9.33 Simplification of rules and procedures for the general public is being ensured to avoid needless interface between citizens and government functionaries.
- 9.34 Simultaneously, e-procurement is being emphasized to ensure absolutely clean/transparent Government purchases.

Sevottam/ Citizen Charter and Public Grievance redressal mechanism have also been put in place. FAQs have been hosted in the Department's website to provide basic information to the public about various functions of the Department and to clear general doubts.

- 9.35 In pursuance to the directions of CVC, Vigilance Awareness Week was observed from **28.10.2019 to 02.11.2019**, with the theme of **"Integrity- A way of life"**. In both the PSUs, and its subordinate Offices, Vigilance Awareness Week was observed during which posters, lectures, seminars, debates and essay competitions were organized.



Administering oath during Vigilance Awareness Week

IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT, 2005

- 9.36 The Right to Information Act, 2005 came into force w. e. f. 12th October, 2005. In order to promote transparency and accountability in the working of every public authority, the Act provides for setting out a practical regime for citizens to secure access to information under the control of public authorities.
- 9.37 To deal with the request for information, officers of the level of Under Secretaries have been designated as Central Public information

SWACHHTA AND OTHER ACTIVITIES

Officers (CPIOs) for their respective Divisions in the Department. Deputy Secretaries/Directors in the Department, have been designated as Appellate Authorities. For filing request/appeal, the details of the CPIOs and Appellate Authorities are available on the website of the Department at <https://dfpd.gov.in/dfpd-rti.htm> which is updated from time to time.

- 9.38 The Department also complied with the provisions of the Act for publication of information relating to the Organization within the prescribed time frame. Duly compiled manuals are available on the Department's website <https://dfpd.gov.in/rti-manuals.htm> for information of the public, also these manuals are being updated regularly. Similarly, information in respect of Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Directorate of Sugar and Vegetable Oils can also be accessed at <http://fci.gov.in>, <http://cewacor.nic.in/index.php>, <https://dfpd.gov.in/SAVO-about.htm> respectively.
- 9.39 The Department has refurbished its website to make it more citizen-centric. It is also being ensured that the contents available

on the website are regularly updated through Content Management System to make information more meaningful. Seven utility softwares relating to Government to Government (G-2-G) interface are also operational on the Department's intranet.

- 9.40 For pro-active disclosure of information under RTI Act, 2005 and to monitor the disposal of RTI requests on line, a web based Centralized RTI Management Information System (RTI –MIS) has been developed by NIC, DOPT in consultation with Central Information commission (CIC). The system is designed to monitor the disposal of RTI requests on line. Accordingly, entry of all request received in the Department under RTI Act, 2005 are being made through the RTI-MIS software.
- 9.41 During the period 1st April, 2019 to 31st December, 2019, around 255 requests were received physically and 960 through Online and all these requests were disposed of within the prescribed time limit. Further, during this period around 80 appeals were filed before various Appellate Authorities of this Department.



CHAPTER -X

ORGANISATIONS UNDER DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION



Central Warehousing
Corporation



National Sugar Institute
Government Of India



Warehousing Development & Regulatory Authority

ORGANISATIONS UNDER DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

10.1 There are three Central Public Sector Enterprises (CPSEs) – Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Hindustan Vegetable Oils Corporation Limited (HVOC), three Subordinate Offices – National Sugar Institute (NSI), Kanpur, Indian Grain Storage Management & Research Institute (IGMRI), Hapur, Quality Control Cells (QCCs), one Attached Office – Directorate of Sugar & Vegetable Oils and one Regulatory Authority – Warehousing Development and Regulatory Authority (WDRA) under the administrative control of Department of Food & Public Distribution. Organizational set-up, functions and achievements of CPSEs, Subordinate Offices and Regulatory Authority during current financial year are given in succeeding paragraphs.

A. FOOD CORPORATION OF INDIA (FCI)

10.2 The Food Corporation of India (FCI) is the nodal agency of the Government of India responsible for executing food policies of the Central Government. The functions of FCI primarily consist of purchase, procurement, storage, movement, transportation, distribution and sale of foodgrains on behalf of the Central Government. Procurement of

foodgrains is made at Minimum Support Price (MSP) while Pulses are procured on MSP/Market Price.

ORGANISATIONAL SET-UP

10.3 The FCI co-ordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 25 Regional Offices, 1 Special Regional Office at Imphal covering the political State of Manipur, 1 Port office and 159 District Offices.

STAFF POSITION

10.4 The Category-wise staff position for the quarter ending 30.09.2019 is as under:

CATEGORY	SANCTIONED STRENGTH	MEN IN POSITION
Category-I	1111	855
Category-II	6221	4232
Category-III	27345	13454
Category-IV	7361	2640
Total	42038	21181

CAPITAL STRUCTURE

10.5 The authorized/subscribed capital of FCI is as under:

(₹in crore)

	As on 31.03.2016	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019	As on 31.12.2019	Projections As on 31.03.2020
Authorized Capital	3500.00	3500.00	3500.00	3500.00	3500.00	10000.00
Subscribed Capital						
(i) Working Capital	1484.00	1484.00	1484.00	1984.00	1984.00	2984.00

	As on 31.03.2016	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019	As on 31.12.2019	Projections As on 31.03.2020
(ii) Construction of Godowns & Silos**	1235.85	1271.60	1295.10	1358.10	1389.10	1407.10
(iii) ISFM Project	96.74	91.58	91.58	91.58	91.58	91.58
(iv) Others	13.90	13.90	13.90	13.90	13.90	13.90
Total	2830.49	2861.08	2884.58	3447.58	3478.58	4496.58
** Equity release for NE during the year	67.70	35.75	23.50	63.00	30.00	45.00

AUDIT & ACCOUNTS

10.6 The responsibility of auditing of the Annual Accounts of the Food Corporation of India rests with the Comptroller and Audit General of India (C&AG). Annual Accounts for the year 2017-18 has been placed in Lok Sabha on 09.07.2019 and Rajya Sabha on 12.07.2019. The accounts for 2018-19 are under Audit by C&AG at Headquarter level. The Turnover of the Corporation for the last four years and the current year is as given below:

(₹in crore)

Year	Purchases	Turnover		Total (Sales + Subsidy)
		Sales Realisation	Subsidy on Food Grain	
2015-16	116508.52	29286.94	102425.07	131712.01
2016-17	111375.61	22114.78	109135.92	131250.70
2017-18	119971.67	18035.20	116281.68	134316.88
2018-19 (Un-Audited)	133404.74	31554.66	120351.63	151906.29
2019-20 (Un-Audited)	144519.00	31620.00	138667.00	170287.00

PROCUREMENT OF FOODGRAINS

Wheat Procurement

10.7 During RMS 2018-19, total procurement of wheat for the Central Pool was 357.95 lakh MT. During RMS 2019-20, 341.32 lakh MT of Wheat has been procured. The Region wise procurement of wheat in last two Rabi Marketing Seasons is given at **Annexure-XVII**.

ORGANISATIONS UNDER DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

Paddy Procurement

10.8 The total quantity of paddy procured during KMS 2018-19 is 660.11 lakh MT. A quantity of 388.10 lakh MT Paddy has been procured up to 01.01.2020 during KMS 2019-20. State wise Paddy procurement during last season and current season is given at **Annexure-XVIII**.

Total Rice Procurement (including paddy in terms of rice)

10.9 The State-wise procurement of rice for last two Marketing Season is given at **Annexure XIX**.

10.10 State-wise rice procurement of Paddy in terms of Rice up to 01.01.2020 along with the projection for KMS 2019-20 up to 31.03.2020 is given at **Annexure-XX**.

Procurement through E-Procurement Module

10.11 FCI has developed its own Depot Online System which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The States have also been

encouraged to procure the produce of the farmer online.

10.12 Through Depot Online System, farmers get latest/updated information regarding MSP declared, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enable the farmer to deliver stock as per his convenience in the nearest mandi. MSP is released through either electronic mode or Account payee cheque directly to the bank accounts of the farmers except in Punjab & Haryana where as per APMC Acts of the respective state, payment is made to Arthiyas.

Procurement of Coarse Grains

10.13 States of Maharashtra, Madhya Pradesh, Haryana and Gujarat, the State Govt. and their agencies have undertaken the procurement of coarse grains in the recent past. Region- wise procurement of coarse grains during last and current marketing seasons is as under:

(in MT)

REGION	KMS 2018-19				KMS 2019-20 (As on 01.01.2020)			
	Jowar	Bajra	Maize	Ragi	Jowar	Bajra	Maize	Ragi
Maharashtra	10963	-	6987	-	778	-	19	-
Madhya Pradesh	135	4099	-	-	5468	76	-	-
Haryana	-	180744	-	-	-	100000	-	-
Gujarat	-	696	1538	-	-	696	-	-
Total	11098	185539	8525	-	6246	100772	19	-

Procurement of Pulses

10.14 FCI procured 15194.22 MT of Chana & 4335.79 MT of Masur during RMS 2016-17 in addition to 20257.76 MT Tur and 4.72 MT Urad in KMS 2015-16. During KMS 2016-17 FCI procured around 64737.16 MT of

Moong, 18234.67 MT Urad and 175301.40 MT of Tur and extended remunerative prices to large number of pulses growers across the country. Details of pulses procured during KMS 2015-16, RMS 2016-17 and KMS 2016-17 is as under:

(in MT)

KMS 2015-16		RMS 2016-17		KMS 2016-17		
TUR	URAD	CHANA	MASUR	TUR	URAD	MOONG
20257.76	4.72	15194.22	4335.79	175301.40	18234.67	64737.16

10.15 FCI did not carry out the procurement of pulses as per the direction of DoCA from RMS 2017-18 onwards. As per the direction of DAC&FW received vide letter dated 11.10.2018, FCI carried out procurement of pulses and oilseeds in three states along with NAFED and exclusively in Andhra Pradesh in KMS 2018-19 under Price Support Scheme (PSS) and during Rabi 2018-19, FCI carried out procurement of Pulses in Maharashtra and Andhra Pradesh along with NAFED under PSS. Details of Pulses procured under PSS during KMS 2018-19 by FCI are as under:

(in MT)

State	Moong	Urad	Tur	Total
Maharashtra	5981.82	3636.64	0	9618.46
Madhya Pradesh	207.00	52852.24	0	53059.24
Andhra Pradesh	-	493	0	493
Karnataka	0	0	15341.81	15341.81
Total	6188.82	56981.88	15341.81	78512.51

10.16 The details of the pulses procured during Rabi 2018-19 is as under

(in MT)

State	Pulse	Quantity Procured
Maharashtra	Chana	46.01

STOCK MANAGEMENT

10.17 The stock holding under central pool as on 01.01.2020 is 565.11 lakh MT (Rice 237.15 lakh MT; Wheat 327.96 lakh MT). In addition, 278.87 lakh MT unmilled paddy and 3.24 lakh MT coarse grains are also available in central pool. The Crop Year wise position of issuable stock in central pool as on 01.01.2020 is as under:

(in lakh MT)

Crop Year	Wheat		Rice (excluding unmilled paddy)	
	Stocks as on (01.01.2020)	%age of stocks	Stocks as on (01.01.2020)	%age of stocks
2019-20	227.02	69.82	55.05	23.65
2018-19	91.43	28.12	174.89	75.12
2017-18	6.68	2.05	2.87	1.23
Total	325.13		232.81	

Remark: (i) The stock position excludes stocks in transit, upgradable/ non-issuable.

(ii) Above quantities includes wheat stocks stored in Silos.

IMPORT & EXPORT

10.18 There was no export or import of foodgrains (Wheat & Rice) during 2019-20 (w.e.f. April, 2019 to September, 2019). A quantity of 1584.117 MT of Wheat has been delivered to Ministry of External Affairs for onward shipment to DPR Korea as humanitarian assistance from Government of India.

QUALITY CONTROL

10.19 The Quality Control (QC) wing of FCI manned by qualified and trained personnel is entrusted with enormous task of procurement & preservation of foodgrains. The foodgrains are procured as per laid down specifications of Government of India and inspected regularly during storage to monitor the quality. Representative samples of the stocks are drawn for physical analysis to ensure that the quality standard meets the laid down specifications of Government of India. Foodgrain samples are also referred to NABL accredited laboratories and get tested for its conformity of parameter under FSS Act also.

10.20 FCI's testing laboratories spread across the country for effective monitoring of quality of foodgrains providing quality assurance as per FSS Act 2006, leading to

improved satisfaction level to the customers (consumers).

10.21 Laboratories across the country are being upgraded with latest equipment. The IFS (Institute of Food Security) Lab, Gurgaon is in process of upgradation to a State of Art Lab.

10.22 In order to strengthen its quality control infrastructure and to enhance transparency, computerized Rice Analyzer was introduced in rice procurement operation during KMS 2016-17 onwards and presently computerized analysis of foodgrains has started in major procurement regions in 30 depots.

10.23 The senior QC Officers undertake frequent visits to the procurement & storage points to inspect the quality of foodgrain stocks and further sensitize the QC staff on the spot to ensure procurement of foodgrains conforming to specifications and its maintenance during storage at all levels. Appropriate action is also initiated against defaulters, if any, in order to tighten the supervisory arrangement and fix responsibilities on all found responsible for procurement of stocks beyond laid down parameters. Long term/ short term trainings are held on regular basis for QC staff on

procurement and preservation of foodgrain management.

- 10.24 Periodical preventive and curative treatments are given to the stocks to ensure the health of the grains. Preventive measures are also undertaken to control rodents and birds. The foodgrain stocks strictly conforming to laid down specifications of Govt. of India are issued under Public Distribution System (PDS) to various State Governments by adopting joint sampling system scrupulously.

Liquidation of URS Wheat stocks

- 10.25 During RMS 2019-20, a huge quantity of wheat was procured by FCI and State Agencies under relaxed specifications i.e. URS Wheat, majority of which is stored in CAP storage. GoI issued directions to liquidate URS wheat stocks of RMS 2019-20 on overriding priority. As on 01.01.2020, a quantity of 118.75 lakh MT of URS Wheat stock is available in Central pool which is being liquidated on overriding priority as per Ministry's guidelines.

QC Initiatives

- 10.26 **Computerized Rice Analyzers:** As per HLC recommendations on revamping activities of FCI, quality checks in procurement have to be adhered to, and anything below the specified quality will not be acceptable under central pool. Therefore, with a view to introduce mechanized process for quality checking, 30 Computerized Rice Analyzers (CRA) (Annadarpan^{SMART}) developed by Centre for Development of Advance Computing (CDAC), Kolkata were made available in 30 locations of 07 major procuring regions namely Punjab, Haryana, Uttar Pradesh, Odisha, West Bengal, Chhattisgarh and Andhra Pradesh and rice acceptance through CRA was carried out during 2017-18 and continued during KMS 2019-20 also.

