

# Annual Report 2015-16



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



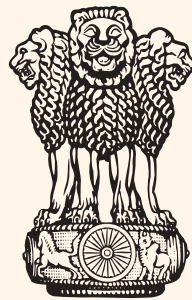
Hon'ble Minister for Consumer Affairs, Food and Public Distribution,  
Shri Ram Vilas Paswan releasing booklet on achievements of the Department  
at a press conference, in New Delhi

# **ANNUAL REPORT**

## **2015-16**

### **DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION**

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



सत्यमेव जयते

**Government of India**  
**New Delhi**

## **VISION**

**Ensuring food security for citizens of the country**

## **MISSION**

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

**Ensuring availability of foodgrains and sugar through  
appropriate policy instrument; including maintenance  
of buffer stocks of foodgrains**

**Making foodgrains accessible at reasonable prices,  
especially to the weaker and vulnerable sections  
of the society under Public Distribution System**

## **OBJECTIVES**

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

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

**To strengthen the Targeted Public Distribution System**

**Development/Promotion of Sugar Industry**

**Development of Warehousing Sector**

**Improvements in Public Service System**

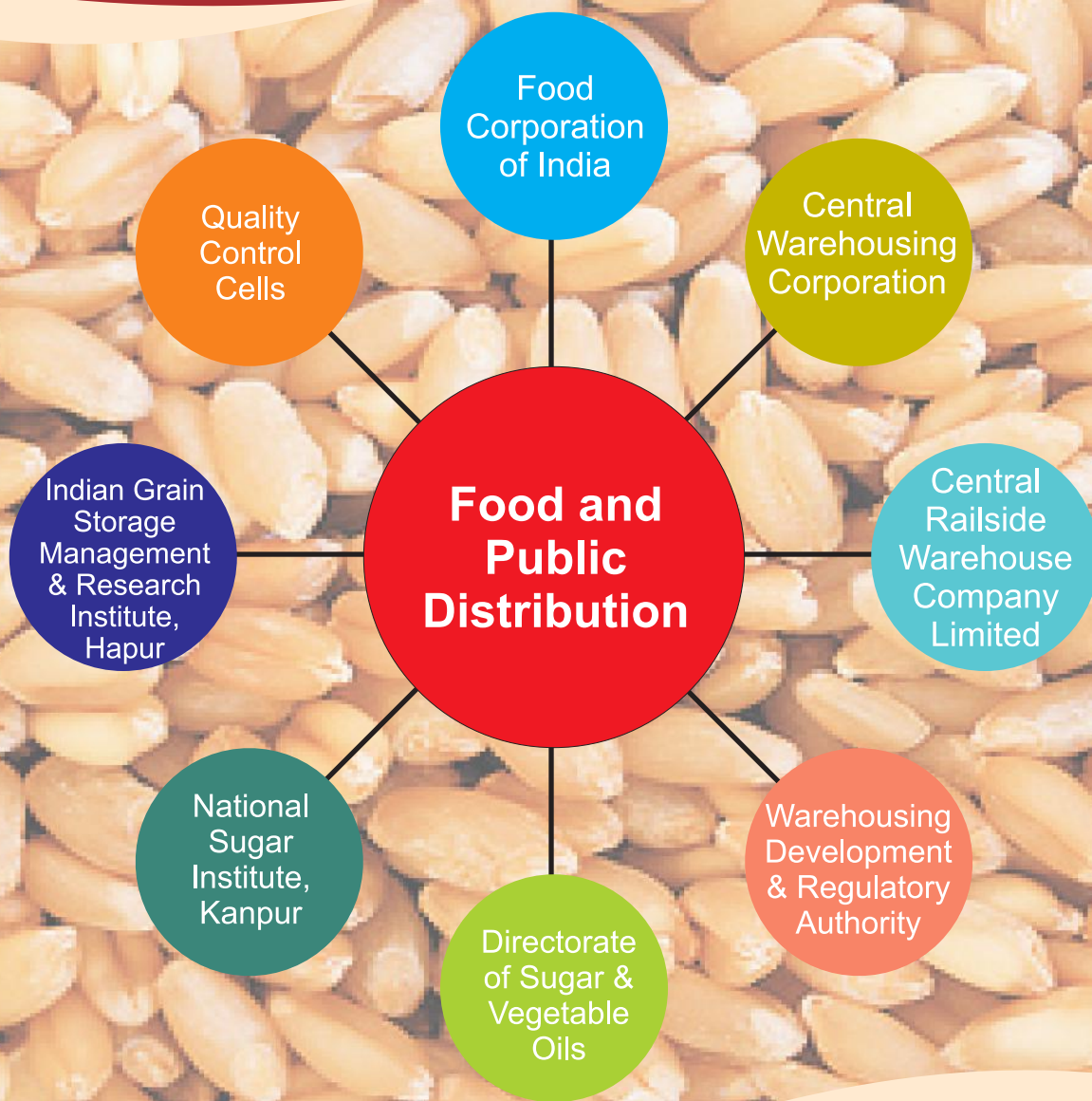
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# Chapter – I



## ORGANISATIONAL SET-UP AND FUNCTIONS

### **BRIEF HISTORY OF THE DEPARTMENT**

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

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

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

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

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



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

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

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

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

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

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

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

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

### ORGANIZATIONAL SET-UP

- 1.1 Department of Food & Public Distribution is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. The Ministry has been under the charge of Shri Ramvilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution with effect from 27.05.2014.
- 1.2. Ms. Vrinda Sarup has taken over the charge of Secretary in the Department with effect from 03.06.2015. Secretary (F&PD) is assisted by one Special Secretary & Financial Adviser, five Joint Secretaries, one Principal Advisor (Cost), one Advisor (Cost) and one Economic Advisor.
- 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 foodgrains;
  - (ii) Implementation of the Public Distribution System (PDS) with special focus on the poor;
  - (iii) Provision of storage facilities for the maintenance of central reserves of foodgrains and promotion of scientific storage;
  - (iv) Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of foodgrains;
  - (v) Administration of food subsidies relating to rice, wheat and coarse grains;
  - (vi) Policy matters relating to sugar and sugarcane sector, fixation of Fair and Remunerative Price (FRP) of sugarcane

payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology) and sugar supply for PDS;

(vii) Monitoring, price control and supply of edible oils.

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

#### (A) Directorate of Sugar and Vegetable Oils

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

#### (B) National Sugar Institute, Kanpur

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

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

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

#### (D) Quality Control Cells (QCCs)

Quality Control Cells (QCCs) monitor the quality of foodgrains at the time of procurement, storage and distribution. These cells also ensure that guidelines/instructions issued by the Government from

time to time about scientific storage and preservation of foodgrains are followed by the Food Corporation of India (FCI), Central Warehousing Corporation (CWC), State Warehousing Corporations (SWCs) and State agencies. These QCCs are located at Bangalore, Bhopal, Bhubaneswar, Delhi, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna.

