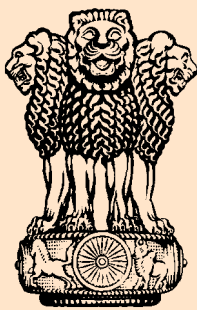


**ANNUAL REPORT
2013-14**

**DEPARTMENT OF FOOD & PUBLIC
DISTRIBUTION**

**(Ministry of Consumer Affairs,
Food & Public Distribution)**



सत्यमेव जयते

**GOVERNMENT OF INDIA
NEW DELHI**

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Chapter-I

ORGANISATIONAL SET-UP AND FUNCTIONS



Chapter -I

ORGANIZATIONAL SET-UP AND FUNCTIONS

- 1.1 Department of Food & Public Distribution is one of the two Departments under the Ministry of Consumer Affairs, Food and Public Distribution. The Ministry was under the charge of Prof. K. V. Thomas, Minister of State (Independent Charge) for Consumer Affairs, Food & Public Distribution with effect from 19th January, 2011. Shri Ram Vilas Paswan has taken over charge as Minister for Consumer Affairs, Food & Public Distribution and Shri Raosaheb Dadarao Danve as Minister of State for Consumer Affairs, Food & Public Distribution with effect from 27th May, 2014.
- 1.2 Shri Sudhir Kumar took over the charge of Secretary in the Department with effect from 1st June, 2012. Secretary (F&PD) is assisted by one Additional Secretary & Financial Adviser, six Joint Secretaries and one Advisor (Cost).
- 1.3 The organizational set-up of the Department is at Annex-I. The sanctioned strength of the Department (including its Attached and Subordinate offices) is at Annex-II while details of Budget Estimates, Revised Estimates and Actual Expenditure are at Annex-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 food grains;
 - (ii) Implementation of the Public Distribution System with special focus on the poor;
 - (iii) Provision of storage facilities for the maintenance of central reserves of food grains and promotion of scientific storage;
 - (iv) Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of food grains;

VISION

Ensuring food security for citizens of the country

MISSION

- i. Efficient procurement at Minimum Support Price (MSP), storage and distribution of food grains;
- ii. Ensuring availability of food grains and sugar through appropriate policy instrument; including maintenance of buffer stocks of food grains;
- iii. Making foodgrains accessible at reasonable prices, especially to the weaker and vulnerable sections of the society under PDS;

OBJECTIVES

- i. To implement the National Food Security Act, 2013, throughout the country;
 - ii. To undertake price support operations through efficient procurement of wheat, paddy/rice and coarse grains.
 - iii. To strengthen the Targeted Public Distribution System;
 - iv. Development/Promotion of sugar industry;
 - v. Development of Warehousing Sector;
 - vi. Improvements in Public Service System.
- (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) Supporting industries, the control of which by the Union is declared by Parliament by law to be expedient in public interest, as far as these relate to Vanaspati, Oilseeds, Vegetable Oils, Cakes and Fats; and
- (viii) Price control of, and inter-state trade and commerce in, and supply and distribution of Vanaspati, Oilseeds, Vegetable Oils, Cakes and Fats.

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

ATTACHED OFFICES

(i) Directorate of Sugar

The Directorate of Sugar is responsible for implementation of policies regarding production, distribution and consumption of sugar. The functions performed by the Directorate include 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.

(ii) Directorate of Vanaspati, Vegetable Oils and Fats

The Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) is the specialized organization in the field of Vegetable Oils, Fats and Vanaspati at the Government level. The DVVO&F assists the Department in the management of edible oil sector, particularly the availability and monitoring of prices. The function of DVVO&F is developmental as well as advisory.

SUBORDINATE OFFICES

(i) National Sugar Institute, Kanpur

National Sugar Institute, Kanpur is a premier Scientific and Technical Institute in the country which conducts post graduate and certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology disciplines and also provides consultancy to sugar and allied industries. In addition, it also undertakes Research and Development work in sugar and allied fields.

(ii) 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 Department of Food & Public Distribution, are engaged in applied Research & Development activities in the field of Storage Management of food grains and institutional trainings on scientific storage and inspection of food grains through long term and short training courses. IGMRI are also conducting awareness programmes for State Government officers and farmers sponsored by Warehousing Development & Regulatory Authority. Besides, IGMRI are also conducting 2-3 days training programmes for State Government officials and farmers on scientific storage of foodgrains under FCI's Corporate Social Responsibility Programme.

(iii) Quality Control Cells (QCCs)

Quality Control Cells (QCCs) are monitoring the quality of food grains 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 food grains are followed by the FCI, CWC, SWCs and State agencies. These QCCs are located at Bangalore, Bhopal, Bhubaneswar, Delhi, Kolkata, Hyderabad, Lucknow and Pune.

The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of food grains at the time of procurement, storage

and distribution, so as to protect the interest of the farmers as also the consumers, besides rendering technical opinion on quality aspects in respect of food grains (wheat and rice) that are imported and/or exported by the country on Central Pool account under contractual specifications.

CENTRAL PUBLIC SECTOR ENTERPRISES & REGULATORY AUTHORITY

(i) Food Corporation of India

The Food Corporation of India (FCI), set up on 14th January, 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. It is also engaged in the handling, storage and distribution of sugar in North Eastern States and Jammu & Kashmir.

(ii) Central Warehousing Corporation

The Central Warehousing Corporation (CWC) was set up on 2nd March, 1957 under the Agriculture Produce (Development and Warehousing) Corporations Act, 1956, which was subsequently replaced by the Warehousing Corporations Act, 1962. The main function of the CWC is to provide scientific storage facilities for agricultural produce, implements and other notified commodities. Since inception, the Corporation has been providing warehousing services at reasonable cost. In order to sustain its operations, the CWC has been diversifying into different areas within its mandate. The CWC also has a 100% owned subsidiary, namely, the Central Railside Warehousing Company Limited (CRWC) which is responsible for development and operations of Railside Warehousing Complexes.

(iii) Hindustan Vegetable Oils Corporation Limited

The Hindustan Vegetable Oils Corporation Limited (HVOC), formed in 1984 by merging the two nationalized companies, namely, Ganesh

Flour Mills and Amritsar Oils Works, had been incurring losses from the year 1992-93. All its units except Breakfast Food Unit (BFFU) located in Delhi were closed in the year 2001 and the same is under liquidation except for the land assets. The BFFU was also closed down during May, 2011 and is to be liquidated.

(iv) Warehousing Development and Regulatory Authority

The Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 to ensure implementation of the provisions of the Warehousing (Development and Regulation) Act, 2007. The Act provides for the development and regulation of warehouses, facilitating the negotiability of warehouse receipts and to promote orderly growth of the warehousing business. The objective is to improve the fiduciary trust of Banks so as to promote lending to farmers and increase liquidity in rural areas. It will also be beneficial for several other stakeholders such as banks, financial institutions, insurance companies, trade, commodities exchanges as well as consumers.

REDRESSAL OF PUBLIC AND STAFF GRIEVANCES

1.6 Public Grievance (PG) Cell of the Department, under a Joint Secretary, is entrusted with the responsibility of redressal of public and staff grievances. The representations received are promptly acknowledged and forwarded to the concerned organizations/agencies for appropriate action. A Grievance Box is placed at Gate No. 6 of Krishi Bhawan, for receiving the complaints. They can also be sent electronically through e-mail at pgportal.gov.in. These are monitored regularly by JS (PG) with Nodal Officers of organizations concerned viz. FCI, CWC, PAO and Administrative Divisions of this Department.

1.7 The progress report for the period 01.04.2013 to 31.03.2014 of Public Grievances received in

this Department is as under: -

Total Public Grievances pending as on 31.03.2013	158
Additional Public Grievances received during the year	434
Total Public Grievances	592
Total Public Grievances disposed off	573
Total Public Grievances Pending as on 31.03.2014	19
Percentage of disposal	96%

1.8 In the Independent Audit Report of November, 2013 of the Cabinet Secretariat, this Department was placed at 3rd position out of 59 Departments of the Central Government reviewed for efficiency in disposal of Public Grievances. Efforts are being made to further improve the percentage of disposal.

WOMEN EMPOWERMENT

1.9 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 DoP&T, a Complaint Committee has been set up not only in the Department to attend the complaints of its women employees but also in FCI and CWC.

1.10 Central Warehousing Corporation has obtained life Membership of the Forum for Women in Public Sector, which provides the women employees of the corporation the required platform for redressing their grievances.

RESERVATION

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

1.12 Representation of SCs, STs OBCs, differently abled persons, ex-service men and women

officials in the Department (including its attached and subordinate offices) against the total number of officials (as on 31.03.2014) is given in the table below:-

Groups	Gr. 'A'	Gr. 'B'	Gr. 'C'	Total
Total No. of employees	104	249	443	796
SC	16	34	130	180
ST	05	15	28	48
OBC	04	21	55	80
No. of Differently Abled Persons	VH	-	01	06
	HH	-	01	01
	OH	-	01	07
	Total	-	03	14
Ex S. Men	0	0	5	5
Women Employees	09	71	43	123

ACTIVITIES FOR DEVELOPMENT OF NE REGION

Activities of FCI in NE Region - Plan Scheme and Augmentation of Storage Capacity in NE Region

1.13 The Department is implementing a Scheme to create an additional storage capacity of 5.40 lakh MT in the NE States through FCI with an allocation of ₹ 568.17 crore. The scheme would create storage space sufficient for four months of requirement under TPDS. The State-wise capacity created/ planned is given in table below.-

(In MT)

	State	Total Capacity approved	Planning for Capacity Augmentation	
			Created under 11 th FYP	Planned for 12 th FYP
1.	Assam	3,45,000	12,500	3,32,500
2.	Arunachal Pradesh	20,280	-	20,280
3.	Manipur	45,000	4,590	40,410
4.	Meghalaya	35,000	-	35,000
5.	Mizoram	20,000	4,570	15,430
6.	Nagaland	15,000	-	15,000
7.	Sikkim	15,000	-	15,000
8.	Tripura	45,000	2,500	42,500
	Total	5,40,280	24,160	5,16,120

- 1.14 During the 11th Plan, FCI had created a capacity of 24,160 MT with an expenditure of Rs. 58.41 crore. The remaining capacity is being planned for creation in the 12th Plan and if required in the 13th Plan. Further, there is a proposal to construct a Silo of capacity 50,000 MT under PEG Scheme through PPP mode, out of the total approved capacity of 5,40,280 MT.
- 1.15 The Department has released ₹3.00 crores to FCI provided under RE 2013-14 for construction of Storage Godowns in the areas other than NE.
- 1.16 Getting suitable land for the storage godowns has been a major challenge. However, with regular monitoring with the State Governments, substantial progress has been made. Land has been taken over at 22 sites where work is in progress to create total capacity of 1,29,650 MT. At 9 sites land acquisition is in an advanced stage.

Activities of CWC in North Eastern Region

- 1.17 In the North Eastern Region, the CWC had a storage capacity of 1.28 lakh MT with an average occupancy of 73% as on 31.03.2014. The State-wise capacities operated by the CWC is detailed below:-

(In MT)

Name of State/Centre	Capacity
ASSAM	
Amingaon	21,300
Dhubri	12,100
Maligaon	8,600
Jorhat-I	10,500
Jorhat-II	5,000
Sorbhog	17,200
Total	74,700
NAGALAND	
Dimapur	13,000
TRIPURA	
Agartala	19,250
Agartala C.S.	4,750
ICP Agartala	16,750
Total	40,750
Grand Total	1,28,450

- 1.18 During the year 2012-13 and 2013-14, CWC had constructed additional capacity of 2,000 MT at Dhubri (Assam) and 7,200 MT at Sorbhog (Assam), respectively.
- 1.19 During the year 2013-14, Land Port Authority of India, Ministry of Home Affairs had assigned the Management of Integrated Check Post (ICP) at Agartala to CWC for facilitating the seamless flow of cross border trade between India and Bangladesh. The said ICP was formally inaugurated on 17th November, 2013 by the Hon'ble Union Home Minister, Govt. of India and his counterpart from the Republic of Bangladesh. The EXIM operations commenced with effect from 21.11.2013. The complex consist of 3,400 MT covered storage and 13,350 MT open area.
- 1.20 The North Frontier Railway has awarded Pest Control Services (PCS) contract of ₹240 Lakh for three years effective from 25.03.2013 to 24.03.2016. The CWC has completed disinfestations of 54,752 railway coaches earning a revenue of ₹82.90 lakh during the year 2013-14.

Tribal Sub Plan

- 1.21 With a view to provide infrastructure and financial support, Department is implementing Plan Scheme on 'End-to-end Computerization of TPDS Operations' under the 12th Five Year Plan (2012-2017) on 50:50 cost sharing basis with the States/UTs, except for North Eastern States (NES), where the sharing is on 90:10 basis. Out of the Annual Outlay of NES, 30% of the provision is earmarked for the benefit of Scheduled Tribes (STs). Similarly out of the annual outlay of the scheme for the areas other than NE Region including Sikkim, 10% of the provision is also earmarked for the benefit of STs. The Scheme has separate Budget-sub-Head for TSP. In Annual Plan outlay for 2013-14, ₹6.00 crores have been allocated on TSP. Under the scheme, funds are being provided for Data Centre Infrastructure, PCs, System software, Networking etc. at State FCS Hq./ District F&CS Office/Block F&CS.

PROGRESSIVE USE OF HINDI

- 1.22 In keeping with the Official Language policy of Government of India to promote the use of Hindi in day-to-day official work and to achieve the targets prescribed by the Department of Official Language in their annual programme 2013-2014, multipronged efforts were made to increase use of Hindi in official work. For this purpose, upto 31st March, 2014 three workshops were organized, in which 67 officers and employees were acquainted with the requirements of the Official Language Act and the rules framed thereunder. Besides these measures, officers and employees were also trained to work in Hindi on computers. The progress made in the use of Hindi in the Department, its attached and subordinate offices and Public Sector Undertakings under its administrative control was also reviewed in the quarterly meetings of the Official Language Implementation Committee of the Department. As far as possible, publicity material brought out by the Department is being issued in bilingual form (both in Hindi and English), besides being issued in regional languages as and when required. All the forms and standard drafts being used in the Department are available both in Hindi and English.
- 1.23 During the year 2013-14 upto March, 2014 the Parliamentary Committee on Official Language inspected 13 offices of FCI and CWC to review the progressive use of Hindi. In addition, 28 offices under attached/subordinate offices and undertakings were inspected by the officers of Department's Hindi Division during year 2013-14.
- 1.24 Hindi Fortnight was organized from 1-15 September 2013. On this occasion, various Hindi competitions were organized. 42 winners of the competitions were given cash prizes by the Secretary (F&PD) in a function organized on 24th September 2013. A meeting of the Hindi Salahakar Samiti under the chairmanship of Hon'ble Minister of State (I/C) for Consumer Affairs, Food & Public Distribution was organised on 19.02.2014 in which progress made in the progressive use of Hindi in the Ministry was reviewed and various measures were suggested to encourage the use of Hindi.



A view of Hindi Salahkar Samiti meeting held on 19.02.2014

Hon'ble Minister also released the seventh edition of Departmental Hindi magazine "KHADYA BHARATI".

- 1.25 Under the Running Shield Scheme introduced for various Sections of the Department to encourage the officers/staff of the department to do their maximum work in Hindi, SDF Section was awarded the Shield for the year 2012-13. Similarly, under Shield/Trophy Scheme introduced for the offices/CPSUs working under this Department, Central Warehousing Corporation (Headquarters), New Delhi, Food Corporation of India, Delhi and Quality Control Cell, Lucknow were awarded shields by the Secretary (F&PD) as First, Second and Third prizes, respectively for the year 2012-13. Besides, two special prizes were awarded to CWC Regional Office, Laxmi Nagar and FCI Regional Office, Chandigarh.

TRAINING

- 1.26 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.
- 1.27 The officials of this Department have been attending training programmes organized by various institutes/organizations like ISTM,

NIC, and IIPA etc. for in-service training and skill enhancement courses. The number of officials of this Department, who attended various training programmes within the country during 2012-2013 and 2013-2014 is as under:-

Category	2012-13	2013-14
Gazetted	19	15
Non-Gazetted	22	11

1.28 Keeping in view the need to revisit the training needs and up-gradation of skills at various levels in the Department, it has also been included in Result Framework Document (RFD), 2012-13 and Institute of Secretariat Training Management (ISTM) has been engaged as Consultant for identifying training needs, skill requirement/competencies and implementing total quality management in the Department.

E-GOVERNANCE INITIATIVES

1.29 Department 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 also following Central Government e-Governance action plan. Various initiatives undertaken in e-governance are as follows:

i. Rapid Strides in computerization for management of sugar sector: In order to improve and systemise the data management in sugar sector, the Directorate of Sugar has developed a web based platform for online submission of inputs by sugar mills on monthly basis. Almost all the sugar mills are regularly furnishing data through new system. This has helped the Government to take prompt policy decisions for better management of 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/UTs for getting inputs regarding production, utilization of sugar subsidy/levy sugar for PDS and cane price arrears etc.

- ii. Parliament Questions/Answers online:** This Department is uploading answers on the website of Rajya Sabha through <https://pqars.nic.in> from the 224th Rajya Sabha session onwards. Questions answered in Lok Sabha are being e-mailed to Lok Sabha Secretariat which in turn, are being uploaded by Lok Sabha Secretariat themselves on their website.
- iii. 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 books and journals in the Library of the Department. This software supports various searches, queries, availability status, pending status and information about new books and journals. Currently the system caters to all users to access details through intranet-net with accessibility of 34,325 books and journals. The Open Access Catalogue has been published on the public website <http://dfpdlibrary.nic.in>.
- iv. RTI Request and Appeal Management Information System:** Web based software developed by NIC is installed in the central server to track the RTI requests and appeals. The reports which are required to be submitted to Central Information Commission (CIC) are generated through this software. 776 applications have been received online during the year 2013-14.
- v. e-Office:** The e-Office project aims to support governance by ushering in more effective and transparent inter and intra-government processes. The vision of e-Office is to achieve a simplified, responsive, effective and transparent working of all government offices. The e-office project suit consists of various modules like File Tracking System, Knowledge Management System, Leave Management System, Personal

Information System, Tour Management System etc. There are 18 divisions and total 469 users using FTS services and more than 1100 new files have been created so far through the system in the department and more than 250 circulars have been uploaded in the KMS module. User can also see their payslip and GPF details through the system.

- vi. **e-Service Book online entry (DOPT):** e-Service Book is a web based system to facilitate electronic maintenance of service books. The initialization of e-Service Books for employees has been completed for over 425 employees of the Department. Two officials from the Department have been deputed to enter the service book data of employees. Each and every employee has been provided e-mail id in @nic.in domain.
- vii. **Training to Staff:** Officers, staff and Data entry operators of the Department have been provided training for using the application software such as File Tracking System, Court Cases Monitoring System, Sugar Export, and e-office. Further, training has also been provided to staff for using RTI and e-service Book entries online, Parliament Questions Online uploading and Recruitment rule online.

INTEGRATED FINANCE DIVISION

1.30 The 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.

1.31 Broadly, following matters are dealt with in IFD:

- (i) Preparation of budget according to the instructions issued by Finance Ministry from time to time;
- (ii) Scrutiny of budget proposals thoroughly before sending these to Ministry of Finance/Planning Commission.
- (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 even;
- (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) Watch the settlement of Audit Objections, Inspections, Reports, Draft Audit Paras, etc.;
- (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 Finance Ministry for concurrence/comments;
- (xiii) Regular and timely submission of the prescribed statements, reports and returns to the Finance Ministry.
- (xiv) Scrutiny and concurrence of subsidy proposals received from FCI and DCP states in respect of food grains under TPDS and OWS and for fixation of procurement incidentals and economic cost sheets for procurement of food grains 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, transport

subsidy for sugar export, subsidy for maintenance of buffer stock, fixation of wholesalers and retailers' margins in respect of levy sugar, grants-in-aid to research institutions and release of advance and final sugar subsidy to States.

SUMMARY OF AUDIT OBSERVATIONS

1.32 A summary of important audit observations included in the C&AG Reports 2012-13 (Commercial) and action taken by the Department thereon as on 31.03.2014 are given below:-

Para No. 6.1: Non-realization of storage charges on time-barred bonded goods

Central Warehousing Corporation (CWC) did not dispose of time barred bonded goods leading to non-realisation of storage charges of ₹167.29 crore.

(Para No.6.1 of Report No. 8 of 2012-13)

Action Taken by the Department

The vetted remarks of C&AG have been received on 29.01.2014 and the same are being examined in consultation with CWC.

Para No. 6.2: Avoidable expenditure on Procurement of levy rice

Reimbursement of mandi labour charges against the paddy procured at farm gate/mill point resulted in excess payment to private rice millers of ₹107.95 crore.

(Para No.6.2 of Report No. 8 of 2012-13)

Action Taken by the Department

Revised ATN on the basis of the reply received from FCI was sent to C&AG on 02.01.2014. Vetted remarks received from the office of the C&AG have been sent to FCI for comments on 26.02.2014.

Para No. 6.3: Loss due to interest rate swap transactions

FCI suffered a loss of ₹33.61 crore on account of interest rate swap transactions.

(Para No.6.3 of Report No. 8 of 2012-13)

Action Taken by the Department

C&AG vetted remarks dated 12.02.2013 were sent to FCI on 28.02.2013. FCI's reply dated 12.08.2013 has been received and sent to C&AG on 30.08.2013. C&AG's further vetted remarks dated 11.10.2013 were sent to FCI on 21.10.2013. FCI's reply dated 10.12.2013 has been received and is under consideration.

Para No. 6.1 Non-recovery of society commission paid to State Government and their Agencies

Position of pending Audit paragraphs pertaining to Department of Food and Public Distribution

Year	No. of Paras/ PAC reports on which ATNs have been submitted to PAC/ COPU after vetting by Audit	Details of Paras/PAC reports on which ATNs are pending			
		No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and awaiting their resubmission by the Ministry	No. of ATNs sent to Audit for vetting	No. of ATNs which have been finally vetted by audit but have not been submitted by the Ministry to PAC/ COPU
Prior to 2008-09	8		11	1	
2008-09	1		5		
2009-10	5		5		1
2010-11			1		
2011-12	1		4	1	
2012-13		1	4	1	
Total	15	1	30	3	1

As per test of reports of 19 district offices of FCI's UP region, C&AG observed that commission to societies amounting to ₹23.44 crore was released to various State Govt. agencies by FCI during 2010-11 without verifying whether societies were entrusted with the task of procurement, while releasing the amount.

(Para No.6.1 of Report No. 13 of 2012-13)

Action Taken by the Department

Since the draft para was converted into audit para, it was forwarded to FCI on 05.09.2013. On the basis of reply received from FCI revised ATN has been sent to Audit on 07.02.2014. Further vetted remarks of Audit were received on 13.03.2014 and sent to FCI on 14.03.2014 for their comments.

Para No.6.2: Excess expenditure on handling of food grains

FCI's UP region paid handling charges of food grain to handling and transport contractors / DPS labour under incorrect clauses of tender rates, which resulted in excess expenditure of ₹6.48 crore during RMS/KMS 2010-11 and 2011-12.

(Para No.6.2 of Report No. 13 of 2012-13)

Action Taken by the Department

Since the draft para was converted into audit para, it was forwarded to FCI for their comments on 05.09.2013 and was followed up. FCI sent its reply on 05.12.2013. ATN has been sent to Audit on 07.02.2014.

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

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

(Para No.6.3 of Report No. 13 of 2012-13)

Action Taken by the Department

Draft audit para was received on 23.11.2012 in the Department and comments were sent thereon to C&AG on 03.06.2013. However, since it became audit para on 22.08.2013, FCI has been requested to expedite the process of refund of the amount from the contractor and to keep this Department apprised with the status on 15.01.2014. FCI has been reminded on 30.01.2014 and 27.03.2014.

DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION

Organisational set-up

- 1.33 Secretary (F&PD) is the Chief Accounting Authority who discharges his responsibilities with the assistance of AS & FA and Chief Controller of Accounts of the Department who reports to AS&FA.
- 1.34 The Departmentalized Payment and Accounting Organization of the Department of Food & Public Distribution 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 Departmental Head of the Payment and Accounting Organization of the Department.

Functions & Responsibilities

- 1.35 The Payment and Accounting Organization under the Chief Controller of Accounts is responsible for:-
 - (i) Arranging payments through Pay and Accounts Offices (PAOs) and Cheque Drawing and Disbursing Officers (CDDOs) 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. There are 4 PAOs, 1 CDDO & 20 Non-CDDOs in the Department of Food and Public Distribution. The Non-CDDOs present their claims/bills to the accredited PAOs who issue cheque after scrutiny of the bills. The CDDO is authorized to make payments for salaries and contingent claims after observing the relevant checks. The CDDO issues cheques on the basis of Letter of Credit (LOC) issued in their favour by the concerned PAO to the accredited bank branches.
 - (ii) Issuance of Pension Payment Orders (PPO) in respect of retiring Government servants, payment of retirement benefits and monitoring of New Pension Scheme.
 - (iii) Supervision and 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 on accounting issues 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 audit of offices of all DDOs and other auditable units of the Department.
- 1.36 The Principal Accounts Office of this Ministry generates periodic reports like Monthly Accounts, Expenditure Statements, Plan and Non-Plan 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 “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. Several important reports are generated by using ‘CONTACT’ in Principal Accounts Office.
- 1.37 In the Pay and Accounts Offices, ‘COMPACT’ software covers the major accounting tasks of the PAOs and supplies input through “e-lekha”. It is designed and developed with an attempt to address all the Software System Attributes such as availability, portability, security and maintainability.
- 1.38 E-Lekha is a G2G e-governance initiative. The scope of the COMPACT software is now extended to generate a daily closing accounting and administrative data sub set, which can be exported to a central data base server at the end of each day from each PAO. As and when the data from each of the PAOs is received at the Database server, this web-based application facilitates an ONLINE Financial Information System for fact based fiscal management.
- 1.39 The Internal Audit is managed by two Audit Parties, one at Kolkata and other at New Delhi

under the overall charge of Chief Controller of Accounts. The Internal Audit examines several areas including management of records, implementation of various financial & accounting manuals, pointing out financial irregularities & procedural lapses. It also carries out ‘Special Audit’ as and when required by the Department.

- 1.40 A total number of Fourteen (14) Units were approved for being audited during 2013-14 and all were duly audited by the Internal Audit Parties, and the Reports issued.
- 1.41 A number of paras raised by audit resulted in recovery of over payment and Govt. dues from various Authorities/Institutions. Suggestions were also made by the Internal Audit Parties to DDOs for proper maintenance of records and to follow provisions contained in General Financial Rules for procurement of Govt. Stores.

Achievements

- i. E-Payment was inaugurated on 16.07.2013 by Secretary (F&PD) and thereafter all payments, other than to Government Departments, are being released electronically directly to the bank account of the beneficiary through GePG gateway.
- ii. The actual expenditure of the Department of Food & Public Distribution during 2013-14 was ₹1,03,601.53 crores under Grant No.17.
- iii. Payment of Subsidy released to Food Corporation of India during 2013-14 was ₹75,500.02 crores and to State Governments ₹14,240 crores.
- iv. All the GPF Final Payment cases received during 2013-14 were cleared.
- v. All the Superannuation pension and Family pension cases received during 2013-14 were cleared.
- vi. All the bills received during 2013-14 were processed. There was no outstanding bill as on 31-03-2014.
- vii. All the Accounting Reports were

submitted in time to Controller General of Accounts during 2013-14.

- viii All efforts were made for e-revision of pension cases as per the recommendation of the 6th Central Pay Commission.
- ix Audit of 14 units were approved for the year 2013-14. The Audit of these 14 units includes Grantee Institutions.
- x. 84 Employees attended training programs conducted by INGAF & NIFM during 2013-14.

VIGILANCE SET-UP

- 1.42 The Vigilance Division is headed by a part time Chief Vigilance Officer in the rank of Joint Secretary. He is assisted by a Director, an Under Secretary and a Desk Officer.
- 1.43 In the two major PSUs i.e. FCI and CWC, under the Department, the vigilance function is looked after by two full time JS level Chief Vigilance Officers (CVOs). There is an elaborate vigilance set up at different levels of these Corporations. For the attached and subordinate offices, where direct monitoring by the CVO is not feasible, a senior officer/Head of the Office is entrusted with the responsibilities of Vigilance Officer.
- 1.44 Vigilance Division envisages participative vigilance through involvement of all stakeholders for system improvement and laying down transparent policies for good governance in all areas of public administration and effectively implement them. Review of Annual Property Returns, rotational transfers, timely response and implementation of e-governance are being followed as part of the preventive vigilance measures in the Department, its attached/Subordinate offices and the Public Sector Undertakings. Periodical reviews have resulted in reduction of pendency of investigation of complaints and also disciplinary proceedings.
- 1.45 In the Department as well as in its subordinate/attached offices and PSUs, use of Information Technology to fight corruption in all areas of work is being stressed. All systems and processes in place of deliverance of services are being synchronized through use of technology



Secretary (F&PD) administering oath during Vigilance Awareness Week

like effecting e-payments to vendors, hosting of all tenders in the website and e-procurement, etc. Simplification of rules and procedures have been undertaken so as to make them citizen friendly and avoid the need for the citizens to approach public officials for intervention. The website has been redesigned to be more citizen friendly. Sevottam/ Citizen's 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 their general doubts.

- 1.46 In addition to above, as directed by CVC, a Vigilance Awareness Week was observed from 28.10.2013 to 02.11.2013 in the Department as well as in its attached and subordinate offices with the central theme of "Promoting Good Governance – Positive contribution of Vigilance". During the Vigilance Awareness Week, the principles of good governance have been propagated among all employees and other stakeholders and they have also been sensitized about the need for increased transparency, fair-play and equity in decision making processes.

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

- 1.47 The Right to Information Act 2005 came into force with effect from 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.

- 1.48 In keeping with the provisions of the Act for designating Central Public Information Officers (CPIOs) to deal with request for information, officers of the level of Under Secretaries have been designated as CPIOs for their respective Divisions in the Department. Deputy Secretaries/Directors in the Department have been designated as Appellate Authorities. For filing appeal, the details of the Appellate Authorities and CPIOs are available on the website of the department <http://dfpd.nic.in> which is updated from time to time.
- 1.49 The Department also complied with the provisions of the Act for publication of information relating to the Organizations within the prescribed time frame. Duly compiled manuals are available on the Department's website - RTI –Manual - Manual XVI for information of the public and these manuals are being updated regularly. Similarly, information in respect of Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Directorate of Sugar and Directorate of Vanaspati, Vegetable Oils and Fats (VVOF) can also be accessed at– <http://fciweb.nic.in/rtis/view/7>, <http://cewacor.nic.in/manusal.htm>, <http://dfpd.nic.in> -Directorate

of Sugar and <http://dfpd.nic.in> -Directorate of VVO & F respectively.

- 1.50 During the period 1st April 2013 to 31st March, 2014, a total of 192 requests were received physically and 776 online and all requests were disposed off within the prescribed time limit. Further, during this period 6 appeals were filed before various Appellate Authorities of this Department.
- 1.51 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 Software 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.
- 1.52 For pro-active disclosure of information under RTI Act, 2005 and to monitor the disposal of RTI requests online, 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 requests received in the Department under RTI Act, 2005 are being made through the RTIMIS software.



Chapter-II

SIGNIFICANT ACHIEVEMENTS OF THE YEAR



Chapter-II

SIGNIFICANT ACHIEVEMENTS OF THE YEAR

NATIONAL FOOD SECURITY ACT, 2013

- ◆ The Government has notified the National Food Security Act, 2013 on 10th September, 2013 with the objective to provide 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. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized food grains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population. The Act also lays special focus on the nutritional support to women and children.
- ◆ Department convened a Conference of Food Ministers and Food Secretaries of States/UTs on 30th September and 1st October, 2013 to discuss various issues relating to implementation of National Food Security Act, 2013. The issues discussed in the Conference included evolving criteria for inclusion/exclusion and actual identification of beneficiaries, issue of fresh ration cards, door-step delivery of food grains, setting up of grievance redressal machinery at district and State levels, computerization of TPDS, creation of scientific storage capacity at various levels etc. Another meeting with Food Ministers and Food Secretaries of North Eastern States including Sikkim was held on 11th October 2013 to review their preparedness to implement the Act.
- ◆ Allocation of food grains under the Act, for the number of beneficiaries identified for coverage, has so far been made to 11 States/UT viz., Haryana, Rajasthan, Delhi, Himachal Pradesh, Punjab, Karnataka, Chhattisgarh, Maharashtra, Chandigarh, Madhya Pradesh and Bihar.

COMPUTERIZATION OF TPDS OPERATIONS

- ◆ Component-I of the scheme on 'End-to-end Computerization of TPDS Operations' is being

implemented, which comprises activities, namely, digitization of ration cards/ beneficiary and other databases, computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanism.

- ◆ ₹187.05 crore were released to 19 States/UTs, NIC etc. in 2013-14 under the Scheme. So far total of ₹ 228.74 crore have been released under the scheme to 23 States/UTs, NIC, etc.
- ◆ Digitization of beneficiary data has been completed in 14 States and is in progress in another 16 States. Other stakeholders' data has been digitized in over 30 States/UTs. Transparency Portals and toll-free numbers have been set up in more than 25 States/UTs respectively. Other activities like online allocations, supply-chain automation, etc have also been taken up by States/UTs.

PROCUREMENT OF FOOD GRAINS

- ◆ In Rabi Marketing Season 2013-14 (April 2013 to March 2014), 250.92 lakh MT of wheat was procured for the Central Pool as reported on 01.08.2013.
- ◆ For the Kharif Marketing Season 2013-14 (October, 2013- September 2014), procurement of rice started in October, 2013 and by 31.03.2014, 261.38 lakh MT of paddy in terms of rice has been procured in various States against the estimates of 342.89 lakh MT. The procurement is in progress.
- ◆ Andhra Pradesh, which had started procurement of paddy in DCP mode in 7 districts in KMS 2012-13, has adopted the DCP scheme in KMS 2013-14 in 10 districts. Bihar has also adopted DCP mode of procurement for KMS 2013-14 and RMS 2014-15. Rajasthan, which had started procurement of wheat in DCP mode in one district of Alwar in RMS 2013-14, has continued the same in RMS 2014-15 also.

FOOD GRAIN STOCK IN CENTRAL POOL

- ◆ 202.78 lakh MT of rice and 178.34 lakh MT of wheat was available under the Central Pool as on 1.4.2014. Thus, compared to last year, stock position was reduced by 50 lakh MT of rice and 60 lakh MT of wheat. Against general impression that FCI carries old food grains for many years, FCI has liquidated all stocks prior to year 2012-13. Now, only wheat and rice stocks with FCI are for years 2012-13 and 2013-14.

OPEN MARKET SALE OF FOOD GRAINS

- ◆ Under Open Market Sale Scheme (Domestic) [OMSS(D)], 61.16 lakh MT and 1.68 lakh MT of rice were sold during the year against the allocation of 100 lakh MT and 5 lakh MT respectively. A sub-scheme under OMSS(D) was also started which provided for sale of wheat with provision for dedicated movement. Under this sub-scheme, 4.95 lakh MT of wheat (187 rakes) was sold by the FCI during the year.
- ◆ State Agencies have been made fully responsible for disposal and financial implications of damaged food grains under the new guidelines issued by the Department on 22.05.2013.

MOVEMENT OF FOOD GRAINS

- ◆ FCI successfully started riverine movement of food grains through the Brahmaputra river within the State of Assam in 2013 and transported nearly 1,380 MT of food grains from Dibrugarh to Dhemaji in Assam and nearly 3,000 MT from Dibrugarh to Passighat in Arunachal Pradesh.
- ◆ FCI has undertaken a pilot project of multi-model transportation involving coastal shipping and road movement of 20,000 MT of rice per month from designated depots of Andhra Pradesh to designated depots in Kerala. The operations have begun in March, 2014.
- ◆ FCI has awarded contract for riverine movement of 10,000 MT of food grains to Agartala via Ashuganj (Bangladesh) on 08.04.2014 and the proposed movement will provide alternate route for supplying food grains to Tripura.

STORAGE OF FOOD GRAINS

- ◆ The total storage capacity available for Central Pool food grains was 748.08 lakh MT (as on 31.03.2014) against which the stocks stood at 381.12 lakh MT. The total requirement of food grains for implementing the NFSA is estimated to be 612 lakh MT. Hence sufficient storage capacity is available for holding the required stocks.
- ◆ A capacity of 203.76 lakh MT has been earmarked for creation of godowns under Private Entrepreneurs' Guarantee Scheme (PEG); including 19.50 lakh MT in the form of silos. As on 31.03.2014, 120.03 lakh MT of storage capacity has been constructed. The storage capacity created during the year 2013-14 was 50.11 lakh MT.
- ◆ Tenders for construction of 17.50 lakh MT of SILO under PPP were floated by FCI on 21.11.2013. The technical bids have been received and were under process.

EXPORT OF FOOD GRAINS AND INTERNATIONAL CO-OPERATION

- ◆ In view of comfortable stock position of food grains (wheat and rice) in Central Pool, the Government approved export of 20 lakh MT wheat from the surplus Central Pool stocks of FCI through the CPSUs during 2013-14 (upto June, 2014). Upto 31.03.2014, a quantity of 12.30 lakh MT of wheat has been exported with a weighted average FOB price of US\$ 283 per MT.
- ◆ A quantity of 2.50 lakh MT of wheat was allowed for export during 2011-12 as donation to Afghanistan out of which 1.00 lakh MT were delivered during 2011-12. Delivery of the remaining 1.50 lakh MT had been completed by February 2014.
- ◆ Indian delegation was led by Hon'ble Minister of State for CA, Food and PD in the 40th Session of the Committee on World Food Security (CFS) held during 7th to 11th October, 2013.
- ◆ Ms. Ertharin Cousin, the Executive Director, WFP, Rome visited the Department of Food

& PD to attend a consultation meeting on Government of India – World Food Programme (WFP) on various issues of co-operation between Government of India and WFP on 21.11.2013. The Indian delegation was led by Hon'ble Minister of State for CA, Food and PD and Prof. M.S. Swaminathan, Chairman, MSSRF was among other VIPs who attended the meeting.

- ◆ During 37th and 38th Council Sessions of International Grain Council (IGC) held in London in June, 2013 and December, 2013 respectively, India was represented through representatives of this Department.
- ◆ The Sixth Meeting of SAARC Food Bank Board held during 25th -26th November, 2013 in Thimphu, Bhutan was attended by Shri Ajai Saxena, Joint Secretary in the Department of Food & PD in his capacity as Member, SAARC Food Bank Board.

QUALITY CONTROL OF FOOD GRAINS

- ◆ Owing to various quality control measures, there has been sharp decrease in quantity of damaged /non-issuable food grains in the FCI. The quantity of damaged /non-issuable food grains in the FCI has come down from 1.35 lakh MT in the year 2002-03 to 0.25 lakh MT in the year 2013-14 (as on 31.03.2014).
- ◆ With a view to enthuse professional attitude/management in training activities and to develop IGMRI, Hapur as a center of excellence for the purpose of training in the field of Post Harvest Management of food grains, an MOU has been signed between CWC and the Department of Food & PD. All the training programmes during 2013-14 at IGMRI, Hapur were organized by CWC with faculty support of S&R Division.
- ◆ Storage & Research (S&R) division has organized 15 Long Term Training Courses / Short Term Training Courses (LTTC/STTC) on scientific storage and inspection of food grains for 411 officials of FCI, CWC, SWCs, State agencies and Pest Control Operators through IGMRI, Hapur and its field stations at Ludhiana and Hyderabad. IGMRI also conducted 9 training programmes under FCI's

corporate social responsibility programme for 261 farmers and 10 Training courses under WDRA for 500 farmers.

- ◆ In view of the shortage of technically qualified staff with the State Government and their agencies engaged in procurement, storage and distribution of food grains and States also being encouraged for decentralized procurement, the training for skill development of the staff of the State Governments and their agencies is need of the hour. Quality Control Cells, impart short term trainings to the State Government officers / officials on scientific storage, inspection and quality control of food grains. QCCs have conducted 14 training programmes for 35 trainees in each training in 12 States during 2013-14.
- ◆ To strengthen the quality control mechanism and monitoring of quality of food grains at the time of procurement, storage and distribution so as to avoid damages/losses, a new plan component "Strengthening of Quality Control Mechanism" has been included during the 12th Five Year Plan with two ongoing plan schemes – 'Strengthening of PDS' and 'Capacity Building and Quality Control, Consultancies & Research' which have been merged on the advice of the Planning Commission. An amount of ₹23.30 crore has been approved for the new plan component for 12th Five Year Plan. An amount of ₹2.00 crore was allocated in BE which has been reduced to ₹1.28 crore in RE stage for 2013-14 to the plan scheme and ₹1.27 crore has been utilized in upgrading physico-chemical laboratory, training infrastructure facilities, procurement of equipment at IGMRI Hapur and conducting training programmes by QCC offices. An amount of ₹10.00 crore has been earmarked for 2014-15.

SUGAR

- ◆ The year 2013-14 has been a water-shed year for the sugar industry. The Central Government considered the recommendations of Dr. C. Rangarajan Committee on de-regulation of sugar sector and decided to do away with levy obligation on sugar mills for sugar produced after September, 2012 and dispense with the

regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector is likely to improve the financial health of the sugar mills, increase the cash flow, reduce their inventory cost and also result in timely and better payment of cane price to sugarcane farmers in the country. The recommendations of the Committee relating to cane area reservation, minimum distance criteria and adoption of the cane price formula have been left to the State Governments for adoption and implementation, as considered appropriate by them.