- 10.27 **Third Party Quality Testing of Foodgrains:** Samples of foodgrains procured & stored

in FCI godowns are periodically referred to FSSAI notified NABL accredited labs for quality checks. In FY 2019-20 from 01.04.2019 to 31.12.2019, 4522 samples of foodgrains from godowns of FCI (owned & hired) across the India were sent for quality checks, out of which results of 3846 samples have been found conforming to FSSR 2011 specifications & test results of rest of the samples are awaited.

- 10.28 **Modernization of FCI labs:** FCI has engaged CFTRI, Mysuru as consultant to modernize QC labs at Institute of Food Security (IFS), Gurugram to enable it for the chemical testing of foodgrains as per FSSA norms. Modernization of IFS lab is under progress and likely to be completed during 2020.

Maintenance and upgradation of depots

- 10.29 For routine maintenance, upgradation of Engineering structure of depot including replacement of AC sheet Roofing with profile sheet, Cement Concrete road & weigh bridges following budget has been allotted to Zones.

(₹in lakh)

Head	Budget for 2019-20	Expenditure incurred till 31.12.2019
AR &MO	12500.00	4938
CC Road	7500.00	4035
Minor Capital work	2500.00	560
Weigh bridges - Additional/ new/ Upgradation	604.00	223

TRAINING

- 10.30 The FCI has its own Training Institute of Food Security (IFS) at Gurugram (Haryana). The institute imparts training to the officers and officials in various disciplines relevant to FCI Operations/ Food management &

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Depot Online System, e-Litigation & Legal matters, Procurement Incidentals claims & subsidy system and GST etc. IFS also impart Induction Training to newly recruited Management Trainees.

10.31 Various training programs involving 1070 in-service officers/ officials have been conducted in IFS Gurugram.

10.32 In addition to the training at IFS, FCI Headquarters also conducted following trainings:

- a. 40 officers/staff of FCI were nominated in various Customized training programs in IIM Lucknow and IIM Calcutta.
- b. 57 QC officers/ officials were nominated in 2 batches of Customized Training Programs at National Institute of Plant Health Management (NIPHM), Hyderabad.
- c. 25 officers were nominated in one batch of training programs for Non-Law cadre officers of FCI at NALSAR, Hyderabad.
- d. 27 Law officers were nominated in Customized training programme on Arbitration and Dispute Resolution

organized at National Law School of India University Bengaluru.

- e. Further, approximately 70 officers/ officials have been nominated for various training programmes/ workshops/ conferences etc. organized by various institutes and organizations like ISTM New Delhi, DPE etc.

10.33 Training programs were also conducted by Zonal Offices located at Noida, Mumbai, Kolkata, Chennai, and Guwahati. At Zonal level 584 employees have been imparted in-service training.

10.34 Thus approximately 1873 FCI officers/ officials have been nominated for various in-service training programs during the said period of FY 2019-20.

10.35 Further, it has been proposed to provide in-service training to approximately 2150 employees and induction training to 22 employees till 31.03.2020.

SC/ST EMPLOYEES IN FCI

10.36 Statement showing the representation of SCs/ STs in services of FCI as on 30.09.2019 is as under:

CATEGORY	Sanctioned Strength	Total No. of Employees	No. of SC	No. of ST
Cat.I	1111	855	195	136
Cat.II	6221	4232	866	779
Cat.III	27345	13454	2913	1135
Cat.IV (Excluding Safaiwala)	7361	2627	792	353
Cat.IV (Safaiwala)		13	10	1
Grand Total	42038	21181	4776	2404

COMPUTERIZATION IN FCI

Integrated Information System for Foodgrains Management (IISFM)

10.37 Government had sanctioned “Integrated Information System for Foodgrains Management” (IISFM) Project as a plan Scheme, with a total estimate cost of ₹96.74 crore, in August, 2003, in its 10th Five Year Plan, to put in place an on-line MIS for stock position in any FCI Depot, at any given point of time. The IISFM project has been successfully implemented in all FCI Depots, including the depots under North East Zone, covering all seven North Eastern States.

a. District Stock Accounting Module (DISFM/District Module)

NIC, in 2005, developed District Information System for Food Grain Management (DISFM), an online application, to enable the FCI Districts to enter the fortnightly stock position, to fulfill FCI’s reporting needs. This is a web based MIS system, working through the central server located at NIC. All FCI Zonal offices, Regional offices, District Offices and Headquarter can generate fortnight stock position and off-take MIS reports, along with State/UT-wise reports through this application. DISFM is fully functional in all FCI District Offices.

b. IISFM Rapid Reporting Service (IRRS)

IISFM Rapid Reporting Service (IIRS) application for reporting information related to receipt, issues, dispatches of various commodities of food grain stock for all FCI depots (owned and hired) has been stabilized with almost 90% depots reporting up-to-date data, on any given day.

Various reports, on stocks position and off-take data, depot capacity utilization etc., are generated through this web based application and used at all levels of FCI offices. Based on the feedback from various stakeholder of

the project, several modifications have been made in the application from time to time and a few additional reports are also being generated to make the IRRS reports more comprehensive and need based.

The stock information in IRRS has been made viewable to the general public by NIC on the PDS portal and on IISFM site (<http://egrains.nic.in>).

c. IRRS in DCP/Major Procuring States

IRRS application has also been extended to the 7 DCP/Major procuring States to capture Central Pool stock position and off-take information. Among the identified 7 DCP States, namely Chhattisgarh, Karnataka, Madhya Pradesh, Odisha, Tamil Nadu, Haryana and Uttar Pradesh, where hardware has been supplied under the IISFM project. IRRS has already been implemented by Odisha, Tamil Nadu, Chhattisgarh, Madhya Pradesh and Karnataka with varying degree of success.

The other major procuring States viz. Haryana and Uttar Pradesh are continuously being pursued and encouraged to use IRRS to report the central pool stocks information available with them.

LAN/WAN restructuring and Bandwidth Up-Gradaation

10.38 To keep up with the increasing demands of web based IT applications, FCI has upgraded/revamped the LAN/WAN infrastructure. This has been accomplished through the following:

a. Bandwidth Up-Gradaation

FCI has established network bandwidth of 34 Mbps for HQ, 10 Mbps for ZOs & ROs and 4 Mbps for sensitive DOs and 2 Mbps for other DOs through BSNL. Point to point lease line connectivity has been provided between FCI offices up to District level with the corresponding NIC offices.

Further, FCI HQ has been provided with redundant solution of 34 Mbps network bandwidth with the matter regarding same solution to Zonal/Regional offices are under consideration.

b. LAN/WAN Restructuring

The existing LAN/WAN infrastructure in the FCI offices upto District level, has been restructured with latest active (routers, switches etc.) and passive network items, which are IPv6 Compliant.

Video Conferencing

10.39 To leverage the sound bandwidth and network connectivity setup under the restructuring of LAN/WAN project, FCI has also implemented/upgraded the Video Conferencing facility at FCI up to District office level.

MARKET BORROWINGS

Cash Credit Facility

10.40 FCI availed Cash Credit Limit (CCL) of ₹9,495.00 crore from a Consortium of banks led by State Bank of India against a single default guarantee provided by the Government of India. It comprises ₹8,945.00 crore for the food operation and ₹500.00 crore for pulses operation. The RBI constitutes FCC (Food Credit Consortium) members every year. The apex bank vide its letter dated 29.11.2019 has reconstituted the food credit consortium of 51 banks for year 2020. The rate of interest charged on this CCL consists of average MCLR (One year) of top 5 leading banks of the Consortium having highest share plus a positive spread of 50 bps (spread revised w.e.f. 01.12.2017), The interest rate varies with any change in MCLR of 5 major banks and/or revision of spread.

10.41 The effective monthly compound interest rate charged by the consortium of banks from 01.10.2019 is 8.84 % p.a. It has been reduced to 8.61% p.a. w.e.f 01.01.2020.

Short Term Loan (STL)

10.42 As a measure to meet the short term requirements over and above the Cash Credit Limit, FCI has approval of its Board of Directors to avail STL from the scheduled Banks to the extent of ₹50,000.00 crore during the financial year 2019-20. Till 31.12.2019, the Corporation availed STL of ₹46,500.00 crore through tenders during FY 2019-20. Outstanding STL as on 31.12.2019 was ₹12,500.00 crore. STLs are availed by FCI from different banks for one month tenure at their respective quoted rates ranging from 7.15% to 8.40%.

Issue of Bonds

10.43 Total outstanding Long Term Government Guaranteed Bonds as on 31.12.2019 is ₹23,737.70 crore. The GoI accorded "In principle" approval to raise GoI guaranteed long term loan of ₹32000 crore starting from FY 2018-19, out of which ₹8000 crore was raised in FY 2018-19, ₹8000 crore in FY 2019-20 and remaining amount of ₹16000.00 crore is proposed to be raised in FY 2020-21 and FY 2021-22.

Ways & Means Advance (WMA)

10.44 Ways and Means Advance (WMA) is temporary credit allocated by GoI which is to be repaid on or before 31st March of the same financial year. WMA carries interest equivalent to average 364 days T-bill rate.

National Small Savings Fund (NSSF) Loan

10.45 GoI released NSSF loan of ₹97,000 crore (₹70,000 crore through book adjustment and ₹27,000 crore through converting NSSF installment into new loan) in FY 2018-19. Adding to earlier years NSSF loans, outstanding NSSF loans as on 31.12.2019 is of ₹1,91,000 crore.

B. CENTRAL WAREHOUSING CORPORATION (CWC)

- 10.46 The CWC, a Public Sector Enterprises under the Department was set up on 02.03.1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, which was repealed and replaced by the Warehousing Corporations Act, 1962.
- 10.47 The functions of CWC as defined under Section 11 of Warehousing Corporations Act, 1962 & Rule 2A, 2B, 2C, 2D & 2E of Central Warehousing Corporation Rules, 1963 framed thereunder are:
- i. To acquire and build godowns and warehouses at such suitable places in India or abroad as it thinks fit;
 - ii. To run warehouses for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities offered by individuals, co-operative societies and other institutions;
 - iii. To arrange facilities for the transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses;
 - iv. To subscribe to the Share Capital of a State Warehousing Corporation;
 - v. To act as agent of the Government for the purposes of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities;
 - vi. To enter into, with the previous approval of the Central Government, joint ventures with any Corporation established by or under any Central Act or any State Act or with any company formed and registered

- under the Companies Act, 1956 including foreign company or through its subsidiary companies, for carrying out the purposes of this Act;
- vii. To establish subsidiary companies;
 - viii. To carry out such other functions as may be prescribed;
 - ix. To undertake disinfestation service outside its warehouses in respect of agricultural produce or notified commodities as defined in Section 2;
 - x. To provide consultancy services, assistance, finance, programme or projects related to agricultural produce or other notified commodities and undertake any other activities considered incidental to its functions;
 - xi. To render consultancy service for construction of warehouses or any matter connected therewith; and
 - xii. To operate warehouses, create infrastructure and arrange facilities for storage, handling and transport of agricultural produce, seeds, manures, fertilizers, agricultural implements, notified commodities, bonded cargo, air cargo, containerized cargo and liquid cargo. Further, the Corporation may also provide marketing and other warehousing related services in respect of agricultural produce or notified commodities.

CAPITAL STRUCTURE

- 10.48 The authorized share capital of the CWC is 100 crore, out of which 68.02 crore has been paid up. There has been no change in the subscribed and paid up share capital of CWC during 2019-20 (upto 31st December, 2019). The capital structure of CWC is as given below:

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S. No.	Institution/Shareholder	Paid up Capital (₹in lakh)
1.	Central Government	3,742.50
2.	State Bank of India	1,479.40
3.	Other Scheduled Banks	1,087.10
4.	Insurance Companies including Life Insurance Corporation of India	477.74
5.	Cooperative Societies	14.60
6.	Recognized Associations dealing in agricultural produce	0.71
7.	Companies dealing in agricultural produce etc.	0.05
Total		6,802.10

GRANT OF SCHEDULE 'A' STATUS

10.49 CWC was upgraded to Schedule 'A', Mini Ratna, Category-I PSU with effect from 13.05.2015.

STORAGE CAPACITY

10.50 The storage capacity operated by CWC as well as its capacity utilization for last 5 years may be seen from the following tables:

(in lakh MT)

Installed Storage capacity as on	Own	Hired #	Total
31.03.2015	75.78	39.16	114.94
31.03.2016	77.31	31.11	108.42
31.03.2017	77.37	22.41	99.78
31.03.2018	78.37	25.23	103.60
31.03.2019	78.65	23.21	101.86
(upto 30.11.2019)	77.24	23.69	100.93

includes covered hired, management warehouse and open capacity.

CAPACITY ADDITION

10.51 Details of the storage capacity constructed by CWC from 2015-16 to 2018-19 and projected for 2019-20 are as under:

(in lakh MT)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20 (planned)
Capacity Constructed	1.62	0.95	0.29	0.34	0.59

10.52 CWC is undertaking a special drive for upgradation of its warehouses and identified 172 warehouses for upgradation for the year 2019-20 & 2020-21, out of which 44 centres have been upgraded till 31.12.2019 and work is in progress at 97 centres. The details of the storage capacity to be created by CWC during 2019-20 are as under:

Sr. No.	Name of Centre	Capacity (in MT)
1	Jhunjhunu	7700
2	Sikar	5000
3	Chomu	8350
4	Bikaner-II	9400
5	Kunnamthanam	2600
6	Kanjikode	5000
7	Badhoi	8300
8	Bibipur	10000
9	Nasik Road	3022
Total		59372

CAPACITY UTILISATION

10.53 The operational Storage Capacity of CWC, its Utilization and percentage of utilization during the last four years and the year under report are given in the following table:

Financial Year	Owned/Covered (LMT)			Hired # (LMT)			Total (LMT)		
	Capacity	Utilization	Percentage	Capacity	Utilization	Percentage	Capacity	Utilization	Percentage
2015-16	76.64	56.35	74	38.47	35.47	92	115.11	91.82	80
2016-17	75.68	54.32	72	23.97	19.95	83	99.65	74.27	75
2017-18	76.61	61.63	80	23.08	17.10	74	99.69	78.73	79
2018-19	76.12	65.50	86	23.67	17.40	73	99.80	82.91	83
2019-20 (upto Nov, 2019)	77.24*	67.65	87	23.69	17.26	73	100.93*	84.91	84

includes management warehouses and open storage capacity.