The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of 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.

**(E) Food Corporation of India**

The Food Corporation of India (FCI), a public sector enterprise setup on 14<sup>th</sup> 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.

**(F) Central Warehousing Corporation**

The Central Warehousing Corporation (CWC), a public sector enterprise under the Department was set up on 2<sup>nd</sup> March, 1957, under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956. It was later replaced and brought under the Warehousing Corporations Act, 1962. CWC provides scientific storage facilities for agricultural produce and other commodities. As on 01.01.2016, CWC was operating 464 warehouses with a total storage capacity of 114.10 lakh MT including 57 Custom Bonded Warehouses, 4 Air Cargo Complexes, 31 Container Freight Stations/Inland Clearance Depots providing services to the Export/Import trade.

CWC is 50% share holder in 19 State Warehousing Corporations (SWCs). As on 30.11.2015, these SWCs were operating 1707 warehouses with a total storage capacity of 288.93 lakh MT. CWC owns a 100% subsidiary company namely Central Railside Warehouse Company Limited (CRWC) for development of Railside Warehouse Complexes (RWCs).

**(G) 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.

**(H) 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 & Regulation Act), 2007. The main functions and objectives of the WDRA are to implement the Act and the Negotiable Warehouse Receipt (NWR) System, to register Accreditation Agencies, registration of Warehouses having adequate facilities & safeguards satisfying financial, managerial & other criteria as prescribed by WDRA, to promote scientific warehousing of goods, to improve fiduciary trust of depositors & banks, to enhance liquidity in rural areas and to promote efficient supply chains.

**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

## ORGANISATIONAL SET-UP AND FUNCTIONS

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](mailto: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 1.04.2015 to 31.12.2015 of Public Grievances received in this Department is as under: -

Total Public Grievances pending as on 31.03.2015	131
Additional Public Grievances received during the year	2894
Total Public Grievances	3025
Total Public Grievances disposed of	2973
Total Public Grievances Pending as on 31.12.2015	52
Percentage of disposal	98%

- 1.8 In the Independent Audit Report of November, 2013 of the Cabinet Secretariat, this Department was placed at 3<sup>rd</sup> position out of 59 Departments of the Central Government reviewed for efficiency in disposal of public

grievances. Through constant monitoring and taking up pendency with the concerned organizations, efforts are being made to further improve the grievances redressal mechanism.

### 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 are made on this account. Based on the guidelines issued by the National Commission for Women and Department of Personnel & Training (DoPT), a Complaint Committee has been set up in the Department to attend to the complaints of its women employees.

### RESERVATION

- 1.10 The instructions issued by the DoPT from time to time regarding representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Persons with Disabilities and for filling up of backlog vacancies reserved for these categories are followed.

Representation of SCs, STs, OBCs, differently abled persons, ex-service men and women employees in the Department (including its Attached and Subordinate Offices) against the total number of officials (as on 31.12.2015) is given in the table below :

Groups	Total No. of Employees	SC	ST	OBC	No. of Differently Abled Persons				Ex-Service Men	Total No. of Women Employees
					VH	HH	OH	TOTAL		
Gr. 'A'	124	17	07	07	-	-	01	01	-	12
Gr. 'B'	281	43	16	41	01	01	05	07	-	92
Gr. 'C'	405	118	30	63	05	-	02	07	03	35
Gr. 'D'	3	-	-	1	-	-	-	-	-	-
<b>Total</b>	<b>813</b>	<b>178</b>	<b>53</b>	<b>112</b>	<b>06</b>	<b>01</b>	<b>08</b>	<b>15</b>	<b>03</b>	<b>139</b>



### **Filling up of vacancies for Persons With Disabilities (PWDs)**

- 1.12 The Hon'ble Supreme Court in its judgment dated 8.10.2013 in the matter of Civil Appeal No. 9096 of 2003 arising out of SLP (Civil) No. 7541 of 2009 titled Union of India & Anr. V/s National Federation of Blind & Ors had *inter-alia* held that the computation of reservation for Persons with Disabilities (PWDs) has to be computed in case of Group A, B, C & D posts in an identical manner, i.e. computing 3% reservation on total number of vacancies in the cadre strength. Accordingly, DoPT directed to compute the number of vacancies available in all the cadres under administrative control of the Department including Attached & Subordinate Offices and CPSEs in the aforesaid manner and to fill up them in a time-bound manner.
- 1.13 272 vacancies have been identified under this Department and its Attached and Subordinate Offices/ Autonomous Bodies/ CPSEs for PwDs and reported to DoPT. The Department has also drawn up an Action Plan in consultation with all the concerned agencies so as to adhere to the time-lines fixed by DOPT. The Department in discussion and coordination with its organizations has drawn up an action plan to complete the process of recruitment and appointment of PWDs by March, 2016. So far, 95 vacancies have been filled up and action is being taken to fill up remaining 177 unfilled vacancies which are at advanced stages of recruitment.

### **DISCONTINUATION OF INTERVIEW AT JUNIOR LEVEL POST**

- 1.14 The Hon'ble Prime Minister in his address to the nation, on the occasion of 69<sup>th</sup> Independence Day, announced that the Government should discontinue holding interviews for recruitment for such junior level posts where personality assessment is not an absolute necessity. He pointed out that this would help in curbing corruption and lead to more objective selection in a transparent manner. He stressed that the

recruitment should be made on merit basis through transparent online processes leading to less Government and more Governance.

- 1.15 In consonance with the decision of Government, DoPT issued instructions to discontinue interview as a part of recruitment process for Group 'C' and 'D' Posts and Non-Gazetted posts in Group 'B' from January 1, 2016 in all Ministries/Departments/ Attached & Subordinate Offices/Autonomous Bodies/CPSEs. DoPT has also directed to obtain clearance from them if it is considered that interview is absolutely essential in specific and isolated Group-'B' non-gazetted posts. In pursuance of these instructions, Department had directed all the Attached & Subordinate Offices/Autonomous Bodies/CPSEs under its administrative control to undertake a review exercise to identify the posts for which the interviews can be dispensed with and those for which the interviews are to be retained. Process of recruitment for 90 Group B, C and D posts have been amended to do away with the stage of interview.