- ◆ The country could achieve sugar production of 251.83 lakh MT during sugar season 2012-13 as against the estimated consumption of 230 lakh MT and could generate surplus for export, earning valuable foreign exchange in the process. The sugar prices remained stable in the domestic market throughout the year.
- ◆ The 'Fair and Remunerative Price' (FRP) of sugarcane payable by sugar mills for 2013-14 sugar seasons has been determined at ₹210/- per quintal linked to a basic recovery rate of 9.5% subject to a premium of ₹2.21 per quintal for every 0.1 percentage point increase above that level. The FRP for 2014-15 sugar season has also been fixed well in time before the cane sowing season at ₹220 per quintal. linked to a basic recovery of 9.5% subject to a premium of ₹2.32 per quintal for every 0.1 percentage point increase above that level.
- ◆ Sugar Development Fund (SDF) disbursed soft loans to sugar factories at an interest rate of 2% below the bank rate to meet the shortfall in promoters' contribution for their modernization, co-generation, ethanol and cane development projects to the tune of ₹600 crores upto 31.03.2014. Rate of interest has been revised to 7.00% (i.e. 2% below bank rate) with effect from 28.01.2014.
- ◆ Since 2003, an amount of ₹538 crores for ethanol projects and ₹2,403.72 crores for bagasse based co-generation projects has been disbursed to sugar factories as loan for improving their viability. It is estimated that it has helped to create over 3,145 KLPD capacity for ethanol production and over 3,943 MW of co-generation capacity in the sugar factories.
- ◆ Sugar mills are now free to sell their entire production as per their commercial prudence. However, under the new dispensation, to make sugar available in the PDS at the existing retail issue price of ₹13.50 per kg, the State Governments/UT administrations have been asked to procure it from the open market through a transparent system. The Central Government is reimbursing the States/UT's @ ₹18.50 per kg, limited to the quantity based on their existing allocations. The new system of open market procurement by States / UTs and seeking reimbursement from the Department has been adopted by 21 States / UTs from June, 2013 onwards. The States of Maharashtra, Karnataka and Manipur are expected to commence operations under the scheme soon. Thus, there has been a smooth transition from control regime to open procurement system. As on 31.03.2014, a sum of ₹859.98 crores has been reimbursed to 21 states/UTs towards sugar subsidy.
- ◆ Government on 3.1.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth ₹6,600 crores 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. Interest burden on this loan, estimated at ₹2,750 crores over next five years would be borne by the Government through Sugar Development Fund. About ₹3,300 crores has been sanctioned by the banks upto 31.03.2014.
- ◆ Further to encourage sugar factories to diversify their produce of traditional white sugar into raw sugar for export, the Government on 28.02.2014 has notified another scheme allowing incentives for marketing and promotion services for raw sugar production targeted for export market for a quantity of 40 lakh MT during 2013-14 and 2014-15 sugar seasons from SDF. The incentive available under the Scheme shall be utilized by the sugar mills for making payment to the farmers. Till March 2014 about 15 lakh MT of raw sugar has been produced in the country
- ◆ Under current Exim policy, the export of sugar is free subject to prior registration of quantity

with Directorate General of Foreign Trade (DGFT) and import of sugar is permitted at a moderate import duty of 15%.

- ◆ A Working Group was constituted to study the issues concerning sugarcane production and sugar recovery in the country. The Working Group has since submitted its report. The recommendations of the Working Group inter-alia relate to crop aspects, policy support and overcoming administrative impediments. These have been forwarded to all concerned for appropriate action.
- ◆ In order to promote diversification and value addition to the sugar industry, the Department actively interacted with other concerned Ministries so that the ethanol blending programme takes off. As a result thereof, tenders for a quantity of about 70 crore liters have been finalized.
- ◆ The Directorate of Sugar, Sugar Division and National Sugar Institute, Kanpur in the Department of Food and Public Distribution have obtained **ISO:9001:2008 Certification**.
- ◆ With a view to providing quick services and ensuring transparency by suitably harnessing IT-enabled operation in sugar division, e-governance initiatives have been successfully implemented. The sugar portal also provide window for on-line connectivity with the State

Governments for getting inputs regarding production, cane price arrears, utilization of sugar for PDS etc.

WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY

- ◆ The Warehousing Development and Regulatory Authority (WDRA) has registered 400 warehouses till 31.03.2014. Out of these, 175 warehouses belong to the Central Warehousing Corporation, 125 to State Warehousing Corporations, 58 warehouses are in the Private Sector and 43 warehouses belong to the Primary Cooperative Societies.
- ◆ The value of underlying commodities against which Negotiable Warehouse Receipts (NWRs) were issued during the year 2013-14 was ₹583.02 crore. Corresponding figure during 2012-13 was ₹416 crore. The quantity of the underlying commodities against NWRs was 2.57 lakh MT during 2013-14 as compared with 1.39 lakh MT in 2012-13. Thus, the value of underlying commodities against NWRs has increased by 40% and the total quantity of commodities has increased by 85%.
- ◆ The WDRA has taken several initiatives to integrate the Primary Agriculture Cooperative Societies (PACSS) warehouses into the NWR system so as to benefit the small and marginal farmers.



Chapter-III

FOOD MANAGEMENT



Chapter-III

FOOD MANAGEMENT

3.1 The main elements of the Government's food management policy are procurement, storage and movement of food grains; public distribution and maintenance of buffer stocks.

FOODGRAINS PRODUCTION PROSPECTS DURING 2013-14

3.2 As per the second advance estimate for 2013-14, total production of rice in the country is estimated at 106.19 million MT which is a new record. The current year's production is higher by 9.5 lakh MT than the last year's record production of 105.24 million MT. Production of wheat estimated at 95.60 million MT is also a new record. Previous record production of 94.88 million MT of wheat was achieved during 2011-12. Production of rice as well as wheat is considerably higher than their average production levels. The production of Coarse Cereals estimated at 41.64 million MT is also higher by 1.60 million MT than the last year's production and 1.83 million MT than the average production of last five years.

3.3 Total food grains production estimated at all time record of 263.20 million MT which is higher by 6.07 million MT than the last year's production of 257.13 million MT and a quantum increase of 20.50 million MT over the average production of food grains during the last five years.

PROCUREMENT OF FOOD GRAINS

3.4 The status of procurement of food grains in 2013-14 is given below:-

(i) In Rabi Marketing Season (RMS) 2013-14 (April 2013 to March 2014), 250.92 Lakh MT of wheat has been procured for the Central Pool which has

been far lower than the total quantity of 381.48 lakh MT procured during the previous season i.e. RMS 2012-13. However, lowering of procurement is not a cause of worry as there is huge surplus stock of food grains under Central Pool. The Department has been trying to limit the procurement through adoption of some policy measures to encourage private buyers to purchase wheat from the farmers directly in the Mandis during the harvest season at competitive prices as compared to MSP. The idea behind is that the farmers could get remunerative returns and FCI could avoid over accumulation of stocks under Central Pool, which causes lot of burden on storage facilities and food subsidy.

(ii) For the Kharif Marketing Season (KMS) 2013-14 (October, 2013 - September 2014), procurement of rice started in October, 2013. By 31.03.2014, total quantity of 261.38 lakh MT of paddy in terms of rice has been procured in various States against the estimates of 342.89 lakh MT. The procurement was in progress; however, it is expected to remain much below the estimated quantity. The total procurement of paddy in terms of rice in KMS 2012-13, which ended on 30th September, 2013 has been 317.44 lakh MT against the overall estimated quantity of 402 lakh MT for that season, as reported on 05.02.2014.

(iii) In KMS 2013-14, by 31.03.2014, 10.94 lakh MT of coarse grains, mainly maize, have been procured in various States, which is far more than the total quantity of 0.72 lakh MT of coarse grains procured in KMS 2012-13.



Procurement of food grains



Payment to farmers for their purchased food grains

MINIMUM SUPPORT PRICE

3.5 Food grains are procured at the Minimum Support Price (MSP) fixed by the Government. The MSP of paddy for KMS 2012-13, which ended on 30th September, 2013 was fixed at ₹1,250/- per quintal for Common grade and ₹1,280/- for Grade A. For KMS 2013-14, the MSP for Common and Grade 'A' has been raised to ₹1,310/- and ₹1,345/- per quintal respectively. The MSP of wheat was fixed at ₹1,350/- per quintal for the RMS 2013-14 and for RMS 2014-15 it has been raised to ₹1,400/- per quintal. Comparative statement below gives the MSP of wheat and paddy since 2009-10 to 2013-14 (marketing seasons).

(₹ per qtl.+Bonus, if any, as given in brackets)

Crop Year	MSP of Wheat	MSP of Paddy	
		Common	Grade A
2009-10	1,100	950 (+50)	980 (+50)
2010-11	1,170 (+50)	1,000	1,030
2011-12	1,285	1,080	1,110
2012-13	1,350	1,250	1,280
2013-14	1,400	1,310	1,345

Note: For paddy, Crop Years and KMSs are same, but for wheat, Crop Year 2009-10 corresponds to RMS 2010-11 and so on.

SCHEME OF DECENTRALISED PROCUREMENT OF FOOD GRAINS

3.6 The scheme of Decentralized Procurement of food grains was introduced by the Government in 1997-98 with a view to effect savings in the form of reduction in the outgo of food subsidy, enhancing the efficiency of procurement and PDS and encouraging local procurement to the maximum extent, thereby, extending the benefits of MSP to local farmers. Under the decentralized procurement scheme, the State Government itself undertakes direct purchase of paddy and wheat and procurement of levy rice 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 TPDS and other welfare schemes. 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 TPDS and other schemes, the Central Government, through FCI, meets the deficit out of the Central Pool stocks.

3.7 The Central Government meets the entire expenditure incurred by the State Governments on the procurement operations as per the approved costing. The Central Government also monitors the quality of food grains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly. The State/UT Governments presently undertaking

Decentralized Procurement of paddy are West Bengal, Madhya Pradesh, Chhattisgarh, Uttarakhand, Andaman & Nicobar Islands, Odisha, Tamil Nadu, Gujarat, Karnataka and Kerala. Andhra Pradesh, which had started procurement of paddy in DCP mode in 7 districts in KMS 2012-13, has adopted the DCP scheme in KMS 2013-14 in 10 districts. Bihar is another State which had adopted DCP mode of procurement of paddy in KMS 2013-14. The State Governments of Gujarat, Madhya Pradesh and Uttarakhand have adopted DCP mode of procurement for wheat. Rajasthan, which had started procurement of wheat in DCP mode in one district of Alwar in RMS 2013-14, has continued the same in RMS 2014-15. Bihar adopted DCP mode of procurement of wheat in RMS 2014-15.

3.8 The total procurement of rice in the States which have adopted decentralized procurement was 104.45 lakh MT during 2010-11, 199.11 lakh MT during 2011-12, 188.46 lakh MT during 2012-13 and 144.27 lakh MT during 2013-14 (as on 31.03.2014). In respect of wheat, for states which have adopted decentralized procurement system, the procurement under this scheme has been 2.27 lakh MT (as on 31.03.2014) in RMS 2014-15 i.e. current season.

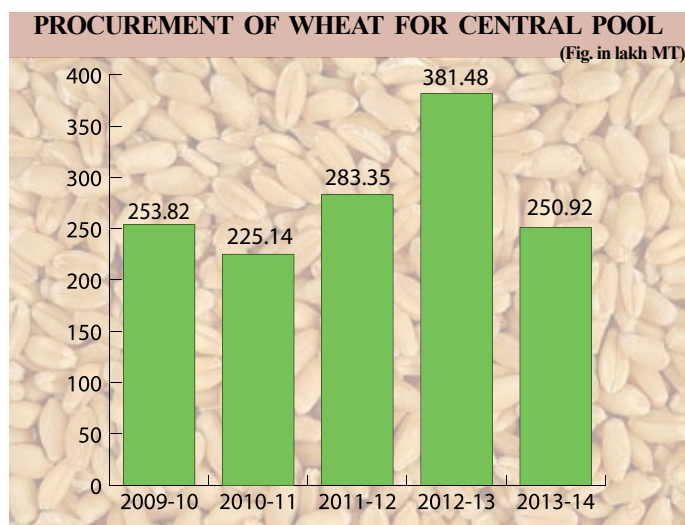
3.9 Besides extending price support to farmers for wheat and paddy, rice is also procured under levy from rice millers/dealers at prices announced separately for each State.

PROCUREMENT OF WHEAT IN RMS 2013-14

3.10 The details of State-wise wheat procurement in last 5 years are as given below:-

(Fig. in lakh MT)

State	2009-10	2010-11	2011-12	2012-13	2013-14
Haryana	69.24	63.48	68.91	86.65	58.73
M.P.	19.68	35.39	49.65	84.93	63.55
Punjab	107.25	102.09	109.58	128.34	108.97
Rajasthan	11.52	4.76	13.03	19.64	12.68
U.P.	38.82	16.46	34.61	50.63	06.83
Others	7.31	2.96	7.55	11.29	0.16
All India	253.82	225.14	283.35	381.48	250.92



3.11 The breakup of procurement of wheat by FCI and State Agencies in RMS 2013-14 is given below:-

(Fig. in lakh MT)

State	Quantity Procured		
	FCI	State Agencies	Total
Haryana	7.25	51.48	58.73
Madhya Pradesh	0.00	63.55	63.55
Punjab	19.40	89.57	108.97
Rajasthan	12.13	0.55	12.68
Uttar Pradesh	0.09	6.74	6.83
Others	0.10	0.06	0.16
Grand Total	38.97	211.95	250.92

PROCUREMENT PLAN FOR KMS 2013-14

3.12 An estimated target of 364.19 lakh MT of rice procurement for KMS 2013-14 has been set in consultation with the State Governments after a Conference of the State Food Secretaries held on 31.07.2013. Out of this the estimated target set for Kharif crop is 320.59 lakh MT and for Rabi crop is 43.60 lakh MT. Government has also decided to fix the period of procurement of paddy in various States and also the period to be allowed to State agencies for milling and handing over of Custom Milled Rice (CMR) to FCI. States of Haryana, Punjab, Tamil Nadu, Uttar Pradesh and Uttarakhand have been

given the timeline of June, 2014 to complete the procurement operations. Rest of the States have been given time upto September, 2014. It has also been decided that under special circumstances, the States will be permitted a further period of 3 months to complete the operations with one month extension at a time and no CMR will be accepted by FCI from them after 31st December, 2014.

- 3.13 This policy will bring in a discipline in the procurement operations of rice and will help in preventing various malpractices, which have allegedly been affecting the system in the past. This will help in timely milling of paddy procured in the succeeding season and will also prevent quality of paddy from deteriorating. This policy has been adopted for KMS 2012-13 also. As a result, milling of paddy procured in that season had been completed in most States by January, 2014, which was not the case in earlier seasons.

SUPPLY OF JUTE BAGS/ PACKAGING MATERIAL FOR RMS & KMS 2013-14

- 3.14 Food Corporation of India (FCI) and State Government agencies procuring food grains for Central Pool have the option to purchase jute bags through DGS&D or through open tender system, provided, the purchase price through such tenders does not exceed the price fixed by the Jute Commissioner on the basis of tariff commission formula. Presently, these agencies are procuring jute bags through DGS&D. The DGS&D conveys the requirement to the Jute Commissioner who issues the PCO (Production Control Order) on the active jute mills. The Quality Assurance Wing of the DGS&D inspects the gunnies as per BIS specification before they are dispatched. In order to ensure that State Governments get timely supply of jute bags, an Inter-Ministerial Committee has been formed by the Department in which State Governments, jute bag manufacturers, manufacturers of plastic bags are also represented. The committee takes stock of the availability of packaging material and prepares a month-wise supply plan for purchase of jute bags by the State agencies based on their requirement for each procurement season.

By conducting review meetings from time to time, the committee coordinates the ordering, supply and movement of jute bags to various States for ensuring their timely availability for procurement operations. For KMS 2013-14 the total requirement was assessed to be 18.35 lakh bales of jute bags and a month-wise plan was drawn accordingly by the committee. For RMS 2014-15, the net requirement of jute bags was assessed to be 7.18 lakh bales after excluding the carried over stock of packaging material available with the States and a month-wise plan was drawn by the committee accordingly for ensuring timely supply.

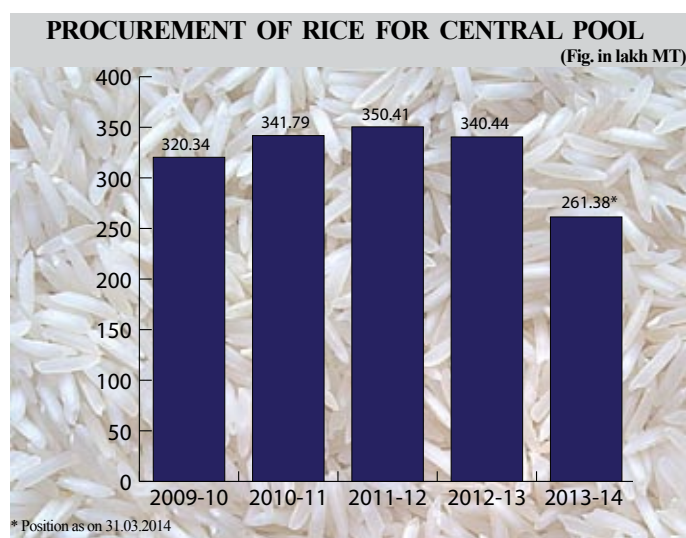
PROCUREMENT OF RICE IN KMS 2013-14

- 3.15 The status of procurement of paddy in terms of rice in last 5 years in the country is given in the table below:-

(Fig. in lakh MT)

KMS	Procurement		
	FCI	State Agencies	Total
2009-10	101.73	218.61	320.34
2010-11	119.70	222.09	341.79
2011-12	91.10	259.31	350.41
2012-13	70.33	270.11	340.44
2013-14	31.69	229.69	261.38*

*Position as on 31.03.2014 (procurement is still going on)



- 3.16 For KMS 2013-14, procurement of rice is in progress and is estimated to be 364.19 lakh MT. The State-wise comparative statement of

the procurement of rice as on 31st March of the respective season for the Central Pool during KMS 2012-13 and KMS 2013-14 is given below:-

(Fig. in lakh MT)

States	KMS 2013-14 (as on 31.03.2014)	KMS 2012-13 (as on 31.03.2013)
Andhra Pradesh	35.75	40.42
Chhattisgarh	53.37	48.00
Haryana	23.97	26.02
Madhya Pradesh	10.40	7.66
Maharashtra	1.26	1.75
Odisha	18.92	26.85
Punjab	81.06	85.58
Tamil Nadu	6.59	4.47
Uttar Pradesh	10.70	21.69
Uttarakhand	3.79	4.27
West Bengal	7.34	11.16
Others	8.22	15.47
Total	261.37	293.34

PROCUREMENT OF RICE UNDER LEVY RICE

3.17 Government undertakes to purchase all wheat and paddy of prescribed specifications offered on sale by the framers at the notified Minimum Support Price, thereby ensuring them a stable market for their produce. Non-basmati rice is procured for the Central Pool under the statutory levy system imposed by the State Governments in exercise of powers conferred on them under the Essential Commodities Act, 1955. The levy percentage prevailing in various States/UTs during Kharif Marketing Season 2013-14 is at **Annex-IV**.

3.18 For the sake of comparison and understanding the decreasing trend of levy rice procurement, the State-wise procurement figures for period of KMS 2008-09 to KMS 2011-12 are given at **Annex-V**.

BUFFER STOCKING POLICY OF FOOD GRAINS

3.19 The main objectives of the Buffer Stocking

Policy are:-

- (i) To meet the prescribed Minimum Buffer Stock norms for food security,
- (ii) For monthly releases of food grains for supply through the TPDS/Other Welfare Schemes,
- (iii) To meet emergency situations arising out of unexpected crop failure, natural disasters etc. and
- (iv) For market intervention to augment supply so as to help moderate the open market prices.

EXISTING BUFFER NORMS

3.20 The minimum buffer norms for stocking of foodgrains in the Central Pool with effect from April 2005 are as follows:-

(Fig. in lakh MT)

	Wheat	Rice	Total
1 st April	70	142	212
1 st July	201	118	319
1 st October	140	72	212
1 st January	112	138	250

The above norms include a Food Security Reserve of 30 lakh MT of wheat from 1.7.2008 and 20 lakh MT of rice from 1.1.2009.

REVISED BUFFER NORMS

3.21 In order to review and recommend revised buffer norms, a Technical Group under the Chairmanship of Secretary (F&PD) was constituted on 07.06.2006. The Technical Group entrusted the matter to National Center for Agricultural Economics and Policy Research (NCAP) for suggesting revised buffer norms. NCAP initially submitted its report in June, 2008 but subsequently submitted a revised report in September, 2011 which was based on the then proposed National Food Security Bill (now Act). Based on the report of NCAP, the Technical Group held detailed discussions with various stakeholders and recommended revised buffer norms which was sent to CCEA for its approval vide a CCEA Note dated 10.12.2013.

3.22 CCEA considered the matter in its meeting held on 19.12.2013 and decided that the matter may, in the first instance, be considered by the Group of Ministers (GOM). The GOM considered the matter on 16.01.2014 and after deliberation, the GOM deferred the issue till a revised procurement policy of food grains is finalized by the Department of Food & Public Distribution. The matter is under consideration.

STOCK POSITION IN CENTRAL POOL

3.23 The stock of food grains in the Central Pool as on 01.04.2014 was 392.45 lakh MT which comprised of 178.34 lakh MT of wheat, 202.78 lakh MT of rice (excluding 102.74 lakh MT of rice due to be received from un-milled paddy lying with the State Agencies) and 11.33 lakh MT of coarse grains. The total stock of food grains in the Central Pool including coarse grains as on 1st April during the last three years and current year was as follows:-

(Fig. in lakh MT)

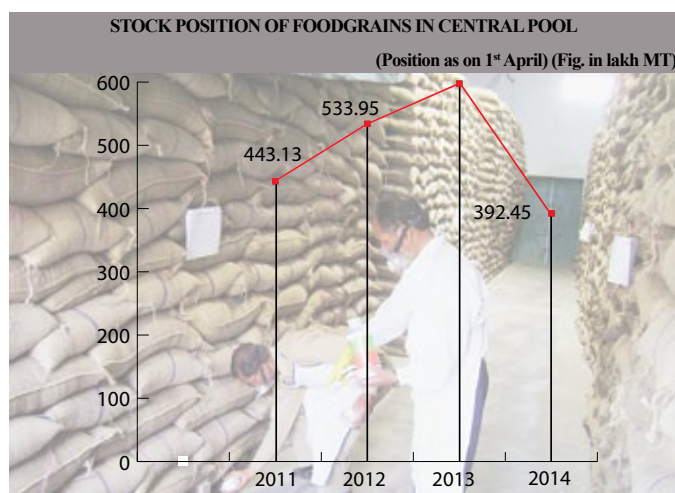
Year	Stock
1 st April 2011	443.13
1 st April 2012	533.95
1 st April 2013	597.58
1 st April 2014	392.45*

*(excluding 102.74 lakh MT of rice due to be received from un-milled paddy lying with the state agencies)

- 3.24 Stock position of wheat and rice in the Central Pool vis-à-vis minimum buffer norms during last 5 years and current year is at **Annex-VI**.
- 3.25 State-wise position of stocks of rice and wheat in the Central Pool as on 01.04.2014 is given at **Annex-VII**.

OPEN MARKET SALE SCHEME (DOMESTIC)

3.26 In addition to maintaining buffer stocks and making a provision for meeting the requirement of the TPDS and Other Welfare Schemes, the FCI, on the instructions from the Government, sells wheat at predetermined prices in the open market from time to time to enhance the supply of wheat especially during



the lean season and thereby to moderate the open market prices especially in the deficit regions. Wheat and Rice are also allocated to State Govts. for retail sale through non-PDS Channels under OMSS.

SALE OF WHEAT UNDER OMSS (D)

- 3.27 Government approved sale of 100 lakh MT of wheat under OMSS(D) during the year 2013-14, including 85 lakh MT to bulk traders/consumers through tenders floated by FCI, 10 lakh MT for direct sale to small traders from various depots of FCI in different parts of the country and 5 lakh MT for retail sale to the consumers through State Govt. agencies or national cooperative bodies. In addition, allocation of 5 lakh MT of rice was also made for sale to retail consumers through State Governments.
- 3.28 To increase sale under the scheme, Department

also allowed an alternative mode of sale of wheat on dedicated movement basis within the allocation of 85 lakh MT wheat approved by Government under OMSS (D) scheme. This alternate mode provided for separate weekly tenders to be invited for sale of wheat to the buyers under this system. Under this mode, buyers were required to place the indent for the rakes with the Railways authorities and they are free to take stocks to the railhead of their choice located anywhere in the country by paying the railway freight. Under this sub-scheme, 4.95 lakh MT of wheat (187 rakes) was sold by the FCI during the year.

3.29 During 2013-14, Government also approved formation of an Inter-Ministerial Group (IMG) to adopt a flexible dynamic pricing policy keeping in view the prevailing prices in different markets and a Group of Minister (GOM) to review the progress of OMSS sale.

3.30 Progress of sale of wheat under OMSS (D) and prevailing market prices were closely monitored by IMG on a regular basis. IMG observed that the wholesale market prices of wheat prevailing in various market centres of the country were either aligned to the reserve price under OMSS (D) or significantly above it. Therefore, IMG in all its weekly meetings adopted a strategy of wait and watch and decided not to reduce the reserve price of wheat for sale under OMSS (D) for any of the market centers in the country. A meeting of GOM was also held to review the progress of sale under the scheme.

3.31 The quantities of wheat sold under the OMSS (D) during the last four years and current year are as under:-

(Fig. in lakh MT)

Year	Qty.
2009-10	16.28
2010-11	11.55
2011-12	11.84
2012-13	68.67
2013-14	61.16

3.32 The quantities of rice sold under the OMSS (D) during the last four years and current year are as under:-

(Fig. in lakh MT)

Year	Qty.
2009-10	4.94
2010-11	1.69
2011-12	0.19
2012-13	0.99
2013-14	1.68

ALLOCATION OF FOODGRAINS UNDER TPDS AND OTHER WELFARE SCHEMES

3.33 Before implementation of the National Food Security Act, 2013 (NFSA), Government had been making allocation under TPDS for 6.52 crore BPL (including 2.43 AAY) families and 11.52 crore APL families as per 1993-94 poverty estimates of Planning Commission and March 2000 population estimates of RGI. With implementation of the NFSA, the coverage under TPDS has been increased to cover 75% of the rural population and 50% of the urban population. As per the Act, every person belonging to priority households shall be entitled to receive 5kg of food grains per person per month and AAY households shall be entitled to get 35 kg per households per month at a subsidized price of ₹3 per kg of rice, ₹2 per kg of wheat and ₹1 per kg of coarse grains. The States/ UTs are required to implement NFSA by 4th July, 2014. So far 11 State Governments, viz, Rajasthan, Haryana, Himachal Pradesh, Bihar, Chhattisgarh, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Chandigarh and NCT of Delhi have implemented NFSA and revised monthly allocation of food grains under NFSA has been made to these States/ UTs.

3.34 During the year 2013-14, the Government has allocated 501 lakh MT of food grains under normal TPDS. This includes allocation under NFSA (which are as per 2011 estimates) to 11 States/ UTs mentioned in para 3.33 above. The allocation of food grains for rest of the States/ UTs have been made as per the March 2000 population estimates of RGI and 1993-94



poverty estimates of Planning Commission. In addition, the Government made the following additional allocations from the Central Pool during the 2013-14 to offload the surplus availability of food grains and to make more food grains available to the States/UTs to control prices in the open market:-

- (i) 50 lakh MT of food grains were allocated in September, 2013 to all States/ UTs for lifting by 31st March, 2014 for distribution to additional BPL families at BPL issue price. This additional allocation was within the normal TPDS allocation and valid till implementation of National Food Security Act (NFSA) by respective States/ UTs.
- (ii) 14.58 lakh MT of food grains were also allocated to States for Festivals, Calamity relief etc.

3.35 A total of 565.97 lakh MT of food grains were released during 2013-14 which includes the allocation mentioned against para 3.34 and 50.05 lakh MT allocated under Other Welfare Schemes (OWS).

OFF-TAKE OF FOOD GRAINS

3.36 During the Financial Year 2013-14 the offtake of foodgrains against the allocation made under Targeted Public Distribution System (TPDS) and various other schemes including OWS,

OMSS/Export etc. are as under:-

- (i) The off take of food grains (wheat and rice) from the Central Pool under normal Targeted Public Distribution System (TPDS) upto March, 2014 has been 445.11 lakh MT. This comprise of 162.03 lakh MT under Below Poverty Line (BPL), 126.80 lakh MT under Antyodaya Anna Yojana (AAY) and 156.27 lakh MT under Above Poverty Line (APL). AAY and APL Offtake figures include NFSA (normal) and NFSA (Tide Over allocation) offtake figures also respectively. In addition there has been offtake of 16.84 lakh MT under Special Adhoc allocation, 5.17 lakh MT under allocation made to States/ UTs at economic cost/MSP rate and 0.03 lakh MT under allocation made to Poorest Districts.
- (ii) The offtake under various Welfare Schemes has been 41.54 lakh MT. In addition, there has been offtake of 89.48 lakh MT under other schemes including Open/Tender Sale/Relief/WFP/Defence etc.

3.37 During the financial year 2013-14, the total offtake of foodgrains from the Central Pool was 598.17 lakh MT (292.00 lakh MT of Rice and 306.18 lakh MT of Wheat) as compared to 658.46 lakh MT of foodgrains (326.37 lakh MT of Rice and 332.09 lakh MT of Wheat) during the corresponding period of 2012-13.

(Fig. in lakh MT)

SCHEME			
(A) TPDS	RICE	WHEAT	TOTAL
AAY	75.68	51.12	126.80
BPL	109.32	52.71	162.03
APL	60.04	96.24	156.27
Sub Total	245.04	200.07	445.11
Special Adhoc	12.62	4.22	16.84

Poorest Districts	0.00	0.03	0.03
Offtake against allocation made at economic cost/ MSP rate	3.14	2.03	5.17
Sub-Total (A)	260.80	206.35	467.15
(B) WELFARE SCHEMES*			
MDM	19.86	3.91	23.77
WBNP	4.49	8.50	12.99
EFP	0.07	0.00	0.07
Hostels/Welfare Institutions	2.56	0.46	3.02
ANNAPURNA	0.48	0.09	0.57
RGSEAG- SABLA	0.39	0.73	1.12
VGB	0.00	0.00	0.00
Sub-Total (B)	27.85	13.69	41.54
(C) OTHER SCHEMES			
WFP, Relief, Defence etc.	1.66	0.69	2.35
Open Sale/Tender Sale/ Export	1.69	85.45	87.14
Sub-Total (C)	3.35	86.14	89.49
Grand Total (A+B+C)	292.00	306.18	598.17

*As reported by FCI

OTHER WELFARE SCHEMES (OWS)

Mid-Day Meal Scheme

3.38 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).

3.39 The Department of Food & Public Distribution makes allocation of annual requirement of food grains under the Scheme to the Department of School Education & Literacy, Ministry of Human Resource Development. Further



allocation of food grains to States/UTs is made by that Department. Food Corporation of India (FCI) releases food grains to States/UTs at BPL rates as per allocation made by Department of School Education & Literacy.

3.40 Annual allocation/offtake of food grains under the scheme during the last three years and current year is as under:-

(Fig. in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2010-11	24.55	5.33	29.88	18.44	4.81	23.25
2011-12	22.29	4.84	27.13	19.17	4.49	23.66
2012-13	23.83	4.67	28.50	20.74	4.23	24.97
2013-14	22.79	4.67	27.46	19.86	3.91	23.77

(Offtake includes backlog quota also)

Wheat Based Nutrition Programme (WBNP)

3.41 This Scheme is implemented by the Ministry of Women & Child Development. The food grains allotted under this Scheme are utilized by the States/UTs under the Integrated Child Development Scheme (ICDS) for providing nutritious/ energy food to children below 6 years of age and expectant/lactating women.

3.42 Annual allocation/offtake of food grains under

the scheme during the last three years and current year is as under:-

(Fig. in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2010-11	6.00	9.00	15.00	2.74	7.54	10.28
2011-12	5.65	9.52	15.17	2.63	8.79	11.42
2012-13	4.50	9.95	14.45	2.89	8.91	11.80
2013-14	6.78	9.38	16.16	4.49	8.50	12.99

(Offtake includes backlog quota also)

Scheme for supply of food grains to welfare institutions (5% of BPL allocation)

3.43 With a view to meeting the requirement of Welfare Institutions, viz., charitable institutions such as beggar homes, nariniketans and other similar welfare institutions not covered under TPDS or under any other Welfare Schemes, an additional allocation of food grains (rice and wheat) not exceeding 5% of the BPL allocation is made to States/UTs at BPL prices.

3.44 During 2005-06, the allocation and offtake of food grains under the scheme were reviewed on the recommendation of the Parliamentary Standing Committee for Food. The allocation to the States/UTs accordingly was rationalized w.e.f. August, 2005 on the basis of average offtake of previous three years.

3.45 Annual allocation/offtake of food grains under the scheme during the last three years and current year is as under:-

(Fig. in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2010-11	2.96	0.87	3.83	2.45	0.58	3.03
2011-12	1.56	0.53	2.09	1.80	0.40	2.20
2012-13	2.21	0.87	3.08	2.33	0.52	2.85
2013-14	3.32	0.71	4.03	2.56	0.46	3.02

(Offtake includes backlog quota also.)

Note: - The data includes offtake of SC/ST/OBC Hostels also.

Scheme for supply of food grains for SC/ST/OBC Hostels

3.46 This scheme was introduced in October, 1994. Department of Food & Public Distribution is the nodal Department for the scheme. The residents of the hostels having 2/3rd students belonging to SC/ST/OBC are eligible to get 15 kg food grains per resident per month. Allocations

of food grains under the scheme are made based on requests received from the State/UT Governments. Accordingly, during the current year, allocation under the scheme have been made so far to Andhra Pradesh, Chhattisgarh, Dadra & Nagar Haveli, Karnataka, Nagaland and Tripura.

3.47 Annual allocation/offtake of food grains under the scheme during the last three years and current year is as under:-

(Fig. in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2010-11	1.32	0.17	1.49	-	-	-
2011-12	0.99	0.25	1.24	-	-	-
2012-13	0.54	0.17	0.71	-	-	-
2013-14	1.49	0.16	1.66	-	-	-

Note: Offtake figures are reported by FCI combined with offtake against 5% BPL allocation w.e.f. 2002-03.

Annapurna Scheme

3.48 The Ministry of Rural Development launched the scheme in 2000-01. Indigent senior citizens of 65 years of age or above who are not getting pension under the National Old Age Pension Scheme (NOAPS) are provided 10 kg of food grains per person per month free of cost under the scheme.

3.49 From 2002-03, it has been transferred to State Plan along with the National Social Assistance Programme comprising the National Old Age Pension Scheme and the National Family Benefit Scheme. The implementation of the Scheme at the State level rests with the respective States/UTs.

3.50 Food grains are released at BPL rates. Annual allocation/offtake of food grains under the scheme during the last three years and current year is as under:-

(Fig. in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2010-11	0.81	0.34	1.15	0.66	0.29	0.95
2011-12	0.64	0.32	0.96	0.66	0.21	0.87
2012-13	0.67	0.29	0.96	0.53	0.20	0.73
2013-14	0.41	0.17	0.58	0.48	0.09	0.57

Emergency Feeding Programme (EFP)

3.51 Emergency Feeding Programme, is a food-based intervention in the KBK districts of State of Odisha targeted towards old, infirm and destitute persons belonging to BPL households to provide them food security in their distress conditions. This programme was introduced in 1995-96 covering initially 5 KBK Districts of Odisha with 45,141 beneficiaries. The Scheme is now being implemented by Government of Odisha in eight KBK Districts namely Bolangir, Kalahandi, Koraput, Malkangiri, Nawarangpur, Naupada, Rayagada and Sonepur covering around 2 lakh beneficiaries. Under the scheme, food grains (rice) at BPL rates are allocated to the State Government by the Department of Food & Public Distribution.

3.52 It is now observed that there is better paddy production due to improved irrigation projects in the State. The State is also being provided additional APL/BPL allocation. Hence it is felt by this Department that EFP may no longer be required in the affected districts. The State Government of Odisha has been requested to clarify in this regard and their response is awaited.

3.53 Annual allocation/offtake of food grains under the scheme during the last three years and current year is as under:-

(Fig. in lakh MT)

Year	Annual allocation	Offtake
2010-11	0.18	0.17
2011-12	0.18	0.15
2012-13	0.18	0.18
2013-14	0.08	0.07

Village Grain Bank Scheme

3.54 Village Grain Bank (VGB) scheme was earlier implemented by the Ministry of Tribal Affairs. The scheme was transferred to the Department of Food & Public Distribution w.e.f. 24.11.2004.

3.55 The main objective of the scheme was to provide safeguard against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations. Such people in need of food grains could borrow food grains from Village

Grain Bank. The grain banks were to be set up in food scarce areas like the drought prone areas, hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc.

3.56 However, the response from the States had not been very encouraging towards the VGB scheme, as only 17 States opted for establishment of VGBs in their States. No proposals were forthcoming from the States. Utilization Certificates were also not being submitted by several States Governments against the funds released to them under food and cash components for establishment of VGBs during the past years. It was also observed that NFSA had been passed by the Parliament which would cover 75% of the population in rural areas to provide food grains at highly subsidized rates. Hence, the VGB scheme has been discontinued w.e.f. 01.01.2014.

3.57 However, the details of VGBs sanctioned and expenditure incurred during 10th & 11th Plan period since 2005-06 till 31.12.2013 are as under:-

Year	States where sanctioned	VGBs Sanctioned	Expenditure (In crore ₹)
11th Five Year Plan			
2007-08	Bihar, Gujarat, Kerala, Manipur, Madhya Pradesh, Nagaland, Odisha, Rajasthan and West Bengal	2,598	17.44
2008-09	Manipur, Tripura, Uttar Pradesh and Madhya Pradesh	2,407	16.81
2009-10	West Bengal, Andhra Pradesh and Nagaland	2,214	17.23
2010-11	Madhya Pradesh, Tripura, Odisha and Nagaland	1,709	13.00
2011-12	Andhra Pradesh, Nagaland, Uttarakhand & West Bengal	1,350	10.00
Total		10,278	74.48
12th Five Year Plan			
2012-13	Nagaland	91	0.9914
Grand Total		10,369	75.4714

Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) – ‘SABLA’

3.58 The Ministry of Women and Child Development administers the scheme at the central level and State/UT Governments implement the scheme. The SABLA Scheme was launched on 19.11.2010 by merging two schemes, namely, Nutrition Programme for Adolescent Girls (NPAG) and Kishori Shakti Yojana (KSY) into a single scheme for being implemented in 200 selected districts across the country. The Scheme aims at empowering adolescent girls of 11-18 years of age-group by improvement of their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills. It also aims at equipping the girls on family welfare, health hygiene etc. and information and guidance on existing public services along with aiming to mainstream out of school girls into formal or non-formal education. The requirement of food grains under the scheme for nutrition is @ 100 grams of grains per beneficiary per day for 300 days in a year. Annual allocation and offtake of rice & wheat during 2011-12, 2012-13 and 2013-14 are as under:-

(Fig. in lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2011-12	1.57	1.16	2.73	0.21	0.50	0.71
2012-13	0.81	1.31	2.12	0.26	0.71	0.97
2013-14	0.75	1.00	1.75	0.39	0.73	1.12

EXPORT OF FOODGRAINS (WHEAT & RICE) FROM CENTRAL POOL STOCK

3.59 With record production, procurement and availability of surplus stocks of food grains (wheat and rice) in the Central Pool stocks of Food Corporation of India, the Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 03.07.2012, approved export of 20 lakh MT of wheat from Central Pool stock of FCI through CPSUs.

3.60 The Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 26.12.2012, further approved export of an additional quantity of 25 lakh MT of wheat from Central Pool stocks of FCI through CPSUs subject to



Bulk handling of wheat for export at Mundra Port

floor price of US\$300 per MT. Out of 45 lakh MT of wheat approved for export during 2012-13, a quantity of 42.40 lakh MT have been exported upto June, 2013. Out of this 13.17 lakh MT were exported during April-June, 2013. The average weighted price of US\$311/Rs.17,105/- per MT was obtained for these exports with a total earnings of about US\$ 1.3 billion.

3.61 Export of surplus stocks of wheat from Central Pool has helped the country in earning foreign exchange at a time of global economic slowdown, apart from putting the Indian wheat at par in quality with Soft Red Wheat (SRW) elsewhere, with a premium compared to CBOT future prices prevalent at that time. The Department, in view of comfortable stock position of food grains (wheat and rice) in Central Pool, proposed for export of a further quantity of 20 lakh MT wheat from the surplus Central Pool stocks of FCI through the CPSUs during 2013-14 for consideration of the Cabinet Committee of Economic Affairs (CCEA). The CCEA approved the proposal in its meeting held on 8-8-2013. The base price for this export was initially fixed at US\$ 300 per MT. However, keeping in view the then prevailing price situation of wheat in international market and appreciation of U.S. dollar against Indian Rupee, the CCEA in its meeting held on 30-10-2013 approved reduction of the base price for the present export from US\$ 300 per MT to US\$ 260 per MT. The export period is upto June, 2014 and as on 31-3-2014, a quantity of 12.30 lakh MT of wheat has been exported against the approved

quantity of 14 lakh MT with a weighted average FOB price of US\$ 283 per MT.

3.62 Details of port-wise export of wheat through the CPSUs viz. STC, MMTC and PEC during 2012-13 and 2013-14 is as under:-

Export during 2012-13

(Fig. in MT)

Port	CPSU	Quantity
Mundra	STC	10,18,420
Kandla	PEC	8,26,680
Pipavav	MMTC	2,62,657
Krishnapatnam	PEC	6,56,458
Chennai	STC	3,86,723
Karaikal	PEC	2,53,987
Kakinada	MMTC	5,48,273
New Mangalore	STC	60,010
Mormu Goa	MMTC	75,213
Vizag	MMTC	64,000
Gangavaram	PEC	88,000
Total		42,40,421

Export during 2013-14

(Fig. in MT)

PORT	CPSU	Quantity
Kandla	PEC	2,29,350
Krishnapatnam	PEC	2,02,872
Kakinada	MMTC	1,43,134
Pipavav	MMTC	78,900
Mundra	STC	3,93,577
Vizag	PEC	1,02,850
Chennai	STC	79,550
Total		12,30,233

EXPORT OF RICE AND WHEAT ON DIPLOMATIC / HUMANITARIAN BASIS

3.63 A quantity of 2.50 lakh MT of wheat was allowed for export during 2011-12 as donation to Afghanistan, out of which 1.00 lakh MT were delivered during 2011-12. Delivery of the remaining 1.50 lakh MT

has been completed by February 2014.

POST HARVEST MANAGEMENT OF FOOD GRAINS

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

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

3.65 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.

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

3.67 IGMRI are also conducting awareness programmes for State Government officers and farmers sponsored by Warehousing Development & Regulatory Authority (WDRA). Besides, IGMRI are also conducting 2-3 days training programmes for State Government Officials and farmers on scientific storage of food grains under FCI's Corporate Social Responsibility Programme (CSR).