* indicates Operational Storage Capacity.

TURNOVER, PROFIT AND DIVIDEND

10.54 CWC has been a consistently profit making and dividend paying CPSE. CWC paid dividend at 30% of PAT (being 72.20% of paid up capital) for the year 2018-19 as against 32% of the paid up capital for the year 2017-18. The details of turnover, Profit Before Tax and dividend paid during the years 2014-15 to 2018-19 and 2019-20 (upto December, 2019) are given in the following table:

(₹in crore)

Financial Year	Turnover	Profit Before Tax	Dividend Paid		
			Central Govt.	Others	Total
2014-15	1561.83	260.06	20.21	16.50	36.71
2015-16	1639.93	283.56	32.93	26.89	59.82
2016-17	1606.29	260.59	53.14	43.39	96.53
2017-18	1582.94	27.62	17.53	14.34	31.87
2018-19	1604.62	225.42	27.00	22.08	49.08
2019-20 (upto Dec,2019)	1240.12	250.00	-	-	-

PEST CONTROL SERVICES

- 10.55 The Corporation has been rendering Pest Control Services (PCS) to a varied group of clients both private and public with the aim to prevent the economic and health loss caused by pests, rodents and termites by using Indian Standard Institute (ISI) marked/World Health Organization (WHO) approved / eco-friendly pesticides. The Corporation earned gross revenue of ₹17.08 crore during the year 2018-19. CWC provides PCS to large number of customers like railways, airlines, airport authority, sea port trust, corporate houses, importers and exporters, real-estate, flour millers, farmers and traders.
- 10.56 The Corporation has obtained accreditation of its officers under International Standard for Phyto-Sanitary Measures (ISPM-15) and Australian Fumigation Accreditation Scheme (AFAS) – India Program of Australian Quarantine and Inspection Service (AQIS) Standards. Besides, Corporation is also registered as fumigation agency and has accreditation for its fumigation operators under National Standard Phyto-Sanitary Measures; NSPM-12 & NSPM-22. The Corporation undertakes quarantine fumigation of cargo and fumigation of export containers and shipments with Methyl Bromide/ Aluminium Phosphide and Aircraft disinfestations/fumigation as per need of customers.

INTEGRATED CHECK POSTS

- 10.57 CWC is operating the Cargo Terminal of the Integrated Check Post (ICP) at Attari (Punjab) and Petrapole (West Bengal) facilitating the import/export trade between India and Pakistan and Indo Bangladesh borders through land route. Land Port Authority of India (LPAI) has awarded operation & management of ICP-Attari to CWC for another three years w.e.f. 08.04.17.
- 10.58 The management of ICP Petrapole (West

Bengal) has been entrusted by LPAI to CWC on long term basis i.e. for 10+5 years for facilitating seamless flow of cross border trade between India and Bangladesh. The said ICP had been formally inaugurated on 12.02.2016.

STATE WAREHOUSING CORPORATIONS

- 10.59 CWC has 19 associates, the State Warehousing Corporations (SWCs). The total investment of the Central Warehousing Corporation, which is 50% shareholder in the equity share capital of the SWCs, as on 01.11.2019 was ₹61.79 crore. As on 01.11.2019, the SWCs operated 2055 warehouses with a total capacity of 354.85 lakh MT.

C. CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED (CRWC)

- 10.60 Central Railside Warehouse Company Limited is a CPSE under the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, was incorporated under the Companies Act, 1956 on 10.07.2007 having authorized capital and paid-up share capital of ₹150 crore and ₹40.56 crore respectively. The 100% paid-up share capital of the Company is being held by Central Warehousing Corporation (CWC).
- 10.61 As on the 31.12.2019, CRWC is operating 19 Railside Warehouse Complexes (RWCs) with a total installed capacity of 3,34,567 MT as per details given below:

Sl. No.	Name of RWC	Capacity (in MT)
1.	Whitefield, Bengaluru	29,700
2.	Shakurbasti, Delhi	19,330
3.	Nishatpura, Bhopal	16,700
4.	Sanathnagar, Hyderabad	13,225
5.	Ghaziabad	12,200
6.	Nasik Road	9,270

Sl. No.	Name of RWC	Capacity (in MT)
7.	Alamnagar, Lucknow	15,500
8.	Yamuna Bridge, Agra	18,200
9.	Koodal Nagar, Madurai	12,000
10.	Badnera, Amravati	17,000
11.	Roza, Shahjahanpur	18,400
12.	Kandla, Gujarat	32,200
13.	Korrukupet, Chennai	30,292
14.	Hatia, Ranchi	12,800
15.	Saswad Road, Pune	18,700
16.	Pahleja, Bihar	13,800
17.	Dankuni, Kolkata	13,750
18.	Mysore, Karnataka	12,500
19.	Jogeshwari, Mumbai	19,000
TOTAL		3,34,567

10.62 The total Installed Warehouse Capacity for the last two years and the current year is as under:

(in MT)

Particular	2017-18	2018-19	2019-20 (as on 31.12.2019)
Total Installed Capacity	3,32,467	3,32,467	3,34,567

10.63 The total number of Wagons Handled for the last two years and current year is as under:

(in units)

Particular	2017-18	2018-19	2019-20 (as on 31.12.2019)
No. of Wagons Handled	1,25,312	1,27,332	82,966

10.64 The Financial results of the Company for the current year 2019-20 (as on 31.12.2019) as compared to last two years are given below:

(₹in lakh)

Particulars	2017-18	2018-19	2019-20 (as on 31.12.2019)
Gross Revenue	9688.47	8794.48	6022.28
Gross Expenditure	7324.02	7158.71	4933.08
Profit before tax (PBT)	2364.44	1635.77	1089.20
Tax Expense	831.16	148.06	279.11
Profit after Tax (PAT)	1533.12	1487.71	810.09

AWARDS

10.65 The following awards were bestowed on the Company.

- RWC Roza was awarded “Cleanest RWC” Award on May, 2019.
- CRWC was Awarded 3rd Prize by Institute of Cost Accountants of India for “Excellence in Cost Management-2018” on 25.10.2019

PROJECTS & BUSINESS EXPANSION

10.66 The following new projects have been completed or are under implementation:

Pahleja: Construction of 13800 MT RWC at Pahleja, Bihar in place of existing terminal at Dehri-on-Sone was completed on 13.08.2018 and started its operation on 15.07.2019. The warehouse has a key length of one full rake and has a occupies a total area of 30,407 Sqm with 13 compartments. The Railside warehouse has spacious truck turning radius, lighting, water arrangement, labour shed, and office space for users.

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Fatuha: Construction of 20400 MT transit warehouse at Fatuha, Bihar with temperature controlled storage at an estimated cost of ₹22 crore has been taken up. This will be a crucial facility catering to the trade in Eastern Region. The Construction work of the Project is in full swing and the warehouse is expected to become operational by March, 2020.

Mancheshwar: Approval has been obtained from Railways for construction of RWC at Mancheshwar, Odisha. The estimated cost of the project is ₹21.82 crore. M/s. RITES Ltd. have been entrusted to execute the project as Project Management Consultant. Architectural plan for the project has been approved. Tendering for construction work of RWC at Mancheswar is under process and this project is likely to be completed during March, 2021.

OTHER BUSINESS INITIATIVES:

10.67 An MoU was signed by CRWC on 21st October, 2019 with M/s. DFCCIL for developing Railside Warehouses/Silos/MMLPs on DFCCIL's Rail Network across the country.

10.68 CRWC also signed a MoU with M/s. Ultratech for enhancing mutual benefits and augmentation of their commercial activities.

HUMAN RESOURCE MANAGEMENT

10.69 CRWC is having 51 Officials on its roll on regular basis as on 31.12.2019 in different position i.e. HR, Finance, Commercial etc. at various levels. During the year the Company has conducted 41 man-days training programme for its officials.

D. HINDUSTAN VEGETABLE OILS CORPORATION LIMITED (HVOC)

10.70 Hindustan Vegetable Oils Corporation (HVOC), a fully-owned Govt. Company, was engaged in the business of manufacturing of Vanaspati, refining & packing of imported edible oil for Public Distribution System (PDS) and manufacturing of breakfast

cereal. Due to erosion of net worth as a result of continued losses, the company was referred to Board for Industrial and Financial Reconstruction (BIFR) and declared sick in 1999. The company is now under liquidation under the supervision of the Hon'ble High Court of Delhi.

10.71 All the units have been closed and all the employees have accepted voluntary separation scheme/Improved Voluntary Retirement Scheme (IVRS). The company does not have any regular employee on its roll at present. The liquidator of HVOC has already disposed off the moveable assets of all the units except those of Kolkata unit which was pending due to a stay order of the Hon'ble High Court of Calcutta. The stay order was vacated recently and the Liquidator is now in the process of disposing of these assets. The Liquidator has also settled the dues of all the outside creditors except the claims which are under litigation.

10.72 As far as immovable assets of HVOC are concerned, as per decision of the Union Cabinet in its meeting held on 30.11.2017, all the landed assets of HVOC have been handed over to L&DO/CPWD, MoHUA. The Cabinet in the-aforsaid meeting also decided to waive off the liabilities of HVOC towards loans taken from the Government. Accordingly, the loans and interest amounting to ₹463.31 crore were waived off through technical allocation of funds in September, 2018.

10.73 HVOC is pursuing 24 court cases presently pending in various cities. The Government has decided to provide funds to HVOC to meet any liability that may arise from these court cases. Dissolution of HVOC u/s 481 of the Companies Act, 1956 can only be done by the High Court when winding up activities are completed, i.e, all liabilities are settled, all pending court cases /all assets of the company are disposed off.

E. WAREHOUSING DEVELOPMENT & REGULATORY AUTHORITY (WDRA)

10.74 WDRA was set up by Government of India on 26.10.2010 under the provisions of the Warehousing (Development & Regulation) Act, 2007.

Objectives

10.75 The main objectives of the Authority are to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts and related matters. The Negotiable Warehouse Receipts (NWRs) issued by the warehouses registered under this Act would help farmers to seek loans from banks against NWRs and avoid distress sale of agricultural produce. It would also be beneficial for a number of other stakeholders such as banks, financial institutions, insurance companies, trade, commodity exchanges as well as consumers. It will encourage farmers to store their agricultural produce in scientific registered warehouses wherein storage losses would be minimized and quality of the commodities would be maintained during storage period.

Functions

10.76 The major functions of the Authority is to implement the provisions of the Act as well as the Rules and regulations framed there under to regulate and promote orderly growth of warehousing business in the country. The main functions of the Authority are listed below:

- a. To register warehouses, cold storages and Silos which would issue NWRs upon receipt of stocks.
- b. To implement Negotiable Warehouse Receipt system.
- c. To empanel inspection agencies for conducting physical inspection of warehouses as well as stocks audits.

- d. To specify the qualification, code of conduct and practical training for warehousemen and staff engaged in warehousing business.
- e. To regulate process of pledge, creation of charges and enforcement thereof in respect of goods deposited with the warehouse.
- f. To promote efficiency in conduct of warehouse business.
- g. To promote scientific warehousing of goods.
- h. To promote professional organisations dealing with warehousing business.
- i. To regulate and develop electronic system of holding and transfer credit balances of goods deposited in the warehouses.
- j. To register Repositories for creation and management of electronic Negotiable Warehouse Receipts (e-NWRs).

REGULATION OF WAREHOUSING BUSINESS

10.77 As per Section 3 of the Warehousing (Development and Regulation) Act, 2007, no person shall commence or carry on the business of warehousing for issuing Negotiable Warehouse Receipts unless he has obtained a registration certificate from the Authority after fulfilling the prescribed norms in respect of the concerned warehouse or warehouses.

REQUIREMENT FOR REGISTRATION OF WAREHOUSES

10.78 The Government of India has notified the requirements for registration of warehouses vide notification of Warehousing (Development and Regulation) Registration of Warehousing Rules, 2017 effective from 23.02.2017, which broadly are as follows:

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- i. The warehouses should be constructed as per Bureau of Indian Standards (BIS) / FCI / CWC specifications and storage worthy.
 - ii. The applicant should be a fit and proper person.
 - iii. The warehouse shall have adequate security arrangements.
 - iv. The warehouse shall have adequate trained staff with expertise for scientific storage of goods.
 - v. The warehouse shall have requisite equipment for weighment and insect/pest management operations.
 - vi. The warehouse shall have adequate insurance of stocks against fire, flood, theft, burglary, misappropriation, riots, strikes or terrorism.
 - vii. The warehouse shall have requisite net worth as provided in the Rules.
 - viii. The warehouse shall be compliant to local laws for carrying out the business of warehousing.
 - ix. The warehouse should follow a Standard Operating Procedure for various warehouse operations as prescribed by the Authority.
 - x. Any other requirement prescribed by the Authority from time to time.
- 10.79 In case the application is found in order, the Authority may cause a physical inspection of the warehouse concerned to satisfy about fulfillment of the infrastructure requirement by the warehouse and other particulars as specified by the Authority in its inspection guidelines.

VARIOUS ACTIVITIES OF THE AUTHORITY

10.80 The Authority has undertaken the following activities:

- i. **Empanelment of Inspection Agencies:** The requirement of physical infrastructure of warehouse is to be inspected through the Inspection Agency (IA) nominated by the WDRA prior to their registration to ensure that basic requirements of scientific storage of agricultural and other commodities are fully met by these warehouses. The Authority has six empanelled IAs for undertaking various warehouse inspections on its behalf.
- ii. **Notification of Agricultural Commodities:** The Authority has so far notified 123 agricultural commodities including cereals, pulses, oilseeds, vegetable oils, spices, edible nuts, rubber, tobacco, tea, coffee etc. for issuing NWRs and has also notified 26 horticulture commodities for issuance of NWRs by cold storages.
- iii. **Launch of e-NWRs:** On 26.09.2017 the electronic Negotiable Warehouse Receipt (e-NWR) and WDRA Portal was launched by Shri Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution. Two repositories, M/s CDSL Commodity Repository Limited (CCRL) sponsored by M/s Central Depository Services Limited (CDSL) and M/s National Electronic Repository Limited (NERL) sponsored by M/s National Commodity and Derivatives Exchange (NCDEX) were issued registration certificate for setting up repository systems for creation and management of e-NWRs.
- iv. **Registration of Warehouses:** During the year 2019-20 (upto 31.12.2019) the Authority registered 663 warehouses fulfilling all the requirements for registration. The registered warehouses issued 120881 Negotiable Warehouse Receipts (NWRs) (including 1,17,183 NWRs in electronic form) against deposit of 8.17 lakh MT of stock with a declared value of ₹4833.079 crore at the time of deposit.