### **ACTIVITIES FOR DEVELOPMENT OF NORTH EASTERN REGION**

#### **(A) Activities of FCI in NE Region**

##### **Strengthening of PDS**

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

#### **AUGMENTATION OF STORAGE CAPACITY IN THE NORTH EASTERN REGION (INCLUDING SIKKIM)**

- 1.17 The Department is implementing a Plan Scheme for construction of godowns with focus on augmenting storage capacity in the North Eastern Region. In addition, the Department has been requesting the State Governments to create intermediate storage



## ORGANISATIONAL SET-UP AND FUNCTIONS

capacities at Block/Taluka level to store foodgrains collected from FCI depots, for further distribution to fair price shops. This is necessary to improve the supply chain logistics for Targeted Public Distribution System (TPDS). While construction of intermediate godowns is the responsibility of the State Governments, plan funds have also been provided as Grant-in-Aid to Governments of the NE States and J&K for this purpose, considering their difficult geographical conditions.

- 1.18 Under the Plan 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 weighbridges, etc. In addition, hiring of storage capacities is done by FCI wherever required and maximum utilization was made of existing capacities.

### (B) Activities of CWC in NE Region

- 1.19 CWC is operating 10 warehouses in NE Region with a total capacity of 1.33 lakh MT with 78% occupancy as on 30.11.2015. The average occupancy of these warehouses was 87%, 81%, 80% and 79% for the years 2012-13, 2013-14, 2014-15 and 2015-16 (April-November, 2015) respectively. The State-wise capacity being operated by the CWC in the North Eastern Region is detailed below:

NAME OF STATE/ CENTRE	CAPACITY (in MT)
<b>ASSAM</b>	
Amingaon	21,133
Dhubri	12,100
Maligaon	9,560
Jorhat-I	10,500
Jorhat-II	5,000
Sorbhog	17,200
Total	75,493
<b>NAGALAND</b>	
Dimapur	13000
<b>TRIPURA</b>	
Agartala	22837
Agartala C.S.	4750
ICP Agartala	16750
Total	44337
Grand Total:	1,32, 830

- 1.20 During the year 2013-14, Land Ports Authority of India, Ministry of Home Affairs has assigned the Management of Integrated Check Post (ICP) at Agartala to CWC for facilitating seamless flow of cross border trade between India and Bangladesh. The said ICP was formally inaugurated on 17<sup>th</sup> November, 2013 by the Hon'ble Union Home Minister, Government of India and his counterpart from the Republic of Bangladesh. The Export-Import (EXIM) operations commenced with effect from 21.11.2013. The complex consists of 3400 MT covered area and 13,350 MT open area. During the year 2015-16 (upto November, 2015) ICP Agartala handled 16,829 Export/Import trucks and earned revenue of ₹4.13 crore as against 30,480 Export/Import trucks and earned gross revenue of ₹7.14 crore during the year 2014-15.

- 1.21 The Northern Frontier Railway has awarded Pest Control Services (PCS) contract of ₹ 240 lakh for three years effective from 25.03.2013 to 24.03.2016. CWC has earned revenue of ₹ 44.92 lakh during the year 2015-16(upto November, 2015).

### TRIBAL SUB PLAN

- 1.22 With a view to provide infrastructure and financial support, the Department is implementing "End-to-end Computerization of TPDS Operation" under 12<sup>th</sup> Five Year Plan (2012-17) on 50:50 cost sharing basis with States/UTs, except for North Eastern States, where sharing is on 90:10 basis. The Scheme has separate Budget sub- Head for Tribal Sub Plan (TSP). In Annual Plan outlay for 2015-16, ₹ 1.12 crore has been allocated under TSP. Under the Scheme, funds are being provided for Data Centre Infrastructure, PCs, System software, Networking etc. for State Food & Civil Supplies Department and its District and Block level offices.

### PROGRESSIVE USE OF HINDI

- 1.23 In compliance with the Official Language

policy of Government of India to promote the use of Hindi in day-to-day official work and also to achieve the targets set by the Department of Official Language, Ministry of Home Affairs in their Annual Programme of 2015-2016, vigorous efforts were made to enhance the use of Hindi in official work. For this purpose, four workshops were organized during the year in which officers and employees of the Department were acquainted with the requirements of the Official Language Act and the rules framed under the Act and training was also imparted to them 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. Publicity material brought out by the Department is being issued in bilingual form (both in Hindi and English). All the forms and standard drafts being used in the Department are available both in Hindi and English.

1.24 During the Year 2015-16, the Parliamentary Committee on Official Language inspected the offices of FCI and CWC in order to review the progressive use of Hindi. In addition to it, the Attached/Subordinate Offices and Undertakings were inspected by the officers of Department's Hindi Division to review the use of Hindi during the year.

1.25 'Hindi Fortnight' was organized from 1<sup>st</sup> to 15<sup>th</sup>



Hon'ble Minister distributing prize

September, 2015 and on this occasion various competitive events were organized in Hindi. 42 officers/employees of the Department won the competitions and the winners including the winners of the Hindi essay contest held on 05<sup>th</sup> October 2015 under the "Swachh Bharat Abhiyan" programme were given cash prizes by Honb'le Union Minister for Consumer Affairs, Food & Public Distribution in a function organized on 10<sup>th</sup> December, 2015.

1.26 Under the Shield Scheme introduced for various sections of the Department to encourage the officers/staff of the Department to do their maximum official work in Hindi, QCC was awarded the Shield for the Year 2014-15. Similarly, under Shield/Trophy Scheme introduced for the offices working under this Department, FCI Hqrs., New Delhi, CWC Hqrs., New Delhi, and Directorate of Sugar and Vegetable Oils, New Delhi were awarded shields by the Honb'le Minister as First, Second and Third prizes respectively for the year 2014-15. Besides, two special prizes were awarded to CWC Regional Office Laxmi Nagar and FCI Zonal Office, Mumbai.



Hon'ble Minister at Prize Distribution Function

1.27 The Department was awarded 1<sup>st</sup> prize under Rajbhasha Kirti Puraskar Scheme by the Department of Official Language for doing excellent work in the field of implementation of Official Language Policy of the Government for the Year 2014-15. This prestigious prize was received by Ms. Vrinda Sarup, Secretary, Food and Public Distribution from the Honb'le President of India, Shri Pranab Mukherjee on 14.09.2015,

## ORGANISATIONAL SET-UP AND FUNCTIONS

in a function held at Vigyan Bhawan, New Delhi commemorating Hindi Divas.

### TRAINING

1.28 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 efficient administrative culture, it has been the endeavour of the Department to nominate officials for focused and effective training programmes.