3.68 In order to upgrade the analytical facilities at IGMRI, Hapur, a proposal for upgradation of laboratory with ultra modern facilities especially in pesticide residue and mycotoxin contamination analysis as a Plan Scheme in 12th Five Year Plan, has been initiated.

3.69 With a view to enthusing professional attitude/management in training activities and to develop IGMRI, Hapur as a center of excellence for the purpose of training in the field of Post Harvest Management of food grains, an MOU was



Training session at IGMRI, Hapur

signed between CWC and the Department of Food & PD on 25.10.2012. The performance of IGMRI, Hapur and its field stations under various activities during 2013-14 is summarized below:-

S. N.	Item /Activity	Annual Target (2013-14)	Achievement (2013-14)
1.	Long term / Short term Training Courses (LTTC / STTC)	15	15
2.	Analysis of food grains samples for		
	(i) Physical quality parameters	1,200	1,215
	(ii) Mycotoxin contamination	220	220
	(iii) Pesticide residue	350	353
3.	No. of Training programmes under FCI's CSRP for farmers.	-	9
4.	Training course under WDRA for farmers	-	10

3.70 The following major applied R&D activities have been undertaken by the IGMRI during 2013-14:-

1. Testing of silo bags for scientific storage of wheat in open.
2. Assessment of shelf life of rice stored in covered godowns.

Transfer of assets of closed IGMRI, Jorhat

3.71 In compliance of Expenditure Reforms Commission (ERC), recommendations IGMRI field station Jorhat (Assam), which was setup in 1981 on leased land, in the campus of Assam Agriculture University (AAU) Jorhat, was closed on 1.5.2008. After prolonged correspondence about transfer of facilities of closed set-up of IGMRI to AAU Jorhat, a MOU was signed between Department of Food & Public Distribution and Assam Agricultural University Jorhat on 12.11.2013 for handing over the buildings and other infrastructure (immovable and moveable), free of cost, to Assam Agriculture University, Jorhat with an understanding to utilize these facilities to carry out training /R&D activities on Post Harvest Management of food grains, storage, pest control etc for the benefit of Government officers and farmers of North Eastern States.

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

3.72 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 as 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.

3.73 The main function of CGAL is to lay down quality standards for procurement of Kharif and Rabi food grains 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 food grains that are imported or exported under Central Pool account and assessment of the quality of food grain samples brought by inspecting officers of Quality Control Cell, New Delhi.



Analysis of food grains at CGAL



Inspection of food grains storage depots

3.74 A total number of 1,024 samples (719 of wheat, 134 of rice and 171 of paddy) were analyzed for physical and chemical parameters in the CGAL. Uniform Specification of foodgrains for Rabi and Kharif Marketing Seasons 2013-14 for procurement under Central Pool have been formulated and circulated to all concerned State Governments and FCI well before the procurement seasons.

3.75 A study on shelf life of brown rice as an innovative project has been conducted at Central Grain Analysis Laboratory, New Delhi for 6 months, from May 2013 by storing brown rice samples milled out of paddy samples for physical analysis, in cloth and polythene bags to assess the quality deterioration, if any, during storage. Standard brown rice samples in cloth and polythene bags were analyzed for physical, chemical, organoleptic quality parameters on monthly basis at normal conditions. The analysis results reveal that the quality of rice was intact and normal.

C. Monitoring Quality of food grains (Quality Control Cells-QCCs)

3.76 Eight Quality Control Cells located at New Delhi, Bangalore, Bhopal, Bhubaneswar, Kolkata, Hyderabad, Lucknow and Pune are functioning under the direct control of the Department of Food & Public Distribution.

3.77 The main objective of these cells is to ensure the quality of food grains at the time of procurement, storage and distribution. Surprise checks are conducted at Procurement Centers, Food Storage Depots, Rail Heads, Rice Mills and Fair Price Shops by the officers of these cells to ensure the quality of food grains. It is also ensured that the guidelines/instructions issued by Government about proper storage and maintenance of food grains are followed by the FCI, CWC, SWCs and State agencies. These cells attend to various complaints received about the quality of food grains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/ investigations are communicated to the concerned authorities for taking remedial measures including action against the delinquent officials and agencies.

3.78 Performance of inspection activities carried out by Quality Control Cells during 2013-14 is as under:-

S. N.	Item/Activity	Annual Target (2013-14)	Annual Achievements (2013-14)
1.	Inspection of Food Storage Depots	960	767
2.	Inspection of Procurement Centers	530	457
3.	Inspection of Rail Heads	400	329

4.	Inspection of Fair Price Shops	1,200	907
5.	Inspection of Rice Mills	240	207
6.	Analysis of foodgrain samples.	4,100	4,211
7.	Investigation of complaints	-	14

NEW PLAN SCHEME - “STRENGTHENING QUALITY CONTROL MECHANISM”

3.79 To strengthen the quality control mechanism and monitoring of quality of food grains at the time of procurement, storage and distribution so as to avoid damages/losses during storage, a new plan component “Strengthening of Quality Control Mechanism” has been included during the 12th Five Year Plan with two ongoing plan schemes (‘Strengthening of PDS’ and ‘Capacity Building and Quality Control, Consultancies & Research’). An outlay of ₹23.30 crores has been approved for the new plan component for 12th Five Year Plan. An amount of ₹2.00 crore was allocated in BE (which has been reduced to ₹1.28 crore in RE stage) for 2013-14 to the plan scheme and ₹1.27 crore has been utilized in upgrading physico-chemical laboratory, training infrastructure facilities, procurement of equipment at IGMRI, Hapur and conducting training programmes by QCC offices.

3.80 The scheme has following three components:-

- (A) **Opening up of 7 new Quality Control Cells:** It is proposed to open 7 new Quality Control Cells at Guwahati, Patna, Chandigarh, Jammu, Jaipur, Chennai and Ahmedabad. One QCC at Patna is proposed to be opened during 2013-14 and subsequently 3 QCCs (Ahmadabad, Chennai and Guwahati) will be opened during 2014-15 and the remaining 3 offices at Jammu, Chandigarh and Jaipur will be opened during 2015-16. These new QCCs will be sub offices of main QCCs under whose jurisdiction the area of operation of new QCCs fall.
- (B) **Upgradation of Laboratory at IGMRI, Hapur:** To ensure that the Central Pool food grains meet all the quality specifications and risks of

adverse impact on the consumers are eliminated, it is imperative to analyse the Central Pool stocks from time to time for levels of various refractions as prescribed under uniform specifications, for the presence of pesticide residues, mycotoxin contamination, uric acid, etc. In order to strengthen the Laboratory at IGMRI, Hapur with modern facilities for pesticide and mycotoxin contamination analysis, necessary man power would be upgraded. Existing physico-chemical lab building is being renovated through CWC which is near completion.

(C)

Capacity Building: In view of the shortage of technically qualified staff with the State Governments and their agencies engaged in procurement, storage and distribution of food grains and as the Government is encouraging the decentralized procurement scheme under which State Governments and their agencies procure, store and distribute the food grains directly without involvement of FCI, the training requirements for the staff of the State Governments and their agencies is need of the hour. Quality Control Cells, existing as well as newly proposed, will also impart short term trainings to the State Government officers / officials on scientific storage, inspection and quality control of food grains. QCCs have conducted 14 training programmes for 35 trainees in each training in 12 States during 2013-14. Training infrastructure at IGMRI, Hapur is being upgraded to make it a centre of excellence for capacity building in post harvest management of food grains with the help of Central Warehousing Corporation (CWC).

MOVEMENT OF FOOD GRAINS

3.81 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. Food Corporation of India undertakes the activities connected with the movement of foodgrains for the Public

Distribution System and other welfare schemes. Movement division in the department closely monitors the movement and co-ordinates with FCI and Railways. Optimum evacuation of foodgrains from the procuring regions and induction and stocking of foodgrains in the North Eastern States, Jammu & Kashmir and other deficit areas, identified from time to time is specially monitored.

- 3.82 To increase the co-ordination between Railways and FCI, a co-ordination committee comprising of representatives of Ministry of Railways, Department of Food and Public Distribution and FCI has been formed. Regular meetings of the committee are held. In addition co-ordination 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 Goodsheds 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.
- 3.83 FCI has successfully started riverine movement of foodgrains through the Brahmaputra River within the State of Assam in 2013 and has transported nearly 1,380 MT of foodgrains from Dibrugarh to Dhemaji in Assam and nearly 3,000 MT from Dibrugarh to Passighat in Arunachal Pradesh.
- 3.84 FCI has undertaken a pilot project of multi-model transportation involving coastal shipping and road movement of 20,000 MT of rice from designated depots of Andhara Pradesh to designated depots in Kerala. The operations have begun in March, 2014. The covered depots in Kerala are FSD Cochin, FSD Arakulam, FSD Alappuzha and FSD Mavelikkara. The movement is in containers, therefore, quality will be maintained and there are no chances of contamination of any foreign matters, as is in the case of transportation through railways. The number of handlings is also less and transit loss is also prevented. Containerized movement is free of labour issues, demurrages,



Loading of food grains from rail wagon to truck

overtime payments, etc. It is expected that with the improvement of minor ports at Kollam and Vizhinjam, more depots in Kerala will be covered in this mode of supply. The only limitation could be the limited availability of boiled rice at Kakinada in Andhra Pradesh, which is the port of origin in these operations.

- 3.85 The Department has been trying for some time now to induct foodgrains into Tripura through an alternate riverine route passing through Bangladesh. The issue was taken up at different levels and Bangladesh Government on 04.06.2013, had accorded in principle approval for one time movement of 10,000 MT of food grains to Agartala via Ashuganj. The matter has been processed in the Department further and FCI has awarded the contract for movement of 10,000 MT of food grains to Agartala via Ashuganj to M/s Sarr Freights Corporation on 08.04.2014. The movement of food grains through this alternate route is expected to begin shortly.
- 3.86 The overall movement of food grains by the FCI during 2013-14 is estimated to be 447.81 lakh MT as compared to 408.21 lakh MT last year. Detailed information on movement of food grains for 2012-13 and 2013-14 is given at **Annex-VIII**.

HILL TRANSPORT SUBSIDY (HTS)

- 3.87 The HTS Scheme is meant for the States/ UTs, which are predominantly hilly with little or no railway linkages and poor road communication. In such States/ UTs., the Food Corporation of India (FCI) is required to open godowns at Principal Distribution Centres (PDCs) wherever

possible, or reimburse the State Governments/ UTs the cost of transportation of food grains, on actual basis, for lifting of food grains from base depots of FCI to the designated PDCs of the States/UTs. The purpose of declaring important distributing centres as PDCs is to mitigate the burden of heavy cost of road transportation to the people in the hilly areas. In predominantly hilly States with difficult and inaccessible terrain, transportation cost of moving grains by road to the interior is heavy and such cost gets added to the Central Issue Price of the food grains delivered to consumer.

- 3.88 The Scheme is at present applicable to Arunachal Pradesh, Mizoram, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Andaman & Nicobar and Lakshadweep. Out of these, only States of Tripura and Sikkim and UT of Lakshadweep Islands have been claiming HTS in last couple of years and other States have either not availed the benefit of the scheme or have failed to submit proper claims under the scheme.

FOOD SUBSIDY

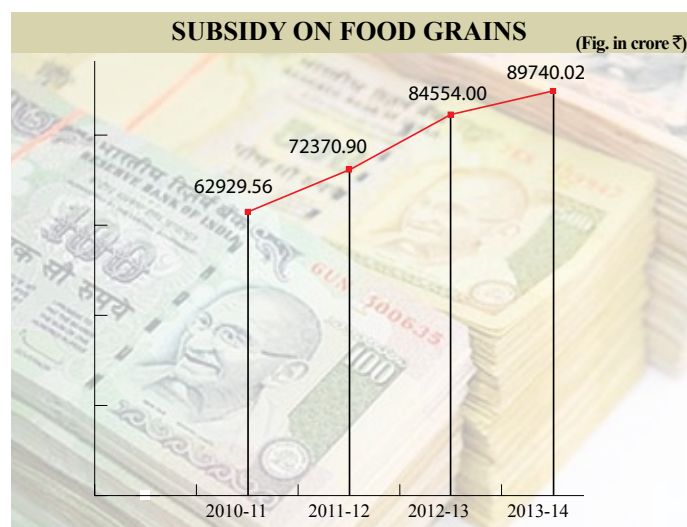
- 3.89 Food subsidy is provided in the budget of the Department of Food and Public Distribution to meet the difference between economic cost of food grains and their sales realization at Central Issue Prices fixed for TPDS and other welfare schemes. In addition, the Central Government also procures food grains for meeting the requirements of buffer stock. Hence, part of the food subsidy also goes towards meeting the carrying cost of buffer stock.
- 3.90 Since 2004-05, the MSP of wheat has increased from ₹ 630 per quintal to ₹1,350.00 per quintal in RMS 2013-14. Similarly MSP+incentive bonus, if any, of paddy (Common) has increased from ₹560 per quintal to ₹1,310.00 per quintal in KMS 2013-14. However the Central Issue Price (CIP) of wheat and rice for AAY, BPL and APL families has not been revised since 2002. As a result, the gap between economic cost and CIPs has been increasing and food subsidy incurred by the Government has risen substantially.
- 3.91 The subsidy is provided to FCI, which is the main instrument of the Government of India for procurement and distribution of wheat and

rice under TPDS and other welfare schemes and for maintaining the buffer stock of food grains as a measure of food security. Under the Scheme of Decentralized Procurement, State specific economic cost is determined by the Government of India and the difference between the economic cost so fixed and the Central Issue Prices is passed on to the State as food subsidy.

- 3.92 The year-wise break-up of subsidy released for distribution of subsidized food grains and maintenance of buffer stocks during the last three years and current financial year to FCI and the States operating the Decentralized Procurement Scheme is as under:-

(Fig. in crore ₹)

Year	Subsidy Released		
	FCI	States	Total
2010-11	50,729.56	12,200.00	62,929.56
2011-12	59,525.90	12,845.00	72,370.90
2012-13	71,980.00	12,574.00	84,554.00
2013-14	75,500.02	14,240.00	89,740.02



- 3.93 The Department has issued principles for fixation of cost of the various elements involved in procurement operations of foodgrains. Before commencement of marketing season, the State Governments/ agencies submit their proposal for issue of provisional cost sheet fixing the rate

of procurement incidentals/economic cost of foodgrains. The proposals are examined in the Department and provisional cost sheet is issued. Payments are made to the States for Central Pool operations as well as distribution under TPDS on the basis of these cost sheets. As per the prescribed procedure, time-frame has been prescribed by the Department for submission of final claims by the States in order to fix the final rate procurement incidentals/ economic cost. On fixation of final rates, States submit their claims for release of final payments and settlement of accounts for a particular year.

3.94 For submission of claims by the States, detailed guidelines along with the proforma had been issued by the Department to the States in the year 2007. In order to expedite the fixation of final rates and settlement of claims, in December, 2013, Department had issued revised guidelines/ proforma to States with a view to ensure submission of complete proposal by the States and its expeditious settlement.

3.95 For expeditious and transparent examination of proposals submitted by the State Governments, Department constituted the PI Cell in September, 2008. On receipt of inputs from States, PI Cell examines and finalises rate of procurement incidentals for various commodities procured by States and delivered to Central Pool and also economic cost for food grains distributed under TPDS and other welfare schemes by DCP states. Based on final rates of procurement incidentals/ economic cost fixed by the Department, final subsidy is calculated by PI Cell for DCP States. The mode of release of subsidy to DCP States is explained below:-

(a) **Advance subsidy:** Advance subsidy is released to DCP States on quarterly basis

in the first month of each quarter @ 90% of the total estimated admissible claims. The estimated off- take for next quarter is calculated on the basis of actual offtake during the previous two quarters.

(b) **Provisional Subsidy:** After end of a particular quarter, State Governments submit claims for release of provisional subsidy i.e. 100% of fixed cost and 95% of variable cost. While releasing the provisional subsidy, advance subsidy already released is adjusted.

(c) **Final Subsidy:** After the end of the prescribed period, States are required to submit their proposals for fixation of final economic cost/procurement incidentals for release of balance amount of subsidy. The proposal is required to be furnished alongwith audited accounts, annual report and other supporting documents. Based on the inputs received from State Governments/Procuring Agencies as well as comments of FCI, proposal is examined by PI Cell of the Department and final rate is fixed on the basis of which balance admissible subsidy is released/adjusted.

DISASTER MANAGEMENT

3.96 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 of disaster.

ISSUES RAISED FREQUENTLY

Q. Please furnish State-wise quantity of wheat procured during the last three years.

R. Wheat Procurement for central Pool for the last three years and current year (Marketing season wise) is as given below :-

(Fig. in lakh MT)

State/UT	2011-12	2012-13	2013-14	2014-15*
Punjab	109.58	128.34	108.97	82.43
Haryana	69.28	86.65	58.73	56.73
U. P.	34.61	50.63	6.82	0.90
M. P.	49.65	84.93	63.55	48.48
Bihar	5.56	7.72	0	0
Rajasthan	13.03	19.64	12.68	8.84
Uttarakhand	0.42	1.39	0.05	Neg.
Chandigarh	0.07	0.17	0.08	0.04
Delhi	0.08	0.31	Neg.	0
Gujarat	1.05	1.56	0	0
Jharkhand	-	-	0	0
Maharashtra	-	0.02	0	0
H. P.	0.00	0.01	Neg.	0
J & K	-	0.09	0	0
W. B.	-	0.01	0.02	0
Total	283.35	381.48	250.92	197.44

*As on 02.05.2014

Q. Please furnish State-wise quantity of rice/paddy procured during the last three years.

R. Rice/paddy Procurement for central Pool for the last three years and current year (Marketing season wise) is as given below :-

(Fig. in lakh MT)

State/UT	2010-11	2011-12	2012-13	2013-14*
	Actual Proc.	Actual Proc.	Actual Proc.	Actual Proc.
A&N Islands				
A. P.	96.09	75.42	64.86	39.68
Assam	0.16	0.23	0.20	
Bihar	8.83	15.34	13.03	8.27
Chandigarh	0.10	0.13	0.12	0.11

Chhatisgarh	37.46	41.15	48.04	42.85
Delhi	0.00	0.00	0.00	0.00
Gujarat	0.00	0.04	neg.	0.00
Haryana	16.87	20.07	26.09	23.97
H. P.	0.01	0.01	0.01	0.00
J. & K.	0.11	0.09	0.02	0.00
Jharkhand	neg.	2.75	2.15	neg.
Karnataka	1.80	3.56	0.59	0.00
Kerala	2.63	3.76	2.40	3.03
M. P.	5.16	6.34	8.98	10.40
Maharashtra	3.08	1.78	1.92	1.32
Nagaland			0.00	0.00
Odisha	24.65	28.66	36.15	21.67
Pducherry	0.40	0.05	0.00	
Punjab	86.34	77.31	85.58	81.05
Rajasthan			0.00	0.00
Tamil Nadu	15.43	15.96	4.81	6.62
U. P.	25.54	33.57	22.86	11.11
Uttarakhand	4.22	3.78	4.97	3.89
West Bengal	13.10	20.41	17.66	8.53
Others			0.00	
Total	341.98	350.41	340.44	262.55

*Position as on 02.05.2014

Q. Problems being faced by the farmers in selling their produce in the mandies during the procurement of food grains.

R. The problems faced by farmers vary from State to State and year to year and information is provided according to the information obtained from Food Corporation of India (FCI) and State Governments, if required.

Q. Distress sale of food grains by the farmers, if any.

R. The problems faced by farmers vary from State to State and year to year and information is provided according to the information obtained from Food Corporation of India (FCI) and State Governments, if required.

Q. Number of procurement centers opened for procurement by State Governments and FCI.

R. Statement indicating number of Procurement Centers proposed for KMS 2013-14 is as given below:-

States	No. of procurement centers proposed during KMS 2013-14
Andhra Pradesh	2,000
Assam	65
Bihar	9,035
Chhattisgarh	1,960
Chandigarh	Nil
Gujarat	10
Haryana	185
Himachal Pradesh	5
Jharkhand	886
Karnataka	60
Kerala	60
Madhya Pradesh	490
Maharashtra	1,000
Odisha	529
Puducherry	3,325
Punjab	1,793
Rajasthan	1,739
Tamil Nadu	1,650
Uttar Pradesh	Nil
Uttarakhand	81
West Bengal	10,900

Q. What are the buffer norms for food grains stocks? Why these norms are required?

R. The main objectives of the Buffer Stocking Policy are to meet the prescribed Minimum Buffer Stock norms for food security, to ensure monthly releases of food grains for supply through the TPDS/Other Welfare Schemes, to meet emergency situations arising out of

unexpected crop failure, natural disasters etc. and to use the food grains stock in the Central Pool for market intervention to augment supply so as to help moderate the open market prices.

Q. What are the existing buffer norms of food grains?

R. The minimum buffer norms for stocking of food grains in the Central Pool with effect from April 2005 are as follows:-

(In lakh MT)

Period	Wheat	Rice	Total
1 st April	70	142	212
1 st July	201	118	319
1 st October	140	72	212
1 st January	112	138	250

The above norms include a Food Security Reserve of 30 lakh MT of wheat from 1.7.2008 and 20 lakh MT of rice from 1.1.2009.

Q. When will the existing buffer norms be revised?

R. A Note for revision of the buffer norms was sent to the Cabinet Committee on Economic Affairs (CCEA) on 10.12.2013. The CCEA decided that the matter may, in the first instance, be considered by a Group of Ministers (GOM). The GOM considered the matter on 16.01.2014 and after deliberations deferred the issue till a revised procurement policy of food grains is finalized by the Department of Food & PD. The matter is under consideration.

Q. What is the policy of the Department of Food and Public Distribution for allocation of food grains for natural calamity and festivals?

R. As per the existing policy, allocation of food grains for natural calamity and festivals can be made at Minimum Support Price of wheat and rice.

Q. How much allocation of food grains has been made under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) during the last three years and

current year ?

R. Information is given in table below.

Year	2010-11	2011-12	2012-13	2013-14*
Normal TPDS allocation	438	438	438	438
Addl. Allocation for all categories	31	0	0	50
Addl. APL allocation	56	50	60	60
Addl. BPL allocation	50	50	50	50*
Allocation For poorest district	0	24	21	0
OWS allocation	50	50	49	50
Total allocation	625	612	618	548

(*) Additional BPL allocation during 2013-14 is within the normal TPDS and additional APL allocation during the year.

Q. What is the import-export policy of India regarding food grains?

R. Import of food grains in the country is allowed and there are no restrictions at present. Export of wheat and non-basmati rice by private exporters under "Free Export" category has been permitted w.e.f. 9-9-2011. Export of limited quantities of wheat from Central Pool stocks has also been permitted during 2012-13 and 2013-14.

Q. Does India have policy of unrestricted exports of food grains?

R. The import/export policy in respect of food grains is basically subservient to the main policy of first ensuring national food security.

Q. Whether export of wheat products is banned?

R. Initially, export of wheat product was banned w.e.f. 9-2-2007. However, export of wheat products for a quantity of 6.5 lakh MT was allowed vide DGFT notification dated 3-7-2009 which has been extended from time to time. Presently, export of wheat or meslin flour has been exempted from any restriction/ban even in the event of restriction/ban on basic farm produce vide DGFT Notification No.31 dated 04-02-2013.

Q. Whether there is ban on export of non-basmati rice from Central Pool?

R. Yes. Export of non-basmati rice from Central Pool has been banned w.e.f. 11-08-2003.

Q. Despite ban, has the Government allowed export of non-basmati rice on diplomatic basis?

R. Yes. With a view to maintaining bi-lateral relations, Government has, from time to time allowed export of non-basmati rice to friendly countries on diplomatic considerations and humanitarian ground, from Central Pool Stocks. However, there is no ban on export of non-basmati rice from private stocks.

Q. To which countries India is exporting food grains by way of humanitarian aid and how much has been exported so far?

R. In the recent years, Government of India has allowed export of wheat to Afghanistan and non-basmati rice to the Republic of Yemen on diplomatic/humanitarian aid basis. While delivery of 2,447.702 MTs of rice to Yemen through WFP has been completed during 2012-13, a quantity of 2.50 lakh MT of wheat has been allowed for export to Afghanistan as donation in 2011-12, out of which 1.00 lakh MT was delivered during 2012-13. Delivery of the balance quantity of 1.50 lakh MT has been completed by February, 2014.

Q. What steps are taken to control damage to food grains?

R. Food grains are procured as per uniform specifications formulated by this Department. Instructions are issued to all procuring States to ensure that the food grains are procured as per uniform specifications prior to commencement of Rabi and Kharif Marketing Season every year. Procured food grains are stored in covered godowns as well as under CAP (Covered & Plinth) storage in case of wheat and paddy only, for varying periods. During storage, scientific code of practices for safe storage of food grains is adopted by FCI and State agencies. Inspections are carried out at various levels to check the quality of food grains at regular intervals. Prophylactic and curative treatments are carried out for the control of insect pests. Proper aeration, cleaning and brushing of food grains stocks

are done regularly.

Department issues instructions regarding safe storage of food grains to FCI & State Governments to avoid damage in central pool stocks from time to time. Besides, following steps are taken to check the damage of food grains:-

- i. All FCI godowns are constructed as per specifications.
- ii. Food grains are stored by adopting proper scientific code of storage practices of the food grains.
- iii. Adequate dunnage materials, such as, wooden crates, bamboo mats, polythene sheets are to be used to check the migration of moisture from the floor.
- iv. Fumigation covers, nylon ropes, nets and insecticides for control of stored grain insect pests are to be provided in all the godowns.
- v. Prophylactic (spraying of insecticides) and curative treatments (fumigation) are to be carried out regularly and timely in FCI godowns for the control of stored grain insect pests.
- vi. Effective rat control measures, both in covered godowns as well as in CAP storage are to be used.
- vii. Food grains in 'Cover and Plinth' (CAP) storage are to be stored on elevated plinths and wooden crates are used as dunnage material. Stacks are properly covered with specifically fabricated low-density black polythene water proof covers and tied with nylon ropes/nets.
- viii. Regular periodic inspections of the stocks/godowns are to be undertaken by qualified and trained staff of FCI including senior officers.
- ix. The principle of "First in First Out" (FIFO) is to be followed to the extent possible so as to avoid longer storage of food grains in godowns.
- x. Only covered wagons are to be used for

movement of food grains so as to avoid damages during transit.

Q. How much quantities of food grains have been lost due to damage in recent years?

R. In spite of all precautionary measures taken, owing to large volumes of procurement of food grains under Central Pool, some losses may occur during storage due to pilferage/thefts, loss of moisture during prolonged storage, spillage, and exposure to rains, floods, negligence on the part of concerned persons in taking precautionary measures etc.

Owing to the quality control measures taken, there has been sharp decrease in quantity of damaged /non-issuable food grains in the FCI as indicated below:-

Year	Damaged food grains (in lakh MT)
2000-2001	1.82
2001-2002	0.65
2002-2003	1.35
2003-2004	0.76
2004-2005	0.97
2005-2006	0.95
2006-2007	0.25
2007-2008	0.34
2008-2009	0.20
2009-2010	0.07
2010-2011	0.06
2011-2012	0.03
2012-2013	0.03
2013-2014	0.25*

*As on 31.03.2014

The following table indicates percentage of accrual of Non-Issuable/damaged food grains vis-à-vis off-take from FCI stocks for the last

six years and current year (upto 31.03.2014):-

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (upto 31.03.2014)
Off take of stock from FCI (Excluding DCP states) (Fig. in lakh MT)							
Wheat	119.89	120.16	172.99	209.60	219.95	299.17	281.79
Rice	204.61	186.04	198.07	222.50	253.64	253.43	241.37
Total	324.50	306.20	371.06	432.10	473.59	552.60	523.16
Quantity accrued as Non-Issuable	0.34	0.20	0.07	0.06	0.03	0.03	0.25
Percentage of Non-Issuable stock							
In terms of quantity	0.10	0.07	0.02	0.014	0.006	0.005	0.047

Q. What quality control measures have been taken to supply food grains under PDS?

R. Food grains, mainly wheat and rice, are issued to State Governments/ Union Territory Administrations for distribution under PDS and other Welfare Schemes by Food Corporation of India (FCI) through a well defined procedure of joint sampling of the stocks before issue. Only good quality food grains, free from insect infestation and conforming to the standards of Food Safety and Standards Act/Rules, are to be issued. This department has issued following instructions to Food Secretaries of all State Governments/Union Territory Administrations and FCI to ensure supply of good quality food grains under the TPDS and other welfare schemes from time to time :-

1. Only good quality food grains, free from insect infestation and conforming to Food Safety Standards, are to be issued under TPDS.
2. Ample opportunities are to be provided to the State Government to check the quality of food grains prior to lifting of the food grains stocks from FCI godowns.
3. Samples of food grains are to be collected and sealed from the stocks of food grains to be issued under the TPDS jointly by FCI and State Food & Civil Supplies Department.

4. An officer not below the rank of Inspector is to be deputed from State Government to take the delivery of food grains stocks from FCI godowns.
5. Regular inspection to check the quality of food grains is to be carried out by the officers of State Government and surprise checks are carried out by the officers of Quality Control Cell of the Department.
6. It is the responsibility of the concerned State Government/ UT Administration to ensure that during transportation and storage at different stages in the distribution chain, the food grains retain the required quality specifications.
7. The State Government, where the decentralized procurement is in operation, should ensure that the quality of food grains issued under TPDS and other welfare schemes should meet the desired standards under the Food Safety and Standards Act.
8. Regular training programmes on quality control and safe storage of food grains are conducted by the eight Quality Control Cells (QCCs) and Indian Grain Storage Management and Research Institute (IGMRI) Hapur and its two regional centres at Ludhiana and Hyderabad.

Q. Give amount of subsidy released to FCI and

DCP States during the last three years.

- R.** During the last three years, following subsidy has been released to FCI and DCP States:

(Fig. in crore ₹)

Year	FCI	DCP
2011-12	59,525.90	12,845.00
2012-13	71,980.00	12,574.00
2013-14	75,500.02	14,240.00

- Q.** Give reasons for rise in food subsidy in recent years.

- R.** The rise in food subsidy is mainly attributable to increase in economic cost of food grains on account of increase in MSP whereas Central Issue Price has remained unchanged since 2002. Besides MSP, the economic cost of food grains

also consists of transportation charges, statutory charges levied by State Government, Custody and Maintenance charges, administrative charges and cost of gunnies etc. Increase in expenditure on these items has also contributed in overall increase in subsidy requirements.

- Q.** What steps have been taken by the Govt. for containing the food subsidy?

- R.** The Government has taken various measures for containing the food subsidy requirement. Some of these measures are as under:-

- i. Encouraging De-centralized Procurement and distribution of food grains;
- ii. Arranging loans for FCI at lower rates;
- iii. Improving the operations efficiency of FCI



Chapter-IV

PUBLIC DISTRIBUTION SYSTEM



THE TASK

Highlights of the food security bill

67%

of the population to be provided subsidised food

PRIORITY HOUSEHOLDS

Will get **5kg** of grain per person per month

75% of rural population and 50% of urban will get the subsidy



FOOD BILL

Food subsidy bill will rise from **₹ 90,000 cr** to over **₹ 130,000 cr**

Chapter-IV

PUBLIC DISTRIBUTION SYSTEM

INTRODUCTION

4.1 The Public Distribution System (PDS) evolved as a system of management of scarcity and for distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. 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 PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards and supervision of the functioning of Fair Price Shops (FPS) rests with the State Governments. Under the PDS, presently commodities, namely, wheat, rice and coarse grains are being allocated to the States/UTs for distribution. States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, etc. as per their requirement.

TARGETED PUBLIC DISTRIBUTION SYSTEM

4.3 In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor. Under the TPDS, States are required to formulate and implement foolproof arrangements for identification of the poor for delivery of food grains and for its distribution in a transparent and accountable manner at the FPS level.

4.4 The scheme, when introduced, was intended to

benefit about 600 lakh poor families for whom a quantity of about 72 lakh MT of food grains was earmarked annually. The identification of the poor under the scheme is done by the States as per State-wise poverty estimates of the Planning Commission for 1993-94 based on the methodology of the "Expert Group on estimation of proportion and number of poor" chaired by Late Prof Lakdawala. The allocation of food grains to the States/UTs was made on the basis of average consumption in the past i.e. average annual off-take of food grains under the PDS during the past 10 years at the time of introduction of TPDS.

4.5 The number of Below Poverty Line (BPL) families was increased w.e.f. 01.12.2000 by shifting the base to the population projections of the Registrar General as on 01.03.2000 instead of the earlier population projections of 1995. With this increase, the total accepted number of BPL families is 652.03 lakh as against 596.23 lakh families originally estimated when TPDS was introduced in June 1997. State-wise details of accepted number of BPL families, ration cards issued, etc. are given under Food grains Bulletin on Department of Food and Public Distribution's web-site, namely, [www.http://dfpd.nic.in/](http://dfpd.nic.in/).

4.6 The end retail price is fixed by the States/UTs after taking into account margins for wholesalers/retailers, transportation charges, levies, local taxes, etc. Under the TPDS, the States were requested to issue food grains at a difference of not more than 50 paise per kg over and above the Central Issue Price (CIP) for BPL families. Flexibility to States/UTs has been given in the matter of fixing the retail issue prices by removing the restriction of 50 paise per kg over and above the CIP for distribution of food grains under TPDS except with respect to Antyodaya Anna Yojana (AAY) where the end retail price is to be retained at ₹2 per Kg. for wheat and ₹3 per Kg. for rice.

IDENTIFICATION OF BPL FAMILIES UNDER TPDS

4.7 To work out the population below the poverty line under the TPDS, there was a general consensus at the Food Minister's conference held in August 1996 for adopting the methodology used by the expert group set up by the Planning Commission under the Chairmanship of Late Prof. Lakadawala. The BPL households were determined on the basis of population projections of the Registrar General of India for 1995 and the State wise poverty estimates of the Planning Commission for 1993-94. The total number of BPL households so determined was 596.23 lakh. Guidelines for implementing the TPDS were issued in which the State Governments had been advised to identify the BPL families by involving the Gram Panchayats and Nagar Palikas. While doing so, the thrust was to include the really poor and vulnerable sections of the society such as landless agricultural labourers, marginal farmers, rural artisans/craftsmen such as potters, tappers, weavers, black-smith, carpenters, etc. in the rural areas and slum dwellers and persons earning their livelihood on daily basis in the informal sector like potters, rickshaw-pullers, cart-pullers, fruit and flower sellers on the pavement etc. in urban areas. The Gram Panchayats and Gram-Sabhas were also to be involved in the identification of eligible families. Under the PDS(Control) Order, 2001, State Governments are to formulate suitable guidelines for the identification of BPL including AAY families while taking care to ensure that the families so identified are really the poorest.

IDENTIFICATION OF ANTYODAYA FAMILIES AND ALLOCATION OF FOOD GRAINS

4.8 In order to make TPDS more focused and targeted towards the poorest of the poor category of the population the "Antyodaya Anna Yojana" (AAY) was launched in December, 2000 for one crore families.

4.9 AAY contemplates identification of poorest of the poor families from amongst the number of BPL families covered under TPDS within

the States and providing them food grains at a highly subsidized rate of ₹2 per kg. for wheat and ₹3 per kg for rice. The States/UTs are required to bear the distribution cost, including margin to dealers and retailers as well as the transportation cost. Thus the entire food subsidy is being passed on to the consumers under the scheme. The identification of the Antyodaya families and issuing of distinctive ration cards to these families is the responsibility of the concerned State Governments. Allocation of food grains under the scheme is being made to the States/UTs on the basis of issue of distinctive AAY Ration Cards to the identified Antyodaya families.

- 4.10 Antyodaya Anna Yojana (AAY) was launched in December, 2000 for one crore families to be identified from the Below Poverty Line (BPL) families. Coverage under this scheme has been expanded thrice since then i.e. during 2003-04, 2004-05 and 2005-06 covering additional 50 lakh households each time. Thus the total coverage under AAY was raised to 2.50 crores AAY families (i.e. 38% of BPL).
- 4.11 The scale of issue that was initially 25 kg per family per month has been increased to 35 kg per family per month with effect from 1st April, 2002.
- 4.12 Detailed guidelines were issued to the States/UTs for identification of the Antyodaya families under the AAY and additional Antyodaya families under the expanded AAY. In order to identify these households, the following criteria are adopted: -
- ◆ Landless agriculture labourers, marginal farmers, rural artisans/craftsmen, such as potters, tanners, weavers, blacksmiths, carpenters, slum dwellers, and persons earning their livelihood on daily basis in the informal sector like porters, coolies, rickshaw pullers, hand cart pullers, fruit and flower sellers, snake charmers, rag pickers, cobblers, destitute and other similar categories in both rural and urban areas
 - ◆ Households headed by widows or terminally ill persons/disabled persons/

persons aged 60 years or more with no assured means of subsistence or societal support

- ◆ Widows or terminally ill persons or disabled persons or persons aged 60 years or more or single women or single men with no family or societal support or assured means of subsistence
- ◆ All primitive tribal households.

4.13 The above guidelines have further been amended vide letter dated 3rd June, 2009 to include all eligible BPL families of HIV positive persons in the AAY list on priority, against the criteria mentioned in the guidelines for identification of AAY families under Antyodaya Anna Yojana circulated vide letter dated 12.5.2005, within respective ceilings on numbers of AAY families communicated by this Department.

4.14 The State-wise status of identification of households under AAY is at **Annex-IX**.

ALLOCATION OF FOOD GRAINS UNDER TPDS

4.15 Allocation of food grains under the TPDS is made for BPL, AAY and APL families on the basis of 1993-94 poverty estimates of the Planning Commission projected on the population estimates of Registrar General of India as on 1.3.2000 or the number of families actually identified and ration cards issued by State Government, whichever is less.

4.16 Accordingly, allocations of food grains for AAY and BPL categories are made @ 35 kg per family per month to all accepted number of 6.52 crore BPL families including about 2.43 crore AAY families in the country. However, allocation for APL category is made depending upon the availability of stocks of food grains in the Central Pool and the past offtake. Presently, the allocation of food grains to APL families ranges between 15 kg and 35 kg per family per month.



SCALE OF ISSUE OF FOOD GRAINS UNDER TPDS

4.17 Since 1997, the scale of issue of the BPL families has been gradually increased from 10 kg. to 35 kg. per family per month. The scale of issue was increased from 10 kg. to 20 kg. per family per month with effect from 01.04.2000. The allocation of food grains for the BPL families was further increased from 20 kg to 25 kg. per family per month with effect from July, 2001. The scale of issue under BPL and AAY has been revised to 35 kg per family per month with effect from 01.04.2002 with a view to enhance the food security at the household level and liquidate surplus stocks of food grains in the Central Pool. APL families are being allocated food grains between 15 to 35 kg per family per month depending on availability of stocks and past offtake.

LIFTING AND DISTRIBUTION OF RATION UPTO SIX MONTHS UNDER TPDS

4.18 Department of Food & Public Distribution, Government of India has issued orders in July 2011 permitting the State/UT Governments for lifting and distribution of upto six months ration under TPDS in one go, subject to the following conditions:-

- i. There should be no compulsion on the beneficiaries to lift their entitlements of upto six months in one go. To avoid undue financial burden/inconvenience to the beneficiaries, this should be purely voluntary.
- ii. 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.
- iii. Adequate publicity should be made about the same. The bulk distribution of food grains may be made as far as possible in the presence of State Government officials, representative of PRIs, members of Vigilance Committees in Gram Sabha, NGOs concerned, etc. to ensure transparency.

- iv. Under NFSA 2013, the entitlements of food grains are to be distributed to the eligible households through TPDS. Hence, States/UTs have been intimated that the above referred facility for advance lifting and distribution of upto six months' ration under TPDS would apply also for NFSA allocations, subject to the observance of the terms and conditions stipulated in this Department's instructions.

PUBLIC DISTRIBUTION SYSTEM (CONTROL) ORDER

- 4.19 In order to maintain supplies and securing availability and distribution of essential commodities, Public Distribution System (Control) Order, 2001 was notified on August 31st, 2001. Further, in pursuance of National Food Security Act, 2013, a revised Control Order has been prepared and will be finalized in consultation with States/Union Territories (UTs). The revised order mainly deals with issues namely (i) Identification of eligible households; (ii) Ration cards; (iii) Scale of Issue and Issue price; (iv) Allocation of foodgrains by Food Corporation of India (FCI) (v) Lifting and Distribution of foodgrains by States; (vi) Licensing and regulation of Fair Price Shops (FPSs); (vii) Operation of FPSs; (viii) Monitoring; (ix) Transparency and accountability; and (x) Penalty and Appeal.

MEASURES TAKEN TO STRENGTHEN TPDS

- 4.20 To eliminate leakages and to ensure that eligible households receive their entitlements under the TPDS, the following measures have been taken by this Department:-

(i) Modernization of TPDS

Modernization including end-to-end Computerization of Targeted Public Distribution System (TPDS) has been taken up by the Department of Food and Public Distribution with a view to address challenges such as leakages and diversion of foodgrains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal, etc. End-to-end Computerisation of TPDS is also one of



End-to-end Computerization of TPDS

the essential reforms stipulated under the National Food Security Act, 2013.

The Department has made vigorous efforts towards computerization of TPDS across the country covering various aspects of TPDS Operations such as creation and management of digitized beneficiary and other TPDS stakeholder databases, supply chain management of TPDS commodities till Fair Price Shops (FPSs), setting up of transparency portals and grievance redressal mechanism using call centres/toll-free helpline numbers and FPS automation. Some of the initiatives taken in this regard are as follows:-

- i. States/UTs have prepared their Action Plans for computerization of TPDS.
- ii. With a view to provide infrastructure and financial support, the Department is implementing a Plan Scheme on End-to-end Computerization of TPDS Operations under the 12th Five Year Plan (2012-17) on cost-sharing basis with the States/UTs. The Cabinet Committee on Economic Affairs (CCEA) approved Component-I of the Scheme in October, 2012 with funding requirement of ₹884.07 crore during 2012-17. Component-I of the Scheme comprises activities, namely, digitization of ration cards/beneficiary and other databases, Computerization of Supply chain management setting up of transparency portals and grievance redressal mechanisms. As regards Component-II i.e. FPS Automation, keeping in view the progress of Aadhaar

and National Population Register (NPR) enrolments in the country, availability of connectivity at FPSs etc, Department would review the position at the appropriate time. The Department conveyed administrative approval for the Scheme on 10.12.2012. Funds to tune of ₹41.69 crore were allocated for the scheme during 2012-13 (RE) which were disbursed to 7 States, NIC, etc. In 2013-14 (RE), ₹188.76 crore have been allocated, out of which till 31.03.2014, an amount of ₹187.05 crore was released to 23 States/UTs, NIC, etc. including 3 States covered in previous year.