- v. **Integration of Primary Agricultural Cooperative Societies (PACs) with NWR ecosystem:** The Authority has taken initiative for integration of the Primary Agriculture Cooperative Societies (PACs) warehouses under the Negotiable Warehouse Receipt system so that the small and marginal farmers may get benefit of safe storage and pledge financing. Under the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 and notification prescribing requirement of security deposit, a number of concessions have been extended to Farmer Producer Organization (FPO)/ Cooperative society warehouses. In case the applicant / warehouseman is a FPO or a Cooperative, the registration fee shall be ₹5,000/- per warehouse, the net worth should be positive and security deposit would be ₹50,000/- per warehouse.

The Authority has started online registration of warehouses belonging to PACS from Tamil Nadu and during 2019-20 (up to 31.12.2019), 585 warehouses of PACS in the State of Tamil Nadu were registered. To facilitate this, the Authority organized a number of orientation programmes for Cooperative Master Trainers from different districts in Tamil Nadu apart from handholding workshops for PACS Secretaries to educate and facilitate these cooperatives on the WDRA registration process. Similar efforts are on in the State of Odisha.

- vi. **Introduction of NWR System in cold storages:** The Authority in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB), had also introduced NWR system for cold storages so that the growers / farmers producing

horticultural commodities may store these commodities in cold storages and may avail loan against NWRs issued by the registered cold storages. The basic requirements for cold storages were finalised by a committee appointed by Government of India under the Chairmanship of Managing Director, National Horticulture Board. 26 horticulture commodities including Potato, Onion, Garlic, Ginger, Turmeric, Apple and Resins etc. have been notified for issuance of NWRs.

- vii. **Training and Awareness programme:** For capacity building in the warehousing sector, training programmes for warehousemen of the registered warehouses are being regularly organized by the Authority through various training partner institutions. Besides, awareness programmes for farmers/traders/ millers on Warehousing (Development and Regulation) Act, 2007 and awareness about benefits of the NWR system are also carried out regularly.
- a. **Warehousemen Training Programmes:** During 2019-20 (up to 31.12.2019), 5 warehouseman training programmes covering 148 warehousemen / warehouse managers were organized. Since inception, a total of 58 training programmes covering 1811 warehousemen/warehouse managers were organized.
- b. **Awareness programmes for farmers:** During 2019-20 (up to 31.12.2019), 81 awareness programmes covering 4050 farmers / traders/millers have been organized. Since inception, a total of 808 awareness programmes covering 40400 farmers / traders/millers have been organized

viii. Transformation Plan of WDRA – Initiatives for better governance: The Authority, in association with the Department of Food and Public Distribution, the Department of Economic Affairs and the National Institute of Public Finance & Policy (NIPFP), undertook a Transformation Plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers against negotiable warehouse receipts.

The Transformation Plan of the Authority has been completed in April, 2019. Activities accomplished as envisaged in the Transformation Plan inter-alia includes following:

- a. Market surveys and studies to generate information about the warehousing sector.
- b. Re-writing the existing rules and regulations with a focus towards building NWRs as credible instruments of trade.
- c. Putting in place robust inspection and supervision framework.
- d. Digitization / dematerialization of NWRs by setting up of the repository (ies) for electronic-NWRs (e-NWRs).
- e. Deployment of IT ecosystem in WDRA for online warehouse registration including internal automation and business process automation.

Following activities were taken during 2019-20 (upto 31.12.2019) as a follow up to the Transformation Plan implementation:

- a. Stabilization of various systems including IT Systems implemented under the Transformation Plan commenced. This was completed by 31.05.2019 and the IT systems are now in their O&M phase since 01.06.2019.

- b. WDRA declared 01.08.2019 as the date from which registered warehouses shall issue only e-NWRs and not paper NWRs. Paper NWRs have been done away with now.
- c. Monitoring & surveillance reports of e-NWRs have been made operational with effect from 29.10.2019. These reports include threshold alerts, exception reports for initiating inspections etc.

F. NATIONAL SUGAR INSTITUTE (NSI), KANPUR

10.81 National Sugar Institute, Kanpur is a premier Scientific & Technical Institute in the country which conducts Fellowship, Post Graduate Diploma & Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology related disciplines. Besides undertaking research and development work in sugar and allied fields, it also renders advice to Sugar, Alcohol and allied industry from “Concept to Commissioning”. During the 2019-20 academic session, 255 students were admitted in various courses conducted by the institute:

- a. Associateship of National Sugar Institute in Sugar Technology.
- b. Associateship of National Sugar Institute in Sugar Engineering.
- c. Post Graduate Diploma in Industrial Fermentation & Alcohol Technology.
- d. Post Graduate Diploma in Sugarcane Productivity & Maturity Management.
- e. Post Graduate Diploma in Industrial Instrumentation & Process Automation.
- f. Post Graduate Diploma in Quality Control & Environment Science.
- g. Sugar Engineering Certificate Course.
- h. Sugar Boiling Certificate Course.
- i. Certificate Course in Quality Control

10.82 In addition to above, the institute provides facilities for carrying out research in Sugar Technology, Sugar Chemistry, Sugar Engineering and Fermentation Technology related disciplines for award of Fellowship of the Institute.



Training Programme for Efficient Operation of Effluent Treatment Plants

10.84 An interactive session for 20 IAS Probationers was organized at the institute on 28th June, 2019. During the session, a presentation was given on “Issues related to sugarcane production, milling, marketing management, cost and sugar recovery”. Director and other senior faculty members briefed them about



Interactive Session for IAS Probationers

EXECUTIVE DEVELOPMENT PROGRAMME:

10.85 Three days “Executive Development Programme” was organized at the institute from 26-28th June, 2019. Senior officials from sugar factories & distilleries situated in Uttar Pradesh, Bihar, Maharashtra, Karnataka,

CUSTOMIZED TRAINING PROGRAMME

10.83 Three days training programme on “Validation & Efficient Operation of Effluent Treatment Plants (Sugar)” conducted at the institute from 11-13th September, 2019. Training on theoretical & practical aspects of effluent management was imparted to the participants.



various aspects relating to policy, productivity and need for product diversifications. The probationers also visited various laboratories including Bureau of Sugar Standard to know process of sugar quality control & preparation of sugar standard grades.



Gujarat and Haryana participated in the programme. Lectures on sugar policy, human resource, value addition, sugarcane & sugar productivity and on environmental issues were given by institute & faculty from other reputed institutes viz. IIT & IISR etc.

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Executive Development Programme

ANNUAL CONVENTION ORGANIZED

10.86 4th Annual Convention of North Indian Sugarcane & Sugar Technologists' Association (NISSTA) was organized at NSI, Kanpur on 29-30th May, 2019 with thought provoking lectures and 6 nos. of informative presentations from institute on innovative processes and technologies followed by

colorful cultural programme. Eminent experts, Prof. Ross Broadfoot, Sugar Research Institute, Australia, Mr. Ahmed Vawda, Plant Executive Director (Sugar), Saudi Arabia and Dr. A.P. Keerthipala, Director, Sugarcane Research Institute, Sri Lanka delivered lectures on important aspects of sugar processing & sugarcane price fixation mechanism.



Annual Convention of North Indian Sugarcane & Sugar Technologists' Association (NISSTA)

SEMINARS & WORKSHOPS ORGANIZED

10.87 National Seminar on "Indian Sugars-Standardization & Quality Considerations" was jointly organized by NSI-BIS-Maarc Labs at the institute on 26th September, 2019. Delegates from sugar industry as well as students of the institute participated in the

seminar. Presentation were made on sugar standards prevalent in India, other countries and as accepted for global trade. Standard methods and protocols for analyzing various quality parameters were presented and deliberated. Importance of food safety management was also emphasized during the seminar.



National Seminar on “Indian Sugars- Standardization & Quality Considerations”

10.88 National Conference “Sugar Tech – 2019” was jointly organized with Confederation of Industry (CII) at Lucknow on 19th September, 2019. Shri D. Swain, Prof. Sugar Engineering & Shri Anoop Kumar Kanaujia, Asstt. Prof. Sugar Engineering attended the same and a presentation on economic sustainability was made by Shri D. Swain, Prof. Sugar Engineering.



10.89 A workshop on the topic “Production of Particle Board from Bagasse” was organized at National Sugar Institute, Kanpur on 5th September, 2019. The workshop was aimed to discuss possible use of bagasse for production of particle board for manufacture of furniture. An elaborate study was presented by M/s Protos Engineering Pvt. Ltd., Mumbai on relative cost-economics & quality.



A workshop on “Production of Particle Board from Bagasse”

10.90 Institute participated as event partner in the two days National Seminar on “Ethanol Production from Different Feed Stocks Including Molasses, Sugarcane Juice, Grain, Sweet Beet and other Cellulosic Materials” jointly organized by All India



Distillers Association (AIDA) on 12th & 13th December, 2019 at Jaipur. Director, National Sugar Institute delivered a lecture on “Is Sugar beet a Potential Feed Stock for Ethanol Production?” during the seminar.

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National Seminar on “Ethanol Production from Different Feed Stocks”

10.91 Hon'ble State Minister Agriculture, Shri Ranvendra Pratap Singh inaugurated the Innovative “Farmer’s Meet” at the institute organized by CII with NSI as Institutional Partner on 18th June, 2019. Hon'ble Minister

stressed the need for enhancing the farm productivity with minimum inputs. He also highlighted the importance of organic farming & subsequent organic products for achieving value addition.



“Farmer’s Meet”

VISITORS FROM ABROAD

10.92 A 15-member delegation from Cane & Sugar Board, Thailand and Thailand Society of Sugarcane Technologists visited the institute

for looking at academic and research activities on 16th August, 2019. The delegation discussed possibilities of undertaking collaborative research on the areas of development of value added products.



Delegation from Cane & Sugar Board, Thailand and Thailand Society of Sugarcane Technologists

10.93 Mrs. Emilia Cartier, Attaché for University, Scientific and Technological Cooperation, France visited the institute. She gathered



Visit of Mrs. Emilia Cartier, Attaché for University, Scientific and Technological Cooperation, France

information on various courses being conducted by the institute and on research activities.



10.94 6 member Chinese delegation from Guangxi Sugar Industry Development Office, China visited the institute on 11th December, 2019. Delegation took keen interest in institute

activities and extended invitation to visit Chinese sugar factories for efficiency improvement.



Delegation of China Guangxi Sugar Industry Development Office

FOREIGN COLLABORATION

10.95 Institute entered into a Memorandum of Understanding (MoU) with Faculty of Sugar & Integrated Industries Technology, University of Assiut, Egypt. The two organizations

besides undertaking collaborative research work on areas of mutual interest shall also conduct jointly short duration training programmes for sugar industry professionals from Egypt.



Signing of MoU with Faculty of Sugar & Integrated Industries Technology, University of Assiut, Egypt.

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NATIONAL COLLABORATION

10.96 NSI signed MoU with CSJM University, Kanpur to carryout collaborative research



Signing MoU with CSJM University, Kanpur

work on areas of mutual interest viz. bio-energy, bio-fuel, effluent treatment and also on exchange of faculty, conducting personality development programmes for students etc.



10.97 Institute signed MoU with National Research Development Corporation for

commercialization of technologies and products developed by the institute.



Signing MoU with National Research Development Corporation



RESEARCH

10.98 Research work on various important issues was taken up by the institute during the year. It was aimed at developing technologies for utilization of by-products of sugar industry in an innovative manner for value addition, to enhance the productivity and process flexibility besides addressing environmental

issues. The institute is continuing R & D work on followings:

- i. Utilization of potash rich ash for production of valuable bio fertilizer.
- ii. Ethanol production from sugar, sweet sorghum, sugar beet and other potential feed stocks.

- iii. Studies on the feasibility of utilization of sugarcane bagasse as a potential feedstock to access cosmetic ingredients.
- iv. Studies on Production/Isolation of C-5-Sugar Alcohol/Sugar using by-product resources of sugar industry.
- v. Studies on pot-efficient synthesis of alkyl levulinates (Als) using sugarcane bagasse derived cellulose.
- vi. Mechanical Clarification of Juice for producing better quality sugar with lower SO₂ content.
- vii. Production of fortified sugars and jaggery.
- viii. Development of Super Short Retention Time Clarifier.
- ix. Boiler RO/DM water heating by Concentrated Solar Thermal (CST) system.
- x. To study the impact on performance of mechanically coupled twin induction motor drives for Shredder/Fibrizer having unequal sharing of load and to design & develop dedicated drive for the application.

CONSULTANCY

- 10.99 The institute rendered its services to various sugar factories and distilleries situated in all the major sugar producing states viz. Uttar Pradesh, Punjab, Uttarakhand, Bihar, Karnataka, Haryana, Maharashtra, Rajasthan, Tamil Nadu, Andhra Pradesh, Telangana, Madhya Pradesh, Gujarat, Chhattisgarh and Odisha etc. on the issues related to setting up of new units, addition of cogeneration & ethanol facilities, capacity expansion and modernization, energy & water conservation, lower sugar recovery, validation of effluent treatment plants and on various other issues.

During the period, 142 sugar factories, distilleries and other related organizations availed the advisory for such purposes. Besides this, 58 sugar and distilleries utilized services of the Institute for analysis of sugar, molasses, ethanol and waste water samples for various parameters. In addition to this, institute provided its services to various States in recruitment of technical staff for their sugar and allied units.

SUGAR STANDARD GRADES

- 10.100 After the approval of the Expert Committee on the Sugar Standards under the Chairmanship of Director, National Sugar Institute, seven Sugar Standard grades, L-31, L-30, M-31, M-30, S-31, S-30 and SS-31 were released so as to facilitate marking and marketing of plantation white Sugar during Sugar season 2019-20.

PUBLICATION

- 10.101 The institute published “E-NEWSLETTER” on quarterly basis so as to propagate the teaching, research and other activities of the institute.
- 10.102 The institute published “SHARKARA”, a technical journal on quarterly basis so as to create awareness about new technologies in sugar processing, ethanol production and on other innovations.
- 10.103 The institute also undertook publication of a Data Book “Sugarcane & Sugar Related Statistics with Technical Efficiency Parameters” obtained by Indian Sugar Factories during the crushing season 2018-19.

OUR FELICITATIONS

- 10.104 Director, National Sugar Institute conferred with “Innovative Leader of Asia Award-2019” during the 3rd Asian Leadership Summit organized at Thimphu, Bhutan.