1.29 The officials of this Department have been attending domestic training programmes organized by various institutes/organizations like ISTM, NIC, and IIPA etc. for in-service training & skill enhancement courses. The details of the officials of this Department, who attended various training programmes within the country during 2014-2015 and 2015-2016 (April to November, 2015) are as under:-

Category	2014-15	2015-16(April, 2015 to Jan, 2016)
Gazetted	18	08
Non-Gazetted	08	36

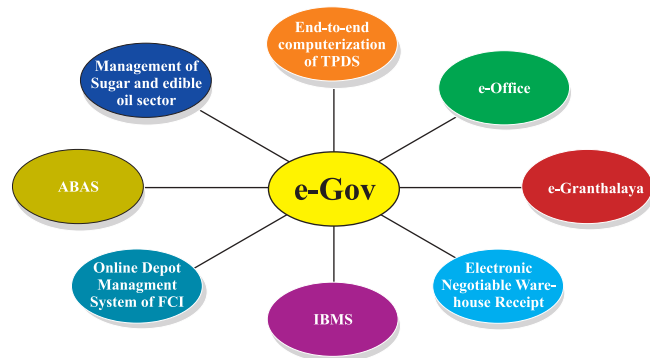
1.30 Officials of this Department have been nominated from time to time to attend training programmes under domestic & foreign funding schemes of Department of Personnel & Training conducted in various institutes/universities abroad. Besides, officers/delegation of the level of Under Secretary and above of this Department have also been deputed abroad for undertaking official study tours and to attend International Conferences/Seminar/Meetings of International organizations like Food & Agriculture Organisation(FAO), International Grains Council(IGC), International Sugar Organisation(ISO) & for matters related with SAARC Food Bank.

1.31 Following is a list showing training programme attended by officers of this Department during 2015:-

Purpose of the Training	Name of the Officer
To attend the customized training programme on “Negotiations for Public Leaders” at University of California, Barkeley(UCB), USA from 1 -12 June, 2015	Shri Prabhas Kumar Jha, Special Secretary & Financial Adviser
To attend customized training programme on “Leadership & Strategic Thinking” at Cambridge University, London, U.K. scheduled on 5-10 July, 2015	Ms. Vrinda Sarup, Secretary
To attend short-term training programme on “Structuring and Negotiating Legal Agreements for Public-Private Partnership Concessions and Contracts” at Institute of Public-Private Partnership(IP3), Washington DC from 14-25 September, 2015	Shri Manoj Kumar Gupta, Director

### e-GOVERNANCE INITIATIVES UNDER DIGITAL INDIA PROGRAMME

1.32 The Department has been playing a pioneering role in propagating IT based solutions to facilitate efficient and effective delivery of services. Department is constantly in the pursuit of developing/implementing state-of -the-art application software related to various areas of importance. It has also undertaken various projects related to capacity building and is also following Central Government e-Governance action plan. Various initiatives taken under e-governance to make Digital India Programme successful are as follows:



#### i. End-to-end computerization of TPDS operations

The Department is implementing a Plan



Scheme on 'End-to-End Computerisation' of TPDS Operations on cost sharing basis with States/UTs. Costs are being shared on 90:10 basis with North Eastern States and on 50:50 basis with other States/UTs. The scheme is a Mission Mode Project (MMP) under the National e-Governance Programme. The progress of implementation of Component-I of the scheme is as follows:

- a) Digitization of FPS and godowns database has been completed by all States/UTs. Digitalization of ration cards/beneficiary database has also been completed in 34 States/UTs and is in progress in the remaining 2 States/UTs.
- b) On line allocation of foodgrains has been implemented fully in 20 States/UTs. Supply chain has been computerized in 11 States/UTs.
- c) Toll free helpline for TPDS have been established in 35 States/UTs. Online grievance redressed mechanism for registration and tracking of grievance is now available in 27 States/UTs.
- d) The Department in consultation with NIC, Deity and UIDAI, has prepared and circulated Guidelines for Fair Price Shops (FPS) Automation and the same were shared with States/UTs in November, 2014 an updated in May, 2015. Consultations were held with States/UTs, UIDAI and NIC etc. to discuss various aspects of FPS automation rollout in November, 2015. Communication regarding providing of financial assistance to States/UTs for FPS automation has been issued.
- e) The 'Cash Transfer of Food Subsidy Rules, 2015' was notified on 21.08.2015, under the National Food Security Act, 2013. The Rules stipulate that the Direct Benefit Transfer (DBT) Scheme shall

be implemented in identified areas for which there is a written consent of the State Governments for implementation of the scheme. Section (5) of the Rules stipulate that the amount of food subsidy payable to beneficiaries shall be computed by multiplying entitled quantity of foodgrains with difference between 1.25 times applicable Minimum Support Price (MSP) and the Central Issue Price (CIP) or as may be revised from time to time by the Central Government. DBT is being implemented on pilot basis in UTs of Chandigarh and Puducherry w.e.f. September, 2015.



Point of Sale (PoS) Device at Fair Price Shop

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

In order to provide transparency in the data management of sugar mills as well as Government's working, the Directorate of Sugar has developed a web based platform ([esugar.nic.in/sugar\\_pii](http://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 the sugar sector. The portal also provides windows for online with the State Governments for getting inputs regarding production, stocks utilization of levy sugar for PDS, cane price arrears of sugar mills on fortnightly basis. Similarly, online registration facility for Edible Oil Processing Units is operational since May,

2014 (evegoils.nic.in). Registered units are providing production data online.

### iii. **Parliament Questions/Answers online**

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

### iv. **‘e-Granthalaya’ the Library Management System**

To manage the library activities an intra-net web enabled system has been developed & implemented by NIC in Department. This software maintains a database of all the book and journals in the Library of the Department and supports various searches, queries, availability status, pending status and information about new books and journals. Currently the system caters to users to access details through intranet 34,396 books and journals. The Open Access Catalogue has been published on the public website <http://dfpdlibrary.nic.in>.

### v. **RTI Request and Appeal Management**

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. During the Year 2015-16 (upto 31.12.2015), 137 applications received physically and 884 online applications has been received in Department. The link of RTI portal (<http://www.rti.gov.in/>) is available on official website of the Department (<http://dfpd.gov.in>). Public Grievance portal is available on official website of the Department.

### vi. **e-Office**

The e-Office is a Mission Mode Project under the National e-Governance Programme (NeGP). It is aimed to conduct the office procedures electronically for a simplified, responsive, effective and transparent working in all government offices. The

e-Office Product has been implemented in the Department since year 2010. The deployment of the e-Office product is on the Cloud Infrastructure of the National Data Centre (NDC). The e-Office products like e-file/File Management System (FMS), Knowledge Management System (KMS), e-Leave are fully implemented and being utilized in the Department. Significant improvement has been observed in terms of productivity of the staff and the transparency in the government processes after the implementation of this project. User can also view their Pay-Slip and Income Tax details through the Department e-office portal. e-Tendering system is being followed under e-Procurement.