- iii. Keeping in view the uneven progress made by States/UTs and the requests received from some for extension of timelines, financial support, etc., States/UTs have been asked to provide the respective time-frame for the key activities to be undertaken as part of the project.
- iv. A National Transparency Portal for TPDS has been developed with the objective of providing all TPDS related data and information in the Public domain. All States/UTs have been requested to maintain and update the data on the Portal through use of the TPDS application software. The Transparency Portal may be accessed at <http://pdsportal.nic.in>. Citizens may also access the Portals of the respective State/UT Food and Civil Supplies Department through the links provided.

For speeding up of Computerization of Public Distribution System, Meetings are held with States on regular basis to ascertain the problems faced, etc. Video-conferences/workshops by NIC to resolve technical issues are also being carried out with each State. NIC, being the technical partner, is responsible for tracking the implementation of the project. Being a Mission Mode Project (MMP), an Empowered Committee headed by Secretary (F&PD) and a MMP team under Joint Secretary are monitoring the scheme on a regular basis. Besides, a Finance Committee under the Addl. Secretary-cum-Financial Adviser and a Technical

Committee under DG NIC have been set up to look into the respective issues. States/UTs have also been asked to set up respective State Apex Committees and State Project eMission Teams for close monitoring of the project within the State/UT.

The status of implementation of various activities under Component-I as reported by the States/UTs upto 31.03.2014 is at **Annex-X**.

(ii) Implementation of the Nine Point Action Plan

As per evaluation reports on TPDS submitted by PEO, Planning Commission & ORG MARG in 2005, there were high levels of diversion/leakages of food grains, exclusion and inclusion errors in identification of Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) families, and operations of fair price shops were financially not viable. These reports were shared with all State & UT Governments during five regional and one national level conference of State & UT Food Ministers and Food Secretaries. Based on this consultation process, a Nine-point Action Plan was evolved in July, 2006. Details of the Nine point Action Plan are as under:

- (i) States should undertake a campaign for Review of BPL/AAY list to eliminate bogus ration cards.
- (ii) Strict action should be taken against the guilty to ensure leakage free distribution of food grains.
- (iii) For sake of transparency, involvement of elected Panchayati Raj Institution (PRI) members in distribution of food grains; licenses be given to Self Help Groups (SHGs), gram panchayats, cooperatives etc.
- (iv) BPL and AAY lists should be displayed on all FPSs.
- (v) District-wise and FPS-wise allocations of food grains should be put up on web-sites and other prominent places for public scrutiny.
- (vi) Wherever possible, door-step delivery of food grains should be ensured by States,

instead of letting private transporter/wholesalers to transport goods.

- (vii) Timely availability of food grains at FPS level and fixed dates of distribution to ration card holders should be ensured.
- (viii) Training of members of FPS level Vigilance Committee should be ensured.
- (ix) Computerization of TPDS operations should be undertaken.

As per the reports received from the State & UT Governments, upto the end of March, 2014, implementation of the Action Plan has resulted in -

- (a) Elimination of 393.46 lakh bogus/ineligible ration cards in 30 States
- (b) 33 States/UTs have reported action against the guilty to ensure leakage free distribution of food grains
- (c) Involvement of PRIs in vigilance committees to monitor FPS in 29 States/UTs
- (d) Display of BPL lists at FPS in 32 States/UTs
- (e) Display of district-wise and FPS-wise allocations of food grains on website for public scrutiny in 22 States
- (f) Door-step delivery of food grains to FPS is presently being made in 20 States/UTs
- (g) Action regarding timely availability of food grains at FPS is being taken in 32 States/UTs
- (h) Training programmes for FPS level vigilance committees conducted in 27 States/UTs; and
- (i) Finalization of action plans for computerization of TPDS by all States/UTs.

(iii) Concurrent evaluation of TPDS

Concurrent evaluation of TPDS had been taken up in 26 States and UTs (2006-2011). For six States (Assam, Mizoram, Bihar, Uttar Pradesh, Chhattisgarh and Rajasthan), the study was

awarded to National Council of Applied Economic Research (NCAER) on 4.5.2006. For additional six States (Kerala, Maharashtra, Uttarakhand, Madhya Pradesh, Jharkhand and Delhi), the study was entrusted to NCAER on 16.1.2007. For six States (Odisha, West Bengal, Tripura, Nagaland, Arunachal Pradesh and Manipur), study was awarded to Indian Institute of Public Administration (IIPA) on 08.01.2007. For remaining eight States and UTs (Jammu & Kashmir, Himachal Pradesh, Haryana, Punjab, Andhra Pradesh, Tamil Nadu, Karnataka and Chandigarh), the study was awarded to IIPA on 30.3.2007.

Copies of the study reports of NCAER for 12 States and IIPA's study reports in respect of 14 States have been sent to the concerned State/UT Governments for taking necessary remedial measures to remove the deficiencies noticed in the functioning of TPDS including leakages and diversion of food grains, inclusion/exclusion errors, and so on.

Department of Food and Public Distribution has asked the Independent Evaluation Office (IEO) in the Planning Commission to take up an evaluation study on functioning of TPDS. The IEO has decided to initiate the proposed study. The terms of reference for evaluation, selection of institutes/agencies to carry out the work, etc would be finalized by the IEO. A quick benchmarking study of functioning of TPDS in six select States has also been awarded to NCAER.

(iv) Monthly certification

All State Governments were directed in March, 2008 to obtain monthly certificate confirming delivery of allocated food grains to the FPS and their distribution to the eligible households during the allocation month. So far, 23 States/UTs have reported implementation of monthly certification. In the revised PDS (C) Order, it is proposed that the monthly certificate shall be signed by the FPS owner and two or more persons as may be prescribed by the State Governments such as head of the local authority, Executive Officer/Secretary of the local authority, members from the Vigilance Committees, Women's Self Help Group among others.

(v) Vigilance Committees

Vigilance Committees have been in existence since the inception of the rationing system to ensure transparency and proper functioning of TPDS. NFSA, 2013 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 fair price shop 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 PDS (C) Order, 2001 stipulates that 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 and given wide publicity.

(vi) Allotment of Fair Price Shops to Institutions and Groups

Issue of licences 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.

As per reports received from State/UT Governments upto the end of March, 2014 out of 5.15 lakh fair price shops reported to be in operation in the country, about 1.36 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 31 States/UTs.

(vii) Sale of non-PDS items in FPS

To make operations of FPS economically viable, the State/UT Governments have been advised to allow FPS owners to enlarge basket of commodities by allowing sale of non-PDS items for daily use as per local requirements. 16 State/UT Governments have confirmed that



Sale of food grains at Fair Price Shop

FPS in these States are selling non-PDS items such as edible oil, pulses, milk powder, soaps etc.

(viii) Publicity-cum-awareness Campaign

To facilitate greater public scrutiny of functioning of TPDS, publicity-cum-awareness campaign are undertaken amongst the TPDS beneficiaries, functionaries of the State Governments and the general public for increasing their awareness/sensitivity about functioning of TPDS under a plan scheme on strengthening of TPDS. ₹59.832 lakh were sanctioned to 7 States including 4 NE States during 2011-12. During 2012-13, an amount of ₹30.756 lakh was sanctioned to 3 States including 1 NE State. During the current year, 2013-14, an amount of ₹25.281 lakhs has been sanctioned to the States of West Bengal (20 lakhs) and Sikkim (₹5.281 lakhs). A campaign for giving publicity to the various provisions of the NFSA, 2013 is also under preparation.

(ix) Training Programmes for TPDS functionaries

Under the Plan Scheme on strengthening of TPDS, the Department sanctions funds for training programmes to be taken up by State and UT Governments for officers/officials of the State/UT Civil Supplies Departments and Seminars/Workshops/Conferences for senior level officials of the States/UTs, etc. engaged in supply management & distribution of essential commodities.

For this purpose, during 2012-13, an amount of ₹18.45 lakh was released to State

Government of Tamil Nadu and of ₹31.55 lakh to State Government of Chhattisgarh. In the financial year 2013-14, ₹18.00 lakh, ₹0.45 lakh and ₹15.68 lakh have been released to State Governments of Gujarat, Nagaland and Chhattisgarh respectively.

Further, in order to implement NFSA, 2013 successfully, training programme was conducted in March, 2014 to sensitize and train Master Trainers nominated by States/UTs, through Food Corporation of India (FCI)'s Institute of Food Security, Gurgaon. A total number of 46 participants from the States of Nagaland, Himachal Pradesh, Gujarat, Sikkim, Jammu & Kashmir West Bengal, Manipur, Odisha, Tripura, Meghalaya, Delhi, Chhattisgarh, Jharkhand, Assam and Haryana have attended the training programme. An amount of ₹4.33 lakh was released to FCI for conducting the training programme.

(x) Distribution of wheat flour/fortified wheat flour under TPDS

To facilitate distribution of wheat flour/fortified wheat flour under TPDS instead of wheat in convergence with other government programmes/schemes for nutritional improvement targeted beneficiaries, the Department had issued revised policy guidelines on this subject in January, 2008. So far, 17 States have reported distribution of wheat flour/fortified wheat flour in part or full under TPDS.

NATIONAL FOOD SECURITY ACT, 2013

4.21 As passed by the Parliament, Government has notified the National Food Security Act, 2013 on 10th September, 2013 with the objective to provide 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. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized food grains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population. Persons belonging to eligible households will be entitled to receive 5 Kilograms of food grains per person per

month at subsidized prices of ₹3/2/1 per Kg for rice/wheat/coarse grains, provided that existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 Kg of food grains per household per month.

4.22 The Act also has a special focus on the nutritional support to women and children. Besides meal to pregnant women and lactating mothers during pregnancy and six months after the child birth, such women will also be entitled to receive maternity benefit of not less than Rs. 6,000. Children upto 14 years of age will be entitled to nutritious meals or take home rations as per the prescribed nutritional standards. In case of non-supply of entitled food grains or meals, the beneficiaries will receive food security allowance. The Act also contains provisions for setting up of grievance redressal mechanism at the District and State levels. Separate provisions have also been made for ensuring transparency and accountability.

CONFERENCE OF FOOD MINISTERS AND FOOD SECRETARIES OF STATES/UTs TO DISCUSS ISSUES RELATING TO IMPLEMENTATION OF NFSA

4.23 Department organized a Conference of Food Ministers and Food Secretaries of States/UTs on 30 September and 1 October, 2013 to discuss various issues relating to implementation of National Food Security Act, 2013. Meeting with Food Secretaries was held on 30.09.2013 in which all the States/UTs were represented. The Conference of Food Ministers on 01.10.2013 was inaugurated by the Minister of Agriculture & Food Processing Industries. Minister of State (I/C) for Consumer Affairs, Food & Public Distribution presided over the Conference. Food Ministers of 20 States/UTs participated in the Conference.

4.24 During the two days Conference, detailed discussion took place on various implementation related issues such as evolving criteria for inclusion/exclusion and actual identification of beneficiaries, issue of fresh ration cards, door-step delivery of food grains, setting up of Grievance Redressal Machinery at District and State Levels, computerization of TPDS,

creation of scientific storage capacity at various levels etc.

4.25 In pursuance of the discussions held in the Conference, a Committee of State Food Secretaries and officers of Department of Food & Public Distribution etc. was constituted on 09.10.2013 to *inter-alia* recommend the norms for assistance to States/UTs for meeting expenditure on intra-State movement and handling of food grains and margins paid to FPS dealers under the Act. The Committee held three meetings, on 18 & 29 October and 13 December, 2013. Based on recommendations of the Committee, a proposal to provide Central assistance to States/UTs for meeting the expenditure on above mentioned items was sent for consideration of the Committee on Non-Plan Expenditure. Views/comments of the

Department of Expenditure on the proposal are under consideration.

4.26 A meeting with Food Ministers and Food Secretaries of North Eastern States including Sikkim was held on 11.11.2013 to separately review their preparedness to implement the Act.

IMPLEMENTATION OF NATIONAL FOOD SECURITY ACT, 2013

4.27 Food grains under the Act have been allocated to 11 States/UT viz., Haryana, Rajasthan, Delhi, Himachal Pradesh, Punjab, Karnataka, Chhattisgarh, Maharashtra, Chandigarh, Madhya Pradesh and Bihar, based on preparedness to implement the Act reported by them and as per the progress in identification of beneficiaries.

ISSUES RAISED FREQUENTLY

Q. What is the Targeted Public Distribution System? What are the various entitlements under the scheme?

R. In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor.

TPDS is operated under the joint responsibility of Central Government and State/Union Territory (UT) Governments. The Central Government is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the Food Corporation of India. The operational responsibilities for lifting and distributing the allocated food grains within the States/UTs, identification of eligible Below Poverty Line (BPL) families, issuance of ration cards to them and supervision over distribution of allocated food grains to eligible card holders through the Fair Price Shops (FPSs) are that of the State/UT Governments.

Government of India has been making allocations of food grains to Below Poverty Line (BPL) families under the TPDS on the basis of 1993-94 poverty estimates of Planning Commission and March 2000 population estimates of Registrar General of India or the number of such families actually identified and ration cards issued to them by the State/UT Governments, whichever is less. Under the existing TPDS, Government of India has been making allocation of subsidized food grains for all the accepted number of 6.52 crore BPL families including about 2.43 crore Antyodaya Anna Yojana (AAY) families @ 35 kg per family per month. Allocation of subsidized foodgrains are also made to Above Poverty Line (APL) families based on the availability of foodgrains in the Central pool and past offtake. Presently, the allocation of foodgrains to APL families to the States/UTs ranges between 15 kg. and 35 kg. per family per month.

National Food Security Act (NFSA), 2013 *inter-alia* provides for coverage of upto 75%

of the rural population and upto 50% of the urban population at the all India level under TPDS. Under the NFSA 2013, the APL and BPL categories have been done away with and instead, only eligible households i.e. priority households and the households covered under the AAY shall be entitled to receive food grains under TPDS i.e. rice, wheat and coarse grains @ ₹3, ₹2 and ₹1 per kg respectively. The entitlements of priority households shall be @ 5 kg per person per month while the AAY families will continue to get 35 kg per family per month.

Q. What measures have been taken to improve the TPDS in the country?

R. Strengthening and streamlining of TPDS is a continuous process. Central Government regularly review and issue instructions from time to time to States/Union Territories to strengthen functioning of Targeted Public Distribution System (TPDS) by improving monitoring mechanism and vigilance, increased transparency in functioning of TPDS, adoption of revised Model Citizen's Charter, use of Information and Communication Technology (ICT) tools and to improve the efficiency of Fair Price Shop operations. A Nine Point Action Plan is also under implementation since July 2006 for monitoring the functioning of TPDS in States/UTs.

Moreover, NFSA, 2013 stipulates that the Central and State Governments shall endeavour to progressively undertake necessary reforms in the TPDS in consonance with the role envisaged for them in the Act. The reforms shall, *inter-alia*, include doorstep delivery of foodgrains to the TPDS outlets, application of information and communication technology tools including end-to-end computerisation, 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 shops by women or their collectives, diversification

of commodities distributed under the Public Distribution System over a period of time etc.

Q. What is the grievance redressal mechanism available for the beneficiaries of TPDS?

R. TPDS is operated under the joint responsibility of the Central and State/UT Governments wherein the Central Government is responsible for procurement, allocation and transportation upto the designated depots of the Food Corporation of India.

The operational responsibility for allocation and distribution of food grains within the States/UTs, identification of eligible families, issuance of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) rest with the concerned State/UT Government. Therefore, as and when complaints are received in the Department from individuals and organizations as well as through press reports, they are sent to State/UT Governments concerned for inquiry and appropriate action. In case of any grievance relating to the above- referred aspects, the Food & Civil Supplies authorities of the State/UT concerned may be approached. Some States/UTs have also established toll free helpline numbers for redressal and registration of grievances under TPDS.

Q. What is the provision for giving commission/margin to the FPS dealers/owners for distribution of food grains by them under TPDS?

R. Under the existing TPDS, the State/UT Governments have been given flexibility in the matter of fixing the margin for the Fair Price Shops (FPSs). This is, however, not to apply to distribution of food grains under Antyodaya Anna Yojana where end retail price is to be retained at ₹2 per kg for wheat and ₹3 per kg for rice. The issue prices of foodgrains at FPSs are fixed by the State/UT Governments keeping into consideration the transport and handling charges, margin to be paid to the FPS owners, etc.

Further, the NFSA, 2013 provides for entitlements of foodgrains for eligible households at prices specified in the Act. It also *inter-alia* provides

that the Central Government shall provide assistance to the State Governments in meeting expenditure incurred by them towards intra-State movement, handling of food grains and margins paid to FPS dealers, in accordance with such norms and manners as may be prescribed by the Central Government. This Department constituted a committee of select State Food Secretaries and officers of this Department to inter-alia recommend the norms for this assistance to States/UTs. Based on the recommendations of the Committee, a proposal is under consideration.

Q. When the National Food Security Act, 2013 (NFSA) has come into force?

R. Government has notified the National Food Security Act, 2013 (NFSA) on 10th September, 2013. It has deemed to have come into force on 5th July, 2013, the date on which the National Food Security Ordinance, 2013 was promulgated. However, the NFSA provides for a period not exceeding one year to the State Governments for identification of households to be covered under Targeted Public Distribution System (TPDS).

Q. What are the entitlements for food grains under NFSA?

R. Every person belonging to identified eligible households is entitled to receive 5 Kg of food grains per person per month at subsidized prices under TPDS. The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 Kg of food grains per household per month.

Q. What are the prices at which food grains will be provided to the entitled beneficiaries?

R. Food grains under TPDS under the Act will be made available at subsidized prices of ₹ 3, 2 and 1 per Kg for rice, wheat and coarse grains respectively, for a period of three years from the date of commencement of the Act. Thereafter prices will be suitably linked to Minimum Support Prices (MSPs).

Q. Whether the entire population of the country is covered under the Act to receive subsidized food grains?

R. Upto 75% of the rural population and 50% of the urban population will be covered under TPDS under the Act, thus covering about two-thirds of the population of the country.

Q. Whether the percentage coverage of 75%/50% for rural/urban population for subsidized foodgrains under TPDS is applicable uniformly to all States/UTs?

R. No, coverage of 75%/50% for rural/urban population is at the all India level, corresponding to which, State-wise coverage has been determined by the Central Government for each State/UT.

Q. What is the basis for determining State-wise coverage under TPDS under the NFSA and what are the State-wise percentage coverage?

R. Planning Commission has determined the State-wise coverage by using the NSSO Household Consumption Survey data for 2011-12. The State-wise percentage coverage of population under TPDS under NFSA is tabulated below:-

S. No.	State/UT	Percentage coverage under TPDS	
		Rural	Urban
1	Andhra Pradesh	60.96	41.14
2	Arunachal Pradesh	66.31	51.55
3	Assam	84.17	60.35
4	Bihar	85.12	74.53
5	Chhattisgarh	84.25	59.98
6	NCT of Delhi	37.69	43.59
7	Goa	42.24	33.02
8	Gujarat	74.64	48.25
9	Haryana	54.61	41.05
10	Himachal Pradesh	56.23	30.99
11	Jammu & Kashmir	63.55	47.10
12	Jharkhand	86.48	60.20
13	Karnataka	76.04	49.36
14	Kerala	52.63	39.50
15	Madhya Pradesh	80.10	62.61
16	Maharashtra	76.32	45.34
17	Manipur	88.56	85.75
18	Meghalaya	77.79	50.87
19	Mizoram	81.88	48.60

20	Nagaland	79.83	61.98
21	Odisha	82.17	55.77
22	Punjab	54.79	44.83
23	Rajasthan	69.09	53.00
24	Sikkim	75.74	40.36
25	Tamil Nadu	62.55	37.79
26	Tripura	74.75	49.54
27	Uttar Pradesh	79.56	64.43
28	Uttarakhand	65.26	52.05
29	West Bengal	74.47	47.55
30	A & N Islands	24.94	1.70
31	Chandigarh	38.54	47.26
32	D & N Haveli	84.19	51.54
33	Daman & Diu	26.66	56.47
34	Lakshadweep	35.30	33.56
35	Puducherry	59.68	46.94
	India	75.00	50.00

Q. How and by whom the eligible households for coverage under TPDS will be identified?

R. Within the coverage under TPDS determined for each State, the work of identification of eligible households is to be done by States/UTs. States will identify AAY households in accordance with the guidelines applicable to the AAY scheme and remaining households as priority households in accordance with their own guidelines. The identification is to be done by States/UTs within a period of 365 days from the commencement of the Act.

Q. How the food grains will be allocated to a State till it starts implementation of the Act/identification of households under NFSA is complete?

R. The Act provides that the State Government may, as soon as possible, but within such period not exceeding 365 days, after the commencement of the Act, identify the eligible households for receiving food grains at subsidized prices under TPDS in accordance with the guidelines framed. It further provides that the State Government shall continue to receive the allocation of food grains from the Central Government under the existing TPDS till the identification of households for coverage under NFSA is complete.

Q. Whether based on the coverage and entitlements provided in the Act, food grains allocation for some States/UTs would be lower than their allocation under the existing TPDS? If so, what provision has been made in NFSA to protect the existing allocation of States/UTs?

R. The Act provides that if annual allocation of food grains to any State under the Act is less than the average annual offtake of food grains for last three years under normal TPDS, the same shall be protected. Accordingly, food grains allocation for each State/UT has been determined and specified in Schedule IV of the Act.

Q. What are the other entitlements for food security in NFSA?

R. In addition to entitlement for subsidized food grains under TPDS, the Act provides for nutritional support to pregnant women and lactating mothers and children. Pregnant women and lactating mothers and children in the age group of 6 months to 14 years will be entitled to meals as per prescribed nutritional norms under Integrated Child Development Services (ICDS) and Mid-Day Meal (MDM) schemes. Higher nutritional norms have been prescribed for malnourished children upto 6 years of age.

Pregnant women and lactating mothers will also be entitled to receive maternity benefit of not less than Rs. 6,000.

The entitlements for pregnant women and lactating mothers and children upto the age of 6 years, provided in the Act, will be implemented by the Ministry of Women and Child Development. The entitlements for children in the age group of 6 years to 14 years will be implemented by the Ministry of Human Resource Development (Department of School Education and Literacy).

Q. What will happen in case the entitled foodgrains or meals are not provided to the beneficiary?

R. In case of non-supply of the entitled quantities of foodgrains or meals to entitled persons, such persons shall be entitled to receive food

security allowance from the concerned State Government.

Q. What is the mechanism for addressing the grievances in the Act?

R. The Act provides that every State Government shall put in place an internal grievance redressal mechanism which may include call centres, help lines, designation of nodal officers, or such other mechanism as may be prescribed.

It is further provided that the State Government shall appoint or designate, for each district, an officer to be the District Grievance Redressal Officer for expeditious and effective redressal of grievances of the aggrieved persons in matters relating to distribution of entitled foodgrains or meals and to enforce the entitlements under the Act.

There is also a provision that every State Government shall constitute a State Food Commission for the purpose of monitoring and review of implementation of the Act.

States will have the flexibility to use the existing machinery or set up separate mechanism.

Q. Where can appeal against an order of DGRO be filed?

R. Any complainant or the officer or authority against whom any order has been passed by a DGRO, who is not satisfied with the redressal of grievance, may file an appeal against such order before the State Food Commission.

Q. Whether there is any provision for levying a penalty for not complying with the provisions of the Act?

R. The Act provides that any public servant or authority found guilty, by the State Commission at the time of deciding any complaint or appeal, of failing to provide the relief recommended by the District Grievance Redressal Officer, without reasonable cause, or wilfully ignoring such recommendation, shall be liable to penalty not exceeding five thousand rupees.

Q. Who is responsible for delivery of entitlements to the beneficiaries?

R. The main responsibility of the Central

Government is to allocate from the central pool the required quantity of food grains to the State Governments under TPDS and in respect of other entitlements, at the prices specified in Schedule I of the Act. The Central Government is also responsible to provide for transportation of food grains, as per allocation, to the depots designated by the Central Government in each State.

It is the responsibility of State Governments to take delivery of food grains from the designated depots of the Central Government, organize intra-State allocation for delivery of food grains at the doorstep of each fair price shop and ensure actual delivery or supply of food grains to entitled persons under TPDS. Similarly, in respect of entitlements for meals to women and children, it is the responsibility of State Governments to take delivery of food grains from the designated depots and ensure actual delivery of entitled benefits to the beneficiaries.

Q. What is the role of local authorities like panchayats, municipal authorities etc. in implementation of NFSA?

R. NFSA provides that the local authorities shall be responsible for proper implementation of the Act in their respective areas and the State Government may assign, by notification, additional responsibilities for implementation of the TPDS to the local authority. It is further provided that in implementing different schemes of the Ministries and Departments of the Central Government and the State Governments, prepared to implement provisions of this Act, the local authorities shall be responsible for discharging such duties and responsibilities as may be assigned to them, by notification, by the respective State Governments.

Q. What are the aims and objective of the scheme on 'End-to-end Computerization of TPDS Operations'? What are the details regarding various components of the scheme?

R. Computerization of TPDS operations has been taken up with the aim to improve the efficiency of the current system and to address various challenges such as leakages and diversion of

food grains, fake and bogus ration cards, lack of transparency and weak grievance redressal mechanisms.

Component-I of the Scheme on End-to-end Computerization of TPDS Operations comprises following four key activities:

A) Digitisation of Beneficiary Database

- a) Availability of beneficiary information in electronic form.
- b) Ration card services like addition / deletion/ modification available online through F&CS offices, service centres, kiosks, etc.
- c) SMS alerts automatically generated for ration card related requests
- d) Validation and de-duplication of data. Databases of Aadhaar, NPR, SECC, electoral data, etc. can also be used to compare data.

B) Digitisation of Other databases

- a) Digitized information created regarding F&CS offices, wholesalers, FPSs, Godowns, etc.
- b) Hosting of databases on State portals without restrictions on public access

C) Computerisation of Supply Chain Management

- a) Online allocation orders to be generated based on State allocation policy and beneficiary data
- b) District/ FPS wise allocation order to be put on State portal and also sent online to FCI, District F&CS offices etc.
- c) Movement from FCI - State Godowns - FPS
- d) Online generation of release order/truck challans/ delivery orders.
- e) Commodity lifting information to be put on web-site
- f) SMS alerts to all concerned upon dispatch/ receipt of foodgrains

- g) Stock position at godowns to be available online

D) Grievance Redressal Mechanisms and Transparency Portal

- a) A common number ‘1967’ and 1800 series toll-free number for grievance registration & redressal to be set up in States
- b) Beneficiaries to get SMS based acknowledgement of their complaint, its resolution, etc.
- c) Facility to track grievances and ascertain status through online mechanism
- d) Setting up Transparency Portal at State/ UT and National level which have all TPDS related information in the public domain.

Component-II of the scheme, covering FPS automation, will be taken up in the next phase.

Q. Are there any timelines for implementation of the scheme?

R. States/UTs had been asked to complete the following activities as per the timelines indicated against them:

- a. Digitization of beneficiary database - March 2013
- b. Computerization of supply-chain - October 2013.

However, the progress among States has been slow and uneven due to delay in finalisation of action plans by States, late submission of their financial proposals, implementation of NFSA, 2013 and practical problems faced during implementation, etc. The progress in States/UTs is being monitored closely by the Department and the NIC for ensuring expeditious completion of the project.

Q. What is the transparency portal for TPDS?

R. All States/UTs have been asked to develop a single transparency portal which should have all TPDS related data and information available for public view without restriction on access

and the same should be widely publicized. The transparency portal would host information in public domain, such as lists of beneficiaries, FPSs, Storage godowns / depots, F&CS offices / officers, monthly allocation, actual off-take, etc. The content on the portal must be in the local language of the State/UT as well as in English wherever possible. Information about availability of food grains will also be disseminated through SMS / e-mail to the registered beneficiaries and other registered individuals in the local community. NIC has prepared various reporting formats, which could be adopted by States/UTs for hosting the TPDS related MIS reports/details on their portals. A copy of the same was sent to all States/UTs by the Department on 11.09.2012.

Under the Scheme, States/UTs are developing their respective TPDS web portals. Besides, this Department has also launched a National PDS Portal (<http://pdsportal.nic.in>). The objective of the National portal is to provide TPDS related information pertaining to all States/UTs through a single platform in the public domain. All States/UTs have been requested to maintain and update the data on the National portal through application software and also provide links to their State TPDS portals’ data using web-services.

Q. How will be computerization help in grievance redressal?

R. Toll-free helpline numbers are to be set up by each State/UT for grievance registration and redressal. This number would be widely publicized throughout the State/UT. The provision of registration, receipt of acknowledgement and tracking of public grievances would also be available on transparency portal. A dedicated call centre is to be deployed by the States/UTs for addressing the grievances of the individuals. This Department has issued guidelines on 31.01.2013 for setting up of 4-digit common toll free helpline number ‘1967’ across the country and an 1800 series toll-free number in all States/UTs.



Chapter-V

STORAGE



Chapter-V

STORAGE

STORAGE OF FOODGRAINS AND AUGMENTATION OF STORAGE CAPACITY

- 5.1 Procurement, in the last few years, has touched new heights given remunerative MSPs coupled with better operational outreach. As a result, Central Pool Stocks had increased from 196.38 lakh MTs as on 01.04.2008 to a peak level of 823.17 lakh MTs as on 01.06.2012. The position of stocks in the Central Pool as on 01.06.2013 was 776.95 lakh MTs. To meet short-term peak requirements of storage capacity, FCI resorts to temporary hiring of covered godowns as well as stocking food grains under the Cover & Plinth (CAP) system. The CAP system is also a scientific method of food grains storage.
- 5.2 The total storage capacity (Covered and CAP), available as on 31.03.2014 was 748.08 lakh MT (FCI-368.90 lakh MT, CWC-105.10 lakh MT and SWCs- 274.08 lakh MT) as against the stock of 381.12 lakh MT in the Central Pool (**Annex-XI**).
- 5.3 Storage capacity available with FCI is concentrated mainly in the procuring areas located in the Northern Zone. The Northern Zone account for 64% of the total available storage capacity, the Southern Zone has about 15%, Western Zone about 13%, Eastern Zone has only about 7% and North-Eastern Zone has less than 1% of the total available storage capacity. Approximately 76% of the storage capacity is concentrated in 5 major procuring States of Punjab, Haryana, Uttar

Pradesh, Andhra Pradesh and Chhattisgarh, while about 8% storage capacity is available in the five newly emerging procuring States of Bihar, Odisha, Jharkhand, West Bengal and Madhya Pradesh. As the Government of India has initiated an ambitious programme of extending the green revolution to the Eastern States, this has assumed greater importance.

PRIVATE ENTREPRENEURS' GUARANTEE SCHEME (PEG)

- 5.4 With a view to overcoming storage constraints and ensuring safe stocking of food grains across the country, the Government is implementing the Private Entrepreneurs' Guarantee (PEG) Scheme for augmenting storage capacities through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Assessment of additional storage needs under the scheme is based on the overall procurement/consumption levels and the storage space already available. Capacity augmentation through Plan scheme is done for the North East region and some other critical States.
- 5.5 In addition, hiring of capacities is undertaken by FCI wherever required after ensuring maximum utilization of existing capacities. The storage capacities available with the FCI and the percentage utilization during last five years are as under:-

(Figures in lakh MT)

Position as on	Covered			CAP			Grand Total	%age Utilization
	Owned	Hired	Total	Owned	Hired	Total		
30.06.2009	129.67	117.15	246.82	23.07	5.70	28.77	275.59	88%
30.06.2010	129.69	144.30	273.99	26.12	6.33	32.45	306.44	91%
30.06.2011	129.91	167.75	297.66	26.36	8.50	34.86	332.52	91%
30.06.2012	130.03	195.64	325.67	26.36	12.35	38.71	364.38	97%
30.06.2013	129.96	225.23	355.19	26.37	10.23	36.60	391.79	84%

5.6 To augment storage capacities for food grains, FCI has also hired private capacities in the last 5 years. The General Managers (Region) of FCI have been given full powers for hiring of private godowns for short term usage. FCI has done net hiring of 111.10 lakh MT from 2009-10 to 2013-14. The year-wise details are given as under:-

(Fig. in lakh MT)

	Net capacity hired
Net Hiring (2009-10)	32.20
Net Hiring (2010-11)	26.44
Net Hiring (2011-12)	19.61
Net Hiring (2012-13)	41.38
Net Hiring (2013-14)	-8.53
Total	111.10

*Negative figures indicate de-hiring of capacity

5.7 Under the PEG scheme, FCI provides a



SILOS storage facility of FCI

hiring guarantee of 10 years to private investors and 9 years to CWC/SWCs/State agencies. A capacity of 151.98 lakh MTs has been sanctioned for construction against which 120.03 lakh MT has been completed and 14.95 lakh MT is under construction. State-wise status report of PEG scheme is given at **Annex-XII**.

5.8 For modernizing storage, the Government has also approved construction of 20 lakh MTs of storage capacity in the form of SILOS. The locations of approved SILOS are given at **Annex-XIII**. Tenders for creating 17.50 lakh MT of SILOS based storage under PPP were floated by FCI on 21.11.2013. Technical bids have been received on 07.04.2014 and are under evaluation. Thereafter, applicants would be shortlisted for the RFP (Request for Proposal) process. The construction/completion of SILOS would take about two years time.



Construction of Storage godowns under PEG scheme

ISSUES RAISED FREQUENTLY

Q. (a) Whether the Government has introduced Private Entrepreneur Guarantee (PEG) Scheme to develop modern storage capacity with the help of private investors in various States;

(b) if so, the details thereof along with the targets fixed and achieved under the scheme to construct new godowns and provide modern facilities therein.

R. With a view to create additional storage capacity in the country, Government of India/FCI is implementing a scheme called Private Entrepreneurs Guarantee (PEG) Scheme for construction of storage capacity through Private Entrepreneurs, CWC & SWCs. Under this Scheme, storage capacity is created by private parties, CWC, SWCs and other State Agencies for guaranteed hiring by FCI. Accordingly, a capacity of 203.76 lakh MT has been approved for construction of godowns at various locations in 19 States by High Level Committee (HLC), out of which a capacity of 152.03 MTs has been sanctioned for construction. A capacity of 120.03 lakh MT has already been completed by 31st March, 2014.

For storage modernization, the Government has also approved construction of 20 lakh MT of storage capacity in SILOS within the over sanctioned capacity in the PEG Scheme.

Q. Action taken by the Central Government in consultation with the State Government on the fact that Food Corporation of India (FCI) is facing shortage of godowns for various food grains as it has been observed that during rainy season, food grains are wasted and that the Central Government is going to implement the Food Security Act.

R. The total storage capacity available for storage of central food stocks as on 31.12.2013 is 755.89 lakh MT. The total food stocks on 31.12.2013 was 427.45 lakh MT. Thus, the storage capacity available is more than sufficient for storing central food stocks.

The total requirement of food grains for implementing the National Food Security Act (NSFA) is estimated to be 612 lakh MT. The available storage capacity is sufficient to stock foodgrains required under the NFSA. However, augmentation of covered storage capacity is undertaken, for operational reasons through Private Entrepreneurs Guarantee (PEG) Scheme and Plan funds.

The FCI is not facing any shortage of storage space for central food stocks. Sometimes, due to increased arrivals of grains during procurement season, the Covered and Plinth (CAP) storage is resorted to as a temporary measure. In this regard, all precautions are taken to ensure that there is no wastage of food grains on account of rains.

Q. Give details of construction of storage godowns under Plan scheme for construction of storage godowns.

R. The Scheme for construction of godowns by FCI was formulated under the Five Year Plans to build and increase the storage capacity for storage of food grains. The Scheme aims at providing the requisite storage capacity for meeting the requirement of buffer and operational stock of food grains to maintain the public distribution system. The broad approach is to augment covered storage capacity and reduce dependence on storage of food grains under Cover and Plinth (CAP)/ Kuchha storage facilities.

Under the Scheme, funds are released to the FCI in the form of equity for land acquisition and for construction of storage godowns, and related infrastructure like railway sidings, electrification, installation of weighbridge, etc. Funds are also released in the form of Grants-in-Aid to the State Governments of North East Region and the State Government of Jammu & Kashmir for construction of intermediate storage godowns by them. Thus, the Plan scheme has following three components:

- Construction of godowns for FCI in the North Eastern States
- Construction of godowns for FCI in select non-North Eastern States
- Intermediate storage godowns of State Governments in the North East and J&K under Grants-in-Aid.

EFC in its meeting held on 14.02.2014 recommended this Department's proposal as per the details given below:-

(Fig. in crore ₹)

	Head	Estimated Cost	Unspent balance of 11 th Plan	Outlay proposed in 12 th Plan
1	Construction of godowns by FCI at 37 locations in the NE	509.76	51.20	458.56
2	Construction of godowns by FCI at 9 locations in 4 other States	72.14	16.06	56.08
3	Grant-in-Aid to NE States for intermediate storage at 74 locations	14.36	0.00	14.36
4	Grant-in-Aid to J&K for intermediate storage at 1 location	1.00	0.00	1.00
	Total	597.26	67.26	530.00

CCEA considered and approved the proposal on 20-03-2014. The proposed phasing of construction of food storage godowns by FCI

in the NE States is given in table below:-

A. Physical (Fig in MT)				
Total Approved Capacity as per EFC Dt. 1.7.2011	Capacity Completed during 11 th FYP	Capacity Proposed in 12 th FYP under Phase-I	Capacity to be augmented in form of SILOS through PPP mode at Changsari	Capacity under Phase-II (13 th FYP)
5,40,280	24,180	2,92,730	50,000	1,73,370
B. Financial (Fig. in crore ₹)				
568.17	58.41	509.76	0	435.08

For areas other than NE, it is proposed to create a capacity of 76,220 MT at 9 locations in 12th Plan with an allocation of ₹72.14 crores. This capacity is inclusive of 21,220 MT (10,000 MT in Odisha and 11,220 MT at 4 locations in Himachal Pradesh) which was approved in the 11th FYP but could not be taken up because of un-availability of land. FCI has now taken possession of the land for 10000 MT capacity in Odisha. For centres in Himachal Pradesh, no response was received under PEG Scheme, thus necessitating inclusion under the 12th FYP.

In addition, 20000 MT capacity has been planned in Goa as the lease period of existing facility in Mormugaon Port Trust has expired in November 2013. Food grain supplies are presently being made from alternate godown at a distance of 250 km. A capacity of 35,000 MT is proposed for Kerala, due to poor response in the PEG scheme and logistics problems faced in Malappuram district.



Chapter-VI

SUGAR



Chapter-VI

SUGAR

GENERAL

- 6.1 Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade servicing of machinery and supply of agriculture inputs. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. Today Indian sugar industry's annual output is worth approximately ₹ 80,000 crores.
- 6.2 There were 700 installed sugar factories in the country as on 31.03.2014, with sufficient crushing capacity to produce around 310 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and cooperative sector units. The capacity of sugar mills is, by and large, in the range of 2500 TCD-5000 TCD bracket but increasingly expanding and going even beyond 10000 TCD. Two standalone refineries have also been established in the country in the coastal belt of Gujarat and West Bengal which produce refined sugar mainly from imported raw sugar as also from indigenously produced raw sugar. The sector-wise break-up of sugar mills in the country is as given below :-

Sl. No.	Sector	Number of factories
1.	Co-operative	324
2.	Private	314
3.	Public	62
	Total	700*

*Includes each refinery in West Bengal & Gujarat.

SUGARCANE PRICING POLICY

- 6.3 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) after consulting the State Governments and associations of sugar industry. The amended provisions of the Sugarcane (Control) Order, 1966 provides for fixation of FRP of sugarcane having regard to the following factors :-

- cost of production of sugarcane;
- return to the growers from alternative crops and the general trend of prices of agricultural commodities;
- availability of sugar to consumers at a fair price;
- price at which sugar produced from sugarcane is sold by sugar producers;
- recovery of sugar from sugarcane;
- *the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value;
- **reasonable margins for the growers of sugarcane on account of risk and profits

(* inserted vide notification dated 29.12. 2008)

(**inserted vide notification dated 22.10.2009)

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

- 6.5 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.
- 6.6 Accordingly, FRP for 2013-14 sugar seasons has been fixed at ₹210/- per quintal linked to a basic recovery rate of 9.5% subject to a premium of ₹2.21 per quintal for every 0.1 percentage point increase above that level. The FRP for 2014-15 sugar season has been fixed at ₹ 220 per qtl. linked to a basic recovery of 9.5% subject to a premium of ₹2.32 per qtl. for every 0.1 percentage point increase above that level.
- 6.7 The FRP of sugarcane payable by sugar factories for each sugar season for 2009-10 to 2014-15 is at 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%

- 6.8 The payment to sugarcane farmers by sugar mills, though statutorily supported by various statutes and enforced by State Government, get affected by the dynamics of domestic market price as well as international situation related to export possibilities. Despite, the sugar production in the country being more than domestic requirements for the last three sugar seasons and also expected to be sufficient to meet domestic requirements during 2013-14 sugar season, due to timely interventions, the cane price arrears could be kept to a minimum during these seasons.
- 6.9 The position of cane price payments and arrears for the past few sugar seasons, on a similar cut-

off date, was as under :-

(In crores ₹)

Season	Position as on	Total price payable	Total price paid	Arrears	% of arrears on price payable
2012-13	31/03/13	53,436.17	40,734.00	12,702.17	23.77
2011-12	31/03/12	44,596.21	36,018.75	8,577.46	19.23
2010-11	31/03/11	36,530.88	32,215.59	4,315.29	11.81
2009-10	31/03/10	32,051.71	29,328.61	2,723.09	8.50
2008-09	31/03/09	17,002.88	15,777.50	1,225.37	7.21

- 6.10 The position of cane price payment and arrears for sugar season 2013-14 as on 31.03.2014 is as under:-

(In crores ₹)

Cane Price Payable	48794.01
Cane Price Paid	30145.98
Cane Price Arrears	18648.04
Percentage of Cane Price Arrears on Cane Price Payable	38.22

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

- 6.11 The year 2013-14 has been a water-shed year for the sugar industry. The Central Government considered the recommendations of Dr. C. Rangarajan Committee on de-regulation of sugar sector and decided to do away with levy obligation on sugar mills for sugar produced after September, 2012 and dispense with the regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector is likely to improve the financial health of the sugar mills, increase the cash flow, reduce their inventory cost and also result in timely and better payment of cane price to sugarcane farmers in the country. The recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to the 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 **Annex-XIV**.