ORGANISATIONS UNDER DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION



“Innovative Leader of Asia Award-2019”



“Outstanding Academic Leader of the Year 2019”

10.105 Director, National Sugar Institute conferred with “Outstanding Academic Leader of the Year 2019” award by Centre for Education Growth & Research for institute’s contribution in education, skill and research at New Delhi.

10.106 Dr. V.P. Srivastava, Asstt. Prof. Organic Chemistry conferred with “Young Scientist Award” during the 4th Annual Convention of North Indian Sugarcane & Sugar Technologists’ Association (NISSTA) organized at NSI, Kanpur.



“Young Scientist Award”

10.107 Prof. Narendra Mohan, Director, Dr. A. Bajpai, Prof. Sugar Technology & Shri Subhash Chandra, Junior Technical Officer were conferred with Noel Deerr Gold Medal



“Noel Deerr Gold Medal”

for the best research paper during the 77th Annual convention of STAI held at Biswa Bangla Convention Centre, New Town, Kolkata, West Bengal.



Annexures



National Sugar Institute
Government Of India



Annexure-II

STATEMENT SHOWING SANCTIONED POSTS IN DEPARTMENT (INCLUDING ATTACHED & SUBORDINATE OFFICES)

Group	Department	SRA Hqrs.	IGMRI, Hapur & Field Stations	QCC	Dtte. of Sugar & Vegetable Oils	NSI, Kanpur	Total
'A'	89	07	11	21	17	45	190
'B'	247	13	24	35	30	38	387
'C'	206	09	54	62	28	201	560
Total	542	29	89	118	75	284	1137

Annexure-III

BUDGET ESTIMATE, REVISED ESTIMATE AND EXPENDITURE STATEMENT

Year	Department	Demand No	Budget Estimates			Revised Estimates			Actual		
			Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2014-15	F&PD	17	330.00	125954.34	126284.34	150.00	134326.54	134476.54	146.05	129303.00	129449.05
2015-16	F&PD	18	212.00	136325.55	136537.55	165.00	162084.41	162249.41	160.53	161922.11	162082.64
2016-17	F&PD	17	150.00	152554.11	152704.11	147.00	192045.51	192192.51	123.91	139946.54	140070.45
			Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
2017-18	F&PD	16	50523.05	150952.64	201475.69	50499.65	146309.57	196809.22	50499.56	106287.04	156786.60
2018-19	F&PD	16	50424.10	173735.00	224159.10	51354.00	176983.12	228337.12	12853.23	106693.67	119546.90
2019-20	F&PD	15	51326.12	190914.27	242240.39	37250.92	113989.47	151240.39	122.11#	145879.06#	146001.17#

Actual 2019-20 is as on 31.12.2019

STOCK POSITION OF WHEAT AND RICE IN THE CENTRAL POOL VIS A VIS FOODGRAINS STOCKING NORMS

(in lakh MT)

AS ON	WHEAT		RICE		TOTAL	
	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms
01.01.2015	251.13	138.00	117.43	76.10	368.56	214.10
01.04.2015	172.21	74.60	170.94	135.80	343.15	210.40
01.07.2015	386.80	275.80	158.95	135.40	545.75	411.20
01.10.2015	324.50	205.20	125.78	102.50	450.28	307.70
01.01.2016	237.88	138.00	126.89	76.10	364.77	214.10
01.04.2016	145.38	74.60	221.61	135.80	366.99	210.40
01.07.2016	301.81	275.80	194.14	135.40	495.95	411.20
01.10.2016	213.28	205.20	144.74	102.50	358.02	307.70
01.01.2017	137.47	128.00	134.75	86.10	272.22	214.10
01.04.2017	80.59	74.60	230.81	135.80	311.40	210.40
01.07.2017	322.75	275.80	210.44	135.40	533.19	411.20
01.10.2017	258.66	205.20	163.07	102.50	421.73	307.70
01.01.2018	195.62	138.00	162.06	76.10	357.68	214.10
01.04.2018	132.31	74.60	248.73	135.80	381.04	210.40
01.07.2018	418.01	275.80	232.52	135.40	650.53	411.20
01.10.2018	356.25	205.20	186.34	102.50	542.59	307.70
01.01.2019	271.21	138.00	182.91	76.10	454.12	214.10
01.04.2019	169.92	74.60	293.94	135.80	463.86	210.40
01.07.2019	458.31	275.80	284.21	135.40	742.52	411.20
01.10.2019	393.16	205.20	249.16	102.50	642.32	307.70
01.01.2020	327.96	138.00	237.15	76.10	565.11	214.10

Note 1: Revised norms is w.e.f. 22.01.2015

TOTAL STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.01.2020

(in lakh MT)

REGION	STOCK WITH FCI			STOCK WITH STATE AGENCIES			TOTAL CENTRAL POOL STOCK		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
1	2	3	4	5	6	7	8	9	10
Bihar	3.67	3.31	6.98	0.00	0.00	0.00	3.67	3.31	6.98
Jharkhand	2.58	0.25	2.83	0.00	0.00	0.00	2.58	0.25	2.83
Odisha	1.66	1.74	3.40	5.46	0.00	5.46	7.12	1.74	8.86
West Bengal	0.23	6.44	6.67	0.92	0.00	0.92	1.15	6.44	7.59
Zonal Total	8.14	11.74	19.88	6.38	0.00	6.38	14.52	11.74	26.26
Assam	2.19	0.13	3.04	0.00	0.00	0.00	2.91	0.13	3.04
Arunachal Pradesh	0.13	0.00	0.13	0.00	0.00	0.00	0.13	0.00	0.13
Tripura	0.26	0.03	0.29	0.00	0.00	0.00	0.26	0.03	0.29
Mizoram	0.16	0.00	0.16	0.00	0.00	0.00	0.16	0.00	0.16
Meghalaya	0.15	0.01	0.16	0.00	0.00	0.00	0.15	0.01	0.16
Manipur	0.20	0.00	0.20	0.00	0.00	0.00	0.20	0.00	0.20
Nagaland	0.28	0.00	0.28	0.00	0.00	0.00	0.28	0.00	0.28
Zonal Total	4.09	0.17	4.26	0.00	0.00	0.00	4.09	0.17	4.26
Delhi	0.20	2.40	2.60	0.00	0.00	0.00	0.20	2.40	2.60
Haryana	23.27	29.39	52.66	0.00	52.04	52.04	23.27	81.43	104.70
Himachal Pradesh	0.21	0.46	0.67	0.00	0.00	0.00	0.21	0.46	0.67
J&K	1.35	0.64	1.99	0.00	0.00	0.00	1.35	0.64	1.99
Punjab	86.37	13.63	100.00	0.00	95.38	95.38	86.37	109.01	195.38
Rajasthan	0.22	13.02	13.24	0.00	0.00	0.00	0.22	13.02	13.24
Uttar Pradesh	17.38	16.21	33.59	0.00	0.00	0.00	17.38	16.21	33.59
Uttrakhand	1.07	0.46	1.53	0.53	0.00	0.53	1.60	0.46	2.06
Zonal Total	130.07	76.21	206.28	0.53	147.42	147.95	130.60	223.63	354.23
Andhra Pradesh	5.93	0.12	6.05	5.80	0.00	5.80	11.73	0.12	11.85
Karnataka	7.44	0.45	7.89	0.00	0.00	0.00	7.44	0.45	7.89
Kerala	3.39	0.87	4.26	0.42	0.00	0.42	3.81	0.87	4.68
Tamil Nadu	11.56	0.45	12.01	1.23	0.00	1.23	12.79	0.45	13.24
Telangana	18.93	0.10	19.03	5.02	0.00	5.02	23.95	0.10	24.05
Zonal Total	47.25	1.99	49.24	12.47	0.00	12.47	59.72	1.99	61.71
Gujarat	0.74	5.91	6.65	0.00	0.00	0.00	0.74	5.91	6.65
Maharashtra	4.92	11.78	16.70	0.00	0.00	0.00	4.92	11.78	16.70
Madhya Pradesh	0.51	1.74	2.25	7.27	68.11	75.38	7.78	69.85	77.63
Chhattisgarh	6.82	0.18	7.00	3.74	0.00	3.74	10.56	0.18	10.74
Zonal Total	12.99	19.61	32.60	11.01	68.11	79.12	24.00	87.72	111.72
Total	202.54	109.72	312.26	30.39	215.53	245.92	232.93	325.25	558.18
Wheat lying in mandies	0.00	0.00	0.00	0.00	0.02	0.02	0.00	0.02	0.02
Stock in Transit	4.22	2.69	6.91	0.00	0.00	0.00	4.22	2.69	6.91
Total (All India)	206.76	112.41	319.17	30.39	215.55	245.94	237.15	327.96	565.11

* Madhya Pradesh 0.02 lakh MT (FCI 0.00, State agency 0.02 lakh MT)

STATUS OF END-TO-END COMPUTERIZATION OF PDS OPERATIONS

(as on 31.12.2019)

S.	States/UTs	No. of Ration Cards under NFSA	Digitization of Ration Cards	Aadhaar Seeding with Ration Cards	Online Allocation of Foodgrains	Computerization of Supply Chain Management	Online Grievance Redressal	Toll Free Helpline Numbers	Total No. of Fair Price Shops	No. of FPSs with Operational ePoS
1	Andhra Pradesh	90,27,634	100%	100%	Implemented	Implemented	Yes	Yes	28,936	28,936
2	A & N Islands	16,357	100%	97%	Implemented	Implemented	Yes	Yes	479	459
3	Arunachal Pradesh	1,77,607	100%	57%	Implemented	-	-	Yes	1,943	25
4	Assam	57,87,132	100%	0%	Implemented	Implemented	Yes	Yes	38,237	0
5	Bihar	166,76,001	100%	77%	Implemented	Implemented	Yes	Yes	41,483	33,843
6	Chandigarh	68,296	100%	99%	NA	NA	Yes	Yes	NA	NA
7	Chhattisgarh	52,82,969	100%	98%	Implemented	Implemented	Yes	Yes	12,304	11,990
8	D & N Haveli	45,737	100%	100%	Implemented	Implemented	Yes	Yes	63	63
9	Daman & Diu	19,989	100%	100%	Implemented	Implemented	Yes	Yes	51	51
10	Delhi	17,69,711	100%	100%	Implemented	Implemented	Yes	Yes	2,254	0
11	Goa	1,42,147	100%	98%	Implemented	Implemented	Yes	Yes	456	456
12	Gujarat	65,89,591	100%	100%	Implemented	Implemented	Yes	Yes	17,210	17,210
13	Haryana	26,96,963	100%	100%	Implemented	Implemented	Yes	Yes	9,526	9,526
14	Himachal Pradesh	6,79,594	100%	100%	Implemented	Implemented	Yes	Yes	4,934	4,934
15	Jammu & Kashmir	16,74,981	100%	84%	Implemented	-	Yes	Yes	6,411	6,411
16	Jharkhand	57,19,048	100%	95%	Implemented	Implemented	Yes	Yes	25,532	25,532
17	Karnataka	1,26,67,260	100%	100%	Implemented	Implemented	Yes	Yes	19,935	19,759
18	Kerala	37,28,830	100%	99%	Implemented	implemented	Yes	Yes	14,374	14,335
19	Lakshadweep	5,154	100%	100%	Implemented	NA	Yes	Yes	39	39
20	Madhya Pradesh	1,17,47,674	100%	90%	Implemented	Implemented	Yes	Yes	24,732	24,619
21	Maharashtra	1,50,44,608	100%	99%	Implemented	Implemented	Yes	Yes	52,532	52,532
22	Manipur	5,87,845	100%	82%	Implemented	-	Yes	Yes	2,682	10
23	Meghalaya	4,21,502	100%	0%	Implemented	Implemented	Yes	Yes	4,736	10
24	Mizoram	1,55,643	100%	93%	Implemented	-	Yes	Yes	1,252	0
25	Nagaland	2,82,076	100%	70%	Implemented	-	Yes	Yes	1,691	153
26	Odisha	93,31,979	100%	99%	Implemented	Implemented	Yes	Yes	12,577	12,577
27	Puducherry	1,77,709	100%	100%	NA	NA	Yes	Yes	NA	NA
28	Punjab	35,55,040	100%	97%	Implemented	Implemented	Yes	Yes	17,525	17,525
29	Rajasthan	1,10,73,221	100%	96%	Implemented	Implemented	Yes	Yes	25,682	25,579
30	Sikkim	94,594	100%	91%	Implemented	Implemented	Yes	Yes	1,362	1,352
31	Tamil Nadu	1,01,19,410	100%	100%	Implemented	Implemented	Yes	Yes	34,776	34,776
32	Telangana	53,23,859	100%	99%	Implemented	Implemented	Yes	Yes	17,170	17,170
33	Tripura	5,78,841	100%	100%	Implemented	Implemented	Yes	Yes	1,806	1,806
34	Uttar Pradesh	3,54,92,637	100%	100%	Implemented	implemented	Yes	Yes	80,493	80,493
35	Uttarakhand	13,36,033	100%	94%	Implemented	implemented	Yes	Yes	9,908	5,991
36	West Bengal	5,63,56,090	100%	72%	Implemented	Implemented	Yes	Yes	20,806	19,125
	Total	23,44,53,762	100%	87.5%	34	28	35	36	5,33,897	4,67,287

Annexure-VII

STORAGE CAPACITY WITH FCI AND STATE GOVT. AGENCIES AS ON 31.12.2019.