### vii. **e-Service Book**

DoPT has implemented web enabled e-Service Book in the Department and after implementation of e-Office products, the data of e-Service book is being migrated to the e-Office Personal Information Management System (PIMS). After its implementation, user will be able to view his/her service records online through the Department's e-Office portal.

### viii. **Training to Staff**

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

### ix. **Settlement of Pension Cases on BHAVISHYA Portal**

The Department of Pension & Pensioner's Welfare (D/o P&PW) has developed a software to process the pension cases online through the BHAVISHYA Portal. In pursuance of instructions issued by D/o P&PW, the Department has been



- processing and finalizing all the cases online. Instructions have been issued to all the Attached and Subordinate offices of this Department to settle such cases online. They are in the process of implementing it.
- x. ABAS (Aadhar Enabled Biometric Attendance System) has been installed in the Department for maintaining punctuality. The manual system of attendance registers have been totally done away with.
  - xi. FCI is one of the first Government organizations to start the “MyGov” platform involving citizens in the governance process. Depot online project is being implemented so as to manage overall operations of FCI on the depot level which would include procurement, storage and movement of foodgrains. FCI has also implemented e-tendering. It has implemented IISFM under which information with regard to receipt and issue of foodgrains and stock position is received daily from all the depots. An online procurement monitoring system has been launched for reporting and monitoring procurement of wheat, paddy and coarse grains in the country on daily basis.
  - xii. CWC plan for computerization aims to improve services to farmers, customers, vendors, employees, and other stake holders. CWC is exploring implementation of Integrated Business Management Solution (IBMS) project. This project envisages linking all the operations units of the Organization to facilitate faster decision both at the Corporate Office and Regional Officer level.
  - xiii. WDRA has undertaken a transformation plan which envisages creation of an IT platform for its major activities. It has been proposed to put in place a system of electronic Negotiable Warehouse Receipts (NWR); plan includes online application and registration of warehouse. WDRA has launched a website on 20.11.2014 regarding the directory of warehousing in the country.
  - xiv. Digital Signature Certificates are being provided to the officers/officials of Department.
  - xv. Training has been imparted to officers/officials on Content Management System (CMS).
  - xvi. Linking of the Department’s website through Social Media viz. facebook, Twitter is being worked upon.
  - xvii. Continuous efforts are being made in the Department and its Organizations for exploring more items which can be made online to make the Digital India Programme successful both at the National and State/UT level.
- INTEGRATED FINANCE DIVISION (IFD)**
- 1.33 IFD of the Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) is headed by the Special Secretary & Financial Adviser.
  - 1.34 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;
    - (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 including Plan and Non Plan Expenditure proposal;
    - (vii) Scrutiny of proposals for re-delegation of powers to subordinate authorities;
    - (viii) Advise on formulation of schemes and important expenditure proposals from the initial stages;

- (ix) Evaluation of progress/performance of projects and other continuing schemes;
- (x) Monitor the settlement of Audit Objections, Inspections, Reports, Draft Audit Paras, 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 foodgrains under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) and for fixation of procurement incidentals and economic cost sheets for procurement of foodgrains for Central pool and DCP operations, and finalization of audited claims submitted by the States;
- (xv) Scrutiny and concurrence of proposals for SDF loans to sugar factories, transport subsidy for sugar export, subsidy for maintenance of buffer stock, fixation of wholesalers and retailers' margins in respect of levy sugar and grants-in-aid to research institutions and release of advance, final sugar subsidy to States, and defraying expenditure on marketing and promotion services for raw sugar production.

### SUMMARY OF AUDIT OBSERVATIONS

- 1.35 Position of pending audit observations and a summary of few important audit observations included in the C&AG Reports since 2005 (Civil & Commercial) and action taken by the Department thereon as on 31.12.2015 are at **Annexure-IV**.

### DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION

#### Organisational set-up

- 1.36 The Secretary (F&PD) is the Chief Accounting Authority who discharges his responsibilities with the assistance of SS & FA and Chief Controller Accounts (CCA) of the Department.
- 1.37 The departmentalized Payment and Accounting Organization of the Department has four Pay and Accounts Offices located at New Delhi, Mumbai, Chennai and Kolkata besides one Principal Accounts Office located at New Delhi. CCA is the Head of the payment and accounting organization of the Department.

#### Functions & Responsibilities

- 1.38 The Payment and Accounting Organization under the Chief Controller of Accounts is responsible for:-
- a. 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.
  - b. Issuance of Pension Payment Orders (PPO) in respect of retiring Government servants and payment of retirement benefits

- c. Supervision & Monitoring of Utilization Certificates.
  - d. Maintenance of Loans and Grants in Aid to State Governments/PSUs/ Autonomous Bodies
  - e. Submission of information under FRBM Act-2003
  - f. Technical Advice to Ministry/ Department/PSU/Autonomous Bodies
  - g. Review of Expenditure under Modified Cash Management System
  - h. 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 of the Ministry.
- 1.39 The Principal Accounts Office of this Ministry generates periodic reports like the 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.
- 1.40 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. The features of the software are:
- (i) It is at the lowest level of accounting and it provides information to the higher levels of the accounting system for further processing.
  - (ii) It covers all the major accounting and payment functions i.e. Pre Check, Budget, Compilation, GPF and Pension.
- (iii) It aims at generation of Monthly Consolidated Accounts data.
  - (iv) It provides various managerial reports for expenditure analysis like Expenditure Control Register, Receipts versus Expenditure comparison, Date wise Monthly Statement (DMS) etc.
  - (v) Preparation/printing of cheques to be issued, through the system.
- 1.41 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 300 odd PAOs are received at the Database server, this web-based application will facilitate an ONLINE Financial Information System for fact based fiscal management.
- 1.42 The Internal Audit is managed by two Audit Parties, one at Kolkata and one 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. A total number of Twenty Three (23) Units were approved to be audited during the period 2015-16, out of which Nineteen (19) have already been audited upto 31<sup>st</sup> December, 2015.
- 1.43 A number of paras raised by audit resulted in recovery of over payment, recovery of Government 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, 2005 for procurement of Government Stores.