NEW SYSTEM FOR DISTRIBUTION OF SUGAR IN THE PUBLIC DISTRIBUTION SYSTEM (PDS)

6.12 The Central Government has decontrolled the sugar sector partially by removing the levy obligation on sugar mills and doing away with the regulated release mechanism on open market sale of sugar. Prior to it, sugar mills were mandated to supply 10% of their production to meet the Public Distribution System (PDS) demand. Sugar mills are now free to sell their entire production as per their commercial prudence. However, under the new dispensation, to make sugar available in the PDS at the existing retail issue price of ₹ 13.50 per kg, the State Governments/UT administrations have been asked to procure it from the open market through a transparent system. The Central Government is reimbursing the States/UT's @ ₹18.50 per kg, limited to the quantity based on their existing allocations. Further, with a view to ease out the financial burden of the State Governments, the Government releases advance subsidy, on quarterly basis, to all State Governments who approach the Central Government for the same. In the process, total sugar subsidy burden on the Government exchequer is estimated to be at about ₹5,000 crore per annum for estimated supply of 27 lakh MT.

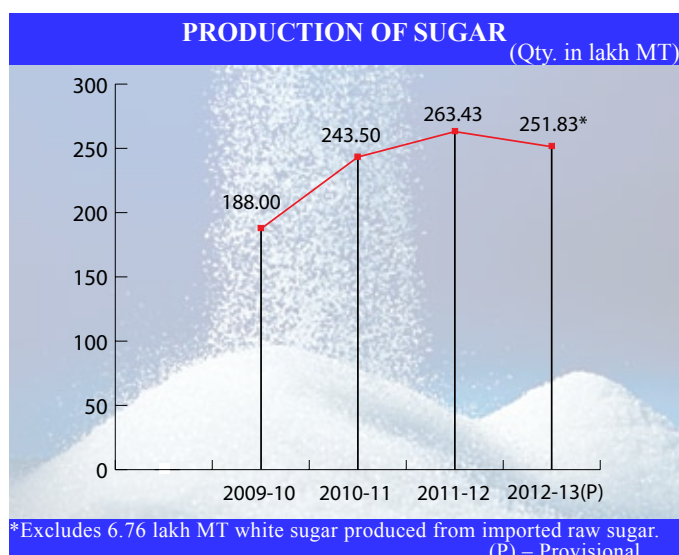
6.13 The new system of open market procurement by States/UTs and seeking reimbursement from the Department has been adopted by 21 States/UTs from June, 2013 onwards. The States of Maharashtra, Karnataka and Manipur are expected to commence operations under the scheme soon. Thus, there has been a smooth transition from control regime to open procurement system. As on 31.03.2014, a sum of ₹859.98 crores has been reimbursed to 21 states/UTs.

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

Production of Sugar

6.14 Sugar production in India has been cyclic in nature. Every 2-3 years of high sugar

production are followed by 2-3 years of low sugar production. From the sugar season 2010-11 onwards the country could consistently achieve sugar production more than the domestic requirements and could also generate surpluses for export, earning valuable foreign exchange in the process. Industry has also been encouraged to diversify its activity towards production of raw sugar targeted for export market. As such, it appears that the amplitude of year to year fluctuations in sugar production has diminished. Season wise production of sugar from 2009-10 onwards is given below:-



6.15 Based on the sugarcane production data released by the Department of Agriculture and Cooperation and the information received from the Cane Commissioners of the major sugar producing States, the production of sugar during current sugar season 2013-14 is provisionally estimated to be around 241.31 lakh MT. The details of estimated carry-over stocks, production, imports, availability, estimated internal consumption, closing stocks for the last five seasons and the current sugar season 2013-14 are at **Annex-XV**.

EX-MILL & RETAIL PRICES OF NON-LEVY SUGAR

6.16 The retail prices of sugar have been stable in the domestic market during current sugar season 2013-14. The range of prices of non-



Cane



Sugar

levy sugar (S-30 Grade) in the major centres of the country during season 2008-09 to 2013-14 (upto March, 2014), was as under:-

(₹ Per quintal)

Sugar Season (Oct.-Sept.)	*Range of Ex-Mill Prices of sugar	**Range of retail prices of sugar
2008-09	1520-3330	16.00-37.50
2009-10	2500-4400	25.00-47.00
2010-11	2350-3090	28.00-34.00
2011-12	2540-3735	31.17-43.70
2012-13	2810-3685	32.74-41.00
2013-14	2420-3300	31.00-36.00

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

**Price Monitoring Cell, Department of Consumer Affairs.

EXPORT OF SUGAR

6.17 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).

6.18 Through an Ordinance, the Sugar Export Promotion Act, 1958, was repealed w.e.f. 15th January, 1997 and thus the export of sugar was de-canalized. Under decanalized 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.

6.19 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 necessity of obtaining release orders was reintroduced from 01.01.2009, as country entered the down swing phase of sugar production.

6.20 During 2010-11 & 2011-12 sugar seasons (till May, 2012), in view of the surpluses over domestic consumption, exports of sugar were permitted under OGL at the strength of release orders.

6.21 Thereafter, the Government vide Notification No. 1059(E) dated 11.05.2012 has again dispensed with the requirement of export release orders. The export of sugar is now free subject to prior registration of quantity with Directorate General of Foreign Trade (DGFT).

IMPORT OF SUGAR

6.22 Import of sugar, which was placed under Open General License (OGL) with zero duty in March 1994, continued with zero duty upto 27.04.1998. The Government imposed a basic customs duty of 5% and a countervailing duty of Rs.850.00 per tonne on imported sugar with effect from 28.4.1998. The basic custom duty was increased from 5% to 20% w.e.f. 14.1.1999 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 9.2.2000 along with continuance of countervailing duty of Rs.950/- per MT (w.e.f. 1.03.2008) plus 3% education cess.

- 6.23 Sugar production in the sugar season 2008-09 had declined and in order to augment the domestic stock of sugar, the Central Government has allowed import of raw sugar under Advance Authorization Scheme by sugar mills at zero duty from 17.02.2009 upto 30-09-2009 and import of raw sugar at zero duty under Open General License (OGL) w.e.f.17.04.2009 which continued 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. Thereafter, there had been hardly any import of sugar under OGL.
- 6.24 As per information published by DGCIS, Kolkata, the export/import of sugar from sugar season 2009-10 to 2013-14 is given below:-

Export of Sugar

(In lakh MT)

Sugar Season(Oct-Sept)	Quantity **
2009-10	2.371
2010-11	28.14
2011-12	36.735
2012-13(P)	12.02
2013-14(P) (upto 28 th Feb,2014*)	11.22

Import of Sugar

(In lakh MT)

Sugar Season	Quantity **
2009-10	41.80***
2010-11	3.65
2011-12	1.886
2012-13(P)	17.12
2013-14(P) (upto28 th February,2014)	1.446

(P): Provisional

*-As per online proforma-II

** As per Data furnished by DGCIS Kolkata.

*** As reported by Department of Revenue.

ETHANOL BLENDED PETROL PROGRAMME (EBP PROGRAMME)

- 6.25 Ethanol is an agro-based product, basically produced from the by-product of the sugar industry, viz. molasses. In the years of surplus production of sugarcane, when the sugar prices are depressed, the sugar industry is unable to pay cane price to the farmers. This is mainly due to surplus production of sugar. The ethanol blended petrol programme, besides lowering pollution levels, is expected to provide another outlet for ethanol use, thus ensuring utilization of molasses produced as a by- product during manufacture of sugar.
- 6.26 It has been decided by the Government that 5% mandatory ethanol blending with petrol should be implemented across the country and procurement price of ethanol will be decided between Oil Marketing Companies and suppliers of ethanol. This is expected to generate revenue for sugar mills enabling them to avoid building up of cane price arrears.

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

- 6.27 The Government has formed an Informal Group of Union Ministers (IGOM) under the Chairmanship of Minister of Agriculture to look into the problems of sugar sector. On the recommendations of IGOM, the Government on 3.1.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth ₹6,600 crores by bank 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. Interest burden on this loan, estimated at ₹2,750 crores over next five years would be borne by the Government through Sugar Development Fund.

INCENTIVE SCHEME FOR MARKETING AND PROMOTION OF RAW SUGAR PRODUCTION

- 6.28 On the recommendations of IGOM, the Government on 28.2.2014 has notified another

scheme allowing incentives for marketing and promotion services for raw sugar production targeted for export market for a quantity of 40 lakh MT during 2013-14 and 2014-15 sugar seasons. The incentive available under the Scheme shall be utilized by the sugar mills for making payment to the farmers.

LEVY SUGAR PRICE EQUALISATION FUND

6.29 The Levy Sugar Price Equalization Fund Act, 1976 (as amended in 1984) has been enforced from 1.4.1976. During the current financial year 2013-2014 (upto 31.03.2014) a sum of ₹6.36 crore has been recovered from various sugar mills. This is against the budgeted target of ₹6 crore. In the year 2012-2013, an amount of ₹9.26 crore was recovered and remitted to the said Fund. The total recovery of LSPEF dues from 01.04.1976 to 31.03.2013 is detailed at **Annex-XVI**.

SUGAR DEVELOPMENT FUND

6.30 Under the Sugar Cess Act, 1982, a cess @ ₹14.00 per quintal upto 31.12.2007, @ ₹15.00 per quintal from 01.01.2008 and @ ₹24.00 per quintal w.e.f. from 01.03.2008 is being collected on all sugar produced and sold by any sugar factory within India.

6.31 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).

6.32 During the period from 1982-83 to 2013-14 (upto 28.02.2014) Net Cess amount of ₹7,752.23 crore have been collected. Of this, upto 28.02.2014, ₹6,606 crore have been transferred to the Sugar Development Fund.

6.33 Under the Sugar Development Fund Act 1982, the Fund can be utilized by the Government of India for the following:-

- a. Making loans for facilitating the rehabilitation and modernization of any sugar factory.

- b. Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated.
- c. Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of sugar industry.
- d. Defraying expenditure on internal transport and freight charges on export shipment of sugar.
- e. Making loans to any sugar factory to implement a project of bagasse-based co-generation of power.
- f. Making loans to a sugar factory for production of anhydrous alcohol or ethanol.
- g. Defraying expenditure for the purpose of building up and maintenance of buffer stock with a view to stabilizing price of sugar.
- h. Defraying expenditure for the purpose of financial assistance to sugar factories towards interest on loans given in terms of any scheme approved by the Central Government from time to time.
- i. Defraying expenditure on marketing and promotion service for raw sugar production
- j. Defraying any other expenditure for the purpose of the Act.

6.34 Sugar Development Fund is an important source of funds for providing loans at concessional rate to sugar factories to modernize and expand their capacity and utilize the by-products like bagasse and molasses to improve revenue generation and their viability. A brief description of loans granted from Sugar Development Fund is given at **Annex-XVII**. The amount disbursed to various sugar mills for various schemes during financial year 2013-14 (up to 31-03-2014) is as follows :-

(In crores ₹)

	Name of Scheme	Amount disbursed
1.	Admn. of Sugar Development Fund Salaries – Other Charges –	0.41(#) 18.00
2.	Loan to sugar factories for modernization/ rehabilitation of plant and machinery, including expansion of crushing capacity	110.00
3.	Loans to sugar factories for sugar cane development	82.50

4.	Loans to sugar factories for bagasse based co-generation power projects	329.46
5.	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	78.04
7.	Subsidy maintenance of Buffer Stock of Sugar	7.50
8.	Scheme for Extending Financial Assistance to Sugar undertaking 2007	52.50*
9.	Grants-in-Aid	0.75
Total		679.16

(*) BE for SEFASU scheme was ₹116,12,00,000 but the total amount in RE 2013-2014 for SEFASU Scheme is ₹90,00,00,000. Out of this ₹52,50,00,000 expenditure as on comes from the SDF and remaining amount of ₹37,50,00,000 comes from General Budget disbursed upto 31.03.2014.

(#) Total fund for salary head was ₹41,50,000. Out of this expenditure of ₹41,44,048, incurred upto 31.03.2014 and remaining amount of ₹5952 was surrendered.

6.35 During the financial year 2013-2014 (upto 31.03.2014) an amount of ₹597.16 crore has been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.

WORKING GROUP ON SUGARCANE PRODUCTIVITY AND SUGAR RECOVERY IN THE COUNTRY

6.36 A Working Group was constituted by the Department to work out the practical solutions for overcoming hindrances in attaining the desired levels of sugarcane productivity and sugar recovery. The Working Group has since submitted its report. The recommendations of the Working Group, inter-alia, relate to crop aspects, policy support and overcoming administrative impediments and have been forwarded to all concerned for appropriate action.

DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY

6.37 The Development Council for Sugar Industry is a statutory body set up under Section 6 of the Industries (Development and Regulation) Act, 1951 vide Notification No. SRO 892 dated 12th March, 1954 of the Ministry of Commerce and Industry. The Council is constituted for a period of two years. The

Development Council for Sugar Industry was last reconstituted on 5th September, 2011 and was valid up to 4th September, 2013. It has two Standing Committees viz., Standing Advisory Committee on Sugar Standards (SACSS) and Standing Research Advisory Committee (SRAC) appointed for specific purposes. The tenure of these Standing Sub-Committees runs concurrently with the tenure of the Council.

6.38 Reconstitution of the Development Council for Sugar Industry (DCSI) is under deliberation, keeping in view the fact that the licensing regime for sugar industry has been abolished and most of the regulatory controls of the sugar industry also have recently been abolished and that there is no development council for similar advisory role on Edible Oils, the other commodity handled in this Department.

E-GOVERNANCE INITIATIVES

6.39 The Directorate of Sugar, Department of Food and Public Distribution in order to improve and systemize the data management system in sugar sector, has developed a web based platform (esugar.nic.in/sugar_pII) for online submission of inputs by sugar mills on monthly basis. This has helped the Government to take prompt and informed policy decisions for better management of 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, stocks utilization of levy sugar for PDS, etc.

NATIONAL SUGAR INSTITUTE, KANPUR

6.40 National Sugar Institute, Kanpur is a premier Scientific and Technical Institute in the country which conducts Post Graduate and Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology disciplines. It also undertakes research and development work in sugar and allied fields and renders advice to Sugar and allied industry on various technical matters. During 2013-14

academic session, 197 students were admitted in various courses of the Institute. A new course, namely, “**Certificate Course in Quality Control**” is being introduced by the Institute from the academic session 2014-15.

RESEARCH WORK

6.41 The Institute undertook Research and Development work on the following topics:

- a) Production of cellulosic ethanol to develop newer techniques for pre-treatment and hydrolysis of the ligno-cellulosic material.
- b) Zero fresh water requirement in sugar industry.
- c) Development of sensor to determine staleness of cane.
- d) Studies on use of non-lead clarifying agents on polarization of sugar house products.
- e) Direct determination of Pol % Cane.
- f) Studies on deterioration of Indian Refined Sugars.
- g) Studies on the production of dextran and its removal by fungal dextranases.
- (h) Studies on conversion of un-fermentable sugars into fermentable sugars in molasses.

RESEARCH PAPERS PRESENTED/ PUBLISHED/ COMMUNICATED

6.42 Based on the research work carried out and studies undertaken, 17 papers were either published in reputed journals or presented during various national and international seminars/conferences/conventions. The topics of these papers include mechanization of sugarcane cultivation, energy conservation, by-product utilization for value addition, enhancement of productivity of sugar and ethanol units, etc.

INNOVATIONS AND PATENT

6.43 Application for one patent on “Electrolytic Clarification of Cane Juice using Conducting Polymer Electrode” has been filed by the Institute.

AWARD

6.44 Shri Narendra Mohan, Director, National Sugar Institute, Kanpur was conferred with prestigious Sardar GMS Mann Gold medal for being “Professional of the Year 2012-13 during the 72nd Annual Convention of the Sugar Technologists’ Association of India at Lucknow.

ADVISORY AND EXTENSION VISITS

6.45 The Institute rendered its services to various sugar factories in Uttar Pradesh, Bihar, Karnataka, Maharashtra, Odisha, etc on the problems related to capacity expansion and modernization, energy conservation, lower sugar recovery, inferior sugar quality and co-generation, etc. 30 Sugar Factories/Distilleries and other related Organizations availed the services of the Institute’s experts during the period.

TRAINING PROGRAMME / REFRESHER COURSE

6.46 To enhance the knowledge of the in-service technologists and Engineers of the Sugar Industry, a five days Refresher Course was organised at the Institute from 8th to 12th July 2013. Delegates from the major Sugar producing States i.e. U.P., Punjab, Haryana, Maharashtra, Bihar, Karnataka and Gujarat participated in the refresher course.

SEMINAR / BRAIN STORMING SESSION

6.47 Keeping in view the problems being faced by the Indian Sugar Industry, Seminars/Brain Storming Sessions were arranged to discuss the issues and formulate a road map for future course of action, as per details given below:-

- i. An All India Seminar on “Mechanization of Sugarcane Cultivation” was organized on 30th July 2013 at National Sugar Institute, Kanpur in collaboration with STAI, New Delhi.
- ii. An All India one day Seminar on “Energy Conservation in Sugar Factories to Boost up Power Exports” was organized on 8th

October 2013 jointly by National Sugar Institute, Kanpur and S. Nijlingappa Sugar Institute at Belgaum.

- iii. A brain storming session was convened on 30th October 2013 at Indian Institute of Sugarcane Research, Lucknow to discuss the issue of “Development of small, low cost and area specific sugarcane harvesters”.
- iv. One day all India seminar on “Innovative approaches for productivity enhancement & green link value addition of distillery waste” was organized at the Institute on 26th November 2013.
- v. An all India seminar on “Productivity enhancement in ethanol units & alternate feed stocks” was organized at S. Nijlingappa Sugar Institute, Belgaum, on 25th Feb 2014.
- vi. An all India seminar on “Management of water in sugar & allied industry: opportunities & challenges” was conducted on 22nd March, 2014 at Hyderabad jointly with STAI, New Delhi.

SECRETARY (F&PD)'s VISIT TO NSI, KANPUR

- 6.48 Shri Sudhir Kumar, Secretary (F&PD) visited the Institute along with Shri T. Jacob, Joint Secretary (Sugar & Sugar Administration) on 17.07.2013 to review its working and issued directions for



Secretary (F&PD)'s visit to National Sugar Institute, Kanpur

improvement in the same.

ADVISORY BOARD & COMMITTEE OF EXPERTS

- 6.49 47th meeting of the Advisory Board of the Institute was held on 24th March 2014 at Krishi Bhawan, New Delhi under the Chairmanship of Joint Secretary (Sugar & Sugar Administration). The Advisory Board reviewed the working of the Institute during the year 2013-14 with respect to teaching, research and extension activities. On the directions of Planning Commission, the Government has constituted a “Committee of Experts” to look into the revival of the Institute for better working.

RECRUITMENT OF FACULTY

- 6.50 Approval for revival of 17 posts, which were under deemed abolished category, was obtained from Department of Expenditure and thereafter action for filling up these posts, along with other vacant posts, was taken up. As a result, 9 candidates have joined on various posts. For other posts the recruitment process is in advance stage.

SUGAR STANDARDS FOR THE SUGAR SEASON 2013-14

- 6.51 The Bureau of Sugar Standards under Sugar Technology Division prepares Indian Sugar Standards, which are mandatory for all sugar factories in India to identify the grades of their produce and mark them accordingly for sale in Indian market. Issue of new set of Sugar Standards for season 2013-14 commenced from 1st October 2013 and new sugar standards were sold to 306 sugar factories and other users in India till 31st March 2014.

E-GOVERNANCE INITIATIVES

- 6.52 The Institute has undertaken e-governance initiatives by installing facilities for online submission of applications for admission to various courses and sale of sugar standards. The Institute has further extended the computer and internet facilities to the students and has also installed video-conferencing facilities. The institute also participated in the video-

conferencing on 7th January 2014 vide which Hon'ble President of India interacted with the faculty and students of various Universities, Institutes and Colleges.

ISO CERTIFICATION

6.53 The Institute has obtained **ISO: 9001: 2008 Certificate**, "To Provide the Educational, Consultancy Services and Supply of Sugar Standards to the Sugar Industry".

PUBLICATION OF E-NEWSLETTER OF INSTITUTE

6.54 The Institute took up the publication of e-news-letter on quarterly basis. The 1st, 2nd

and 3rd edition (April-June, July-Sept. and Oct.-Dec. 2013) have already been hosted on the Institute's website.

ANNUAL PLAN

6.55 The Institute undertook various activities for development of research and infrastructural facilities under plan budget e.g. renovation of research laboratory, improvement in facilities at farm and renovation of main office building, etc. during the year. Against the budget estimates of ₹87.80 lakh, on the basis of preliminary estimates provided by the CPWD, sanctions for ₹82.61636 lakh were obtained and an expenditure of ₹80.35623 lakh has been made till 31.03.2014.

ISSUES RAISED FREQUENTLY

Q. How many installed sugar mills are there in the country? Please furnish State-wise and Sector-wise detail.

R. As on 31-03-2014, there are 700 installed sugar mills in the country. State-wise and sector-wise break-up is as under:-

	State	Public Sector (State owned)	Private Sector	Cooperative Sector	Total
1	Punjab		8	16	24
2	Haryana		3	13	16
3	Rajasthan	1	1	1	3
4	U. P.	33	97	28	158
5	Uttaranchal	2	4	4	10
6	M. P.	2	14	5	21
7	Chhattisgarh			3	3
8	Gujarat		4	22	26
9	Maharashtra		59	168	227
10	Bihar	15	13		28
11	Assam		1	2	3
12	Odisha		4	4	8
13	W. B.	1	2		3
14	A. P.	1	29	14	44
15	Karnataka	3	46	24	73
16	Tamil Nadu	3	27	16	46
17	Puducherry		1	1	2
18	Kerala		1	1	2
19	Goa			1	1
20	Nagaland	1			1
21	D& N UT			1	1
	Total	62	314	324	700

(Includes refinery each in West Bengal and Gujarat)

Q. Please provide the State-wise number of operated and closed sugar mills in the Country during last three sugar season?

R. Statement showing state-wise sugar mills operated and closed, during last three sugar

season are as under:-

	State	Sugar season 2010-11		Sugar season 2011-12		Sugar season 2012-13	
		1*	2#	1*	2#	1*	2#
1	A. P.	36	8	37	7	35	9
2	Assam	0	3	0	3	0	3
3	Bihar	10	18	11	17	12	16
4	Chhattisgarh	3	0	3	0	3	0
5	Goa	1	0	1	0	1	0
6	Gujarat	19	6	20	6	19	7
7	D. & N. UT	0	1	0	0	0	1
8	Haryana	14	2	14	2	14	2
9	Karnataka	58	8	60	12	61	13
10	Kerala	0	2	0	2	0	2
11	M. P.	12	6	14	6	14	7
12	Maharashtra	164	43	172	52	172	54
13	Nagaland	0	1	0	1	0	1
14	Odisha	5	3	6	2	6	2
15	Puducherry	2	0	2	0	2	0
16	Punjab	16	8	16	8	16	8
17	Rajasthan	1	2	1	2	1	2
18	Tamilnadu	43	2	43	3	43	3
19	U.P.	124	32	124	34	122	36
20	Uttarakhand	10	0	10	0	9	1
21	W. B.	2	1	1	2	2	1
	Total	520	146	535	159	532	168

1* indicates no. of sugar mills in operation

2# indicates no. of closed sugar mills

Q. How many sugar mills are sick in the Country? Please furnish State-wise and Sector-wise detail.

R. State-wise number of sick sugar mills in the country is as under:-

State	In public and private sector registered during the last three years (BIFR data)*	In the cooperative sector (NABARD data) **	Total
Punjab	0	5	5
Haryana	0	7	7
Maharashtra	3	62	65
U.P.	7	0	7
Uttarakhand	0	7	7
Karnataka	3	14	17
Tamil Nadu	1	9	10
Gujarat	0	6	6
A.P.	0	8	8
M.P.	0	3	3
Odisha	0	2	2
Goa	0	1	1
All India	14	124	138

(Position as on 30.11.2013)

Q. What is the current policy of the Government for establishment of new sugar mills?

R. After delicensing of sugar industry w.e.f. 31.08.1998, entrepreneurs are free to set up sugar mill subject to fulfilling the conditions laid down in Sugarcane (Control) Order, 1966.

Q. What is FRP and how it is beneficial for the farmers? What factors are considered for fixation of FRP?

R. 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. It is the minimum price of sugarcane being paid to the farmers for the supplies of cane to the mills.

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

the sugar mills generate profit or not and is not dependent on the performance of any individual sugar mill.

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) after consulting the State Governments and associations of sugar industry. The amended provisions of the Sugarcane (Control) Order, 1966 provides for fixation of fair and remunerative price (FRP) of sugarcane having regard to the following factors :-

- cost of production of sugarcane;
- return to the growers from alternative crops and the general trend of prices of agricultural commodities;
- availability of sugar to consumers at a fair price;
- price at which sugar produced from sugarcane is sold by sugar producers;
- recovery of sugar from sugarcane;
- *the realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed value;
- **reasonable margins for the growers of sugarcane on account of risk and profits
(* inserted vide notification dated 29.12. 2008)
(**inserted vide notification dated 22.10.2009)

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.

Accordingly, FRP for 2013-14 sugar season has been fixed at ₹210 per quintal linked to a basic recovery rate of 9.5% subject to a premium of ₹2.21 per quintal for every 0.1 percentage point increase above that level. The FRP for 2014-15 sugar season has been fixed at ₹220 per qtl. linked to a basic recovery of 9.5% subject to a premium of ₹2.32 per qtl. for every 0.1 percentage point increase above that level.

Q. What were the production, consumption and stocks of sugar in the Country during the last three sugar season?

R. Details are given in the table below:-

(Qty in lakh MT)

Particulars	2010-11 (P)	2011-12 (P)	2012-13 (P)	2013-14 (Projected)
Carry- over stocks with sugar mills from previous season	51.25	62.96	66.96	91.09
Less –Adjusted 5%	2.56	-	0.95	-
Export quantity from 2010-11 stock against OGL -3 (allowed but exported after Sep, 11)	-	4.42	-	-
Net opening stock	48.69	58.54	66.01	91.09
Production of sugar	243.50	263.43	258.58#	241.31
Imports	-	-	6.76	-
Estimated total availability	292.19	321.97	324.59	332.40
Estimated releases/ dispatches for internal consumption	208	227.25	230.00	235.00
Exports against ALS/ AAS obligation and OGL	26	27.76	3.5	20.00
Total estimated releases(7+8)	234	255.01	233.50	255.00
Estimated closing stocks with sugar mills at the end of season	58.19	66.96	91.09	77.40

P-Provisional

includes 251.83 lakh MT white sugar and 6.76 lakh MT white sugar produced from imported raw sugar.

Note: - Closing balance of one season is different from opening balance of next session to account for damaged/wet sugar and sugar sold under court orders etc.

Q. Whether Government has continued the supply of sugar under PDS after decontrol of Sugar Industry.

R. The Central Government has decontrolled the sugar sector partially by removing the levy obligation on sugar mills and doing away with the regulated release mechanism on open market sale of sugar. Prior to it, sugar mills were mandated to supply 10% of their production to meet the Public Distribution System (PDS) demand. Sugar mills are now

free to sell their entire production as per their commercial prudence. However, under the new dispensation, to make sugar available in the PDS at the existing retail issue price of ₹13.50 per kg, the State Governments/ UT administrations have been asked to procure it from the open market through a transparent system. The Central Government is reimbursing the States/UT's @ ₹18.50 per kg, limited to the quantity based on their existing allocations. Further, with a view to ease out the financial burden of the State Governments, the Government releases advance subsidy, on quarterly basis, to all State Governments who approach the Central Government for the same. In the process, total sugar subsidy burden on the Government exchequer is estimated to be at about ₹5,000 crore per annum for estimated supply of 27 lakh MT.

Q. How many States have started procurement of sugar for supply under PDS and the amount disbursed by Central Government to States against PDS subsidy during last financial years.

R. The new system of open market procurement by States / UTs and seeking reimbursement from the Department has been adopted by 21 States / UTs from June, 2013 onwards. The States of Maharashtra, Karnataka and Manipur are expected to commence operations under the scheme soon. Thus, there has been a smooth transition from control regime to open procurement system. As on 31.03.2014, a sum of ₹859.98 crores has been reimbursed to 21 states/UTs.

Q. What is the current policy of export and Import of sugar?

R. Under current Export-Import (Exim) policy, the export of sugar is free subject to prior registration of quantity with Directorate General of Foreign Trade (DGFT) and import of sugar is permitted at a moderate import duty of 15%.

Q. How much sugar has been exported/imported from the country during last five sugar season?

R. Statement showing the year-wise position of import and export of sugar for the sugar season

2008-09 to 2012-13 as per DGCIS, Kolkata is as under:-

(Fig. in lakh MT)

Year	Quantity Imported	Quantity Exported
2008-09	24.47*	2.165
2009-10	41.80*	2.371
2010-11	3.65	28.14
2011-12	1.886	36.735
2012-13	17.12	12.02

*As per data furnished by Deptt. of Revenue.

Q. Whether the prices of sugar have shown a sudden jump in the country during last sugar season?

R. The prices of sugar in the domestic market depends upon a number of factors viz. supply, demand, international sugar prices, global sugar situation and market sentiments etc. During last sugar season, the all-India average retail prices of sugar have remained stable in the domestic market.

Q. What are the schemes being financed from Sugar Development Fund (SDF)?

R. Under the Sugar Development Fund Act 1982, the Fund can be utilized by the Government of India for the following:-

- Making loans for facilitating the rehabilitation and modernization of any sugar factory.
- Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated.
- Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of sugar industry.
- Defraying expenditure on internal transport and freight charges on export shipment of sugar
- Making loans to any sugar factory to implement a project of bagasse-based co-generation of power.

f. Making loans to a sugar factory for production of anhydrous alcohol or ethanol.

g. Defraying expenditure for the purpose of building up and maintenance of buffer stock with a view to stabilizing price of sugar.

h. Defraying expenditure for the purpose of financial assistance to sugar factories towards interest on loans given in terms of any scheme approved by the Central Government from time to time.

i. Defraying expenditure on marketing and promotion service for raw sugar production

j. Defraying any other expenditure for the purpose of the Act.

Sugar Development Fund is an important source of funds for providing loans at concessional rate to sugar factories to modernize and expand their capacity and utilize the by-products like bagasse and molasses to improve revenue generation and their viability.

Q. What are the schemes recently announced by the Government to help the millers to pay the cane dues to farmers?

R. The Central Government has announced two main schemes in recent past to help the sugar mills to pay the cane arrears to the farmers. The details are given as below:-

(I) Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014)

The Government has formed an Informal Group of Union Ministers (IGOM) under the Chairmanship of Minister of Agriculture to look into the problems of sugar sector. On the recommendations of IGOM, the Government on 3.1.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth ₹6,600 crores by bank 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. Interest burden on this loan, estimated at ₹2,750 crores over next

five years would be borne by the Government through Sugar Development Fund.

(II) Incentive Scheme for Marketing and Promotion of Raw Sugar Production

In order to encourage sugar factories to diversify their produce of traditional white sugar into raw sugar for export, the Government on 28.2.2014 has notified another scheme allowing incentives for marketing and promotion services for raw sugar production targeted for export market for a quantity of 40 lakh MT during 2013-14 and 2014-15 sugar seasons from SDF. The incentive available under the Scheme shall be utilized by the sugar mills for making payment to the farmers. Till March 2014, about 15 lakh MT of raw sugar has been produced in the country.

Q. Please give details of courses available in the National Sugar Institute, Kanpur.

R. Three Post Graduate Diploma Courses and four Certificate level Courses, as given below, are being conducted by National Sugar Institute, Kanpur:-

a) PG Diploma Courses-

- (i) Associateship of National Sugar Institute (Sugar Technology).
- (ii) Associateship of National Sugar Institute (Sugar Engineering).

- (iii) Diploma in Industrial Fermentation & Alcohol Technology.

b) Certificate level Courses-

- (i) Sugar Boiling Certificate Course.
- (ii) Sugar Engineering Certificate Course.
- (iii) Pre-harvest Cane Maturity Survey Course.
- (iv) Certificate Course in Quality Control (to commence from academic session 2014-15).

Besides these, the Institute also conducts Fellowship programme in Sugar Technology/ Sugar Chemistry, Sugar Engineering and Fermentation Technology.

Q. Has the Institute undertaken any research work/study for improving productivity of the sugar industry as a whole?

R. The institute has studied the problem of lower productivity i.e. lower yield and lower sugar content in cane, prevailing in the sub-tropical region from last few years and suggested ways and means to overcome the problem during various seminars and conferences. The Institute has also arranged seminars in various parts of the country to create awareness about improvement in productivity of the sugar and ethanol units and importance of farm mechanization.



Chapter-VII

EDIBLE OILS



Chapter: VII

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 Directorate of Vanaspati, Vegetable Oils and Fats (DVVOF) under this Department coordinates management of edible oils in the country through a multi-pronged strategy, namely, (i) assessment of the shortfall in the demand and the domestic availability of edible oils through import so as to maintain their prices at reasonable level; (ii) close monitoring of the prices and availability of edible oils both in the domestic and in the international market, etc. and initiating necessary policy measures.

MAIN EDIBLE OILS

7.2 There are two sources of oils – primary source and secondary source. The primary sources 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, rice bran and oilseed cakes. The production of nine principal oilseeds and net availability of edible oils from domestic sources (primary source and secondary source) for the years 2010-11, 2011-12, 2012-13 and estimated production for 2013-14 are given at **Annex-XVIII**.

7.3 As per the Final Estimates of Ministry of

Agriculture released on 14.02.2014 for 2012-13, estimated Oilseeds production is about 309.43 lakh MT and estimated production of oils from these oilseeds in 2012-13 comes to about 72.03 lakh MT. As per the Second Advance Estimates of Ministry of Agriculture released on 14.02.2014 for 2013-14, estimated oilseeds production is about 329.83 lakh MT and production of oils from these oilseeds will be about 77.80 lakh MT.

DIRECTORATE OF VANASPATI, VEGETABLE OILS & FATS

7.4 The Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) of the Ministry of Consumer Affairs, Food and Public Distribution is a specialized organization in the field of Vegetable Oils and Fats and Vanaspati at the Government level. The DVVO&F is staffed with qualified technical people. DVVO&F assists the Ministry in the coordinated management of Vegetable Oils, particularly relating to production/availability and monitoring of prices. The activities of DVVO&F include regulatory, developmental and advisory functions

7.5 The Regulation Order i.e Vegetable Oil Products Production and Availability (Regulation) Order, 2011 has come into force w.e.f. 7th September, 2011 which is now being administered by the Directorate. A producer who intends to produce,



Sources of edible oils

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 Chief Director as specified in the Schedule-I, and obtain a registration certificate as specified in Schedule (II) of the said order. 334 edible oil refining industries and solvent extraction units have been registered under the said order.

R&D PROGRAMME FOR DEVELOPMENT OF VEGETABLE OILS

7.6 The DVVO&F is operating a Plan Scheme “Research and Development of the DVVO&F” during the 12th Five Year Plan period (2012-17). The broad objectives of the R&D Schemes are to coordinate and concentrate research efforts for development of technology for increased production of oils from oil bearing materials and optimum utilization of these materials. The approved outlay for the Plan Scheme of the DVVO&F during the 12th Five Year Plan period is ₹1.00 crore with annual allocation of ₹20 Lakhs.

7.7 There are 4 on-going R&D projects which are being carried out by 3 research institutes. The total allocation for the year 2013-14 is ₹14.30 Lakhs. Four on-going R&D projects under the Scheme are given below:

- i. “Studies on Antihypertensive and Hypocholesterolemic effect of sesame seed protein” – Department of Chemical Technology, University of Calcutta.
- ii. “Stabilization of Omega 3 Fatty Acids in oil based products (Stabilization of Omega 3 Fatty Acids in edible oil blends/vanaspati/margarine/shortening or butter like products using natural oxidants” – Institute of Chemical Technology, Mumbai.
- iii. “Pilot Scale Production of Structured Mustard oil containing Medium Chain Fatty Acids by Lipase Catalysed Reaction and Evaluation of their Physical Chemical and Bio-chemical Parameters” – Department of Chemical Technology, University of Calcutta.
- iv. “Development of Technology to make

low cost Nutritionally effective ‘ready to eat’ protein rich human food from oilseed or De-oiled edible seed cakes (seed meals)” – School of Community Science & Technology, Bengal Engineering and Science University, Shibpur, West Bengal.

ASSESSMENT OF PRODUCTION AND SUPPLY OF EDIBLE OILS

7.8 The production of domestic oilseeds has shown an increase since the year 2003-04. However since demand of 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, the domestic production alone is not able to meet the total demand.

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

(In lakh MT)

Year (Nov. Oct)	Production of Oilseeds (Primary Source)*	Net availability of edible oils from all domestic sources**	Imports***	Total Availability/ Consumption of edible oils
2009-10	248.82	79.46	74.64	154.10
2010-11	324.79	97.82	72.42	170.24
2011-12	297.98	89.57	99.43	189.00
2012-13	309.43	92.19	106.05	198.24
2013-14	329.83	100.26	35.77 (upto Feb.,14)	-

Source:

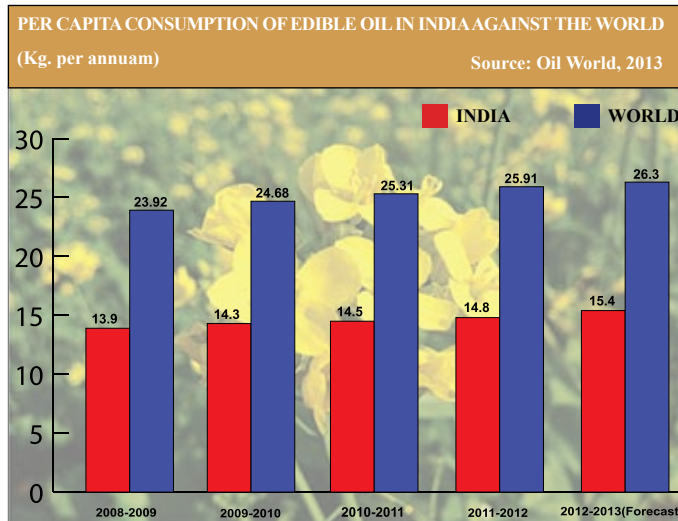
* Ministry of Agriculture

** Directorate of Vanaspati, Vegetable Oils and Fats

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

7.10 Per capita consumption of edible oils in the country as compared to world per capita consumption of edible oils since 2008-09 has

been as under:-



IMPORT POLICY ON EDIBLE OILS

7.11 Since there has been a continuous demand in excess over domestic supply of edible oils, 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.

7.12 In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. Since 23.01.2013, the custom duty on imported crude edible oils has been revised from nil to 2.5% and subsequently since 20.01.2014; the custom duty on imported refined edible oils has been revised from 7.5% to 10.0%. This duty structure is being continued during the current year.

7.13 About 50% of domestic demand of edible oils is met through imports, out of which CPO and RBD palmolein constitute about 77%, soyabean oil and Sunflower oil about 11% each. During the Oil Year 2011-12 (Nov.-Oct.), 99.43 lakh MT of edible oils had been imported as against 72.42 lakh MT during the corresponding period of 2010-11 (i.e. increase of 23.4%). This may be due to bad and irregular monsoon in oil year 2011-12 (Nov.-Oct.). During Oil Year 2012-13, 106.05 lakh MT of edible oils had been imported against 99.43 lakh MT during the corresponding period of November- October

2012 (an increase of 6.7%).

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 3.8.2001 issued by Ministry of Finance. Subsequently, tariff values on import of Crude Palmolein, Crude Soyabean Oil, Other Palm Oils and Others Palmolein had been notified and revised from time to time. Government has taken decision to defreeze the tariff value, frozen since 2006 to align it with the current international prices which will help to augment the domestic availability of edible oils and better capacity utilization of refining industry. Accordingly, the Department of Revenue has issued Notification No.25/2014-CUSTOMS (N.T.) dated 31.03.2014. The tariff values are as under:-

Name of Oil	Crude Palm Oil	RBD Palm Oil	Other Palm Oil	Crude Palmolein	RBD Palmolein	Other Palmolein	Crude Soyabean Oil
Tariff Value (USD per MT)	964	1002	983	1012	1015	1014	985

Note: Tariff value is revised fortnightly.

IMPORT DUTY ON EDIBLE OILS

7.15 Since there has been a continuous demand in excess over domestic supply of edible oils, 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. In order to maintain uninterrupted supply of edible oils at affordable prices to the consumers, particularly in the context of domestic shortfall in edible oilseed production and keeping in view the high prices of edible oils, duty structures of edible oils is reviewed from time to time. The present custom duty on imported crude and refined oil is 2.5% and 10.0% respectively.

PRICES OF EDIBLE OILS

7.16 As per the Department of Consumer Affairs, during the last one year (as on 31.03.2014), the wholesale domestic prices (Minimum Price) of mustard oil, groundnut oil, sunflower oil and vanaspati have increased by 5.80%, 7.59%, 6.29% and 9.18% respectively whereas the prices of sunflower oil has remained stable during this period.

7.17 As per the information compiled from the market sources, the wholesale domestic prices of sesame oil has declined by 29.92% whereas the prices of cottonseed oil, coconut oil, rice bran oil and RBD palmolein have increased by 7.17%, 100%, 37.11% and 20.70% respectively. As on 31.03.2014, the international prices of (FOB) Soyabean oil and (FOB) sun flower oil have declined by 12.94% and 22.17% respectively whereas the international prices of (FOB) crude palm oil and (FOB) RBD palmolein have increased by 15.64% and 8.00% respectively during the last one year.

SCHEME FOR DISTRIBUTION OF SUBSIDIZED IMPORTED EDIBLE OILS

7.18 In order to provide relief to consumers in particular to below poverty line households, from the rising prices of edible oils, the Central Government had introduced a Scheme for Distribution of upto 10 lakh MT of imported edible oils in 2008-09 at a subsidy of Rs.15/- per kg. through State Governments/UTs at the rate of one litre per ration card per month. Five Central Public Sector Undertakings namely, PEC, MMTC, STC, NAFED and NCCF were entrusted the job of import, refining, packing and distribution of subsidized edible oils to the States/UTs.