(in lakh MT)

Zone	S. No.	State	Total Storage Capacity with FCI (Owned/Hired)						Total Storage Capacity with State Agencies including SWCs (excluding capacities given to FCI) for storage of foodgrains)		Grand Total	
			Covered		CAP		Total		State Agencies			
			Owned	Hired	Owned	Hired	Covered	CAP	Covered	CAP	Covered	CAP
EAST	1	BIHAR	3.66	5.97	1.00	0.00	9.63	1.00	7.43	-	17.06	1.00
	2	JHARKHAND	0.67	3.09	0.05	0.00	3.76	0.05	0.27	-	4.03	0.05
	3	ODISHA	3.12	2.31	0.00	0.00	5.43	0.00	7.92	-	13.35	0.00
	4	WEST BENGAL	8.50	1.07	0.51	0.00	9.57	0.51	9.16	-	18.73	0.51
N.E.	5	ASSAM	3.00	1.19	0.00	0.00	4.19	0.00	0.00	-	4.19	0.00
	6	ARUNACHAL PRADESH	0.32	0.01	0.00	0.00	0.33	0.00	0.00	-	0.33	0.00
	7	MEGHALAYA	0.13	0.09	0.00	0.00	0.22	0.00	0.00	-	0.22	0.00
	8	MIZORAM	0.25	0.00	0.00	0.00	0.25	0.00	0.00	-	0.25	0.00
	9	TRIPURA	0.36	0.08	0.00	0.00	0.44	0.00	0.00	-	0.44	0.00
	10	MANIPUR	0.45	0.04	0.00	0.00	0.49	0.00	0.00	-	0.49	0.00
	11	NAGALAND	0.33	0.13	0.00	0.00	0.46	0.00	0.00	-	0.46	0.00
NORTH	12	DELHI	3.36	0.00	0.31	0.00	3.36	0.31	0.00	-	3.36	0.31
	13	HARYANA	7.68	48.64	3.33	0.00	56.32	3.33	36.79	32.64	93.11	35.97
	14	HIMACHAL PRADESH	0.22	0.50	0.00	0.00	0.72	0.00	0.00	-	0.72	0.00
	15	JAMMU & KASHMIR	1.03	1.41	0.10	0.00	2.44	0.10	0.00	-	2.44	0.10
	16	PUNJAB	22.24	88.40	7.31	0.10	110.64	7.41	48.07	68.28	158.71	75.69
	17	RAJASTHAN	7.20	10.20	1.85	0.00	17.40	1.85	5.03	-	22.43	1.85
	18	UTTAR PRADESH	15.15	34.32	5.19	0.00	49.47	5.19	0.00	-	49.47	5.19
	19	UTTARAKHAND	0.66	1.01	0.21	0.00	1.67	0.21	0.52	-	2.19	0.21
SOUTH	20	ANDHRA PRADESH	7.36	5.41	1.60	0.00	12.77	1.60	8.27	-	21.04	1.60
	21	TELANGANA	5.37	14.07	1.02	0.00	19.44	1.02	5.48	-	24.92	1.02
	22	KERALA	5.29	0.13	0.21	0.00	5.42	0.21	0.00	-	5.42	0.21
	23	KARNATAKA	3.81	4.70	1.36	0.00	8.51	1.36	0.00	-	8.51	1.36
	24	TAMIL NADU	6.24	8.14	0.31	0.00	14.38	0.31	15.22	-	29.60	0.31
WEST	25	GUJARAT	4.05	2.35	0.27	0.00	6.40	0.27	0.43	-	6.83	0.27
	26	MAHARASHTRA	8.68	10.36	1.02	0.00	19.04	1.02	0.00	-	19.04	1.02
	27	GOA	0.15	0.05	0.00	0.00	0.20	0.00	0.00	-	0.20	0.00
	28	MADHYA PRADESH	3.37	4.55	0.36	0.00	7.92	0.36	86.53	4.98	94.45	5.34
	29	CHHATTISGARH	5.12	3.04	0.01	0.00	8.16	0.01	16.29	-	24.45	0.01
		TOTAL	127.77	251.26	26.02	0.10	379.03	26.12	247.41	105.90	626.44	132.02
	GRAND TOTAL		379.03	26.12		405.15		353.31		758.46		

STATUS OF CONSTRUCTION OF GODOWNS UNDER PEG SCHEME AS ON 31.12.2019

(in MT)

S. No.	State	Total capacity allotted/ sanctioned	Work completed	Work under construction	Yet to start
1	Andhra Pradesh	1,12,800	87,800	25,000	0
2	Bihar	3,86,180	3,55,000	12,000	19,180
3	Chhattisgarh	5,37,230	5,37,230	0	0
4	Gujarat	49,800	49,800	0	0
5	Haryana	35,01,589	34,69,289	32,300	0
6	Himachal Pradesh	1,15,870	45,840	70,030	0
7	Jammu & Kashmir	2,68,850	1,72,190	96,660	0
8	Jharkhand	3,68,000	2,48,000	65,000	55,000
9	Karnataka	2,41,440	2,41,440	0	0
10	Kerala	5,000	5,000	0	0
11	Madhya Pradesh	13,79,660	13,03,160	76,500	0
12	Maharashtra	5,62,811	5,62,811	0	0
13	Odisha	3,60,000	3,52,500	5,000	2,500
14	Punjab	44,68,836	44,68,836	0	0
15	Rajasthan	2,35,000	2,35,000	0	0
16	Tamil Nadu	2,65,000	2,55,000	10,000	0
17	Telangana	3,19,000	2,99,000	20,000	0
18	Uttarakhand	10,000	10,000	0	0
19	Uttar Pradesh	15,11,127	14,86,127	25,000	0
20	West Bengal	2,44,090	1,54,090	90,000	0
21	Assam	75000	25000	0	50000
22	Meghalaya	0	0	0	0
	Total	1,50,17,283	1,43,63,113	5,27,490	1,26,680

Annexure-IX

STORAGE CAPACITY AVAILABLE WITH FCI AND THE PERCENTAGE UTILISATION

(in lakh MT)

Position as on	Covered			CAP			Grand Total	Percentage utilization
	Owned	Hired	Total	Owned	Hired	Total		
30.06.2015	127.40	217.90	345.30	26.02	1.68	27.70	373.00	82%
30.06.2016	128.13	207.10	335.23	26.02	0.66	26.68	361.91	77%
30.06.2017	128.23	209.29	337.52	26.02	0.00	26.02	363.54	82%
30.06.2018	128.42	226.62	355.04	26.02	0.00	26.02	381.06	88%
30.06.2019	127.33	252.17	379.50	26.02	1.79	27.81	407.31	92%

IMPLEMENTATION OF RECOMMENDATIONS OF DR. RANGARAJAN COMMITTEE

Issues	Gist of Recommendations	Status
Cane Area Reservation:	Over a period of time, states should encourage development of such market-based long-term contractual arrangements, and phase out cane reservation area and bonding. In the interim, the current system may continue.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues. There is no reservation of area in Maharashtra
Minimum Distance Criteria:	It is not in the interest of development of sugarcane farmers or the sugar sector, and may be dispensed with as and when a state does away with cane reservation area and bonding.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues.
Sugarcane Price : Revenue Sharing	Based on an analysis of the data available for the by-products (molasses and bagasse / cogeneration), the revenue-sharing ratio has been estimated to amount to roughly 75 percent of the <i>ex-mill</i> sugar price alone.	States have been requested to consider the recommendations for implementation as deemed fit. So far only Karnataka & Maharashtra have passed state acts to implement this recommendation.
Levy Sugar	Levy sugar may be dispensed with. The states which want to provide sugar under PDS may henceforth procure it from the market directly according to their requirement and may also fix the issue price. However, since currently there is an implicit cross-subsidy on account of the levy, some level of Central support to help states meet the cost to be incurred on this account may be provided for a transitory period.	Central Government has abolished levy on sugar produce after 1 st October, 2012. Procurement for PDS operation is being made from the open market by the states/UTs and Government is providing a fixed subsidy at ₹18.50 per kg for restricted coverage to AAY families only who will be provided 1 kg of sugar per family per month.
Regulated Release Mechanism	This mechanism is not serving any useful purpose, and may be dispensed with.	Release mechanism has been dispensed with.
Trade Policy	As per the committee, trade policies on sugar should be stable. Appropriate tariff instruments like a moderate export duty not exceeding 5 per cent ordinarily, as opposed to quantitative restrictions, should be used to meet domestic requirements of sugar in an economically efficient manner.	Import and export of sugar is free without quantitative restrictions, but subject to prevailing rate of custom duty. In order to prevent any unnecessary import of sugar and to stabilize the domestic price at a reasonable level, the Central Government has increased custom duty on import of sugar from 50% to 100% in the interest of farmers w.e.f. 06.02.2018. Custom duty at 20% was imposed on export of sugar vide Department of Revenue's notification no. 37/2016 dated 16.06.2016. Keeping in view of production of sugar, stock position and market price sentiments, the Government of India has withdrawn the custom duty on export of sugar vide notification no. 30/2018 dated 20.03.2018.
By-products	There should be no quantitative or movement restrictions on by products like molasses and ethanol. The prices of the by-products should be market-determined with no earmarked end-use allocations. There should be no regulatory hurdles preventing sugar mills from selling their surplus power to any consumer.	Excise duty on potable alcohol/ liquor is a major source of revenue for the State Governments. Restriction on movement of ethanol and levying of taxes and duties on it by State Governments continue to be an impediment in successful implementation of EBP. The Department of Industrial Policy and promotion has now amended the I (D&R) Act, 1951 vide notification No. 27 of 2016 dated 14.05.2016. With this amendment, the States can legislate, control and/or levy taxes and duties on liquor meant for human consumption only. Other than that i.e. de-natured ethanol, which is not meant for human consumption, will be controlled by the Central Government only. With the amendment of I(D&R) Act, 1951 not only the movement of fuel grade ethanol will become smoother but the industry will be encouraged to produce more ethanol thereby increasing the blending percentage with petrol further.
Compulsory Jute Packing:	May be dispensed with.	The compulsory packaging of sugar in jute bags has been relaxed further. And only 20% of the production is to be mandatorily packed in jute bags.

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR**(in lakh MT)**

Particulars	2014-15	2015-16	2016-17	2017-18 (Provisional)	2018-19 (Projected)
Carry- over opening stocks with sugar mills from Previous season	72.13	90.00	77.10	39.77	106.73
Production of Sugar	284.63	251.21	202.27	323.87	331.30
Imports	-	-	5.00	2.50	-
Exports	12.00	16.50	0.50	6.20	38.00
Estimated Total availability	344.76	324.71	283.87	359.94	400.03
Consumption	254.76	247.61	244.10	253.21	255.00
Estimated Closing Stocks with sugar mills at the end of season	90.00	77.10	39.77	106.73	145.03

RECOVERY OF AMOUNT IN RESPECT OF LSPEF

Year	Credits	Transfer to FCI / Sugar Mill	Prog. Total
1976-1977	₹ 19,421,813.15	-	₹ 19,421,813.15
1977-1978	₹ 19,471,945.87	-	₹ 38,893,759.02
1978-1979	₹ 11,872,622.14	-	₹ 50,766,381.16
1979-1980	₹ 8,423,366.51	-	₹ 59,189,747.67
1980-1981	₹ 3,484,097.40	-	₹ 62,673,845.07
1981-1982	₹ 3,950,185.11	-	₹ 66,624,030.18
1982-1983	₹ 853,756.30	-	₹ 67,477,786.48
1983-1984	₹ 1,354,444.52	-	₹ 68,832,231.00
1983-1984	₹ 0.00	(-)₹22400000	₹ 46,432,231.00
1984-1985	₹ 12,785,849.19	-	₹ 59,218,080.19
1985-1986	₹ 25,029,726.56	-	₹ 84,247,806.75
1986-1987	₹ 19,440,067.71	-	₹ 103,687,874.46
1987-1988	₹ 4,279,968.68	-	₹ 107,967,843.14
1988-1989	₹ 8,835,326.85	-	₹ 116,803,169.99
1989-1990	₹ 1,393,717.62	-	₹ 118,196,887.61
1990-1991	₹ 16,103,954.69	-	₹ 134,300,842.30
1991-1992	₹ 17,954,291.68	-	₹ 152,255,133.98
1992-1993	₹ 21,837,080.81	-	₹ 174,092,214.79
1993-1994	₹ 5,363,892.95	-	₹ 179,456,107.74
1994-1995	₹ 1,560,154.79	-	₹ 181,016,262.53
1995-1996	₹ 248,127.05	-	₹ 181,264,389.58
1996-1997	₹ 7,333,019.62	-	₹ 188,597,409.20
1997-1998	₹ 4,080,806.42	-	₹ 192,678,215.62
1998-1999	₹ 45,340,758.88	-	₹ 238,018,974.50
1999-2000	₹ 26,459,302.53	-	₹ 264,478,277.03
2000-2001	₹ 58,490,922.69	-	₹ 322,969,199.72
2001-2002	₹ 54,378,084.65	-	₹ 377,347,284.37
2002-2003	₹ 95,601,869.49	-	₹ 472,949,153.86
2003-2004	₹ 62,602,032.00	-	₹ 535,551,185.86
2004-2005	₹ 13,154,985.57	-	₹ 548,706,171.43
2005-2006	₹ 58,306,196.70	-	₹ 607,012,368.13
2006-2007	₹ 63,827,854.76	-	₹ 670,840,222.89
2007-2008	₹ 90,394,805.86	-	₹ 761,235,028.75
2008-2009	₹ 37,859,404.00	-	₹ 799,094,432.75
2009-2010	₹ 126,462,637.00	-	₹ 925,557,069.75
2010-2011	₹ 50,752,539.74	-	₹ 976,309,609.49
2011-2012	₹ 156,279,443.60	-	₹ 1,132,589,053.09
2012-2013	₹ 92,600,848.30	-	₹ 1,225,189,901.39
2013-2014	₹ 63,558,586.94	-	₹ 1,288,748,488.33
2014-2015	₹ 35,238,444.28	-	₹ 1,323,986,932.61
2015-2016	₹ 47,857,403.10	-	₹ 1,371,844,335.71
2016-2017	₹ 139,000,705.24	-	₹ 1,510,845,040.95
2017-2018	₹ 85,323,208.49	(-) 9725846.12	₹ 1,586,442,403.32
2018-2019	₹ 6,355,694.00	7,012,508.00	₹ 1,585,785,589.32
2019-2020 (Upto 31.12.2019)	₹0.00		₹1,585,785,589.32
	₹ 1,624,923,943.44		

BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernisation/ Rehabilitation	Cane Development	Cogeneration	Ethanol
Purpose	For carrying out modernisation and expansion of sugar factory	For undertaking any scheme for development of sugarcane in the area in which sugar factory is situated.	To implement a project of bagasse-based co-generation of power.	To a sugar factory for production of anhydrous alcohol or ethanol from molasses.
SDF Loan	40% of the project cost	Maximum ₹5.40 crore (as per the scheme)	40% of the project cost (20% in case of green field projects) or as per normative cost whichever is lower	40% of the project cost (20% in case of green field projects)
Rate of interest	2% percent per annum below the Bank Rate (as notified by RBI) prevailing on the date of release			
Moratorium	5 years	3 years	3 years	1 years
Repayment	Loan along with interest due thereon shall be recoverable in half yearly installments not exceeding ten. Commencement of repayment-after 1 year from the date of repayment/ payment of institutional loan and interest in full or on the expiry of 5 years from the date of disbursement, whichever earlier.	Loan shall be repaid in equal half yearly installments not exceeding eight in number and the interest on the loan shall be paid half yearly after the expiry of one year from the date of drawl of loan	Loan shall be repaid in half yearly installments not exceeding ten in number. The interest on the said loan shall be paid half yearly for the first three years from the date of each disbursement of the loan after which it shall be paid half yearly along with the installment of the repayment of the principal.	Loan from the Fund along with the interest due thereon shall be recovered in half-yearly installments not exceeding eight in number. The repayment of the loan with interest thereon shall commence after the expiry of one year reckoned from the date of each disbursement of the loan from the Fund.