## ORGANISATIONAL SET-UP AND FUNCTIONS

### Achievements

- i. The actual expenditure of the Department during 2015-16 (Upto 31.12.2015) was ₹120541.11 crores under Grant No.18.
- ii. Payment of Subsidy released to FCI upto 31.12.2015 is ₹97000 crore & to State Governments was ₹ 21907.48 crore.
- iii. All Payments are electronic through RBI Advice or GePG Gateway directly to the Bank Account of the Beneficiary.
- iv. Total No. of GPF Final Payment cases 32 received upto 31.12.2015, out of which 27 number of cases were cleared.
- v. All the Superannuation Pension/Family Pension Cases received upto 31.12.2015, were duly cleared.
- vi. All the bills received upto 31.12.2015, were cleared.
- vii. All the Accounting Reports were submitted in time to Controller General of Accounts.
- viii. 19 Audits have been conducted till 31<sup>st</sup> December, 2015 for the year 2015-16.
- ix. 32 Employees attended training programs conducted by INGAF & NIFM upto 31<sup>st</sup> December, 2015.
- x. As per the recommendations of 6<sup>th</sup> pay commission, following data of revision of pension cases are mentioned below :-

1.45

viz. FCI and CWC, are headed by full time JS level CVOs based in the respective headquarters at Delhi. All three CVOs work in tandem. In the Department, a Deputy Secretary, an Under Secretary and a Section Officer, besides two ministerial staff assist the CVO. In both PSUs there are full fledged Vigilance Departments, with dedicated hierarchy, overseeing the Vigilance aspects of FCI & CWC. In other out stationed subordinate offices, a suitable senior officer is entrusted with the work of Vigilance Administration.

Vigilance Division follows the guiding principles prescribed and instructions issued by CVC & DoPT from time to time. Stress on the principle of preventive rather than punitive action is being laid by addressing the faulty systems and procedural flaws which permit acts of omission and commission. Scrutiny of complaints and initiation of appropriate investigation measures, follow-up action on the same is being done. Latest user friendly technology available (IT) is used to tackle corruption apart from simplification of rules & regulations and other innovative solutions to check corruption. Tools like rotational transfers, e-Office (File Management System, Knowledge Management System etc.), thorough checking of annual property return are being applied to eradicate corruption.

Questionnaire	No. of cases received	No. of cases settled	Outstanding Cases
No. of revision of pension cases in terms of DoPT OM Dated 30.07.2015	a. Cases not revised once under OM Dated 28.01.2013=334	174	160
	b. Cases revised at least once under OM Dated 28.01.2013 and needs revision under OM Dated 30.07.2015=130	81	49

### VIGILANCE SET-UP

1.44 In the Department, Vigilance Administration is headed by CVO at Joint Secretary Level on additional charge basis. The Vigilance Administration in two Schedules 'A' PSUs

1.46 Simultaneously, e-Procurement is being emphasized to ensure absolutely clean Government purchases. Sevottam/ Citizen Charter and Public Grievance redressal mechanism have also been put in place. FAQs have been hosted in the Department's website



to provide basic information to the public about various functions of the Department and to clear their general doubts.

- 1.47 In pursuance to the directions of CVC, Vigilance Awareness Week was observed from 26.10.2015 to 31.10.2015, with the theme of “Preventive Vigilance as a tool of Good Governance”. In both the PSUs, and its Subordinate Offices, Vigilance Awareness Week was observed during which posters, lectures, seminars, debates and essay competition were organised.



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

## IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

- 1.48 The Right to Information Act, 2005 came into force w.e.f. 12<sup>th</sup> October 2005. In order to promote transparency and accountability in the working of every public authority, the Act provides for setting up a practical regime for citizens to secure access to information under the control of public authorities.
- 1.49 To deal with the request for information, officers of the level of Under Secretaries have been designated as Central Public information Officers (CPIOs) for their respective Divisions in the Department. Deputy Secretaries/Directors in the Department, have been designated as Appellate Authorities. For filing request/appeal, the details of the CPIOs and Appellate Authorities are available on the website of the Department <http://dfpd.nic.in> which is updated from time to time.
- 1.50 The Department has also complied with

the provisions of the Act for publication of information relating to the Organization within the prescribed time frame. Duly compiled manuals are available on the Department's website <http://dfpd.nic.in> – RTI-Manuals for information of the public and these manuals are being updated regularly. Similarly, information in respect of FCI, CWC, Directorate of Sugar and Vegetable Oils can also be accessed at <http://fcweb.nic.in>, <http://cewacor.nic.in>, [http://dfpd.nic.in/savo\\_about.htm](http://dfpd.nic.in/savo_about.htm) respectively.

- 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 System to make information more meaningful. Seven utility softwares relating to Government to Government (G-2-G) interface are also operational on the Department's intranet.
- 1.52 For pro-active disclosure of information under RTI Act, 2005 and to monitor the disposal of RTI requests on line, a web based Centralized RTI Management Information System (RTI –MIS) has been developed by NIC, DoPT in consultation with Central Information Commission (CIC). The system is designed to monitor the disposal of RTI requests on line. Accordingly, entry of all request received in the Department under RTI Act, 2005 are being made through the RTI-MIS software.

- 1.53 During the period 1<sup>st</sup> April, 2015 to 31<sup>st</sup> December, 2015, a total of 137 requests were received physically and 884 online and all requests were disposed of within the prescribed time limit. Further during the period 49 appeals were filed before various Appellate Authorities of this Department.

## SWACHH BHARAT ABHIYAN

- 1.54 On 2<sup>nd</sup> October, 2014, Hon'ble Prime Minister of India had given a call for Swachh Bharat as a mass movement to realize Gandhiji's dream of a clean India by the 150<sup>th</sup> birth anniversary of Mahatma Gandhi in 2019. To make this



## ORGANISATIONAL SET-UP AND FUNCTIONS

move a great success and also to achieve the set targets by 2019, the Department along with its Attached & Subordinate Offices and CPSEs continued its efforts.

1.55 Deep cleaning of the rooms in the Department is being done in phased manner in every month. In order to keep the working atmosphere neat and clean, white-washing, pest control and rodent control of the corridor and rooms are being at regular intervals. The services of CWC, who have expertise in pest/rodent control are being utilized.

1.56 The Department also observed the National Cleanliness Campaign during 25<sup>th</sup> September, 2015 to 31<sup>st</sup> October, 2015 and undertook following activities during this period:

- (a) Oath was administered to officers and officials for cleanliness.
- (b) Banners and flags prompting cleanliness, in suitable numbers, were displayed at appropriate places in Krishi Bhawan during the campaign.
- (c) To spread awareness on health and hygiene, the Department with the help of Red Cross Society, organized a Blood Donation Camp on 05.10.2015.
- (d) In order to spread awareness of cleanliness, a poetry session and essay competition of the officials on the subject of "Sanitation & Cleanliness" was organized.
- (e) A Committee has been constituted to monitor the progress of sanitation and cleanliness in the Department.
- (f) Floor officers have been nominated for each floor to maintain cleanliness.
- (g) 636 files were weeded out and 1013 files were recorded from 24<sup>th</sup> September, 2015 to 19<sup>th</sup> January, 2016.
- (h) Notice for auction of old & obsolete furniture and fixture items has been floated.
- (i) Repair and maintenance of Civil & Electrical works in the office premises

and common areas was carried out.