7.19 The Scheme was extended upto 30.9.2013 for import of edible oils upto 10 lakh MT. States of Maharashtra, Goa, Tamil Nadu, Andhra Pradesh, Himachal Pradesh, Gujarat and Rajasthan were allocated total quantity of about 6.17 lakh MT for period from October 2012 to September 2013 during the period of the scheme. The scheme has helped to moderate the prices of edible oils in the domestic market. Subsidy of ₹368.97 crores and ₹315.75 crores has been

paid during 2012-13 and 2013-14 respectively.

EXPORT PROMOTION OF EDIBLE OILS, OILSEEDS, MINOR OILS & FATS AND OIL CAKE/EXTRACTION

7.20 Exports of oilseeds, minor oils and fats and oil meals during the last five years are as under:-

(Qty.in lakh MT)(Value in crore ₹)

Year (April-March)		2008-09	2009-10	2010-11	2011-12	2012-13
Oil Seeds	Qty.	5.67	5.77	8.58	3.66	8.99
	Value	2966.91	2986.26	4540.89	5819.25	7257.15
Minor Oils and Fats	Qty.	3.11	3.47	3.46	4.05	5.93
	Value	1851.4	1793.4	2380.39	3808.75	4602.07
Oilcake/extract	Qty.	54.28	33.12	51.81	56.10	48.557
	Value	8347.29	5259.29	8311.17	8447.73	11824.70
Total	Qty.	63.06	42.36	63.85	63.81	63.477
	Value	13165.6	10038.95	15232.45	18075.3	23683.92

Source: Solvent Extractors' Association of India

7.21 To contain/stabilize the prices of edible oils in the domestic market export of edible oils has been banned w.e.f. 17.3.2008, which was extended from time to time. Vide Notification dated 25th March, 2013 and Notification dated 18th June, 2013, prohibition on export of edible oils has been extended with following exemptions, till further orders:

- Export of Castor oil, Coconut oil from all EDI Ports and through Land Custom Stations (LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders,
- Edible oils produced out of minor forest produce; and
- Export of edible oils in branded consumer packs of upto 5 Kgs with a Minimum Export Price of USD 1500 per MT which has been further reduced to USD 1400 per MT vide notification dated 9th October, 2013.

State Governments have been allowed to impose stock limits on edible oils and oilseeds upto 30.09.2014.

ISSUES RAISED FREQUENTLY

Q. Who require to register themselves under the Vegetable oil Products Production and Availability (Regulation) Order, 2011?

R. The manufacturer of vegetable oils and vegetable oil products are required to be registered under the Vegetable Oil Products Production and Availability (Regulation) Order, 2011 with the Directorate of Vanaspati, Vegetable Oils and Fats which has come into effect from 7th September, 2011.

Q. Give details of net availability of edible oil from all domestic sources during the last three years?

R. As tabulated below.

Year (Nov- Oct.)	Quantity (In LMT)
2011-12	89.57
2012-13	92.19
2013-14	100.26

Q. Give quantities of import of edible oils during the last three years?

R. As tabulated below:

Year (Nov- Oct.)	Quantity (In LMT)
2011-12	99.43
2012-13	106.05
2013-14	35.77 (Upto Feb.,14)

Q. What is the import policy of edible oils?

R. Government reviews the duty structure of edible oils from time to time. With effect from 23.01.2013, the custom duty on imported crude edible oils has been revised from nil to 2.5% and w.e.f. 20.01.2014, the custom duty on imported refined edible oils has been revised from 7.5% to 10.0%. This duty structure is being continued during the current year.

Q. What is the export policy of edible oils?

R. Export of edible oils has been banned w.e.f. 17.3.2008, which was extended from time to time. Vide Notification dated 25th March,

2013 and Notification dated 18th June, 2013, prohibition on export of edible oils has been extended with following exemptions, till further orders:

- i. The exemptions include export of Castor oil, Coconut oil from all EDI Ports and through Land Custom Stations (LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders;
- ii. Edible oils produced out of minor forest produce; and
- iii. Export of edible oils in branded consumer packs of upto 5 Kgs with a Minimum Export Price of USD 1500 per MT which has been further reduced to USD 1400 per MT vide notification dated 9th October, 2013.

Q. Whether the prices of edible oils have increased or declined during the last one year?

R. As per the Department of Consumer Affairs, during the last one year (as on 31.03.2014), the wholesale domestic prices (Minimum Price) of mustard oil, groundnut oil, sunflower oil and vanaspati have increased by 5.80%, 7.59%, 6.29% and 9.18% respectively whereas the prices of sunflower oil has remained stable during this period.

As per the information compiled from the market sources, the wholesale domestic prices of sesame oil has declined by 29.92% whereas the prices of cottonseed oil, coconut oil, rice bran oil and RBD palmolein have increased by 7.17%, 100.00%, 37.11% and 20.70% respectively. As on 31.03.2014, the international prices of (FOB) Soyabean oil and (FOB) sun flower oil have declined by 12.94% and 22.17% respectively whereas the international prices of (FOB) crude palm oil and (FOB) RBD palmolein have increased by 15.64% and 8.00% respectively during the last one year.



Chapter-VIII

INTERNATIONAL CO-OPERATION



Chapter-VIII

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 Organization (FAO), International Grains Council (IGC) etc. Interface of Department of Food & Public Distribution with these organizations is handled in 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 3-4, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries had 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 was ratified by the President of India on 17th April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of food grains 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 quantum of reserve has 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. Six meetings of the SAARC Food Bank Board have so far been held in which India has been represented through this Department. As decided in the Fourth SAARC Food Bank Board meeting held in Dhaka, Bangladesh during 27th - 28th October, 2010, a concept paper for establishment of food analysis laboratory in the SAARC region was developed in consultation with S&R Division of Department of Food & P.D. The same has since been considered in the Sixth SAARC Food Bank Board meeting held at Thimphu, Bhutan in November, 2013. In the meeting, the Board considered the proposal of India that the existing laboratory facilities available in India to be designated as SAARC Food grain Testing Laboratory to start with. The Board agreed to the proposal to designate the Central Grain Analysis Laboratory (CGAL), New Delhi as the regional reference laboratory for SAARC Food Bank. Besides, Board also agreed to the proposal of India for providing training in food grain storage management at the Indian Grain Storage Management and Research Institute (IGMRI), Hapur. Modalities for both the proposal are being worked out and would be taken up through SAARC division in MEA, in due course.



A view of the Sixth Meeting of SAARC Food Bank Board held in Thimphu, Bhutan during 25th -26th November, 2013

FOOD AND AGRICULTURAL ORGANISATION

8.3 Food and Agriculture Organisation (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. Committee on World Food Security (CFS) monitors the progress of implementation of the WFS Plan of Action. During 7th-11th October, 2013, a 5-member Indian delegation led by Hon'ble Minister of State (Independent Charge) for Consumer Affairs, Food & Public Distribution attended 40th Session of CFS in Rome, Italy.

G-20 MATTERS

8.4 A Steering Committee has been constituted in the Department of Agriculture & Cooperation under the Chairmanship of Secretary (A&C) to oversee the development, follow-up action on the initiative declared in Ministerial declaration endorsed at G-20 Agriculture Ministers' meeting held in June, 2011. The Committee comprises representatives from different line Ministries. Deptt. of Food & P.D. 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 Deptt. of Agriculture & Coop. to carry out different mandate as considered appropriate.

INTERNATIONAL GRAINS COUNCIL

8.5 India is a member of the International Grains Council (IGC) which was previously known as International Wheat Council upto 1995 and is an intergovernmental forum of exporting and importing countries for co-operation in wheat and coarse grain matters. 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 1995 (IGA) comprises Grains Trade Convention (GTC) and Food Aid Convention (FAC). India is a signatory

to the IGA and its GTC 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 Committee meetings and Executive Committee meetings.

- 8.6 India was holding the post of Vice-Chairman of International Grains Council (IGC) for the fiscal 2012-13(1st July 2012 to 30th June, 2013) with Mr. Deepak Kumar, Joint Secretary in the Department of Food & Public Distribution held the Ex-officio position as Vice-Chairman of International Grains Council (IGC) for 2012-13.
- 8.7 During the year 2013, the following meetings of International Grains Council have been attended & deliberated by officers/delegation of this Department:-

Meetings of IGC	Represented by
37 th Council Session and IGC Grains Conference, 2013 of IGC held in London during 10 th -11 th June, 2013	An Indian delegation comprising of Shri Deepak Kumar, Joint Secretary in his capacity as Vice-Chairman, IGC accompanied by Shri Sriprakash Kar, Executive Director (Import/Export), Food Corporation of India
38 th Council Session of the International Grains Council (IGC) held on 6 th December, 2013 in London, U.K.	Shri V.M. Rao, Director, Department of Food & P.D.

VISITS OF FOREIGN DIGNITARIES

8.8 In order to strengthen the bi-lateral relations especially in the Food & Agriculture sectors, foreign dignitaries at the level of Foreign Ministers, Ambassadors and high level business executives of the countries concerned visit this Department to have delegation level talks with Hon'ble Ministers, Secretaries & other officers of this Department. Details of the dignitaries visited this Department during 2013 are given in the table placed at next page.

Delegation	Purpose of the visit
Visit of a German delegation of German Parliamentary Committee on Food, Agriculture and Consumer Protection on 4 th February, 2013	Meeting with an Indian delegation led by Hon'ble MoS(IC) CA, F&PD to have a firsthand experience on Food Security in India as well as to get to know the Government of India's opinion on the future of Food Security in a globalised world.
Visit of Hon'ble Minister of Industry, Commerce and Consumer protection of the Government of Mauritius on 15 th February, 2013	Meeting with Hon'ble MoS(I/C) CA, F&PD on a courtesy call.
Visit of a Canadian delegation led by Ms. Rachel Kehrig, Director of Communications and Market Promotion, Saskatchewan Pulse Growers (SPG) from Canada on 7 th March, 2013	Meeting with a Govt. of India delegation led by Shri Deepak Kumar, Joint Secretary in the Department of Food & P.D. to discuss on matters related with pulses and TPDS.
Visit of a German delegation headed by Mr. Friedrich Wacker, Deputy Director General, Federal Ministry of Food, Agriculture and Consumer Protection, Germany on 1 st May, 2013	Meeting with an Indian delegation led by Secretary (F&PD) to discuss issues related to the impact of Food Security Bill on markets in agricultural commodities.
Visit of a delegation led by Hon'ble Minister of Agriculture of Chile, H.E. Mr. Luis Mayor on 11 th June, 2013	Meeting with an Indian delegation led by Hon'ble MoS(I/C) CA, F&PD to discuss on bilateral relations.
Visit of UK's All Party Parliamentary Group (APPG) on Agriculture and Food for Development led by Lord Cameron of Dillington, Chair of the Steering Board of Government's Global Food Security Programme	Meeting with an Indian delegation led by Secretary (F&PD) on 4 th October, 2013 to discuss food security issues.

WORLD FOOD PROGRAMME

8.9 Government of India allocates food grains under a Country Programme Action Plan (CPAP) 2008-2012 signed between the Government of India and the United Nations World Food Programme (WFP), allocation of food grains (Rice & Wheat) have been made by Department of Food & Public Distribution at BPL issue prices for the development schemes to be utilized in various WFP assisted projects in India. A total quantity of 1,65,065 MT of foodgrains have been allocated during 2008 to 2011. The current Country Programme 2008-2012 was extended upto December, 2013 to facilitate the transition in new country strategy.

8.10 Every year review and approval of WFP's

Annual Action Plans (AWPs) by Deptt. of Agriculture & Cooperation is undertaken with the participation of this Department being one of the implementing partners for Component 1: Capacity Development for food Security. For the year 2013, AWPs 2013 has been approved by this Department. The Annual meeting of the Country Programme Advisory Committee (CPAC) of WFP India Country Programme 2008-2013 for the year 2013 was held on 4th June, 2013 under the Chairmanship of Secretary (A&C).

WFP's Annual Work Plan (2014)

8.11 The AWP, 2014 has also been prepared by WFP and the same is to be finalized during the next meeting of Country Programme Action Committee (CPAC) likely to be held shortly under the Chairmanship of Secretary (DAC).

ISSUES RAISED FREQUENTLY

Q. What is Global Hunger Index & Position of India in the Index?

R. The Global Hunger Index(GHI) is an Index which ranks countries on a 100-point scale in which zero is the best score (no hunger) and 100 the worst. The GHI report is brought out by the International Food Policy Research Institute (IFPRI). As per the latest IFPRI's GHI report brought out in October, 2013 India ranks 63rd out of 120 countries with a score of 21.3 while India was ranked 65th out of 120 countries with a score of 22.9 last year.

Q. How GHI is calculated?

R. GHI is calculated combining three equally weighted indicators i.e. 1. Undernourishment: the proportion of undernourished people as a percentage of the population (reflecting the share of the population with insufficient caloric intake); 2. Child underweight: the proportion of children younger than age five who are underweight (that is, have low weight for their age, reflecting wasting, stunted growth, or both), which is one indicator of child under nutrition 3. Child mortality: the mortality rate of children younger than age five (partially reflecting the fatal synergy of inadequate caloric intake and unhealthy environments).

Q. What is Government's view on GHI?

R. The GHI is only indicative of undernourishment and not hunger per se and that also based largely on data of children under the age of five. The Index does not reflect the number of hungry or lack of availability of food or access to food to the people in the society. So it is not a proper index for reflecting the situation of hunger level in the country and cannot even be used to compare the same with the rest of the countries.

Q. What is Global Food Security Index & Position of India in the Index?

R. The Global Food Security Index (GFSI) is brought out by the Economic Intelligence Unit (EIU)

through its news magazine 'The Economist'.

Food security is defined as the state in which people at all times have physical, social, and economic access to sufficient and nutritious food that meets their dietary needs for a healthy and active life. Using this definition adapted from the 1996 World Food Summit, the Global Food Security Index considers the core issues of affordability, availability, and quality across a set of 107 countries. The index is a quantitative and qualitative scoring model, constructed from 27 unique indicators, that measures these drivers of food security across both developing and developed countries. The overall goal of the study is to assess which countries are most and least vulnerable to food insecurity through the categories of Affordability, Availability, and Quality and Safety.

As per the latest GFSI adjusted for the 4th quarter 2013, India ranks 70 out of 107 countries.

Q. How GFSI is calculated?

R. The Global Food Security Index considers the core issues of affordability, availability, quantity and safety of food across both developing and developed countries. The Index gives scores ranging from 0-100, where 100 is most favourable.

Q. What is Government's view on GFSI?

R. The GFSI does not provide data/ranks of various countries on the specific dimensions but only on the composite index. The report also does not give reasons of present ranking of India in the Food Security Index. Moreover, methods used for data gathering, its analysis and forecasting are not test checked/validated by Government of India or any UN agencies.

Q. What are the steps taken by Government to improve food security situation in the country?

R. As regards steps taken to ensure food security in the country, the Government of India

has accorded high priority to the issue of hunger and malnutrition in the country and is implementing several schemes/programmes of different Ministries/Departments through State Governments/UT Administrations to improve food security situation in the country. The Targeted Public Distribution System (TPDS) has been one of the major initiatives of Government of India in its efforts to provide food security to millions of poor in the country. Procurement of food grains through the Minimum Support Price operations in the Central Pool by the Government for meeting the requirements of the Public Distribution System (PDS) also ensures payment of assured remunerative prices to the farmers thereby incentivizing enhanced production and productivity. Thus, the PDS assures both remunerative prices to the farmers and availability of food grains to the vulnerable population at affordable prices.

Government has also notified the National Food Security Act, 2013 on 10th September, 2013 to address the issue of affordability, accessibility and effective coverage under the Targeted Public Distribution (TPDS) by entitling about two thirds of the population to receive foodgrains at highly subsidized prices. The objective of the Act is to provide 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. The Bill has provisions of nutritional support to children and women especially pregnant and lactating women.

Q. What are the salient features of SAARC Food Bank?

R. The salient features of the agreement on the SAARC Food Bank are given below:-

- The Food Bank shall have a reserve of food grains consisting of either wheat or rice, or a combination of both. The reserve shall be the property of the country maintaining it and shall be in addition to the national reserve maintained by it.
- Considering the large size of the country and operational feasibility, the stock of

food grains for the Bank would be kept in different strategic locations in the country in the designated Food Corporation of India (FCI) Godowns to facilitate movement of foodgrains in case of necessity.

- The food grains reserves of India in the SAARC Food Bank are from the stock of food grains procured under Central Pool.
- The Member Country in need may directly request another Member Country in case of a food emergency or shortage for release of food grains. Each country shall be entitled to withdraw food grains from its own reserves to meet emergencies and shortages.
- A food emergency shall mean a state or condition in which a Member Country, having suffered a severe and unexpected natural or man-made calamity, is unable to cope with such a state or condition by using its national reserve.
- A food shortage shall mean a state or condition in which a Member Country has suffered a production shortfall and/or storage shortfall, and finds it difficult to cope with such a state or condition by using its national reserve.
- Specifications of food grains have been so finalized that every country of the region can contribute to the SAARC Food Bank from its national reserves.
- The prices and terms of payment for food grains will be mutually decided by countries giving and taking the food grains. Humanitarian aspects would be factored into the price only in case of emergencies.

Q. When did the SAARC Food Bank Operationalised?

R. The Sixth meeting of SAARC Food Bank Board recommended that 7 January, 2013 may be deemed as the date of entry into force of the SAARC Food Bank Agreement. None of the member countries have so far drawn any food grains from SAARC Food Bank.

Q. What are the shares of each SAARC Member countries in SAARC Food Bank?

be maintained in the Member States stands as follows:-

R. Presently proportionate food grain reserve to

(In MT)

Sl. No.	Country	Assessed Reserve	
		As per the decision of the 1 st Meeting in Colombo in 2008	As per the decision of the 3 rd Meeting in Kabul, 2009
1.	Afghanistan	1,420	2,840
2.	Bangladesh	40,000	80,000
3.	Bhutan	180	360
4.	India	1,53,200	3,06,400
5.	Maldives	200	400
6.	Nepal	4,000	8,000
7.	Pakistan	40,000	80,000
8.	Sri Lanka	4,000	8,000
Total		2,43,000	4,86,000



Chapter- IX

CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY



Chapter - IX

CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

9.1 There are three Central Public Sector Enterprises (CPSEs) – Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Hindustan Vegetable Oils Corporation Limited (HVOC) 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 three CPSEs and Regulatory Authority during current financial year are given in succeeding paragraphs.

A. FOOD CORPORATION OF INDIA

9.2 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 Food Corporation of India was set up in 1965 under an Act of Parliament called the Food Corporations Act, 1964 (Act No. 37 of 1964).

9.3 The functions of FCI primarily consist of purchase, procurement at Minimum Support Price (MSP) from farmers, storage, movement, transportation, distribution and sale of foodgrains on behalf of the Central Government. Besides, it is also engaged in handling, storage and distribution of sugar in North Eastern States and Jammu & Kashmir.

ORGANISATIONAL SET-UP

9.4 The Food Corporation of India coordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 24 Regional Offices, one Port office at Kandla and 168 District Offices as on 31.03.2014. With effect from 01.01.2014, one special Regional Office headed by a DGM level Officer was opened at Imphal covering the political State of Manipur.

STAFF POSITION

9.5 The Category-wise staff position as on 31.03.2014 is as under:-

Category	Sanctioned Strength	Men In Position
A	1,012	804
B	6,292	4,369
C	26,831	12,523
D	2,380	4,805
Total	36,515	22,501

* Men-in-position includes employees working against Engineering, Hindi and watch & Ward posts for which sanctioned strength is under review.

CAPITAL STRUCTURE

9.6 The authorized/subscribed capital of FCI is as under:-

(Fig. in crore ₹)

	As on 31.3.11	As on 31.3.12	As on 31.3.13	As on 31.3.14
Authorized Capital	3,500.00	3,500.00	3,500.00	3,500.00
Subscribed Capital				
(i) working capital	1,484.00	1,484.00	1,484.00	1,484.00
(ii) Const. of Godowns & Silos**	993.09	1,055.03	1,078.31	1,081.31
(iii) IISFM Project	96.74	96.74	96.74	96.74
(iv) Others	13.90	13.90	13.90	13.90
Total	2,587.73	2,649.67	2,672.95	2,675.95
** Equity release for NE during the year	25.00	59.94	19.28	NIL

AUDIT & ACCOUNTS

9.7 The responsibility of auditing of the accounts of the Food Corporation of India rests with the Comptroller and Auditor General of India (C&AG). The Accounts of the Corporation for the year 2011-12 along with report of C&AG and reply thereto has been laid before both the

Houses of Parliament during March'2013 and for the year 2012-13, the Accounts have been consolidated and audited by the C&AG.

9.8 The turnover of the Corporation for the last six years is indicated below:-

(Fig. in crore ₹)

Year	Purchases	Sales	Subsidy on Food Grains	Total
2007-08	38,595.76	18,195.86	30,051.50	86,843.12
2008-09	53,178.79	17,289.26	34,787.46	1,05,255.51
2009-10	62,731.10	23,320.38	42,873.11	1,28,924.59
2010-11	73,324.71	25,566.58	56,394.42	1,55,285.71
2011-12	87,888.64	26,686.92	68,697.06	1,83,272.62
2012-13	1,01,923.28	39,849.73	80,563.18	2,22,336.19
2013-14 (Budgeted)	1,21,610.43	37,628.14	81,895.00	2,41,133.57

PROCUREMENT

Wheat Procurement

9.9 During RMS 2013-2014, total procurement of Wheat for the central pool is 250.92 lakh MT as against 381.48 lakh MT, during RMS 2012-13.

9.10 Punjab, Haryana, Madhya Pradesh & Uttar Pradesh accounted for more than 91% of the total procurement of wheat during RMS 2013-14. There has been a considerable decrease in the quantity of wheat procured in all states due to low yield and better market prices.

Paddy Procurement

9.11 The total quantity of paddy procurement during KMS 2012-13 was 388.05 lakh MT, as against 377.24 lakh MT of paddy procured during the corresponding period of KMS 2011-12.

Rice Procurement (including paddy in terms of rice)

9.12 The total procurement of Rice during KMS 2012-13 for Central Pool is 340.44 lakh MT as against 350.60 lakh MT of rice (including rice equivalent of unmilled paddy) during the corresponding period of KMS 2011-12.

Procurement of Levy Rice

9.13 The procurement of Levy Rice by FCI &

State Govt. for the central pool during 2012-13 as on 05.02.14 is 80.44 lakh MT as against 97.85 Lakh MT of levy rice received during the corresponding period of KMS 2011-12.

Paddy and Rice Procurement during KMS 2012-13

9.14 The total procurement of Rice (including rice equivalent of un-milled paddy) during KMS 2012-13 is 340.44 lakh MT as against 350.60 lakh MT of rice received during the corresponding period of KMS 2011-12.

Procurement of Coarse grains

9.15 In the States of Haryana, Maharashtra, Karnataka, Madhya Pradesh, Chhattisgarh and Andhra Pradesh, the State Govt. and their agencies undertook the procurement of coarse grains. The region wise procurement of coarse grain during last two marketing seasons is as under:-

(Fig. in lakh MT)

Region	2011-12				2012-13			
	Jowar	Bajra	Maize	Ragi	Jowar	Bajra	Maize	Ragi
Maha-rashtra	-	-	139	-	63,843	-	9	-
Chhattisgarh	-	-	450	-	-	-	-	-
M.P.	-	-	16,803	-	5,740	-	2,234	-
A.P.	-	-	-	-	-	-	-	-
Karna-taka	-	-	-	1,157	-	-	-	-
Har-yana	-	17,385	-	-	-	-	-	-
Raja-sthan	-	-	-	-	-	-	-	-
Total	-	17,385	17,392	1,157	69,583	-	2,243	-

Procurement of Wheat under RMS 2014-15

9.16 Under RMS 2014-15 total 3.45 lakh MT quantity of wheat is procured as on 31.03.2014. Wheat procurement has been started only in M.P.

Procurement of Paddy & Rice under KMS 2013-14

9.17 Region-wise procurement of levy, CMR and

total rice during KMS 2013-14 as on 31.03.2014 is as under:-

(Fig. in lakh MT)

	States/ UTs	Levy	CMR (including Paddy in terms of Rice)	Total Rice
1	A.P.	30.25	5.50	35.75
2	Assam	0.00	0.00	0.00
3	Bihar	0.00	6.62	6.62
4	Chandigarh	0.00	0.12	0.12
5	Chhattisgarh	0.00	53.37	53.37
6	Haryana	0.01	23.96	23.97
7	Jharkhand	0.00	0.00	0.00
8	J&K	0.00	0.00	0.00
9	Karnataka	0.00	0.00	0.00
10	Kerala	0.00	2.02	2.02
11	M.P.	0.00	10.40	10.40
12	Maharashtra	0.00	1.26	1.26
13	Orissa	0.01	18.91	18.92
14	Pondicherry	0.00	0.00	0.00
15	Punjab	0.00	81.06	81.06
16	Rajasthan	0.00	0.00	0.00
17	Tamil Nadu	0.00	6.59	6.59
18	U.P.	4.67	6.08	10.75
19	Uttrakhand	3.47	0.32	3.79
20	West Bengal	3.94	3.40	7.34
	Total	42.35	219.62	261.97

Procurement of Coarse grains in KMS 2013-14

9.18 Region wise procurement of Coarse-grains during KMS 2013-14 as on 31.03.2014 is as under:-

(Fig. in MT)

REGION	2013-14				
	Jowar	Bajra	Maize	Ragi	Total
Maharashtra	85	-	93,315	-	93,400
Chhattisgarh	-	-	1,204	-	1,204
M.P.	-	-	86,046	-	86,046
A.P.	-	-	2,58,577	-	2,58,577
Karnataka	-	-	6,54,814	-	6,54,814
Haryana	-	-	-	-	-
Rajasthan	-	-	-	-	-
Total	85	-	1093956	-	1094041

PAYMENT TO FARMERS

9.19 As per letter No. 5(10)/2010-Py.I dated 16.09.2012 and O.M.No.011/FUD/005/142453 dated 30.08.2011 issued by the Department of Food & PD, FCI is making payment to farmers through electronic mode/cheques in all states except the State of Punjab and Haryana where payment to farmers is made through Katcha Arhtiyas until further clarification from Ministry of Law.

9.20 MSP of Wheat during RMS 2012-13 and 2013-14 are as under:-

(₹ per quintal)

Commodity	RMS 2012-13	RMS 2013-14
Wheat	1,285	1,350

9.21 MSP of Paddy & Coarse grains during KMS 2012-13 and KMS 2013-14 are as under:-

(₹ per quintal)

Commodity	KMS 2012-13	KMS 2013-14
Paddy – Common	1,250/-	1,310/-
Paddy – Grade ‘A’	1,280/-	1,345/-
Jowar - Hybrid	1,500/-	1,500/-
Jowar - Maldandi	1,520/-	1,520/-
Bajra	1,175/-	1,250/-
Maize	1,175/-	1,310/-
Ragi	1,500/-	1,500/-

STOCK MANAGEMENT

9.22 In RMS 2013-14, a quantity of 250.92 lakh MT wheat was procured. The procurement of rice in KMS 2013-14 is 261.97 lakh MT (upto 31.03.2014) and procurement is still going on. During KMS 2012-13, 340.44 lakh MT of rice (including paddy in terms of rice) was procured.

9.23 The stock holding under Central Pool as on 1st day of April, 2014 is 381.12 lakh MT (Rice 202.78 lakh MT and Wheat 178.34 lakh MT). Rice does not include un-milled paddy of 153.35 lakh MT out of which CMR that

could be derived taking out turn ratio as 67% will be 102.74 lakh MT. The Crop Year-Wise Position of issuable stock in Central Pool as on 31.03.2014 is as under:-

(Fig. in lakh MT)

Crop Year	Wheat		Rice*	
	Stock	% age of stocks	Stock	% age of stocks
2014-15	3.69	2.27	0	0
2013-14	134.33	82.49	133.32	68.29
2012-13	24.82	15.24	61.90	31.71
2011-12& earlier	0.00	0.00	0.00	0.00
Total	162.84	100	195.22	100

*Excluding Un-milled paddy.

Note: This stock excludes stocks in transit, BRL/Upgradable/Non-issuable/ 'C&D' category wheat and 'D' category Rice

TARGETED PUBLIC DISTRIBUTION SYSTEM

9.24 The TPDS is operated under the joint responsibility of Central Government and States/UTs. While the Central Government makes allocation of food grains, the distribution of food grains under TPDS and Other Welfare Schemes (OWS) to the targeted beneficiaries is made by the State/UT Governments and their agencies. FCI ensures adequate food grains stocks at all its base depots throughout the country for TPDS and OWS.

9.25 During 2013-14 the Department had made additional allocation at APL/BPL price for TPDS beneficiaries. Allocations were also made at economic cost, MSP derived price and OMSS Price for drought/flood relief, festivals etc. The Department had also made allocation in respect of 11 States/UTs viz. Haryana, Delhi, Himachal Pradesh, Rajasthan, Punjab, Karnataka, Chhattisgarh, Maharashtra, Chandigarh, Bihar and Madhya Pradesh under NFSA.

9.26 The actual off take of wheat and rice under TPDS, additional allocations and welfare schemes of the Government of India during the

year 2013-14 are as follows:-

(Fig. in lakh MT)/(Provisional)

Name of scheme	Category	2013-2014*		
		Wheat	Rice	Total
(a)TPDS	APL	70.90	47.65	118.55
	APL Addl.	23.02	11.55	34.57
	BPL	52.71	109.31	162.02
	BPL Addl.	4.21	12.56	16.77
	Antyodaya	28.34	65.21	93.55
	NFSA	22.82	10.52	33.34
	Other than NFSA	2.32	0.80	3.12
	Total TPDS	204.32	257.60	461.92
(b) Addl. Allocations for relief/flood & Festivals etc.		2.65	3.61	6.26
(C) Other Welfare Schemes (OWS)		13.74	29.11	42.85
(d) OMSS(D)		61.06	1.68	62.74
(e) Tender Sale other than OMSS(D)		0.04	0.00	0.04
Grand Total		281.81	292.00	573.81

(*) Upto 31.03.2014

Note: (1) Offtake includes stocks lifted by the state Govt. from the stocks procured under decentralised procurement scheme (DCP).

(2) Other Welfare Schemes include Mid Day Meal, Nutrition Programme, Welfare Institutions and Hostels, Relief/Festivals, Annapurna, WFP, Grain Bank, Emergency Feeding Programme, and Defence/BSF/CRPF.

9.27 In North Eastern States, difficulties are faced in maintaining adequate level of food grains stocks due to topographical constraints and natural calamities. The induction of stocks in the North-Eastern States is a perpetual problem which gets acute during the monsoons due to breaches in roads, landslides, cloud burst and washing away of bridges in the region etc. FCI is taking all possible steps to induct as much stocks as possible with a view to meet the monthly allocations in North Eastern States. Besides, the law and order problems, the constraints of the Railways to carry the required number of rakes on daily basis for the North Eastern States is also another limiting factor.

9.28 The State-wise issue of food grains under all the schemes during the year 2013-14 (upto 31.03.2014) and the comparative position of

the corresponding period during the year 2012-13 in NE States are as under:-

(Fig. in lakh MT)

State	Wheat		Rice	
	2012-13 (upto 31.03.13)	2013-14 (upto 31.03.14)	2012-13 (upto 31.03.13)	2013-14 (upto 31.03.14)
Assam	5.50	6.02	17.94	14.95
Arunachal	0.10	0.07	1.05	1.00
Tripura	0.30	0.32	3.32	3.30
Manipur	0.33	0.33	1.70	1.53
Nagaland	0.48	0.31	1.36	1.32
Mizoram	0.15	0.09	1.54	1.57
Meghalaya	0.29	0.29	1.92	1.94
Total	7.15	7.43	28.83	25.61

9.29 It may be seen from the table above that during the year 2013-14 (upto 31.03.2014) the total offtake of wheat has increased from 7.15 lakh MT to 7.43 lakh MT and in case of rice it has decreased from 28.83 lakh MT to 25.61 lakh MT in the NE as compared to the corresponding period in the last year.

9.30 The comparative stock position of food grains and sugar in the North Eastern Region as on 31.03.2013 and 31.03.2014 is as under:-

(Fig. in lakh MT)

As on	Wheat	Rice	Sugar	Total
31.03.2013	0.44	2.86	0.18	3.48
31.03.2014	0.35	2.31	0.00	2.66

9.31 The stocks as on 31.03.2014 in respect of wheat and rice is decreased by 0.09 lakh MT and 0.55 lakh MT, respectively when compared to the stock position as on 31.03.2013 in the NE Region. The stock of sugar is Nil as on 31.03.2014 due to discontinuation of sugar operations by FCI in NE States.

IMPORT & EXPORT

Import

9.32 There has been no import of food grains (wheat & rice) by FCI on Government account during the year 2013-14.

Export

9.33 There has been no sale of Rice from Central Pool for export purposes to PSUs/Private Exporters during the year 2013-14.

Government of India decision to give 2.5 Lakh MT wheat to Afghanistan on donation basis

9.34 Against 2.5 Lakh MT wheat to be delivered to Government of Afghanistan on donation basis, nominated agency of MEA had lifted 1,00,000 MTs, 49,725 MT (Approx.) & 1,00,760 MT (Approx.) stocks from FCI Depot, Gandhidham during 2011-12, 2012-13 and 2013-14, respectively. Thus, total 2,50,485 MT of wheat stocks has been issued to MEA as on 31.03.2014. Payment of 1.00 LMT and 69,713.975 MT wheat amounting to ₹170.62 crores & Rs.138.27 crores respectively have also been received from MEA.

Export of 45 Lakh MT (20.0 + 25.0 LMT) of wheat from Central Pool stocks through CPSUs

9.35 As per the direction of GoI vide OM No. 4-6/2012-Impex dated 06.07.2012 and 03.01.2013 to export 20 lakh MT of wheat upto 31.03.2013 and further 25 lakh MT upto 30.6.2013 respectively, from Central Pool stock through CPSUs viz. STC, MMTC & PEC, a total quantity of 42.40 lakh MT wheat stocks have been exported against approved quantity of 42.05 lakh MT as per details given below:-

(Fig. in MT)

Year	Qty. Exported
2012-13	28.99
2013-14 (Upto August,13)	13.41
Total	42.40

9.36 During the year 2013-14, Government of India vide O.M. No. 4-11/2013-Impex dated 30.08.2013 & 04.9.2013 has decided to export 20 lakh MT of wheat from Central Pool stocks through CPSUs upto 30.06.2014. CPSUs have accordingly floated tenders for 24.10 lakh MT of wheat out of which 14.02 lakh MT has been approved as on 31.03.2014. Against this, a total quantity of 12.30 lakh MT wheat stocks has been shipped/exported upto 31.03.2014.



Export of wheat through Kandla Port - Visit of Secretary (F&PD)

QUALITY CONTROL

9.37 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 Govt. of India and inspected regularly during storage to monitor the quality. Representative samples of the stocks are drawn for physical and chemical analysis to ensure whether the quality standard meets the parameters of laid down specifications of Govt. of India and Food Safety & Standard Authority (FSSAI). This is done through a network of about 1850 laboratories throughout the country. The laboratories at Zonal & Regional level are equipped to carry out physical & chemical analysis of the foodgrains. The District and Depot laboratories generally undertake physical analysis of foodgrains.

9.38 Laboratories across the country are being upgraded with latest equipments. The Institute of Food Security (IFS) Lab, Gurgaon would be upgraded as a State-of-Art-Lab.

9.39 The senior Q.C. Officers undertake frequent visits to the procurement & storage points to inspect the quality of foodgrain stocks

and advise 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 fixing responsibilities on all found responsible for procurement of stocks beyond laid down parameters. Long term/short term training is held for QC staff on procurement and preservation of foodgrain management.

- 9.40 Periodical disinfection measures are undertaken i.e. prophylactic and curative treatments are imparted to the stocks with the permitted insecticides to ensure the health of the grains so that it may be preserved in the highest category possible. Preventive measures are also undertaken to control rodents, birds and pest infestation.
- 9.41 The stocks of foodgrains strictly conforming to uniform specifications of Govt. of India standard are issued to PDS by adopting joint sampling system scrupulously.

NON-ISSUABLE (DAMAGED) FOODGRAINS AND THEIR DISPOSAL

- 9.42 Food grains which do not conform to FSSAI and further cannot be reconditioned for normal issue are considered 'Non-Issuable grains'. Damage to the stock may occur in the CAP storage or in transit.
- 9.43 Such stocks need to be salvaged to segregate sound grains, for issue under normal channels. Stocks not fit for normal issue will have to be dealt with as 'Non-Issuable grain'. The Non-Issuable stocks on receipt in the godowns or



Quality control operation

detected in the depot, are properly checked and segregated on the basis of condition and proportion of sound grains present into different lots.

- 9.44 The issuable food grains classified under various categories are disposed off as per procedure. Fresh allocations and sale of Non-Issuable foodgrains held by the FCI and State Agencies is made only to bonafide registered parties to avoid circulation of Non-Issuable foodgrains into the market. Executive Directors (Zone) & General Managers (Region) are vested with full power for disposal of Non-Issuable foodgrains.
- 9.45 A quantity of 16,776.496 MTs Non-Issuable foodgrains has been disposed off during 2013-14 (w.e.f. April 2013 to March 2014). A quantity of 10,285.875MT non-issuable food grains is lying with FCI in various Regions/ Zones in the country as on 31.03.2014, out of which 5,197.60 MTs is covered by tender/ auction.

INTER STATE INFLOW OUTFLOW BY RAIL & ROAD

- 9.46 Details of inter-State inflow and outflow of food grains by rail and road during the year 2012-13 and 2013-14 are given at **Annex-XIX**.
- 9.47 Details of movement of sugar during 2012-13 and 2013-14, month-wise movement of food grains and sugar during financial year 2013-14 and month-wise movement of food grains ex-Punjab and Haryana during 2013-14 are given at **Annex-XX**.

ENGINEERING DIVISION

- 9.48 Some of the highlights/achievements made by the Engineering Division of FCI during the year 2013-14 (as on 31.03.2014) are as under:

(1) Upgradation of Food Storage Godowns:

In FCI, to monitor upkeep of Food Storage Depot, a parameter with different threshold has been devised in scientific manner. Status of FSD at any instant of time is indicated in terms of 'Grade'. FSD with grade below 50 has been termed as 'poor' and Grade above 80 in

the scale of 100 is termed as 'excellent'.

During FY 2013-14, 100 nos. of depots having grade less than 50 were targeted to be upgraded to minimum Grade of 60. All the targets i.e. 100 nos. of depots have been achieved as on 31.03.14.

(i) Office Building:

Status of construction of various office building of the FCI is given below.

- i. Zonal Office/Regional Office, Mumbai (Borivilli) – Completed and occupied.
- ii. Regional Office/Distt. Office, Chennai (Egmore) – Completed and occupied
- iii. Regional Office, Chattisgarh - Completed & occupied
- iv. District office, Hissar (Haryana) – Work started on 27.11.2013 and targeted to be completed by 26.08.2014.
- v. District Office, Gandhidham (Gujarat) and District Office, Kota (Rajasthan) – Architect/consultant appointed. Drawings under preparation.
- vi. Regional Office, Patna (Bihar) – Recommendations for tender acceptance for appointment of consultant pending from RO (Patna) as there is a proposal for hiring of accommodation for the aforesaid building on built up area basis.
- vii. ZO/ RO/ ZTI – Guwahati (Assam) – Foundation stone laid by the Hon'ble Minister. Work has been entrusted to CPWD. An estimate for construction of boundary wall and site development has been approved. Concept plan have been prepared & reviewed by designated committee in Zonal Office. Concepts Plan are under preparation.

(ii) Mechanization of Storage Operations:

As a part of various steps towards modernization of logistic system, corporation is introducing mechanized bag handling systems to achieve the efficiency in operations by providing a set comprising of conveyer belt & stacker.

Initially it was proposed to introduce the installation of conveyer belt and stacker through HTC. As such installation is not available in India; the tender process could not proceed. In view of above, BOD, FCI decided that instead FCI should install such sets in each Zone as prototype. Accordingly, in the MoU 2013-14, a target of 22 no. (for excellent rating) was fixed. As on 31.03.2014 twenty one such prototypes have been set up.

The working of such conveyer and its advantages will be made available to HTC contractors, to introduce mechanized Handling Transport Contract (HTC) in first phase during next Financial Year 2014-15.

(iii) Storage Construction Programme:

A. North East States:

In view of non-identification/non-handing over of land by the respective State Governments, cost over run, requirement of B Class Station, huge development work etc., the Ministry has directed that the project-wise position should be reviewed in detail, only for the projects where works are in progress, land is in possession with FCI or in advanced stage of handing over or land acquisition cost deposited with the State Government. Accordingly, the proposal to augment the approved capacity of 5,40,280 MT was revised as follows:-

(Fig. in MT)

Total appd. cap. as per EFC dt.1.7.2011	Capacity completed during 11 th FYP	Capacity proposed in 12 th FYP under Ph.I	Capacity to be augmented in form of Silos through PPP mode at Changsari	Capacity proposed under Ph.II (13 th FYP)
5,40,280	24,180	2,92,730	50,000	1,73,370

The proposal for creation of 2,92,730 MT capacity (37 locations) during 12th FYP under Phase -I was finalized with a financial outlay of ₹509.76 crores. The same has been approved by EFC in its meeting held on 14.02.2014 and by CCEA on 20.03.2014.

At present the works for a capacity of 1,26,030 MT (19 locations) are in progress and for a capacity of 1,43,500 MT (12 locations), the

land cost deposited/to be deposited/to be intimated. Further for a capacity of 17,7,90 MT (3 locations) the land is yet to be identified. An expenditure of ₹30.94 crores has been made in 2013-2014.

B. Areas other than NE:

There is a proposal to create a capacity of 76,220 MT at 9 locations. Out of this, the targeted capacity of 20,000 MT (3 locations) for FY 2013-14 has been achieved in full. The land cost for 2 location deposited, at 2 locations cost to be intimated, at 1 location notification to be issued and at 1 location land is yet to be identified. An expenditure of ₹11.02 crore has been made in FY 2013-2014.