**DISBURSEMENT OF LOAN UNDER SUGAR DEVELOPMENT FUND FOR THE
FY 2019-20 (as on 31.12.2019)**

S. No.	Name of Sugar Factory	Scheme	Amount Released	Installment
1	M/s Sahakar Maharshee Shivajirao Narayanrao Nagawade Sahakari Sakhar Karkhana Limited (Formerly known as The Shrigonda Sahakari Sakhar Karkhana Ltd.), At Shrigonda Factory, Post Shrigonda Sakhar Karkhana, Taluka Shrigonda, District Ahmednagar, Maharashtra	Co-generation	₹ 11,83,62,000.00	2 nd installment
2	M/s Raosahebdada Pawar Ghodganga SSK Ltd., Raosaheb Nagar, Nhavare, Tal-Shirur, Dist. Pune, Maharashtra (Formerly known as M/s Ghodganga SSK Ltd., Raosaheb Nagar, Nhavare, Tal-Shirur, Dist. Pune, Maharashtra)	Co-generation	₹ 9,59,21,208.00	2 nd installment
3	M/s Dhampur Sugar Mills Limited, Unit-Asmoli, Post Asmoli, Dist. Sambhal, Uttar Pradesh	ZLD	₹ 4,71,44,500.00	2 nd part payment
4	M/s L.H. Sugar Factories Ltd., Civil lines, Pilibhit, Uttar Pradesh	Ethanol	₹13,27,04,000.00	Lumpsum
5	M/s Athani Sugars Ltd., Tal, Shahuwadi, District Kolhapur, Maharashtra - 416213	Ethanol	₹37,82,08,000.00	Lumpsum
6	M/s Siddhi Sugar and Allied Industries Ltd., Ujana, Tal. Ahmedpur, Dist. Latur, Maharashtra	Ethanol	₹ 4,19,43,500.00	1 st part of 2 nd Installment
7	M/s Shri Balaji Sugar & Chemicals Pvt. Ltd., Tal Muddebihal, District Bijapur, Karnataka	Co-generation	₹8,08,11,000.00	Lumpsum
Total			₹89,50,94,208.00	
8	(TUFs Cell) State Bank of India, NGN Vidya Marg, Hariman Circle, Mumbai – 400001	SEFASU, 2014	₹0.00	
Gross Total			₹89,50,94,208.00	

**ESTIMATED DOMESTIC PRODUCTION, IMPORT AND
TOTAL AVAILABILITY OF EDIBLE OILS (OILS-WISE) DURING THE YEARS
2015-16, 2016-17, 2017-18 & 2018-19
(NOVEMBER TO OCTOBER)**

(in lakh MT)

Name of Oilseed	2015-16		2016-17		2017-18*				2018-19**			
	Oilseed	Oil	Oilseed	Oil	Oilseed		Oil	Oil	Oilseed		Oil	
					Kharif	Rabi			Kharif	Rabi		
A. PRIMARY SOURCE												
Rapeseed/Mustard	67.97	21.08	79.17	24.74	0	84.30	84.30	25.81	0	93.39	93.39	28.97
Soyabean	85.70	13.73	131.59	22.10	109.33	0	109.33	17.59	137.86	0	137.86	22.09
Groundnut	67.33	15.27	74.62	17.16	75.95	16.57	92.53	20.82	53.63	13.31	66.95	15.18
Sunflower	2.96	0.98	2.51	0.80	0.85	1.37	2.22	0.70	0.93	1.26	2.19	0.73
Sesame	8.50	2.65	7.47	2.45	7.55	0	7.55	2.34	7.55	0	7.55	2.36
Niger Seed	0.74	0.21	0.85	0.24	0.70	0	0.70	0.21	0.65	0	0.65	0.19
Safflower Seed	0.53	0.15	0.94	0.22	0	0.55	0.55	0.14	0	0.24	0.24	0.07
Castor	17.52	6.16	13.76	4.99	15.68	0	15.68	5.51	12.15	0	12.15	4.27
Linseed	1.25	0.32	1.84	0.39	0	1.74	1.74	0.44	0	1.59	1.59	0.40
Sub Total	252.50	60.55	312.75	73.09	210.06	104.53	314.60	73.56	212.77	109.79	322.57	74.26
B. SECONDARY SOURCE												
Coconut		4.32		5.20	-	-	-	6.01	-	-	-	5.90
Palm oil		1.98		2.30	-	-	-	2.20	-	-	-	2.80
Cottonseed		10.05		12.24	-	-	-	12.64	-	-	-	11.13
Rice Bran		9.9		10.31	-	-	-	10.69	-	-	-	10.68
Solvent Extracted Oils		3.5		2.85	-	-	-	3.5	-	-	-	3.25
Tree & Forest Origin		1.5		1.5	-	-	-	1.5	-	-	-	1.5
Sub Total		31.25		34.40	-	-	-	36.54	-	-	-	35.26
Total (A+B)		91.80		107.49	-	-	-	110.10	-	-	-	109.52
C. LESS: EXPORT & INDUSTRIAL USE		5.50		6.50	-	-	-	6.30	-	-	-	6.0
D. NET DOMESTIC AVAILABILITY		86.30		100.99	-	-	-	103.80	-	-	-	103.52
E. IMPORT OF EDIBLE OILS \$		148.50		153.17	-	-	-	145.92	-	-	-	155.70
F. TOTAL AVAILABILITY/ CONSUMPTION OF EDIBLE OILS FROM DOMESTIC AND IMPORT SOURCES		234.80		254.16	-	-	-	249.72	-	-	-	259.22

*Based on Final Estimates (declared by Ministry of Agriculture on 03.06.2019)

** Based on 4th Advance Estimates (declared by Ministry of Agriculture on 19.08.2019).

\$ Source: Directorate General of Commercial Intelligence & Statistics (Department of Commerce)

POSITION OF PENDING AUDIT PARAS
(As on 30.12.2019)

Year (C&AG Report)	No. of C&AG Audit Paras on which ATNs have been submitted to PAC/ COPU after vetting by C&AG	Details of C&AG Audit Paras on which ATNs are pending			
		No. of ATNs not sent by the Ministry even for first time	No. of ATNs sent but returned with observations and awaiting their resubmission by the Ministry	No. of ATNs sent to C&AG for vetting	No. of ATNs which have been finally vetted by C&AG, but have not been submitted by the Ministry to PAC/ COPU
2013	--	--	1	--	--
2014	--	--	--	--	--
2015	1	--	51	8	16
2016	1	--	4	--	--
2017	2	--	50	--	2
2018	--	--	5	--	1
2019	18 (PAC para)	--	--	--	--
Total	22		111	8	19

SUMMARY OF THE PENDING C&AG AUDIT PARAS

Report No. 31 of 2015: Performance Audit on Procurement and Milling of Paddy for the Central Pool.

The Audit assessed the performance of procurement and milling of paddy procured for the Central Pool and delivery of rice to FCI/SGAs. The performance audit covered a period of five years from 2009-10 to 2013-14 and involved examination of records relating to the State Governments of Andhra Pradesh, Bihar, Chhattisgarh, Haryana, Odisha, Punjab, Telangana and Uttar Pradesh, which accounted for nearly 95 per cent of the total procurement during 2012-13. The report contains 75 paras/sub-paras.

Action Taken by the Department: Based on the comments received from concerned Divisions of this Department as well as State Governments on the recommendations/observations contained in the Report, para-wise reply/ATN sent to C&AG on 9.2.2017. C&AG vide letter dated 22.11.2017 furnished the vetting remarks, which was forwarded

to the concerned States on 1.12.2017 for comments/reply, followed by reminders dated 4.1.2018 and 28.3.2018. Meetings were also held with the stakeholders at various levels, for an early action in the matter to facilitate disposal of the pending paras. As on date, out of 75 paras/sub-paras, 17 paras/sub-paras have been settled and two paras have been partially settled by C&AG.

Para No. 6.3 of Report No. 13 of 2013: Misappropriation of the amount of Service Tax by the Contractor:

Non-remittance of Service Tax amounting of ₹5.37 crore paid to the private SCH&T Contractors by FCI for handling and transportation of wheat during 2006-07 and 2007-08.

Action Taken by the Department: The matter is subjudice. Money Suit Spl. CS 62/2014 (SCS 40/2016) was filed against M/s Kailash Enterprises at Gandhi Nagar Court. FCI vide letter dated 17.5.2015 intimated a Criminal Case against M/s Kailash Enterprises was already filed on 28.4.2015

at Chief Judicial Magistrate, Gandhidham. FCI, Regional Office, Ahmadabad vide e-mail dated 22.6.2016 informed that Govt. has ordered to set up one Commercial Tribunal at Rajkot for cases having value more than ₹1 crore. Since the money suit filed by FCI at Gandhidham Court is having recovery value of more than ₹12 crore, the same has been transferred from Gandhidham Court to Commercial Tribunal Court, Rajkot. FCI, vide email dated 9.10.2019 has informed that new case number has been assigned to CS-40/2016 as CCS-14/2019. On hearing dated 3.10.2019, the case has been adjourned to 18.11.2019. In CC-4698/2014, FCI vide e-mail dated 23.10.2019 has informed that on hearing dated 21.10.2019, the case has been adjourned to 26.12.2019.

Para No. 5.4 of Report No. 21 of 2015: Excess payment of interest of ₹5.22 crore:

Food Corporation of India made excess payment of interest of ₹5.22 crore due to ineffective monitoring and lack of internal checks on the cash credit.

Action taken by the Department: ATN sent to C&AG vide letter dated 25.05.2017. In response, C&AG vide letter dated 9.8.2017 rejected the request of this Department to drop the para alongwith verification remarks. Letter was sent to FCI on 12.9.2017 and subsequent reminder dated 23.10.2017, seeking ATN consisting complete details of ₹80 lakh. FCI vide letter dated 29.12.2017 furnished an updated ATN alongwith details of balance account of ₹80 lakh along with detail sheet of interest claim settled/untenable/ balance. C&AG vide letter dated 13.03.2018 rejected the request of dropping the para and requested follow-up action by FCI and SBI Bhubaneswar Main Branch. Letter sent to FCI on 26.3.2018 for taking up follow-up action and furnishing ATN/Reply. ATN/Reply sent to C&AG vide letter dated 13.08.2018. Vetting remarks received vide letter dated 6.12.2018. Revised ATN/reply sent to C&AG vide letter dated 11.01.2019. A copy of which has again been sent to C&AG on 30.12.2019.

Para No. 5.1 of Report No. 15 of 2016: Export of wheat:

While finalising tenders for export of wheat, Food Corporation of India did not compare the rates offered at different ports, which resulted in short realisation to the tune of ₹13.75 crore. The Corporation also incurred avoidable expenditure of ₹20.67 crore due to bulking of stock at ports and the balance stock not exported was transported back to various depots. Excess payment of ₹6.22 crore was also made to Handling and Transport (H&T) contactors due to application of wrong clause. Unjustified payment of ₹8.01 crore was also made to Clearing and Handling Agents (CHAs) for work under their scope but not carried out by the CHAs. Failure to pursue claims timely and vigorously resulted in non-receipt of Service Tax Refund from Central Public Sector Undertakings (CPSUs) amounting to ₹20.09 crore.

Action taken by the Department: The para contains 14 sub-paras. Comments in respect of sub-para 5.1.2.2(a), 5.1.2.2(b), 5.1.2.2(c), 5.1.2.3(c), 5.1.2.3(e), 5.1.2.3(g) and 5.1.2.3(h) sent to C&AG vide letter dated 25th October, 2017. ATN on the remaining sub-paras sent to C&AG on 2.1.2017. C&AG so far agreed to settle 10 sub-paras. Of the remaining 4 sub-para, i.e. 5.1.2.3 (b), 5.1.2.3 (c), 5.1.2.3 (d) and 5.1.2.3 (f), fresh comments on the vetting remarks of C&AG received from FCI on 12.9.2019.

Para No.5.2 of Report No. 15 of 2016: IT Audit on implementation of Financial Accounting Package:

Food Corporation of India (FCI) rolled out FAP without the pilot locations expressing their satisfaction and full payment of ₹12.53 crore was released to TCS. The Corporation incurred unfruitful expenditure of ₹4.92 crore on networking and hardware. Moreover, FCI sanctioned ₹200.78 crore to implement an altogether different software instead of using the FAP's inventory module in Oracle. Financial Statements could not be generated through FAP due to deficient customisation and these were being prepared manually. Modules of FAP lacked proper validation, security provisions and processing controls leading to incorrect output, unreliable data and excess payments.

Action taken by the Department: A copy of the vetting remarks of C&AG forwarded to FCI for comments. Based on the comments of FCI, ATN sent to C&AG for vetting. C&AG returned the same with the remarks that C&AG not satisfied with the reply of FCI. The same was again forwarded to FCI for reply. The revised reply of FCI on the audit para received on 07.03.2018, and ATN sent to C&AG on 10.04.2018 for vetting. However, C&AG did not accepted the reply and returned it to the Department, vide letter dated 05.06.2018. Subsequently, FCI was requested vide letter dated 15.6.2018 to send updated reply on the audit para. FCI furnished reply vide letter dated 09.07.2018. Revised ATN sent to C&AG on 07.08.2018. C&AG vide letter dated 17.12.2018 sent vetting remarks in respect of 35 sub-Paras, out of which 9 sub-paras were settled. Vetting remarks on the remaining sub-paras received from C&AG sent to FCI vide letter dated 27.12.2018 with the request to furnish updated reply on the remarks of C&AG. Reply received from FCI on 6.3.2019. ATN sent to C&AG vide letter dated 10.04.2019 (3rd journey). CAG vide letter dated 26.6.2019 sent the vetting remarks, which is sent to FCI, vide letter dated 04.07.2019 for further comments, followed by reminder dated 16.9.2019. FCI furnished reply vide letter dated 15.11.2019, which has incomplete. FCI furnished revised reply vide letter dated 26.11.2018. Draft ATN prepared and the file is under submission for approval.

Para No.5.4 of Report No. 15 of 2016: Undue benefit to the transport contractors:

GoI exempted incidence of service tax on transportation of foodgrains in February 2010. However, Regional offices of Food Corporation of India at Guwahati and Shillong floated tenders for transportation of foodgrains inclusive of element of service tax in violation of their Headquarters' instructions of October 2012. This resulted in avoidable payment of element of service tax of ₹13.18 crore to the transporters.