- (j) All Sections of the Department and its Attached Organizations were requested to undertake necessary steps for cleanliness and also to give suggestions for maintenance of cleanliness.
- (k) Upkeep and cleaning of office premises including common areas like toilets, corridors, stairs, lifts, etc. was done and is still continued.
- (l) 12 rooms of the Department are being renovated/modernized through CPWD under DARPG Scheme.

1.57 National Cleanliness Campaign was also observed by FCI, CWC, WDRA. Shri Yogendra Tripathi, CMD, FCI administered the oath of cleanliness to the officers/officials of FCI Hqrs. on 5<sup>th</sup> October, 2015. FCI also organized activities like essay competition, debate, seminar, etc. on "Cleanliness". Officers/officials were also sensitized about cleanliness. In order to maintain and monitor cleanliness in its premises, floor-wise nodal officers have been nominated by FCI.

1.58 CWC undertook the activities like cleaning of office premises, common areas, toilets, parking areas, corridors, stairs, weeding out of old record, disposal of old and obsolete furniture, electrical equipments etc. Repair/maintenance of office premises and outside common area was also undertaken by CWC. WDRA also participated in the drive and sensitized the staff members about maintaining the cleanliness in office premises as well as their residential areas.

1.59 Old and obsolete furniture, fixture, furniture, electronic equipments were also disposed off during this period.

### LONG-TERM ACTIVITIES

1.60 CWC has started using logo of Swachh Bharat Mission and its tagline on all stationery items, annual reports, magazines. Thorough cleaning of offices through cleanliness drive once in three months has been started. Floor wise nodal officer in CO/RO building of CWC has

been nominated to ensure cleanliness floor wise. CWC has made a budget provision of ₹100 lakh towards Swachh Bharat Mission for the year 2015-16. ₹ 1 crore is being deposited in Swachh Bharat Kosh during 2015-16. 55 Rain Water Harvesting Structures are being constructed in various places. Proposal to construct toilets in schools is also under consideration of CWC.

1.61 CRWC arranged in house lecture on significance of “Hygiene and Cleanliness in day to day life”. Employees of CRWC voluntarily carried out cleaning activities at nearby surroundings of the corporate office and other field units and made aware other personnel also about the significance of cleanliness at their home, office premises and nearby surroundings. A special drive was also launched for weeding out of all old record and ensuring cleanliness in all sections of CRWC, Corporate office/RWCs. “Swachh Bharat Swasth Bharat” headline has been scrolling on the CRWC website.

1.62 CRWC has undertaken an Integrated Village Project in the backward district of Rajasthan’s Sawai Madhopur Village Laxmipura for renovation of toilets in school, construction of new toilets and two sanitation awareness campaigns among individuals. It has also been decided to undertake a project in a MCD school at Mangolpuri, Delhi for construction of child friendly toilet blocks with running water and hand washing facilities, up-

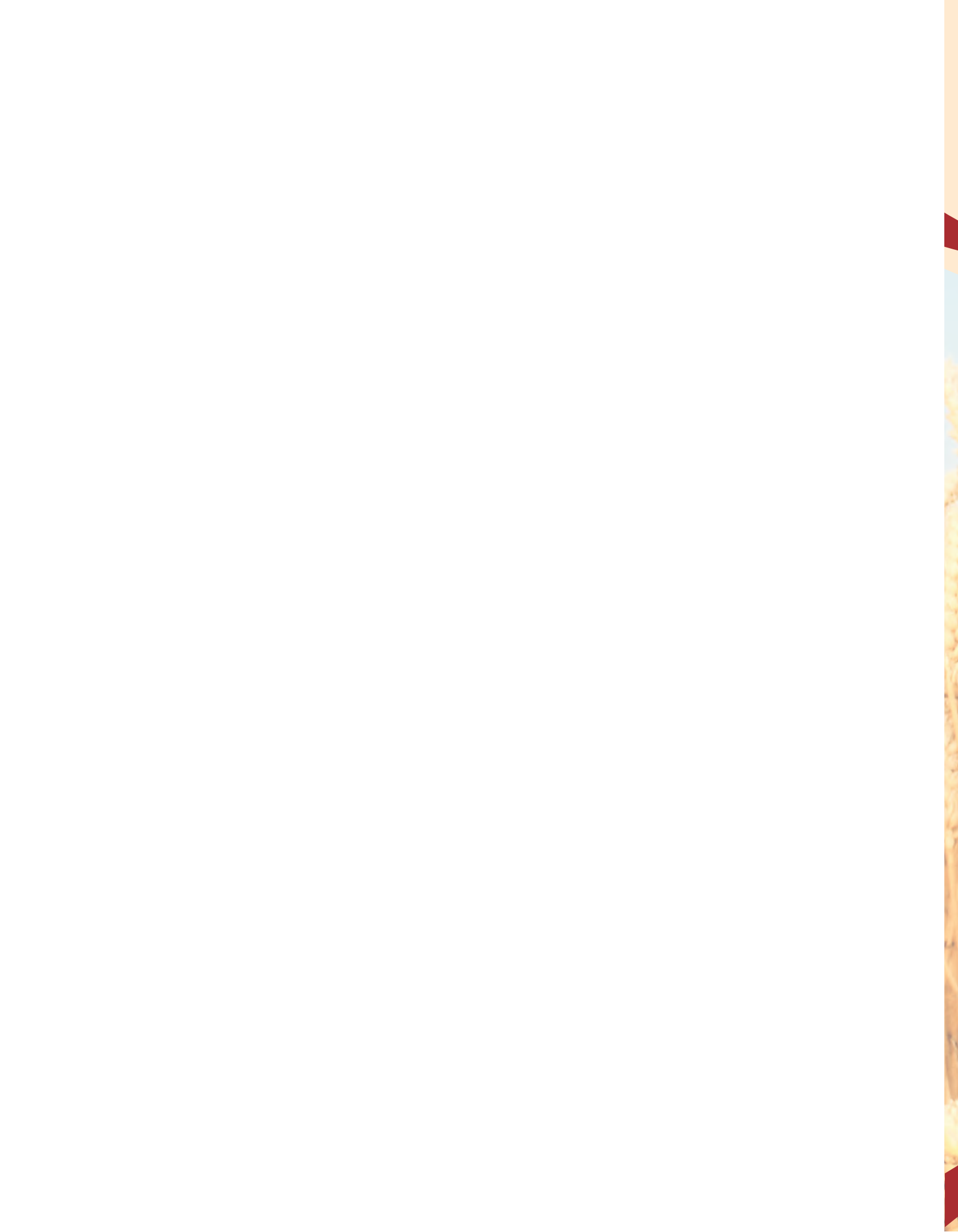


Cleanliness Drive

gradation of drinking water facilities with provision of filters and garden in the school near the RWC, Shakurbasti of CRWC. Construction of 10 toilets in various schools of Uttarkashi (Uttarakhand) and Gurgaon-NCR (Haryana) is ongoing for providing sanitation and hygiene facilities in these schools. ₹ 10 lakh and 5 lakh are also being contributed towards ‘Swachh Bharat Kosh’ and ‘Clean Ganga Fund’ respectively.