MoU 2013-14

9.49 Under Corporate Social Responsibility and Sustainable Development (CSR&SD), FCI has to provide canteen facilities and public convenience facilities in FCIs owned depots for all stakeholders, also, in order to recharge the rain water, provision of rain water harvesting systems are also provided in FCIs depots. Further, it has also been decided to plant trees in the depots for better environment. Accordingly, for the year 2013-14, targets to provide 12 nos.- canteen facilities, 32 nos.- public convenience, 100 pits- rain water harvesting system and 50,000- plantation of trees was set. At the end of 2013-14, all the set targets have been achieved.

TRAINING

9.50 The Food Corporation of India has its own training institute, the Institute of Food Security (IFS) at Gurgaon (Haryana). The institute imparts training to officers and officials in various disciplines relevant to FCI operations i.e. Depot Management, Quality Control, Industrial Relations, Administration, Computer, Vigilance, Financial Management, Financial Accounting Package, Rajbhasha Hindi etc. It also conducts Management Development Programmes. IFS also imparts on the job training to newly recruited Management Trainees. The Management has envisaged orientation/induction training programme

for officers/officials to keep them abreast on the operational/functional activities of the Corporation at the grass root level. The major achievements of IFS during the period 2013-14 are:-

- 111 training programmes involving 1,908 in-service officers/officials have been conducted so far totalling mandays – 7,768.
- Institute of Food Security also conducted commercial training programmes involving State Government officers/officials, through IGMRI.

9.51 In addition to the training at IFS, officers of FCI are also nominated for various specialized/management development programmes in professional Institutes of repute viz. Administrative Staff College of India, Hyderabad; CBI Academy, Ghaziabad; ICWAI, New Delhi; National Productivity Council New Delhi; Fore School of Management, New Delhi; Standing Committee of Public Enterprises, New Delhi. In addition, for newly recruited AG-III (Technical) a special Quality Control Programme has also been arranged at IGMRI, FS, Ludhiana/Hyderabad. These programmes include diverse subjects having direct relevance to the functioning of FCI. In all, officers/officials have so far been nominated in 61 specialized programmes from April, 2013 to March, 2014.

9.52 In order to keep pace with the changing environment in view of globalization and liberalization policy of GOI, 2 senior level management officers were deputed abroad to attend various conferences. One officer visited Hong Kong to attend 33rd EXCOM meeting of AFMA another officer visited London to attend International Grain Council Conference.

9.53 In addition to the training efforts at the corporate level, training programmes are also conducted at various Zonal Training Institutes (ZTI's) located at Noida, Mumbai, Kolkata, Guwahati and Chennai. These ZTI's mostly impart in-service training to Cat.III officials within the Zone apart from conducting induction training

for newly recruited Cat.III staff. On actual joining of newly recruited category III officials during January 2014 orientation programme will be organized at Zonal Headquarters.

9.54 Thus more than 2,756 officers/officials have already been trained in the Corporation from April, 2013 to March, 2014 and the projected figures for current financial year is likely to meet the MOU (2013-14) target of 1300 wherein the achievement is 15,449 mandays.

9.55 FCI also extended training to students from various recognized Universities and Professional Institutes. Approximately 110 students were imparted summer training at FCI, Hqrs.

COMPUTERIZATION IN FCI

A. Integrated Information System for Food Grains Management (IISFM)

9.56 Ministry of CAF & PD had sanctioned "Integrated Information System for Food Grains Management" (IISFM) Project as a Plan Scheme, with a total estimated cost of ₹96.74 crore, in August, 2003, in its tenth 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.

(i) District Stock Accounting Module (DISFM/District Module)

9.57 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 at NIC. All Zonal offices, Regional offices, District Offices and Headquarters can generate fortnight stock position and off-take MIS reports, along with State/UT-wise reports. DISFM is fully functional at 170 District Offices of FCI.

(ii) IISFM Rapid Reporting Service (IRRS)

9.58 IISFM Rapid Reporting Service (IRRS) application for reporting information related to receipt, issues, despatches of various commodities of food grain stock for all FCI depots (owned and hired) has been stabilised with almost 90% depots reporting up-to-date data, on any given day. Various reports, on stock position and off-take data, depot capacity utilization etc., are generated through this web-based application and used at all levels of FCI offices, with increased reliance. Based on the feedback from various stake-holders 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.

(iii) IRRS in DCP States

9.59 IRRS application has also been extended to the DCP states (7 in no.) to capture Central Pool stock position and off-take information. Among the identified seven DCP States, namely, Chattisgarh, Haryana, Karnataka, Madhya Pradesh, Odisha, Tamil Nadu 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 DCP states viz. Haryana and Uttar Pradesh are continuously being pursued and encouraged to use the IRRS software to report the information related to food grain available with them.

B. New Initiatives

9.60 FCI has accorded highest priority to computerization and has undertaken several initiatives. Highlights of the same are given in succeeding para.

(i) E-tendering

9.61 FCI has taken a decision to switch over to e-tendering (under the CPP Portal, developed by NIC), in compliance to the guidelines issued

by Government of India regarding the use of Central Public Procurement (CPP) portal for e-tendering and to switch over to e-tendering for tenders of value of Rs. 10 lacs and above. It has been decided to completely switch over to e-tendering across all FCI offices and it has been made a parameter in the MOU 2013-14 between FCI and the Department of Food & PD. Accordingly, implementation of the project was initiated in all FCI offices, with specific directions to completely switch over to e-tendering by 31.01.2014.

9.62 The concerned offices have taken all necessary steps for smooth implementation and have switched over to e-tendering solution. As on 31.03.2014, 1501 e-tenders have been floated by various FCI offices, using the CPP portal of NIC.

(ii) Procurement Monitoring System (PMS)

9.63 Procurement Monitoring System (PMS) was developed in compliance to letter No. 17 (16)/2013-Py. I dated 1st July 2013, from Department of Food & PD with an objective of monitoring of the progress of procurement of wheat/rice and to facilitate the FCI and the Department of Food & PD to see the consolidated reports of procurement of wheat/rice done by all the procuring agencies viz., state agencies or FCI.

9.64 NIC provided the final version of the KMS (Paddy/Rice) module of PMS to FCI on 30th Sept. 2013 for KMS 2013-14. During KMS 13-14, PMS was rolled out for testing and feedback with specific instructions to all FCI District Offices to start feeding procurement data on a daily basis. Accordingly, FCI District offices of procuring regions started feeding the data. Most of the operational problems reported were addressed by NIC.

9.65 On 24.03.2014, RMS (Wheat) Module of PMS application has been launched for RMS 2014-15. GM (Regions), have been requested to ensure correct and regular procurement data feeding for RMS 2014-15 in the module, from

the beginning of the RMS 2014-15 in their regions.

(iii) E-litigation

9.66 E-litigation software, developed by NIC, facilitates FCI management to keep a track of pending litigations being pursued against or by FCI in courts across the country. All the pending litigation cases have been entered into the system. All offices have been directed to process all new cases through the application and to update the status of pending cases. All senior officers have been provided a Dash Board where the overview of court cases can be monitored.

C. Financial Accounting Packages (FAP)

9.67 Food Corporation of India has implemented the Financial Accounting Package (FAP) consisting of Oracle Financials and TCS Payroll to facilitate online preparation of books of accounts, ledgers and sub-ledgers maintained in FCI and preparation of payroll for staff, departmental labour and DPS labour covering 60,000 employees. Implementation has been done by TCS. Presently, the Accounts are being prepared through FAP.

MARKET BORROWINGS

I. Cash Credit Facility

9.68 The FCI is enjoying a Cash Credit facility of Rs.54,495 crore from a Consortium of 63 banks led by State Bank of India against a single default guarantee of Government of India. The rate of interest charged to FCI Cash Credit Account is determined as average base rate of top 5 leading banks of the Consortium having highest share plus a positive spread of 65 bps. The interest rate varies with any change in base rate of 5 major banks. The Corporation negotiated with the Consortium of banks for reduction of spread as a result of which the banks reduced the spread from 90 bps to 65 bps on 01.03.2013.

9.69 The effective interest rates charged by the bank

during the period under consideration are as under:-

Sl.No.	Period	Rate of Interest
1	01.03.2013 to 16.07.2013	10.79% p.a.
2	17.07.2013 to 31.08.2013	10.90% p.a.
3	01.09.2013 to 30.09.2013	10.79% p.a.
4	01.10.2013 to 31.12.2013	10.75% p.a.
5	01.01.2014 to 31.03.2014	10.79% p.a.

II. Short Term Loan (STL)

9.70 As a measure to meet the short term requirement over and above the Cash Credit Limit, Corporation is availing Short Term Loan (STL) from the scheduled Banks. The Board of Directors of FCI, in its Circulation of Note No. 1/2013 Circulated vide No. BC/4(1)/2013 dated 29.04.2013, passed the Resolution to take Short Term Loan (STL) to the extent of ₹20,000 crore during the financial year 2013-14. The Corporation raised ₹35,150 crore through STL of different maturities (30 days to 120 days) during the financial year 2013-14. Out of this, amount of ₹18,900 crore has been repaid and balance STL of ₹16,250 crore is outstanding as on 31.03.2014. STL are availed from different banks at their respective base rate ranging from 9.95% to 10.25% which is less than the CCL interest cost. This has resulted in a savings of ₹29.57crore during FY 2013-14.

III. Issue of Bonds

9.71 To reduce the interest cost of funds, the Corporation mobilized ₹8,604.90 crore through issue of bonds in four tranches in the year 2005. The Bonds having tenure of 5 and 7 years amounting to ₹4,690.40 crores has already been redeemed up to 31st March, 2012. Balance of ₹3,914.50 crore shall be redeemed during financial year 2014-15 and 2015-16.

9.72 The FCI also issued Long Term redeemable Government guarantee Bonds of ₹300 crore with maturity of 10 years at a coupon rate of 8.62% p.a. and ₹4,700 crore with maturity period of 15 years at a coupon rate of 8.80% p.a. (aggregating ₹5,000 crore) during March 2013.

9.73 Further, the FCI also mobilized funds of ₹8,000 crore through GoI Guaranteed Bonds with maturity of 8 years at a coupon rate of 9.95% p.a. during March 2014.

IV. Ways & Means Advance

9.74 To meet the temporary requirement of funds, GoI provided FCI ₹10,000 crore in the year 2013-14 at the average 364 days T. Bills rate of interest. This has been repaid to GoI before 31.03.2014.

IMPLEMENTATION OF OFFICIAL LANGUAGE

9.75 The Corporation continued its efforts to increase the use of official language Hindi in its day-to-day functioning. All offices of Food Corporation of India including Headquarters observed Hindi week / fortnight / month in the month of September, 2013.

9.76 During the period from 01.04.2013 to 31.03.2014 the Committee of Parliament on Official Language conducted inspections at Regional office, Guwahati, Itanagar, Ahmedabad & District Offices, Ludhiana, Dharmshala, Gorakhpur, Allahabad, Hapur and Bulandshahar of the Corporation to review the progress in use of Hindi. The Committee appreciated the work being done by the Corporation for effective implementation of Official Language. A number of Hindi workshops have been organized in various offices to train the officials to do official work in Hindi. During the period, a good number of officials have taken part in various incentive schemes introduced in Food Corporation of India and are being honoured with awards.

B) CENTRAL WAREHOUSING CORPORATION

9.77 The Central Warehousing Corporation (CWC) was established in March, 1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, which was subsequently repealed and replaced by the Warehousing Corporations Act, 1962.

9.78 The functions of CWC as defined in the said

Act are:-

- To acquire and build godowns and warehouses at suitable places in India or abroad.
- To run warehouses for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities offered by individuals, cooperative societies and other institutions
- To arrange facilities for transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses.
- To subscribe to the share capital of the State Warehousing Corporations.
- To act as an agent of the Government for the purposes of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities.
- 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 its functions as enumerated in the Warehousing Corporations Act, 1962.
- To establish subsidiary companies.
- To undertake disinfection services outside its warehouses in respect of agricultural produce or notified commodities.
- To act as agent for the purpose of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities as defined in section 2, on behalf of a company as defined in the Companies Act, 1956 (1 of 1956) or a body corporate established by an Act of

Parliament or of a State Legislature or a Cooperative Society.

- To provide consultancy services, assistance, finance, programmes or projects related to agricultural produce or notified commodities and to undertake any other activities considered incidental to its functions.

CAPITAL STRUCTURE

9.79 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 2013-14. The capital structure of CWC is as given below:-

(As on 31.03.2014) (Fig. in lakh ₹)

Institution	Paid up Capital
1. Central Government	3,742.50
2. State Bank of India	1,474.40
3. Other Scheduled Banks	1,091.73
4. Insurance Companies including Life Insurance Corporation of India	477.74
5. Cooperative Societies	14.97
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

9.80 The Corporation is a Schedule 'A', Mini Ratna Category-I PSU with effect from 23 September 2009.

GROWTH IN STORAGE CAPACITY

9.81 The storage capacity operated by CWC as well as its capacity utilization has gradually increased over past few years as may be seen from the following tables. However, the average capacity utilisation has declined during 2013-14 mainly due to low stock position of FCI in view of shortfall in wheat procurement as well as liquidation of stocks for PDS and

export. During the year 2013-14, CWC added 2.21 lakh MT constructed capacity in 14 states including 10,000 MT and 7,800 MT for Odisha State Warehousing Corporation and Primary Agricultural Co-operative Societies (PACS) respectively.

Storage capacity as on	Owned (In lakh MT)	#Hired (In lakh MT)	Total (In lakh MT)	Capacity utilisation %
31.03.2005	66.57	35.29	101.86	67
31.03.2006	66.61	33.77	100.38	79
31.03.2007	67.00	35.20	102.20	74
31.03.2008	67.63	31.15	98.78	76
31.03.2009	67.60	37.65	105.25	86
31.03.2010	68.46	37.52	105.98	85
31.03.2011	69.85	32.62	102.47	86
31.03.2012	71.81	29.04	100.85	91
31.03.2013	73.95	34.07	108.02	91
31.03.2014 (Prov.)	75.96	28.97	104.94	80

Includes covered hired, management warehouses and open capacity

Break-up of storage capacity as on 31.03.2014

	Category	Units (Nos.)	Capacity (lakh MT)
1.	General Warehouses	377	86.51
2.	Bonded Warehouses	57	3.64
3.	CFS/ICDs	31	14.75
4.	Temperature Controlled Warehouses / Cold Storages	05	0.04
	Total	470	104.94(Prov.)

*Some General warehouses and CFSs/ICDs include bonded warehouses also

CAPACITY ADDITION

9.82 Details of the storage capacity constructed by CWC in the years 2009-10 to 2013-14 are as under:-

(In lakh MT)

2009-10	2010-11	2011-12	2012-13	2013-14
0.85	1.45	2.09	2.35	2.21

9.83 The details of State-wise storage capacity created by CWC during 2013-14 are given as under:-

	State	Capacity (In MT)
1.	Assam	7,200
2.	Bihar	1,200
3.	Chhattisgarh	5,000
4.	Haryana	20,500
5.	Jharkhand	1,800
6.	Karnataka	25,300
7.	Kerala	9,000
8.	Maharashtra	5,000
9.	Madhya Pradesh	25,000
10.	Odisha	For CWC - 23,420 For OSWC - 10,000 For PACSs - 7,800 Sub total - 41,220
11.	Rajasthan	65,600
12.	Uttar Pradesh	4,200
13.	Uttarakhand	1,200
14.	West Bengal	8,800
	Total	2,21,020

CAPACITY UTILISATION

9.84 The Storage Capacity of CWC, its utilization and percentage of utilization during the last five years and the year under report are given in the following table:-

Year	Owned/Covered			Hired*			Total		
	Capacity	Utilization	% of Utilization	Capacity	Utilization	% of Utilization	Capacity	Utilization	% of Utilization
2008-09	67.47	55.16	82	31.93	26.20	82	99.40	81.36	82
2009-10	67.82	58.30	86	39.37	33.57	85	107.19	91.87	85
2010-11	68.74	60.64	88	34.77	30.13	87	103.51	90.77	88
2011-12	70.48	64.04	91	29.84	26.76	90	100.32	90.82	91
2012-13	72.71	68.17	94	29.63	26.74	90	102.34	94.91	93
2013-14 (Prov.)	74.15	63.27	85	31.39	27.49	88	105.54	90.76	86

*Includes management warehouses and open storage capacity.

TURNOVER, PROFIT AND DIVIDEND

9.85 The Corporation has been consistently making profits and paying dividend to its shareholders. CWC paid dividend @ 41% of the equity for the year 2012-13. The details of turnover, Profit Before Tax and dividend paid during the years 2003-2004 to 2013-14 are given in the following table:-

(Fig. in crore ₹)

Year	Turnover	Profit Before Tax	Dividend Paid		
			Central Govt.	Others	Total
2003-04	462.86	33.88	2.25	1.84	4.09
2004-05	522.87	60.42	4.49	3.66	8.15
2005-06	619.50	106.95	7.86	6.40	14.26
2006-07	686.44	133.80	10.10	8.23	18.33
2007-08	776.23	154.76	11.23	9.14	20.37
2008-09	849.25	110.44	11.23	9.16	20.39
2009-10	987.95	163.88	14.22	11.61	25.83
2010-11	1029.55	203.73	14.97	12.22	27.19
2011-12	1218.65	159.12*	14.97	12.22	27.19
2012-13	1406.70	209.23	15.34	12.53	27.87
2013-14 (Prov.)	1480.00	240.42	-	-	-

*The Profit Before Tax reduced due to provision of Rs 100.13 crore towards introduction of pension for the employees of the Corporation with effect from 01.01.2007.

(In lakh MT)

PEST CONTROL SERVICES

- 9.86 The Corporation has been providing Pest Control Services to a varied group of clients, both private and public, with the aim to prevent economic and health losses caused by pests, rodents and termites by using ISI marked / WHO approved / eco-friendly pesticides. The Corporation earned gross revenue of ₹20.94 crore during the year 2013-14, which is 3.37% higher than the previous year. 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 AQIS Standards. Besides, Corporation is also registered as fumigation agency and has accreditation for its fumigation operators under NSPM-12 & NSPM-22. The Corporation undertakes quarantine fumigation of cargo and fumigation of export containers and shipments with Methyl Bromide / Aluminum Phosphide and Aircraft disinfections/fumigation as per need of customers.
- 9.87 During the year 2013-14, CWC has successfully fumigated 59 vessels carrying 18.75 lakh MT of export wheat stocks at various ports and earned revenue of ₹243.59 Lakh.
- 9.88 Since April 2012, CWC is also operating the Cargo Terminal of the Integrated Check Post (ICP), Attari (Punjab) and facilitating the import/export trade between India and Pakistan through land route. The management of the Cargo terminal of the ICP was entrusted to CWC by the Land Ports Authority of India (LPAI) (Ministry of Home Affairs) initially for a period of one year, which was later extended



Unloading of imported goods in progress at ICP Attari (Amritsar)

for one more year i.e. up to April 2014. However keeping in view of good performance, the contract has been extended for another three years and is now valid up to April 2017.

- 9.89 The management of Cargo Terminal of the ICP at Agartala (Tripura) on Indo-Bangladesh border has also been assigned by LPAI to CWC initially for a period of one year on similar terms and conditions of ICP, Attari. The operation of the Cargo terminal of ICP, Agartala was commenced in November 2013.

STATE WAREHOUSING CORPORATIONS

- 9.90 The CWC has 17 associates, the State Warehousing Corporations (SWCs). The total investment of the Central Warehousing Corporation, which is 50% shareholder in the equity capital of the SWCs, as on 31.03.2014 was ₹61.79 crore. As on 31.03.2014, the SWCs operated 1693 warehouses with a total capacity of 267.52 lakh MT. The SWCs have constructed additional capacity of 7.63 lakh MT during 2013-2014.

CENTRAL RAILSIDE WAREHOUSE COMPANY LTD.

- 9.91 The Central Railside Warehouse Company Limited, a PSU under Department of Food and Public Distribution, was incorporated under the Companies Act, 1956. The certificate for commencement of business was received on 24th July, 2007. The Share capital of Rs 40.56 crores as equity of the new company has been subscribed by CWC. Besides, CWC has also transferred 7 of its Railside Warehouses to the CRWC.

- 9.92 Railside Warehousing Complexes are being operated at the following locations:-

(Fig. in MT) (Position as on 31.03.2014)

	Name of RWC	Capacity
1.	Whitefield, Bangalore	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
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.	Dehri-on-Sone, Bihar	11,700
17.	Dankuni, Kolkata	13,750
18.	Mysore, Karnataka	12,500
19.	Jogeshwari, Mumbai	9,000
	Total	3,22,467

9.93 The development of RWC at Jogeshwari (Mumbai) with 19,000 MT is under construction out of which a capacity of 9,000 MT has been operationalized. The RWC is to be made fully operational by May 2014. The CRWC is also in consultation with the Ministry of Railways for setting up of RWCs at Cochin (Ernakulam), Malda (West Bengal), Changsari (Assam), Gandhidham (Gujarat), Kandla, and parcel facilities at NGC, Guwahati.

9.94 During the year 2013-14, CRWC handled 1,25,700 wagons as against 1,23,015 wagons handled during 2012-2013.

Total Number of Wagons Handled

Year	Total Wagon Handled
2011-12	1,10,580
2012-13	1,23,015
2013-14	1,25,700

Total Installed Warehouse Capacity

Year	Total Installed Capacity
2011-12	3,00,967
2012-13	3,13,467
2013-14	3,22,467



RWC, Jogeshwari, Mumbai, under construction

9.95 The financial results of CRWC during the year under report as against the preceding two years are given below:-

(Fig. in lakh ₹)

Year	2011-12	2012-13	2013-14*
Income	7419.64	8392.21	9240.35
Expenditure	5487.83	5944.99	6541.41
Profit Before Tax	1931.81	2447.22	2698.94
Profit After Tax	1330.93	1646.73	1808.29

*Provisional

9.96 In view of improved financial performance, CRWC paid interim dividend of Rs. 608.40 lakh i.e. @ 15 % of the equity for the year 2013-14 as against 10 % for the year 2012-13.

(C) HINDUSTAN VEGETABLE OILS CORPORATION LIMITED

9.97 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 Bangalore and Chennai. All the units except Breakfast Foods Unit (BFFU) located in Delhi were closed in the year 2001. The liquidation of the company is presently being done exclusive of BFFU. The liquidator

has so far disposed off the moveable assets of the units at Chennai, Mumbai, Amritsar and Bangalore. The disposal of such assets of the unit at Kanpur is in progress. The Breakfast Food Unit (BFFU) of HVOC, since it was not able to recover the incremental costs from the operation, to minimize the loss the production activities have been discontinued from June, 2011.

9.98 The efforts were made by asking Central Warehousing Corporation (CWC) and Food Corporation of India (FCI) to carry out due diligence exercise so as to ascertain whether they can takeover HVOC along with its assets, liabilities and the remaining manpower. These PSUs have indicated their inability to take over HVOC. Ordnance Factory Board (OFB) under Deptt. of Defence Production, Ministry of Defence (MoD) was also approached to consider take over of HVOC. A Committee in this regard was constituted by Department of Defence Production, Ministry of Defence (MoD) comprising the representatives of OFB, MoD, Department of Food and Public Distribution and HVOC vide letter dated 18.01.2012. The Committee has since submitted its report to Ministry of Defence. The matter has been taken up with M/o Defence and it has now been informed by Ministry of Defence that the matter is still under examination as certain issues have come up during initial scrutiny of the proposal, and no decision has been taken by the Government.

9.99 As none of the PSUs under this Ministry as well as OFB under Ministry of Defence has come forward to take over HVOC/BFFU alongwith its employees and the Government cannot wait for the decision of M/o Defence indefinitely, this Ministry has submitted in the Hon'ble High Court of Delhi for liquidation of the BFFU also.

(D) WAREHOUSING DEVELOPMENT & REGULATORY AUTHORITY

9.100 The Warehousing Development and Regulatory Authority (WDRA) has been constituted by the Government of India on

26th October, 2010 as per provisions of the Warehousing (Development and Regulation) Act, 2007. The Authority, headquartered at New Delhi, comprises of one Chairperson and two Members.

9.101 The responsibility of the Authority is to implement the provisions of the Act and to regulate and promote the orderly growth of the warehousing sector in the country. The main functions of the Authority are listed below:

- i. Registration of Accreditation Agencies.
- ii. Registration of Warehouses & Cold Storages.
- iii. Implementation of Negotiable Warehousing Receipt System.
- iv. To specify the qualifications, code of conduct and practical training for warehousemen and staff engaged in warehousing business.
- v. To regulate the process of pledge, creation of charges and enforcement thereof in respect of goods deposited with the warehouse.
- vi. To promote efficiency in conduct of warehouse business.
- vii. To promote scientific warehousing of goods.
- viii. To promote professional organisations connected with the warehousing business.
- ix. To regulate and develop electronic system of holding and transfer credit balances of fungible goods deposited in the warehouses.

REGULATION OF WAREHOUSING BUSINESS

9.102 As per Section 3 of the Warehouses (Development and Regulations) 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 WDRA after

fulfilling the prescribed norms in respect of the concerned warehouse or warehouses.

ACTIVITIES INITIATED BY THE WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY

9.103 The Authority commenced the following activities during the year 2013-14:

- (i) **Appointment of Accreditation Agencies:** The warehouses are accredited by the approved accreditation agencies prior to their registration with the WDRA to ensure that basic requirements of scientific storage of agricultural and other commodities are fully met by these warehouses. The WDRA has engaged 16 accreditation agencies.
- (ii) **Notification of Agricultural Commodities:** The Authority had notified 115 agricultural commodities including cereals, pulses, oilseeds, vegetable oils, spices, edible nuts and miscellaneous items like rubber, tobacco, tea coffee and makhana for issuing NWRs. 26 horticulture commodities have also been notified for issuance of NWRs by cold storages.
- (iii) **Registration of Warehouses:** 668 applications from the different States have been received till date for registration of warehouses. 518 warehouses have been accredited and 379 warehouses of CWC, SWCs, PACSs and private organisations have been registered with the Authority.
- (iv) **Integration of PACSs with NWR:** The WDRA has taken initiative to integrate the Primary Agriculture Cooperative Societies (PACSs) warehouses under the Negotiable Warehouse Receipt System so that the small and marginal farmers may get benefited from this scheme.
- (v) **Introduction of NWR System cold storages:** The WDRA in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB) has also introduced Negotiable Warehouse Receipt System in cold storages so that the growers/farmers producing horticulture produce may store these commodities in cold storages and may avail the benefits of loan on NWRs issued by the registered cold storages. 26 horticulture

commodities such as Potato, Dehydrated Onion, Garlic, Ginger, Turmeric, Apple and Resins etc. have also been notified. The basic requirements for accreditation of cold storages have been finalized by a Committee appointed by Govt. of India under the chairmanship of MD, National Horticulture Board.

- (vi) **IT Platform:-** The WDRA is establishing an IT platform for an end-to-end NWR system involving application, accreditation, registration of warehouses and issuance and discharge of receipts. The objective is to protect the integrity of the NWR system and safeguard interests of all stakeholders-farmers, depositors, beneficial owners, pledges and also to bring in transparency in the system. The system will be based on a centralized architecture with registered warehouses connected to the central server. The connectivity to the server shall be either on an online or an offline mode depending on the availability of the internet connections. In an offline mode, data shall be transferred using wireless internet cards.

The IT application will enable online registration of accreditation agencies and registration of warehouses, generation of warehouse registration certificates, user-defined MIS and replies to queries. The NWRs will be generated from the system for which robust security features shall be built to prevent any malpractices. It will enable online access by Banks to NWR, online pledge, delivery and discharge of receipts, system generated SMSs to stakeholders, and an online grievance redressal system.

(vii) Training and awareness programme:

- (a) **National conferences:** Regional conferences in association with FICCI, ASSOCHAM, PHD Chamber and CAIT have been organised by the WDRA at New Delhi, Bangalore, Thiruvananthapuram, Chandigarh, Mumbai, Bhopal, Kolkata, Nagpur, Gandhinagar, Lucknow and Chennai to create awareness about the Negotiable Warehouse Receipt System in the country.
- (b) **Training and awareness programme for farmers:** Awareness programmes for farmers are also being organized by the WDRA.

(c) **Training for warehouse managers:** Nine 5-day training programmes for warehouse managers of CWC, SWCs and private warehouses have been organised at Jaipur and Hyderabad.

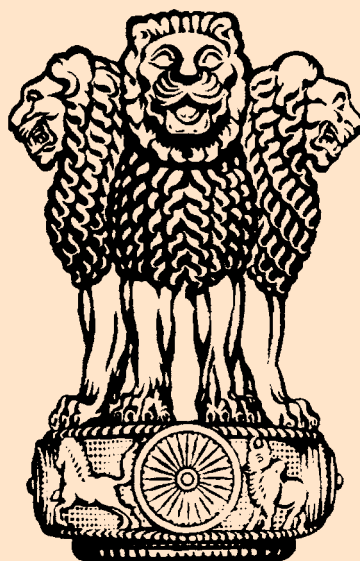
(viii) **Foundation Day Celebration of the WDRA on the 25th October 2013:** The Warehousing Development and Regulatory Authority celebrated its 4th Foundation Day on 25th October 2013. The Foundation Day Function was presided over by Professor KV Thomas, Hon'ble Minister of State (Independent Charge), Ministry of Consumer Affairs, Food and Distribution, Government of India. Shri Sudhir Kumar, Secretary, Government of India, Department of Food and Public Distribution, was the Guest of Honour.



Mrs. Yatinder Prasad, Director WDRA welcoming Shri Sudhir Kumar, Secretary (F&PD) on Foundation Day of the WDRA.



Chapter- X



सत्यमेव जयते

Government of India

R F D

(Results-Framework Document)

for

Department of Food and Public Distribution

(2012-13)

Chapter-X

RESULTS-FRAMEWORK DOCUMENT

INTRODUCTION

- 10.1 The Prime Minister approved the outline of a “Performance Monitoring and Evaluation System (PMES) for Government Departments” vide PMO I.D. No.1331721/PMO/2009-Pol dated 11.09.2009. Under PMES each Ministry/Department is required to prepare a Results-Framework Document (RFD).
- 10.2 A RFD provides a summary of the most important results that a Department/Ministry expects to achieve during the financial year. This document has two main purposes: (a) move the focus of the Ministry/Department from process-orientation to results-orientation; and (b) provide an objective and fair basis to evaluate Ministry's/Department's overall Performance at the end of the year.

FORMAT OF RESULTS-FRAMEWORK DOCUMENT

- 10.3 A Results-Framework Document (RFD) is essentially a record of understanding between a Minister representing the people's mandate, and the Secretary of a Department responsible for implementing this mandate. This document contains not only the agreed objectives, policies, programmes and projects but also success indicators and targets to measure progress in implementing them. To ensure the successful implementation of agreed actions, RFD may also include necessary operational autonomy.
- 10.4 The RFD seeks to address three basic questions: (a) What are Department's main objectives for the year? (b) What actions are proposed to achieve these objectives? (c) How would someone know at the end of the year the degree of progress made in implementing these actions? i.e., what are the relevant success

indicators and their targets?

- 10.5 The RFD contains the following six sections:
- Section 1 Ministry's Vision, Mission, Objectives and Functions;
- Section 2 Inter-se priorities among key objectives, success indicators and targets;
- Section 3 Trend values of the success indicators;
- Section 4 Description and definition of success indicators and proposed measurement methodology;
- Section 5 Specific performance requirements from other Departments; and
- Section 6 Outcome/Impact of Department/Ministry.

RFD OF DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

- 10.6 The RFD 2012-13 has already been uploaded on the website of the Department (<http://www.dfpd.nic.in>) as well as on the website of the Performance Management Division (PMD) of the Cabinet Secretariat (<http://www.performance.gov.in>) through Results-Framework Management System (RFMS).
- 10.7 The High Power Committee on Government Performance reviewed the performance of this Department on the basis of the data submitted by the Department and approved the composite score of 94.03 for the year 2012-13. The Performance Evaluation Report for this Department is given at next page.

Performance Evaluation Report

Objective	Weight	Action	Success Indicator	Unit	Weight	Target	Achievement	Score
1. To undertake price support operations through efficient Procurement of wheat, Paddy/rice and coarse grains.	20.00	Assessing and monitoring the procurement of wheat, rice and coarse grains	Procurement of estimated quantity of wheat, rice and coarse grains between April 2012 to March, 2013	lakh MTs	15.60	562	635.80	15.6
		Expanding geographical coverage of procurement operations	Increase in procurement from non-conventional States of Eastern India as compared to the previous year.	%	2.20	20	15	1.98
		Conduct a study to assess the existing processes and an improved system design for revamping the supply chain	Completion of study on supply chain management by the Consultant	Date	2.20	31/01/2013	21/01/2013	2.2
2. To Strengthen the Targeted Public Distribution System	19.00	Ensure availability of wheat and rice to meet requirement of TPDS and of sugar for BPL families	Issue of provisional allocations of wheat, & rice to States and UTs for the year 2013-14	Date	3.42	28/02/2013	26/02/2013	3.42
			Issue of monthly/ quarterly Sugar quota for PDS by 25 th of each month / quarter	Number	3.42	264	264	3.42
		Issue of provisional allocations to Ministries under Mid-Day meal scheme and Wheat based Nutrition Programme (WBNP) for 2013-14	Provisional allocations of foodgrains	Date	4.56	25/03/2013	12/03/2013	4.56
			Quarterly review of offtake of foodgrains under TPDS and issue of Advisories to the State Govts	Review for January to March 2012	Date	1.04	30/06/2012	22/06/2012
		Review for April to June 2012		Date	1.04	30/09/2012	24/09/2012	1.04
		Review for July to September 2012		Date	1.04	31/12/2012		N/A
		Review for October to December 2012		Date	1.04	25/03/2013	14/02/2013	1.04
		Computerization of Targeted Public Distribution	Obtaining Cabinet approval of Plan Scheme on Computerisation of TPDS, issuance of Administrative approval	Date	3.42	30/09/2012	20/09/2012	3.42
3. Development / promotion of sugar industry	15.00	Fixation of fair and remunerative price (FRP) of sugarcane for the sugar year 2013-14	Circulation of the draft proposal for Inter- ministerial consultations for fixation of fair and remunerative price (FRP) of sugarcane for the sugar year 2013-14	Date	2.85	01/02/2013	23/11/2012	2.85
		Timely sanction and disbursement of SDF loans for modernization and expansion	100% Utilization of BE under SDF	100	2.03	100	100	2.03
			All complete applications received to be decided within six months of receipt	100	2.03	100	100	2.03

Objective	Weight	Action	Success Indicator	Unit	Weight	Target	Achievement	Score
		Impact study of SDF loan	Completion of impact study of SDF lending which may include recommendations on further improvements in working of the SDF	Date	2.03	01/02/2013	31/01/2013	2.03
		Encouragement to set up projects for utilization of by-products for value addition	100% Utilization of BE under Co-gen & Ethanol	100	2.03	100	100	2.03
			All complete applications received to be decided within six months of receipt	100	2.03	100	100	2.03
		Assist sugar industry by way of subsidies as and when required	Settle the claims for export and buffer subsidy by 100% utilization of BE in export and buffer subsidy	100	2.03	100	96	1.95
4. Development of Warehousing Sector	21.00	Investment in Warehousing Infrastructure	Creation of additional warehousing infrastructure	Lakh Tonnes	3.32	2.10	2.35	3.32
		Creation of additional storage capacity for Central stock of foodgrains by PPP Mode	Construction of storage godowns through Private Entrepreneurs/ under PEG scheme	Lakh Tonnes	8.84	45	45	8.84
		Adoption of new storage technologies	Comparative study of energy efficiency of warehouses with transparent sheets viz-a-viz traditional roofing, with AC sheets at five centres by an external agency	Date	2.21	31/01/2013	24/01/2013	2.21
			Comparative study of ambient temperature in warehouses with pre-painted poly-coated/galvalume sheets with turbo ventilators viz-a-viz roofing with AC sheets at two centres by an external agency	Date	2.21	31/01/2013	17/01/2013	2.21
			Mechanization of storage by FCI on pilot basis in two units each of 5000 MTs	Date	2.21	05/03/2013	04/03/2013	2.21
			Completion of study on wastages / loss in storage and distribution of foodgrains in central stocks: Development of a suitable performance indicator	Date	2.21	31/10/2012	09/10/2012	2.21
5. Training Need Analysis and use of Total Quality Management (TQM) techniques	4.00	Conduct training need analysis, including gap analysis and identification of skill requirement/competencies	Completion of the study for identifying training needs, skills requirement/competencies	Date	4.00	30/11/2012	28/01/2013	2.48
6. Improvements in Public Service System	6.00	Finalization of Sevottam Standards through Advanced Study by Consultant	Finalization of Sevottam Standards for various Divisions based on findings of the study	Date	2.00	30/11/2012		N/A

Objective	Weight	Action	Success Indicator	Unit	Weight	Target	Achievement	Score
		Updating of website	Updation of FAQs and their answers on the website	Date	1.00	30/11/2012	28/11/2012	1.0
		Quarterly Review of Performance of the Service Standards to be designed and complied with by various Divisions	Review upto June 2012	Date	1.00	30/09/2012	16/082012	1.0
			Review for July - September 2012	Date	1.00	31/12/2012	17/12/2012	1.0
			Review for Oct.- Dec. 2012	Date	1.00	25/03/2013	28/02/2013	1.0
* Efficient Functioning the of RFD System	3.00	Timely submission of Draft for Approval	On-time submission	Date	2.0	05/03/2012	03/03/2012	2.0
		Timely submission of Results	On- time submission	Date	1.0	01/05/2012	27/04/2012	1.0
* Administrative Reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	2.0	100	100	2.0
		Implement ISO 9001 as per the approved action plan	Area of operations covered	%	2.0	100	100	2.0
		Timely preparation of Departmental Innovation Action Plan (IAP)	On-time submission	Date	2.0	01/05/2013	01/05/2013	2.0
* Improving Internal Efficiency/responsiveness / service delivery of Ministry / Department	4.00	Implementation of Sevottam	Independent Audit of Implementation of Citizen's Charter	%	2.0	100	94	1.88
			Independent Audit of implementation of public grievance redressal system	%	2.0	100	75.93	1.52
* Ensuring compliance to the Financial Accountability Framework	2.00	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year	%	0.5	100	100	0.5
		Timely submission of ATRs to the PAC Sectt. on PAC Reports	Percentage of ATRS submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year	%	0.5	100	100	0.5
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2012	Percentage of outstanding ATNs disposed off during the year	%	0.5	100	42.8	0.0
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2012	Percentage of outstanding ATRS disposed off during the year	%	0.5	100	100	0.5

* Mandatory Objective(s)

Total Composite Score: 94.03



ANNEXURES

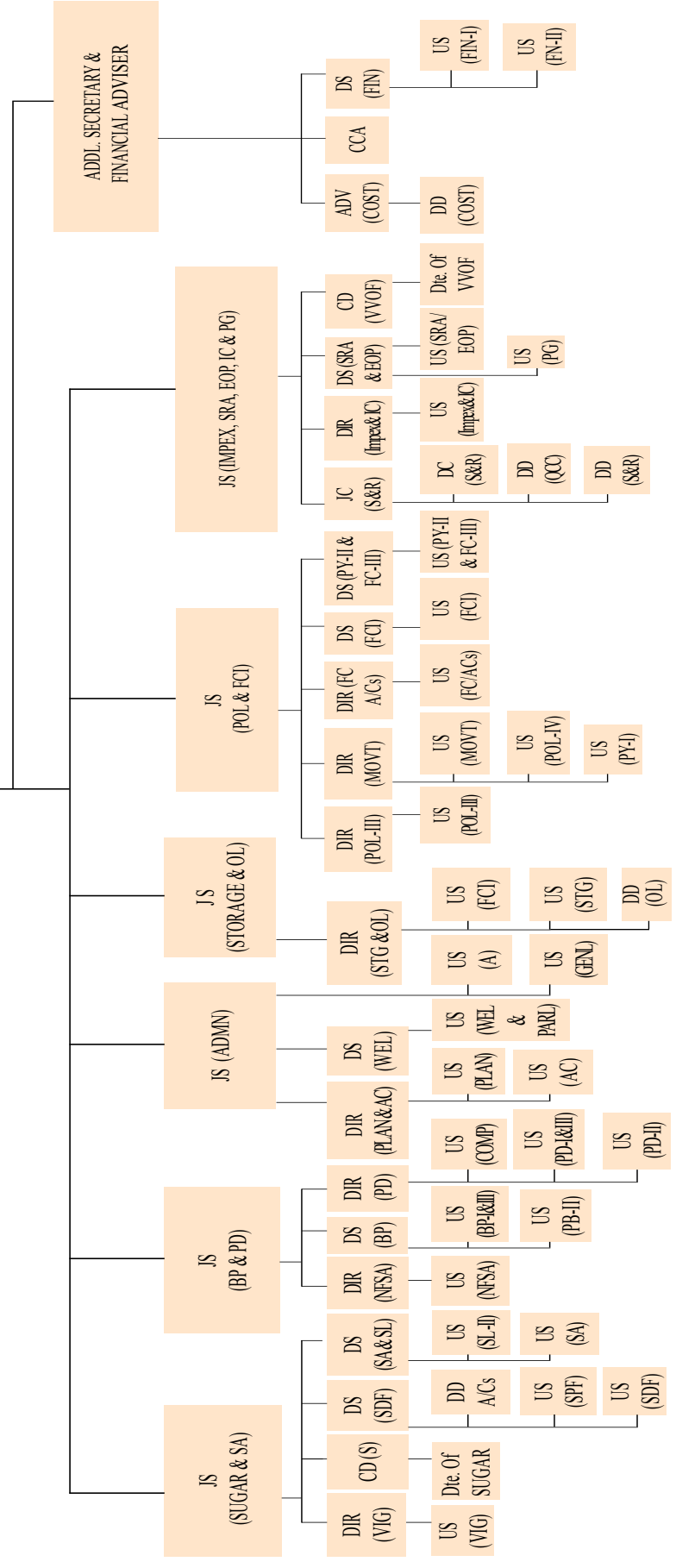
**Annexure-I
(Para-1.3)**

ORGANISATION STURCTURE OF DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

MINISTER FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION*

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

SECRETARY (FOOD & PUBLIC DISTRIBUTION)



Annexure-II (Para-1.3)

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

Group	Department*	SRA Hqrs.	IGMRI, Hapur & Field Stations	QCC	Dte. of Sugar	Dte. of VVOF	NSI, Kanpur	Total
'A'	67	9	13	21	14	10	53	187
'B'	258	15	20	35	17	14	19	391
'C'	237	17	69	63	39	10	235	705
Total	562	41	102	119	70	34	307	1235

*Note:- Including sanctioned strength of CSS/CSCS/CSSS in both attached offices – Directorate of Sugar and VVO&F.