Action taken by the Department: FCI was asked to furnish comments in ATN format vide letter dated 7.11.2016 followed by reminders dated 25.11.2016, 16.12.2016 and d.o. letter dated 20.1.2017. Reply/comments furnished by FCI vide letter dated 1.2.2017

was incomplete. FCI was again reminded vide letter dated 20.02.2017, 20.03.2017 and 04.05.2017. Reply of FCI received on 23.6.2017 was again incomplete. Subsequently, FCI was asked to furnish complete information vide letter dated 14.8.2017 and 5.9.2017. Reply received from FCI on 27.09.2017. ATN sent to C&AG on 13th November, 2017. Vetting remarks received vide letter dated 15.1.2018, and sent to FCI for comments vide letter dated 24.01.2018. Reply received from FCI vide letter dated 21.2.2018 was not complete. After a series of correspondence as well as meetings with FCI officials, FCI submitted revised reply on the vetting remarks of C&AG through e-mail. ATN duly vetted by IFD sent to C&AG vide letter dated 4.9.2018. Vetting remarks received from C&AG vide letter date 20.11.2018, and sent to FCI on 29.11.2018 for comments. Reply received on 26.02.2019. ATN sent to C&AG vide letter dated 08.03.2019 for vetting. C&AG reported that, remarks sent on 29.3.2019. The matter is being reconciled.

Para No. 5.5 of Report No. 15 of 2016: Extra expenditure on transportation of foodgrains: Food Corporation of India incurred extra expenditure of ₹11.22 crore on transporting foodgrains to its food storage godowns in and around Bhiwandi from Railways' Turbhe goods shed instead of a nearer point of Kalyan goods shed.

Action taken by the Department: The audit para received on 2.11.2016. FCI was asked to furnish comments in the ATN format vide letter dated 7.11.2016 followed by reminders dated 25.11.2016 and 16.12.2016. Reply received from FCI vide letter dated 10.1.2017. ATN sent to C&AG vide letter dated 20.1.2017. Vetting remarks received from C&AG. Revised ATN sent to C&AG vide letter dated 14.05.2018. C&AG vide letter dated 19.06.2018 furnished vetting remarks. The vetting remarks of C&AG sent to FCI for comments vide letter dated 04.07.2018. ATN sent to C&AG vide letter dated 28.8.2018 (4th journey). Vetting remarks received from Audit (15.03.2019) stating that The Para has been settled. Later, Audit vide letter dated 29.07.2019 has informed that revised vetting remarks will be submitted after compliance Audit of FCI, Mumbai as it has been observed by Audit that charge-sheet against 4 FCI officers have been filed on the directions

ANNEXURES

of CVC. FCI has been asked to furnish comments vide letter dated 27.08.2019.

Report No. 18 of 2017: Report on compliance audit in respect of FCI:

This Report contains results of three areas covered in audit viz. Debt Management, Labour Management & Incentive Payments and Implementation of Private Entrepreneurs Guarantee (PEG) Scheme in Punjab. These areas were selected due to high cost of working capital in FCI; high handling cost of departmental labour and delay in augmentation of storage capacity through private participation respectively. The report contains 54 paras and three observations.

Action taken by the Department: ATN/reply sought from Food Corporation of India vide letter dated 31.08.2017. In response, FCI furnished their reply vide letter dated 19.9.2017. ATN sent to C&AG vide letter dated 27.3.2018 (except para No.5.4). ATN in respect of para No.5.4 sent vide letter dated 16.4.2018. Vetting remarks received from C&AG vide letter dated 22.05.2018 and sent to FCI for comments vide letter dated 30.05.2018. Revised ATN on the audit para sent to C&AG on 06.09.2018. As on date, out of 54 paras/sub-paras, 4 sub-paras have been settled and 50 paras/sub-paras remain unsettled. ATN in respect of 1 paras/sub-paras stands submitted to C&AG for vetting, and vetting remarks received on the remaining paras are being examined. COPU had also raised questions while examining the Report No. 18 of 2017 of FCI. Reply to the question raised by COPU sent to Lok Sabha Secretariat vide this Departments letter dated 18.6.2018. COPU vide OM dated 24.08.2018 has requested to provide background note on FCI by 07.09.2018. Background note sent to COPU vide letter dated 11.9.2018. C&AG vide letter dated 18.10.2019 informed that ATN in respect of para No. 5.5 was received, but returned to the Ministry.

Para No. 5.1 of Report No. 4 of 2018: Management of Gunny Bags in Punjab Region:

Food Corporation of India (FCI) failed to recover ₹223.58 crore that was due to the Corporation on account of interest on advances given to State Government Agencies (SGAs) for procurement of gunny bags as well as on account of reimbursement of

cost of gunny bags at higher rates than that prescribed. Further, there was non-recovery ₹2.86 crore from Container Corporation of India due to failure to effectively pursue pending claims for damages, short and rain effected gunny bags.

Action taken by the Department: The Para contains 6 sub-paras out of which two sub-paras have been settled so far (No.5.1.2.1 and 5.1.2.3). Rest of the 4 sub-paras are at different stage for settlement.

Para No. 5.2 of Report No. 4 of 2018: Management of Road Transport Contracts in Assam and NEF (Shillong) Regions:

FCI incurred avoidable expenditure of ₹117.10 crore due to improper planning for movement of stock. Supply of foodgrains in excess of requirement at a station and non-adherence to distance measurement before awarding contract resulted in avoidable expenditure of ₹12.96 crore. In addition, liquidated damages of ₹89 lakh was not levied on contractors for short supply against indented trucks.

Action taken by the Department: This Department vide letter dated 09.02.2018 forwarded the audit para to FCI for comments. This para contains 5 sub-paras. Based on the reply received from FCI, reply of 3 sub-paras sent to C&AG on 10.08.2018 and reply of the remaining 2 sub-paras sent to C&AG on 28.08.2018. C&AG's remarks received and forwarded to FCI for comments. In respect of sub-para, 5.2.2.1, ATN sent to C&AG vide letter dated 23.9.2019 (4th journey). In respect of the remaining sub-paras, i.e. 5.2.2.2, 5.2.2.3, 5.2.2.4 and 5.2.2.5, further vetting remarks received and sent to FCI for comments/draft reply. Based on the reply received ATN in respect of 3 sub-para viz. 5.2.2.2, 5.2.2.4 and 5.2.2.5 sent to C&AG on 24.12.2019.

Para No. 5.3 of Report No. 4 of 2018: Excess payment of Mandi Labour Charges:

FCI made excess payment of ₹14.10 crore to the Government of Uttar Pradesh and its agencies during the years 2010-11 to 2016-17 due to reimbursement of inadmissible elements as part of mandi labour charges on procurement of wheat.

Action taken by the Department: ATN was sent to C&AG vide letter dated 1.6.2018. Vetting remarks of C&AG received on 03.08.2018. Reply ATN sought from FCI. FCI vide e-mail dated 21.8.2018 provided latest recovery position. Updated ATN has been sent to C&AG vide letter dated 26.9.2018. C&AG vide letter dated 11.1.2019 intimated that, 'as FCI has taken remedial action and majority of amount has been received, audit has no further comments to offer'.

Para No. 5.4 of Report No. 4 of 2018: Irregular payment of Guarantee Fee Charges:

Non-verification of bank guarantee given by Government of Punjab led to irregular payment of guarantee fee to State Government Agencies amounting to ₹145.74 crore.

Action taken by the Department: A copy of the para was sent to FCI vide letter dated 23.4.2018 for furnishing ATN/reply. FCI's reply received vide letter dated 25.5.2018. Action Taken Note on the basis of the updated position submitted by FCI sent to C&AG vide letter dated 13.8.2019. Vetting remarks received vide letter dated 4.9.2019.

Para No. 5.5 of Report No. 4 of 2018: Avoidable expenditure on carry over charges due to non-optimal utilisation of vacant storage capacity at Kaithal Silo:

Failure to optimally utilise vacant storage capacity at Kaithal silo resulted in avoidable payment of Carry over Charges to State Government Agencies amounting to ₹6.49 crore.

Action taken by the Department: On the basis of information received from FCI, a reply sent to CAG vide letter dated 18.02.2019 stating that payment was made on reduced annual guaranteed tonnage for Kaithal silo and therefore, it is incorrect to assume

losses based on available capacity of 2 LMT. With regard to the second observation, the effective expenditure on account of storage with SGAs is less in the instant case as additional expenditure would have to be incurred for handling and transportation from godowns of SGAs to Kaithal Silo. CAG vide letter dated 26.02.2019 had given further verification remarks stating the guaranteed tonnage was reduced in 2017-18, the capacity available at silo was 2 lakh MT during 2013-14 to 2016-17. Further, audit has also stated that transportation and handling cost had already been considered by audit while calculating loss. This Department vide letter dated 01.07.2019 has sent comments of FCI/Department to CAG after vetting from IFD for dropping the above para. Vetting remarks received vide letter dated 31.7.2019. FCI has been requested furnish their comments on the same, vide letter dated 21.8.2019 and subsequent reminder dated 9.9.2019, 30.9.2019, 21.10.2019, 31.10.2019 and 21.11.2019.

Para No. 5.6 of Report No. 4 of 2018: Irregular payment of custody and Maintenance Charges:

Non-adherence to Ministry guidelines relating to Custody and Maintenance Charges resulted in irregular payment of ₹10.32 crore to State Government Agencies (SGAs) under Odisha Region.

Action taken by the Department: Copy of the Para sent to FCI vide letter dated 23.4.2018 for furnishing ATN/reply. FCI furnished reply vide e-mail dated 8.5.2018. ATN sent to C&AG vide letter dated 20.07.2018. C&AG vide letter dated 28.9.2018 furnished vetting remarks in respect of para No.5.6. Vetting remarks of C&AG forwarded to FCI vide letter dated 10.10.2018 to furnish updated position of recovery. Based on the reply receive from FCI, ATN/Reply sent to C&AG vide letter dated 24.12.2018. C&AG reported that, ATN dated 24.12.2018 not received. The matter is being reconciled.

REGION WISE WHEAT PROCUREMENT

(in lakh MT)

S. No.	STATES/ UTs	Rabi Marketing Season	
		2018-19	2019-20
1.	Punjab	126.92	129.12
2.	Haryana	87.84	93.20
3.	Madhya Pradesh	73.13	67.25
4.	Uttar Pradesh	52.94	37.00
5.	Rajasthan	15.32	14.11
6.	Chandigarh	0.14	0.13
7.	Uttarakhand	1.10	0.42
8.	Gujarat	0.37	0.05
9.	Bihar	0.18	0.03
10.	Himachal Pradesh	0.01	0.01
TOTAL		357.95	341.32

STATE WISE PADDY PROCUREMENT

(in lakh MT)

S.No.	State	KMS 2018-19	KMS 2019-20*
1	Andhra Pradesh	71.73	14.48
2	Telangana	77.46	38.03
3	Assam	1.53	0.00
4	Bihar	14.16	0.31
5	Chandigarh	0.19	0.22
6	Chhattisgarh	58.40	28.72
7	Gujarat	0.14	0.08
8	Haryana	58.83	64.23
9	Jharkhand	2.28	0.01
10	Jammu & Kashmir	0.14	0.15
11	Karnataka	0.88	0.00
12	Kerala	6.94	1.65
13	Madhya Pradesh	20.82	7.20
14	Maharashtra	8.66	2.67
15	Odisha	65.41	17.58
16	Punjab	169.16	162.28
17	NEF (Tripura)	0.10	0.00
18	Tamil Nadu	19.03	0.49
19	Uttar Pradesh	48.25	40.84
20	Uttarakhand	6.89	9.16
21	West Bengal	29.11	0.00
Total		660.11	388.10

* KMS 2019-20 is under progress. Figure as on 01.01.2020

STATE WISE PROCUREMENT OF RICE FOR LAST TWO MARKETING SEASON**(in lakh MT)**

S. No.	STATES/ UTs	KMS 2017-2018	KMS 2018-19
1	Andhra Pradesh	40.00	48.06
2	Telangana	36.18	51.90
3	Assam	0.35	1.03
4	Bihar	7.93	9.49
5	Chandigarh	0.14	0.13
6	Chhattisgarh	32.55	39.71
7	Gujarat	0.00	0.09
8	Haryana	39.92	39.41
9	Jharkhand	1.43	1.53
10	Jammu & Kashmir	0.13	0.09
11	Karnataka	0.00	0.59
12	Kerala	3.29	4.65
13	Madhya Pradesh	10.96	13.95
14	Maharashtra	1.79	5.80
15	Odisha	32.87	44.47
16	Punjab	118.33	113.34
17	Tripura	0.00	0.07
18	Tamil Nadu	10.11	12.94
19	Uttar Pradesh	28.75	32.33
20	Uttarakhand	0.38	4.62
21	West Bengal	16.73	19.79
Total		381.84	443.99

STATE WISE PROCUREMENT OF PADDY IN TERMS OF RICE

(in lakh MT)

S.No.	STATES/ UTs	KMS 2019-20 #	KMS 2019-20 (Estimated Projection up to 31.03.2020)
1	Andhra Pradesh	9.69	40.00
2	Telangana	25.48	30.00
3	Assam	0.00	1.00
4	Bihar	0.21	12.00
5	Chandigarh	0.15	0.00
6	Chhattisgarh	19.53	48.00
7	Gujarat	0.08	0.35
8	Haryana	43.03	40.00
9	Himachal Pradesh	0.00	0.01
10	Jharkhand	0.01	2.00
11	Jammu & Kashmir	0.10	0.00
12	Karnataka	0.00	2.00
13	Kerala	1.11	2.50
14	Madhya Pradesh	4.82	14.00
15	Maharashtra	1.78	6.00
16	Odisha	11.77	34.00
17	Punjab	108.73	114.00
18	NEF (Tripura)	0.00	0.50
19	Tamil Nadu	0.32	8.00
20	Uttar Pradesh	27.36	33.00
21	Uttarakhand	6.14	5.00
22	West Bengal	0.00	23.00
23	Others	0.00	0.64
Total		260.31	416.00

KMS 2019-20 is under progress. Figure as on 01.01.2020





Hon'ble Minister for Consumer Affairs, Food and Public Distribution, Shri Ram Vilas Paswan delivering the presidential address at the National Consultation Meeting of State Ministers & Secretaries of Food, Civil Supplies. Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution, Shri Danve Raosaheb Dadarao is also seen here.



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