Annexure-III (Para-1.3)

BUDGET ESTIMATE, REVISED ESTIMATE AND EXPENDITURE STATEMENT

(Fig. in crore ₹)

Year	Department	Demand No.	Budget Estimates			Revised Estimates			Actual Expenditure		
			Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2009-10	Food & PD	17	95.00	54679.27	54774.27	70.00	58323.08	58393.08	69.11	60751.77	60820.88
2010-11	Food & PD	17	100.00	67524.81	67624.81	66.11	84480.61	84546.72	64.75	87193.65	87258.40
2011-12	Food & PD	17	120.00	72211.32	72331.32	93.48	84393.93	84487.41	91.17	84332.14	84423.31
2012-13	Food & PD	17	126.00	86835.66	86961.66	85.00	96790.72	96875.72	83.39	96782.02	96865.41
2013-14	Food & PD	17	259.00	101469.64	101728.64	200.00	103406.17	103606.17	192.52	103402.78	103595.30
2014-15	Food & PD	17	330.00	125854.34	126184.34						

Annexure-IV
(Para-3.17)

LEVY PERCENTAGE PREVAILING IN VARIOUS STATES/UTs DURING KMS 2013-14

(Fig. in lakh MT)

Sl. No.	Name of the State/UT	Percentage of levy during KMS 2013-14	Quantum of levy rice procured	
			KMS 2013 -14 (as on 31.03.2014)	KMS 2012-13
1.	Andhra Pradesh	75%	30.25	55.27
2.	Assam	75%	0.00	0.01
3.	Bihar	No levy order issued by state govt.	0.00	0.00
4.	Chhattisgarh	No levy order issued by state govt.	0.00	0.23
5.	Delhi	Nil	0.00	0.00
6.	Haryana	25%	0.01	0.27
7.	Himachal Pradesh	Not Available	0.00	0.01
8.	Jammu & Kashmir	50%	0.00	0.00
9.	Jharkhand	No levy order issued by state govt.	0.00	0.00
10.	Karnataka	25%	0.00	0.59
11.	Kerala	25%	0.00	0.00
12.	Maharashtra	No levy order issued by state govt.	0.00	0.00
13.	Odisha	25%	0.01	0.30
14.	Punjab	No levy order issued by state govt.	0.00	0.00
15.	Rajasthan	No levy order issued by state govt.	0.00	0.00
16.	Tamil Nadu	No levy order issued by state govt.	0.00	0.00
17.	UP	60%	4.62	10.93
18.	Uttarakhand	75%	3.47	4.76
19.	West Bengal	50%	3.94	8.06
20.	Chandigarh	Not available	0.00	0.00
21.	Puducherry	25%		
	Total		42.30	80.43

Annexure-V
(Para-3.18)

**DECREASING TREND OF LEVY RICE PROCUREMENT STATE-WISE PROCUREMENT
FOR PERIOD OF KMS 2008-09 TO KMS 2011-12**

(Fig. in lakh MT)

State/UT	KMS 2008-09	KMS 2009-10	KMS 2010-11	KMS 2011-12
Andhra Pradesh	82.81	72.52	79.69	61.20
Assam	-	-	-	-
Bihar	2.55	1.75	1.16	0.02
Chandigarh	0.05	0.01	0.01	-
Chhattisgarh	7.99	3.90	3.18	1.15
Delhi	-	-	-	-
Gujarat	-	-	-	-
Haryana	2.04	0.52	0.24	0.19
H.P	-	-	-	0.01
J&K	0.05	-	0.08	0.07
Jharkhand	1.17	0.14	0.00	-
Karnataka	1.07	0.75	1.57	2.03
Kerala	-	-	-	-
Madhya Pradesh	0.97	1.17	2.30	0.05
Maharashtra	1.50	0.73	1.78	0.04
Nagaland	-	-	-	-
Odisha	1.02	0.85	0.44	0.45
Puducherry	-	0.07	0.40	0.05
Punjab	4.58	0.25	0.01	-
Rajasthan	0.11	-	-	-
Tamil Nadu	-	-	-	-
Uttar Pradesh	18.16	19.64	15.85	18.00
Uttrakhand	3.42	3.52	4.12	3.66
West Bengal	9.07	6.82	5.22	10.74
All India Total	136.56	112.64	116.05	97.66

**STOCK POSITION OF WHEAT AND RICE IN THE CENTRAL POOL
VIS-À-VIS MINIMUM BUFFER NORMS**

(Fig. in lakh MT)

As on	Wheat		Rice		Total	
	Minimum buffer norms	Actual stock	Minimum buffer norms	Actual stock	Minimum buffer norms	Actual stock
1.1.2009	112.00	182.12	138.00	175.76	250.00	357.88
1.4.2009	70.00	134.29	142.00	216.04	212.00	350.33
1.7.2009	201.00	329.22	118.00	196.16	319.00	525.38
1.10.2009	140.00	271.55	72.00	144.60	212.00	416.15
1.1.2010	112.00	230.92	138.00	243.53	250.00	474.45
1.4.2010	70.00	161.25	142.00	267.13	212.00	428.38
1.7.2010	201.00	335.84	118.00	242.66	319.00	578.50
1.10.2010	140.00	277.77	72.00	184.44	212.00	462.21
1.1.2011	112.00	215.40	138.00	255.80	250.00	471.20
1.4.2011	70.00	153.64	142.00	288.20	212.00	441.84
1.7.2011	201.00	371.49	118.00	268.57	319.00	640.06
1.10.2011	140.00	314.26	72.00	203.59	212.00	517.85
1.1.2012	112.00	256.76	138.00	297.18	250.00	553.94
1.4.2012	70.00	199.52	142.00	333.50	212.00	533.02
1.7.2012	201.00	498.08	118.00	307.08	319.00	805.16
1.10.2012	140.00	431.53	72.00	233.72	212.00	665.26
1.1.2013	112.00	343.83	138.00	322.21	250.00	666.04
1.4.2013	70.00	242.07	142.00	354.68	212.00	596.75
1.7.2013	201.00	423.97	118.00	315.08	319.00	739.05
1.10.2013	140.00	361.00	72.00	190.33	212.00	551.33
1.1.2014	112.00	280.47	138.00	146.98	250.00	427.45
1.4.2014	70.00	178.34	142.00	202.78*	212.00	381.12

* 102.74 lakh MT of CMR is due to be received from the State Agencies against un-milled paddy is not included.

Annexure-VII (Para-3.25)

STATE-WISE STOCK POSITION OF RICE AND WHEAT IN CENTRAL POOL (As on 01.04.2014)

(Fig. 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	1.90	2.72	4.62	0.00	0.00	0.00	1.90	2.72	4.62
Jharkhand	1.06	0.00	1.06	0.00	0.00	0.00	1.06	0.00	1.06
Odisha	1.89	1.24	3.13	4.90	0.00	4.90	6.79	1.24	8.03
West Bengal	0.66	2.20	2.86	3.55	0.00	3.55	4.21	2.20	6.41
Zonal Total	5.51	6.16	11.67	8.45	0.00	8.45	13.96	6.16	20.12
Assam	1.44	0.30	1.74	0.00	0.00	0.00	1.44	0.30	1.74
Arunachal Pd.	0.13	0.01	0.14	0.00	0.00	0.00	0.13	0.01	0.14
Tripura	0.15	0.01	0.16	0.00	0.00	0.00	0.15	0.01	0.16
Mizoram	0.10	0.01	0.11	0.00	0.00	0.00	0.10	0.01	0.11
Meghalaya	0.12	0.01	0.13	0.00	0.00	0.00	0.12	0.01	0.13
Manipur	0.13	0.01	0.14	0.00	0.00	0.00	0.13	0.01	0.14
Nagaland	0.24	0.00	0.24	0.00	0.00	0.00	0.24	0.00	0.24
Zonal Total	2.31	0.35	2.66	0.00	0.00	0.00	2.31	0.35	2.66
Delhi	0.18	1.29	1.47	0.00	0.00	0.00	0.18	1.29	1.47
Haryana	13.86	9.53	23.39	0.00	19.87	19.87	13.86	29.40	43.26
Himachal Pr.	0.08	0.21	0.29	0.00	0.00	0.00	0.08	0.21	0.29
J&K	0.87	0.34	1.21	0.00	0.00	0.00	0.87	0.34	1.21
Punjab	86.41	15.41	101.82	0.00	54.67	54.67	86.41	70.08	156.49
Rajasthan	0.14	12.86	13.00	0.00	0.00	0.00	0.14	12.86	13.00
U.P.	13.72	13.30	27.02	0.00	0.00	0.00	13.72	13.30	27.02
Uttrakhand	1.21	0.37	1.58	0.77	0.00	0.77	1.98	0.37	2.35
Zonal Total	116.47	53.31	169.78	0.77	74.54	75.31	117.24	127.85	245.09
Andhra Pd.	17.82	1.03	18.85	11.83	0.00	11.83	29.65	1.03	30.68
Karnataka	4.24	1.23	5.47	0.00	0.00	0.00	4.24	1.23	5.47
Kerala	2.40	0.93	3.33	1.17	0.00	1.17	3.57	0.93	4.50
Tamil Nadu	4.55	3.49	8.04	4.79	0.00	4.79	9.34	3.49	12.83
Zonal Total	29.01	6.68	35.69	17.79	0.00	17.79	46.80	6.68	53.48
Gujarat	1.05	4.49	5.54	0.00	0.00	0.00	1.05	4.49	5.54
Maharashtra	6.70	6.46	13.16	0.00	0.00	0.00	6.70	6.46	13.16
M.P.	0.17	0.99	1.16	0.41	20.29	20.70	0.58	21.28	21.86
Chhattisgarh	5.29	0.28	5.57	5.73	0.00	5.73	11.02	0.28	11.30
Zonal Total	13.21	12.22	25.43	6.14	20.29	26.43	19.35	32.51	51.86
Total	166.51	78.72	245.23	33.15	94.83	127.98	199.66	173.55	373.21
Stock in Transit	3.12	4.79	7.91	0.00	0.00	0.00	3.12	4.79	7.91
Total (All India)	169.63	83.51	253.14	33.15	94.83	127.98	202.78*	178.34	381.12

* 102.74 lakh MT of CMR is due to be received from the State Agencies against un-milled paddy is not included.

Annexure-VIII
(Para-3.86)

OVERALL MOVEMENT OF FOOD GRAINS DURING 2013-14 (PROVISIONAL)

(Fig. in lakh MT)

Month	2013-14 Overall Movement			2013-14 Overall Movement			2013-14 Movement Ex. North			2013-14 Movement Ex. North		
	Rail	Road	Total	Inter	Intra	Total	Rail	Road	Total	Inter	Intra	Total
April, 13 to Dec., 13	284.53	36.70	321.23	285.29	35.94	321.23	206.73	20.97	227.70	222.94	4.76	227.70
Jan., 14 to March, 14	111.67	14.91	126.58	109.43	17.15	126.58	75.79	8.95	84.74	80.70	4.04	84.74
Total	396.20	51.61	447.81	394.72	53.09	447.81	282.52	29.92	312.44	303.64	8.80	312.44

OVERALL MOVEMENT OF FOOD GRAINS DURING 2012-13

(Fig. in lakh MT)

Month	2012-13 Overall Movement			2012-13 Overall Movement			2012-13 Inter-state Movement Ex. North			2012-13 Movement Ex. North (Rail + Road)		
	Rail	Road	Total	Inter	Intra	Total	Rail	Road	Total	Inter	Intra	Total
April, 12 to Dec., 12	263.63	20.45	284.08	242.36	41.72	284.08	165.14	20.19	185.33	172.41	12.92	185.33
Jan., 13 to March 13	87.31	36.82	124.13	106.82	17.31	124.13	74.03	7.13	81.16	73.82	7.34	81.16
Total	350.94	57.27	408.21	349.18	59.03	408.21	239.17	27.32	266.49	246.23	20.26	266.49

Annexure-IX
(Para-4.14)
STATUS OF IDENTIFICATION OF HOUSEHOLDS UNDER AAY
As on 31.03.2014

(Fig. in lakh)

S.No.	States/UTs	No. of BPL families as on 31.03.14	Estimated No. of AAY families					AAY families identified & Ration Cards issued				
			Initial	1st exp.	2nd exp.	3rd exp.	Total	Initial	1st exp.	2nd exp.	3rd exp.	Total
1	A. P.	40.63	6.228	3.117	2.991	3.242	15.578	6.228	3.117	2.991	3.242	15.578
2	Arunachal Pd	0.99	0.151	0.077	0.073	0.079	0.380	0.151	0.077	0.073	0.079	0.380
3	Assam	18.36	2.815	1.408	1.352	1.465	7.040	2.815	1.408	1.352	1.465	7.040
4	Bihar	65.23	10.000	5.003	4.802	5.205	25.010	10.000	5.003	4.802	5.205	25.010
5	Chattisgarh	18.75	2.874	1.439	1.380	1.496	7.189	2.874	1.439	1.380	1.496	7.189
6	Delhi	4.09	0.626	0.315	0.301	0.326	1.568	0.626	0.315	0.09654	0	1.03754
7	Goa	0.48	0.073	0.037	0.035	0.039	0.184	0.073	0.037	0.035	-	0.145
8	Gujarat	21.20	3.250	1.626	1.561	1.691	8.128	3.250	1.626	1.561	1.661	8.098
9	Haryana	7.89	1.209	0.606	0.581	0.629	3.025	1.209	0.606	0.581	0.27969	2.676
10	H.P.	5.14	0.787	0.395	0.378	0.411	1.971	0.787	0.395	0.378	0.411	1.971
11	J & K	7.36	1.129	0.564	0.542	0.587	2.822	1.129	0.564	0.542	0.322	2.557
12	Jharkhand	23.94	3.665	1.841	1.762	1.911	9.179	3.665	1.841	1.762	1.911	9.179
13	Karnataka	31.29	4.797	2.400	2.303	2.497	11.997	4.797	2.400	2.303	1.876	11.376
14	Kerala	15.54	2.382	1.192	1.144	1.240	5.958	2.382	1.192	1.144	1.240	5.958
15	Madhya Pd	41.25	6.324	3.164	3.037	3.291	15.816	6.324	3.164	3.037	3.291	15.816
16	Maharashtra	65.34	10.017	5.011	4.810	5.215	25.053	10.017	5.011	4.810	5.016	24.854
17	Manipur	1.66	0.255	0.127	0.122	0.132	0.636	0.255	0.127	0.122	0.132	0.636
18	Meghalaya	1.83	0.281	0.140	0.135	0.146	0.702	0.281	0.140	0.135	0.146	0.702
19	Mizoram	0.68	0.105	0.051	0.050	0.055	0.261	0.105	0.051	0.050	0.055	0.261
20	Nagaland	1.24	0.189	0.096	0.091	0.099	0.475	0.189	0.096	0.091	0.099	0.475
21	Orissa	32.98	5.055	2.530	2.428	2.632	12.645	5.055	2.530	2.428	2.520	12.533
22	Punjab	4.68	0.717	0.359	0.345	0.373	1.794	0.717	0.359	0.345	0.373	1.794
23	Rajasthan	24.31	3.726	1.865	1.790	1.940	9.321	3.726	1.865	1.790	1.940	9.321
24	Sikkim	0.43	0.067	0.032	0.032	0.034	0.165	0.067	0.032	0.032	0.034	0.165
25	Tamil Nadu	48.63	7.455	3.730	3.580	3.881	18.646	7.455	3.730	3.580	3.881	18.646
26	Tripura	2.95	0.452	0.227	0.217	0.235	1.131	0.452	0.227	0.217	0.235	1.131
27	Uttar Pd	106.79	16.371	8.191	7.861	8.522	40.945	16.371	8.191	7.861	8.522	40.945
28	Utaranchal	4.98	0.763	0.382	0.367	0.397	1.909	0.763	0.382	0.367	0.397	1.909
29	W. B.	51.79	7.939	3.973	3.813	4.132	19.857	7.939	3.973	2.887	-	14.799
30	A & N	0.28	0.043	0.021	0.021	0.022	0.107	0.043	0.006	-	-	0.049
31	Chandigarh	0.23	0.035	0.018	0.017	0.018	0.088	0.015	-	-	-	0.015
32	D&N UT	0.18	0.028	0.013	0.013	0.015	0.069	0.028	0.013	0.011	-	0.052
33	D & D UT	0.04	0.006	0.003	0.003	0.003	0.015	0.006	0.003	0.003	0.003	0.015
34	Lakshdweep	0.03	0.004	0.003	0.002	0.003	0.012	0.004	0.003	0.002	0.003	0.012
35	Puducherry	0.84	0.128	0.065	0.062	0.067	0.322	0.128	0.065	0.062	0.067	0.322
	Total	652.03	99.946	50.021	48.001	52.030	249.998	99.926	49.988	46.831	45.902	242.646

* Out of the 50 lakh households in the 2nd expansion, 48 lakh households (from BPL) had been earmarked for expansion state-wise and the remaining 2 lakh households were to be identified subsequently by the State where error of exclusion came to light.

** The left over expansion of 2 lakh families of 2nd expansion have been included in the 3rd expansion of AAY scheme to 52 lakh families from 50 lakh families.

PROGRESS OF END-TO-END COMPUTERIZATION OF TPDS OPERATIONS

State/UT	FPS Data*	Godowns data*	Ration Card-Data*	Online allocation	Supply-chain Management	Transparency Portal	Online grievance redressal	Toll free numbers
Andaman & Nicobar Islands	100%	-	100%	In Progress	-	Yes	Yes	Yes
Andhra Pradesh	100%	100%	100%	2 Districts	-	-	Yes	Yes
Arunachal Pradesh	100%	64%	76%	Few locations	-	Yes	-	Yes
Assam	100%	82%	-	-	-	-	-	Yes
Bihar	100%	44%	89%	-	-	Yes	Yes	Yes
Chandigarh	100%	100%	79%	Not operational	-	Yes	Yes	Yes
Chhattisgarh	100%	100%	100%	Implemented	Implemented	Yes	Yes	Yes
Dadra and Nagar Haveli	100%	100%	57%	-	-	Yes	-	Yes
Daman and Diu	100%	100%	51%	-	-	Yes	-	-
Delhi	100%	n/a	100%	Implemented	Implemented	Yes	-	Yes
Goa	100%	100%	100%	In Progress	In Progress	Yes	Yes	Yes
Gujarat	100%	100%	100%	Implemented	In Progress	Yes	Yes	Yes
Haryana	96%	100%	83%	Only 4 blocks	-	Yes	Yes	Yes
Himachal Pradesh	100%	100%	-	-	-	Yes	Yes	Yes
Jammu and Kashmir	100%	100%	86%	-	-	Yes	-	Yes
Jharkhand	100%	-	98%	3 Districts	-	Yes	Yes	-
Karnataka	100%	100%	100%	Implemented	Implemented	Yes	-	Yes
Kerala	100%	100%	100%	-	-	Yes	-	Yes
Lakshadweep	100%	100%	90%	-	-	-	-	-
Madhya Pradesh	100%	100%	100%	-	-	Yes	-	-
Maharashtra	100%	100%	100%	Implemented	-	Yes	Yes	Yes
Manipur	100%	100%	50%	-	-	-	-	Yes
Meghalaya	100%	100%	-	-	-	Yes	Yes	Yes
Mizoram	100%	100%	45%	-	-	-	Yes	Yes
Nagaland	100%	100%	-	-	-	-	-	Yes
Odisha	100%	100%	2%	Partially	Partially	Yes	Yes	Yes
Puducherry	100%	n/a	100%	2 divisions	2 divisions	Yes	Yes	-
Punjab	100%	100%	100%	-	-	-	-	-
Rajasthan	92%	100%	60%	-	-	-	Yes	Yes
Sikkim	100%	100%	100%	-	-	Yes	-	Yes
Tamil Nadu	100%	100%	100%	-	-	-	Yes	-
Tripura	100%	100%	80%	-	-	-	-	-
Uttar Pradesh	100%	100%	42%	-	-	Yes	-	Yes
Uttarakhand	100%	100%	-	-	-	Yes	-	-
West Bengal	100%	100%	64%	-	-	Yes	Yes	Yes

*Data in most States is in the process of being verified. Some States are to push data in standard format.

Annexure-XI
(Para-5.2)

STORAGE CAPACITY WITH FCI AND STATE AGENCIES (As on 31.03.2014)

(Fig. in lakh MT)

Zone	FCI Region	Total Storage Capacity with FCI (Owned/Hired)										Total Storage Capacity with State Agencies including SWCs (excluding capacities given to FCI for storage of food grains)				Grand Total	
		Covered					CAP					Covered		CAP		Covered	CAP
		Owned	Hired	Owned	Hired	Total	Owned	Hired	Owned	Hired	Total	Covered	CAP				
1	2	3	4	5	6	7	8	9	10	11	12						
East	Bihar	3.66	2.48	1.00	0.00	6.14	1.00	8.01	-	14.15	1.00						
	Jharkhand	0.67	1.07	0.05	0.00	1.74	0.05	-	-	1.74	0.05						
	Orissa	3.02	2.83	0.00	0.00	5.85	-	7.20	-	13.05	-						
	West Bengal	8.50	2.01	0.51	0.00	10.51	0.51	4.29	-	14.80	0.51						
N.E.	Assam	2.12	0.92	0.00	0.00	3.04	-	2.54	-	5.58	-						
	Arunachal Pd	0.18	0.05	0.00	0.00	0.23	-	0.05	-	0.28	-						
	Meghalaya	0.14	0.12	0.00	0.00	0.26	-	-	-	0.26	-						
	Mizoram	0.25	0.01	0.00	0.00	0.26	-	0.56	-	0.82	-						
	Tripura	0.33	0.09	0.00	0.00	0.42	-	0.42	-	0.84	-						
	Manipur	0.28	0.04	0.00	0.00	0.32	-	0.12	-	0.44	-						
	Nagaland	0.20	0.13	0.00	0.00	0.33	-	0.07	-	0.40	-						
North	Delhi	3.36	0.00	0.31	0.00	3.36	0.31	-	-	3.36	0.31						
	Haryana	7.68	29.24	3.33	0.00	36.92	3.33	25.24	-	62.16	3.33						
	Himachal Pd.	0.19	0.16	0.00	0.00	0.35	-	-	-	0.35	-						
	J & K	1.03	0.62	0.10	0.00	1.65	0.10	1.26	-	2.91	0.10						
	Punjab	22.24	84.75	7.31	2.79	106.99	10.10	33.11	103.57	140.10	10.10						
	Rajasthan	7.06	14.75	1.85	1.08	21.81	2.93	1.64	-	23.45	2.93						
	Uttar Pradesh	14.95	26.92	5.19	0.00	41.87	5.19	1.38	-	43.25	5.19						
	Uttarakhand	0.66	1.20	0.21	0.00	1.86	0.21	1.69	-	3.55	0.21						
South	Andhra Pd.	12.73	14.33	2.62	0.00	27.06	2.62	16.07	-	43.13	2.62						
	Kerala	5.19	0.05	0.21	0.00	5.24	0.21	3.93	-	9.17	0.21						
	Karnataka	3.81	3.58	1.36	0.00	7.39	1.36	6.30	-	13.69	1.36						
	Tamil Nadu	6.24	4.86	0.67	0.00	11.10	0.67	5.71	-	16.81	0.67						
West	Gujarat	5.00	2.19	0.27	0.00	7.19	0.27	4.01	-	11.20	0.27						
	Maharashtra	12.05	11.74	1.02	0.00	23.79	1.02	10.04	-	33.83	1.02						
	M.P.	3.37	0.95	0.36	0.00	4.32	0.36	68.58	6.51	72.90	6.51						
	Chhattisgarh	5.12	3.53	0.01	0.00	8.65	0.01	13.35	-	22.00	0.01						
	Total	130.03	208.62	26.38	3.87	338.65	30.25	215.57	163.61	554.22	193.86						
		338.65		30.25		368.90		379.18		748.08							

Annexure-XII
(Para-5.7)**STATE-WISE STATUS REPORT OF PEG SCHEME**
(As on 31.03.2014)

(Fig. in MT)

Sl. No.	State	Capacity approved by HLC	Capacity finalized	Capacity under construction	Capacity for which construction work is yet to start	Capacity completed	Capacity taken over
1	Andhra Pradesh	4,51,000	4,01,000	25,000	19,200	3,56,800	1,94,800
2	Bihar	9,40,000	5,75,000	1,65,000	3,30,000	80,000	45,000
3	Chhattisgarh	5,42,600	5,40,800	95,000	20,600	4,25,200	2,74,400
4	Gujarat	1,00,000	50,000	0	200	49,800	34,800
5	Haryana	39,52,800	35,44,675	2,52,285	2,85,609	30,06,781	17,16,818
6	Himachal Pradesh	1,42,550	37,510	13,340	0	24,170	2,500
7	J&K	3,61,690	3,07,680	49,340	1,65,840	92,500	65,000
8	Jharkhand	4,75,000	1,88,000	45,000	63,000	80,000	45,000
9	Karnataka	3,55,300	3,50,040	15,000	36,670	2,98,370	1,64,770
10	Kerala	55,000	5,000	0	0	5,000	5,000
11	Madhya Pradesh	23,66,600	18,92,070	4,61,110	3,54,380	10,76,580	1,38,620
12	Maharashtra	6,99,900	5,83,167	7,500	0	5,75,667	5,04,607
13	Odisha	3,75,000	3,00,000	10,000	40,500	2,49,500	2,19,000
14	Punjab	49,99,000	43,02,238	1,02,220	18,780	41,81,238	34,77,998
15	Rajasthan	2,50,000	2,50,000	52,000	30,000	2,20,000	1,28,000
16	Tamilnadu	3,45,000	2,95,000	0	1,40,000	1,55,000	90,000
17	Uttarakhand	25,000	10,000	0	10,000	0	0
18	Uttar Pradesh	32,95,500	14,15,700	2,54,000	95,000	10,66,700	4,08,246
19	West Bengal	6,43,600	1,50,180	0	90,580	59,600	26,000
	Total	2,03,75,540	1,51,98,060	14,94,795	17,00,359	1,20,02,906	75,40,559

Annexure-XIII
(Para-5.8)**DETAILS OF APPROVED LOCATIONS FOR CONSTRUCTION OF SILOS**

Sl. No.	State	Silo capacity (In MT)	Approved locations
1.	Bihar	2,00,000	Mohania*, Buxar*, Bhagalpur, Bettiah. (50,000 MT each)
2.	Haryana	3,00,000	Bhattu, Jind, Karnal, Palwal, Rohtak, Sonapat. (50,000 MT each)
3.	M.P.	3,50,000	Sehore, Jabalpur, Raisen, Vidisha, Guna, Hoshangabad, Ujjain (50,000 MT each)
4.	Punjab	4,00,000	Barnala, Chhehreatta, Patiala, Jalalabad, Kilaraipur**, Sangrur, Dhuri, Batala. (50,000 MT each).
5.	West Bengal	2,00,000	Rangapani, Malda, Dankuni, Mecheda. (50,000 MT each)
6.	Assam	50,000	Guwahati (Changsari)**(50,000 MT)
7.	Kerala	50,000	Eranakulam and Calicut. (25,000 MT each)
8.	Maharashtra	1,00,000	Pune**, Nagpur (50,000 MT each)
9.	U.P.	3,00,000	Jaunpur, Kannauj, Faizabad, Fatehpur, Basti, Deoria (50,000 MT each)
10.	Gujarat	50,000	Between Palanpur (Banaskantha) and Siddhapur (Patan)
Total		20,00,000	

*DEA (VGF Mode)

** VGF Mode (Planning Commission)

Annexure-XIV

(Para-6.11)

IMPLEMENTATION OF RECOMMENDATIONS OF DR. RANGARAJAN COMMITTEE

Issues	Gist of Recommendations	Action Taken
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.	The recommendation has been referred to the concerned State Governments for adoption and implementation, as considered appropriate by them.
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.	The recommendation has been referred to the concerned State Governments for adoption and implementation, as considered appropriate by them.
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 per cent of the <i>ex-mill</i> sugar price alone.	The recommendation has been referred to the concerned State Governments for adoption and implementation, as considered appropriate by them.
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 and the Central Government is giving a fixed subsidy @ ₹18.50 per kg. to make sugar available at Retail Issue price of ₹13.50 per kg.
Regulated Release Mechanism	This mechanism is not serving any useful purpose, and may be dispensed with.	Regulated release mechanism for open market sale of sugar 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.	No export duty on sugar. Import duty stands at 15%.
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.	In order to harness the full socio-economic potential of the sugar sector, State Governments have to take appropriate step to enhance the productivity of sugarcane and the recovery of sugar. In addition, the effective utilisation of its by-products, i.e., bagasse, molasses and press-cakes are necessary to make the industry globally competitive. The State Governments have been requested to reconsider the regulatory controls on movement of molasses which can be used for producing ethanol.
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

(Qty. in lakh MT)

Sl. No.	Particulars	2009-10	2010-11 (P)	2011-12 (P)	2012-13 (P)	2013-14 (projected)
1.	Carry-over stocks with sugar mills from Previous season	35.83	51.25	62.96	66.96	91.09
1.a	Less-Adjusted 5%	-	2.56	-	0.95	-
2.	Export quantity from 2010-11 stock against OGL -3 (allowed but exported after September, 2011)	-	-	4.42	-	-
3.	Net opening stock	35.83	48.69	58.54	66.01	91.09
4.	Production of Sugar	188.00	243.50	263.43	258.58#	241.31
5.	Imports	41.80**	-	-	6.76	-
6.	Estimated Total availability	265.63	292.19	321.97	324.59	332.40
7.	Estimated releases/ dispatches for Internal consumption	208.78+ 3.2***	208	227.25	230.00	235.00
8.	Exports against ALS/AAS obligation and OGL	2.4*	26	27.76	3.5	20.00
9.	Total Estimated releases (7+8)	214.38	234	255.01	233.50	255.00
10.	Estimated Closing stocks with sugar mills at the end of season	51.25	58.19	66.96	91.09	77.40

P-Provisional

includes 251.83 lakh MT White Sugar and 6.76 lakh MT White Sugar produced from imported Raw Sugar.

Note:- Closing balance of one season is different from opening balance of next season to account for damaged/wet sugar and sugar sold under court orders etc.

*As per the data of DGCIS Kolkata.

** As per Department of Revenue

*** Direct import consumption by bulk consumers.

Annexure-XVI

(Para-6.29)

**RECOVERY OF AMOUNT IN RESPECT OF LEVY SUGAR PRICE EQUALIZATION FUND (LSPEF)
FROM 1976-77 TO 2012-13**

(Figures in ₹)

Year	Credits	Transfer to FCI	Progressive Total (₹)
1976-1977	19421813.15	0	19421813.15
1977-1978	19471945.87	0	38893759.02
1978-1979	11872622.14	0	50766381.16
1979-1980	8423366.51	0	59189747.67
1980-1981	3484097.4	0	62673845.07
1981-1982	3950185.11	0	66624030.18
1982-1983	853756.3	0	67477786.48
1983-1984	1354444.52	0	68832231
1983-1984	0	(-22400000)	46432231
1984-1985	12785849.19	0	59218080.19
1985-1986	25029726.56	0	84247806.75
1986-1987	19440067.71	0	103687874.46
1987-1988	4279968.68	0	107967843.14
1988-1989	8835326.85	0	116803169.99
1989-1990	1393717.62	0	118196887.61
1990-1991	16103954.69	0	134300842.30
1991-1992	17954291.68	0	152255133.98
1992-1993	21837080.81	0	174092214.79
1993-1994	5363892.95	0	179456107.74
1994-1995	1560154.79	0	181016262.53
1995-1996	248127.05	0	181264389.58
1996-1997	7333019.62	0	188597409.20
1997-1998	4080806.42	0	192678215.62
1998-1999	45340758.88	0	238018974.50
1999-2000	26459302.53	0	264478277.03
2000-2001	58490922.69	0	322969199.72
2001-2002	54378084.65	0	377347284.37
2002-2003	95601869.49	0	472949153.86
2003-2004	62602032	0	535551185.86
2004-2005	13154985.57	0	548706171.43
2005-2006	58306196.7	0	607012368.13
2006-2007	63827854.76	0	670840222.89
2007-2008	90394805.86	0	761235028.75
2008-2009	37859404.00	0	799094432.75
2009-2010	126462637.00	0	925557069.75
2010-2011	50752539.74	0	976309609.49
2011-2012	156279443.60	0	1132589053.09
2012-2013	92600848.30	0	1225189901.39
Total	1247589901.39		

Annexure-XVII
(Para-6.34)

BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernization/ Expansion	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 crores (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% per annum below the Bank Rate prevailing on the date of release (It is 7.00% w.e.f. 28.01.2014)			
Moratorium	5 years	3 years	3 years	1 years
Repayment	Loan along with interest due thereon shall be recoverable in half yearly instalments not exceeding ten.	Loan shall be repaid in equal half yearly instalments 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 drawal of loan	Loan shall be repaid in half yearly instalments 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 instalment of the repayment of the principal.	Loan from the Fund along with the interest due thereon shall be recovered in half-yearly instalments 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.
Loan disbursed so far since inception	₹ 2674.87 Crores	₹ 962.58 Crores	₹ 2321.04 Crores	₹ 520.46 Crores
Loan disbursed during the year (Upto 31.03.14)	₹ 110 Crore (RE ₹ 110 Crore)	₹ 80.96 Crore (RE ₹ 82.5 crore)	₹ 250.81 Crore (RE ₹ 329.46 Crore)	₹ 60.11 Crore (RE ₹ 78.04 Crore)

ESTIMATED DOMESTIC PRODUCTION, IMPORT AND TOTAL AVAILABILITY OF EDIBLE OILS (OILS-WISE) DURING THE YEARS 2010-11, 2011-12, 2012-13 AND 2013-14
(November to October)

(Quantity in Lakh MT)

Name of Oilseeds	2010-11		2011-12*		2012-13**			2013-14***				
	Oilseeds	Oil	Oilseeds	Oil	Oilseed		Oil		Oilseed			
					Kharif	Rabi	Total	Kharif	Rabi	Total		
A. Primary Source												
Rapeseed/Mustard	81.79	25.35	66.04	20.47	-	80.29	80.29	24.89	-	82.51	82.51	25.58
Soyabean	127.36	20.38	122.14	19.54	146.66	-	146.66	23.47	124.48	-	124.48	19.92
Groundnut	82.65	19.01	69.64	16.02	31.87	15.08	46.95	10.80	70.21	21.19	91.40	21.02
Sunflower	6.51	2.15	5.16	1.70	1.87	3.57	5.44	1.80	1.34	3.36	4.70	1.55
Sesame	8.93	2.77	8.10	2.51	6.85	-	6.85	2.12	6.72	-	6.72	2.08
Niger Seed	1.08	0.32	0.98	0.29	1.02	-	1.02	0.31	0.99	-	0.99	0.30
Safflower Seed	1.50	0.45	1.45	0.44	-	1.09	1.09	0.33	-	1.17	1.17	0.35
Castor	13.50	5.40	22.95	9.18	19.64	-	19.64	7.86	16.46	-	16.46	6.58
Linseed	1.47	0.44	1.52	0.46	-	1.49	1.49	0.45	-	1.40	1.40	0.42
Sub Total (A)	324.79	76.27	297.98	70.61	207.91	101.52	309.43	72.03	220.20	109.63	329.83	77.8
B. Secondary Source												
Coconut		4.00	-	4.00	-	-	-	3.90	-	-	-	4.2
Cottonseed		10.89	-	11.62	-	-	-	11.57	-	-	-	12.06
Rice Bran		7.20	-	7.50	-	-	-	7.8	-	-	-	8.0
Solvent Extracted Oils		4.20	-	4.10	-	-	-	4.1	-	-	-	4.1
Tree & Forest Origin		1.20	-	1.20	-	-	-	1.2	-	-	-	1.2
Sub Total (B)		27.49		28.42				28.57				29.56
Total (A+B)		103.76		99.03				100.60				107.36
C. Less: Export and Industrial Use		5.94	-	9.46	-	-	-	8.41	-	-	-	7.10
D. Net Domestic Availability		97.82	-	89.57	-	-	-	92.19	-	-	-	100.26
E. Import of Edible Oils \$		72.42	-	99.43	-	-	-	106.05	-	-	-	29.10 (Upto Jan., 14)
F. Total availability/ consumption of edible oils from domestic and import sources		170.24		189.00				198.24				-

* Based on Final Estimate (declared by Ministry of Agriculture on 08.02.2013).

** Based on Final Estimates (declared by Ministry of Agriculture on 14.02.2014).

*** Based on 2nd Advance Estimates (declared by Ministry of Agriculture on 14.02.2014).

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

Annexure-XIX
(Para-9.46)
INTER-STATE INFLOW-OUTFLOW OF FOOD GRAINS BY RAIL & ROAD

(Fig. in lakh MT)

Region	2012-13						2013-14					
	Inflow			Outflow			Inflow			Outflow		
	Wheat	Rice	Total	Wheat	Rice	Total	Wheat	Rice	Total	Wheat	Rice	Total
Punjab	0	0	0	88.99	74.77	163.76	0	0	0	118.67	80.06	198.73
Haryana	0	0	0	61.55	18.73	80.28	0	0	0	74.60	28.69	103.29
U.P.	1.4	8.31	9.71	0	0	0	39.68	13.12	52.80	0	0	0.00
Uttrakhand	2.32	0.05	2.37	0	1.62	1.62	3.45	0.1	3.55	0	1.62	1.62
J & K	4.81	6.53	11.34	0	0	0	4.64	6.29	10.93	0	0	0.00
H.P.	3.84	2.34	6.18	0	0	0	3.32	2.13	5.45	0	0	0.00
Delhi	11.21	1.62	12.83	0	0	0	13.23	1.10	14.33	0	0	0.00
Rajasthan	6.87	0.34	7.21	0.57	0	0.57	12.77	0.37	13.14	0	0	0.00
Total	30.45	19.19	49.64	151.11	95.12	246.23	77.09	23.11	100.20	193.27	110.37	303.64
Maharashtra	33.62	16.81	50.43	0	0.03	0.03	22.03	23.25	45.28	0	0	0.00
M.P.	0	0.53	0.53	39.67	0	39.67	0	0.02	0.02	26.54	0.13	26.67
Chhattisgarh	2.55	0	2.55	0	18.61	18.61	2.75	0.04	2.79	0	20.22	20.22
Gujarat	33.36	4.27	37.63	0	0	0	29.55	4.93	34.48	0	0	0.00
Goa	0.25	0.15	0.4	0	0	0	0.21	0.40	0.61	0	0	0.00
Total	69.78	21.76	91.54	39.67	18.64	58.31	54.54	28.64	83.18	26.54	20.35	46.89
Tamil Nadu	11.08	32	43.08	0	0	0	12.19	30.62	42.81	0	0	0.00
Karnataka	9.41	21.03	30.44	0	0	0	5.87	25.20	31.07	0	0	0.00
Kerala	5	9.94	14.94	0	0	0	3.89	11.13	15.02	0	0	0.00
A.P.	13.17	0	13.17	0	38.12	38.12	12.15	0	12.15	0	33.29	33.29
Total	38.66	62.97	101.63	0	38.12	38.12	34.10	66.95	101.1	0	33.29	33.29
Odisha	6.49	0.29	6.78	0	5.61	5.61	5.38	0.04	5.42	0	10.30	10.30
Jharkhand	0	10.35	10.35	0	0	0	0	11.60	11.6	0.03	0	0.03
W.B.	27.94	0.42	28.36	0	0.91	0.91	24.63	3.19	27.82	0	0.57	0.57
Bihar	10.3	14.48	24.78	0	0	0	16.53	15.25	31.78	0	0	0.00
N.E.	7.16	28.94	36.1	0	0	0	7.57	26.1	33.67	0	0	0.00
Total	51.89	54.48	106.37	0	6.52	6.52	54.11	56.18	110.29	0.03	10.87	10.90
Grand Total	190.78	158.40	349.18	190.78	158.40	349.18	219.84	174.88	394.72	219.84	174.88	394.72

Annexure-XX
(Para-9.47)

(All Figs. in lakh MT)/(Provisional)

MOVEMENT OF SUGAR DURING 2012-13 AND 2013-14

	During Apl.,13-Mar.,14			During Apl.,12 to Mar.,13		
	Inter	Intra	Total	Inter	Intra	Total
Indigenous	0.33	0	0.33	3.97	0	3.97
Total	0.33	0	0.33	3.97	0	3.97

MONTH-WISE POSITON OF MOVEMENT DURING 2013-14

Sl. No.	Month	Food grains	Sugar	Total
1	April,13	38.28	0.13	38.41
2	May,13	37.26	0.20	37.46
3	June,13	31.81	0.00	31.81
4	July,13	35.43	0.00	35.43
5	August,13	37.00	0.00	37.00
6	Sept,13	36.21	0.00	36.21
7	Oct,13	37.70	0.00	37.70
8	Nov,13	30.97	0.00	30.97
9	Dec,13	36.55	0.00	36.55
10	Jan,14	42.10	0.00	42.10
11	Feb,14	40.29	0.00	40.29
12	March,14	44.19	0.00	44.19
	Total	447.79	0.33	448.12

MONTH-WISE MOVEMENT EX-PUNJAB & EX- HARYANA DURING 2013-14

2013-14				2013-14		
EX.PUNJAB				EX.HARYANA		
Month	Wheat	Rice	Total	Wheat	Rice	Total
April,13	10.08	7.76	17.84	4.84	3.95	8.79
May,13	11.91	6.68	18.59	6.05	3.35	9.4
June,13	8.27	6.88	15.15	5.31	2.01	7.32
July,13	12.30	5.14	17.44	4.55	2.37	6.92
August,13	12.97	5.42	18.39	5.13	2.85	7.98
Sept,13	10.09	7.91	18.00	6.48	0.97	7.45
Oct,13	10.66	7.67	18.33	6.94	1.3	8.24
Nov,13	6.50	5.63	12.13	6.64	1.26	7.90
Dec'13	6.24	6.32	12.56	7.97	1.83	9.80
Jan'14	9.16	6.22	15.38	6.54	3.51	10.05
Feb'14	8.21	8.06	16.27	6.42	2.38	8.80
March'14	12.29	6.35	18.64	7.75	2.89	10.64
Total	118.68	80.04	198.72	74.62	28.67	103.29