1.63 FCI would continue to maintain the facilities created and upgrade them. All the existing lavatory blocks are being maintained properly. It is targeted to provide 150 numbers of female Lavatory block in FCI own depot in 2015-16. Female Lavatory block are being provided with latest technology i.e. Bio-digester. Bio-toilet technology has been developed by DRDO. It is also targeted to provide safe drinking water facility in 75 FCI depots and to construct 150 Labour sheds in existing FCI depots during 2015-16.







# Chapter – II



**SIGNIFICANT  
ACHIEVEMENTS**

## SIGNIFICANT ACHIEVEMENTS

### IMPROVING FOODGRAIN MANAGEMENT

- ❖ The Government has accepted the recommendation of High Level Committee (HLC) constituted under the Chairmanship of Shri Shanta Kumar, M.P. that FCI should focus more in the Eastern States of India, where there frequent complaints of Distress Sale of paddy and procurement system is ineffective. Accordingly, State-wise 5 Year Action Plans drawn by FCI for U.P. (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam, where concerns exist about distress sale of paddy (procurement is already robust in Chhattisgarh & Odisha). Attempt is to increase procurement of rice in these States to a total of 81.67 lakh MT in current season compare to 53.65 lakh MT in previous season (increase of > 50%) and to reach out to all farmers in various paddy growing districts of these States.
- ❖ FCI is opening 681 procurement centres (including private support) in Kharif Marketing Season (KMS) 2015-16 compared to only 141 in previous Season in these 5 Eastern States. Total 26206 procurement centres are planned to be opened in this Season in these States.
- ❖ FCI has taken a unique initiative to engage private parties to expand procurement operations in hitherto poorly covered clusters in Eastern U.P., Jharkhand, West Bengal and efforts are on to engage them in Assam also.
- ❖ As on 19.01.2016, 22.51 lakh MT of paddy in terms of rice has been procured in above said 5 Eastern States in KMS 2015-16 compared to only 13.56 lakh MT in previous Season.
- ❖ To bring all operations of FCI Godowns online and to check leakage, “Depot Online” system initiated and integrated security system is being set up in all sensitive depots.
- ❖ Despite two successive monsoon deficit years, FCI has 364.77 lakh MT of foodgrain stock in Central Pool as on 1<sup>st</sup> Jan. 2016 (237.88 lakh MT of wheat & 126.89 lakh MT of rice excluding 133.36 lakh MT of rice due to be received from the un-milled paddy lying with the state agencies and 0.99 lakh MT of coarse grains), which is adequate to meet demand under Food Security Programmes & any other contingencies.
- ❖ In order to ensure supply of quality foodgrains to consumers and to minimize storage losses caused due to long period of storage, Government has adopted policies to optimize the level of procurement of wheat and paddy/ rice and to liquidate old stock in such a manner that FCI does not carry any issuable stock of more than 2-years of age at the end of any year. As on 1<sup>st</sup> April, 2015, FCI had only a residual 0.02% issuable rice stock and 0.04% issuable wheat stock, which was more than two year old. In current year, by 1<sup>st</sup> January, 2016 itself more than two year old stock has been almost completely liquidated by FCI.
- ❖ Besides 12 States/UTs which are already under Decentralised Procurement (DCP), Telangana has become a new DCP State for procurement of rice and Andhra Pradesh & Punjab have also adopted this system partially during 2014-15 to improve the efficiency of foodgrains procurement and distribution operations.
- ❖ For 2015-16, the Government has approved sale of entire surplus stock of 111 lakh MT of wheat available under Central Pool and 20 lakh MT of Grade-A Rice under Open Market Sale Scheme (Domestic) to bulk traders/consumers/State Governments and separate allocation for small traders as well as to the State Governments/National Cooperative Institutions. For sale of wheat in 2015-16, the Government has adopted a uniform reserve price for the fresh/ old/ URS stock of wheat under OMSS (D), which is ₹1550 per quintal for the above said 3 States and for other States by adding the freight/ road transportation charges ex-Ludhiana to the concerned depot of sale into it.
- ❖ FCI has been implementing a project of multi-modal transportation involving coastal



shipping and road movement of rice from designated depots of Andhra Pradesh to designated depots in Kerala. The operations were started in March 2014 and 110531 MTs foodgrains have been transported by FCI during 2014-15 and 9596 MTs in 2015-16 (upto December, 2015).



Coastal Movement

- ❖ Under the permission of Government of Bangladesh to transport 35,000 MT of foodgrains via Ashuganj Port to Tripura, for movement of an additional quantity of 10,000 MT of rice to Tripura via Bangladesh from Kolkata under multi-mode arrangement, necessary approval was given by the Government and movement has been arranged by FCI successfully in 2015-16. Looking at the precarious stock position in Tripura and to keep the alternate route alive for supplies of FCI to Tripura, Government is further considering to permit movement of another 10,000 MT of rice through this multi-modal riverine route via Bangladesh to Tripura.



Riverine Movement

- ❖ FCI is effectively optimizing movement in association with Railways to minimize cost & reduce transit losses of foodgrains – demurrage/wharfage charges brought down from ₹167.60 crore in 2013-14 to ₹96.95 crore in 2014-15 and to ₹ 54.08 crore till December in 2015-16 – re-booking charges have been reduced from ₹68.15 crore in 2013-14 to ₹47.33 crore in 2014-15 and to ₹23.10 crore till December in 2015-16.
- ❖ Adequate supplies of foodgrains maintained during natural calamities of Hud-Hud cyclone in Andhra Pradesh and devastating floods in J&K.
- ❖ The Government has revised the buffer norms w.e.f. January, 2015 and nomenclature of buffer norms has been changed to “Foodgrain stocking norms for the Central Pool”. The Government has revised the norms for better management of foodgrain stocks.
- ❖ During 2015-16, both storage losses and transit losses have been reduced to (-) 0.03% due to storage gain in wheat and 0.39% against MoU target of 0.15% and 0.42% respectively.
- ❖ 100 MT of rice was sent to Myanmar to help the flood affected pocket near Manipur border.
- ❖ The total storage capacity available for storage of Central Pool stock of foodgrains is about 812.09 lakh MT which stood at 364.77 lakh MT as on 31.12.2015.
- ❖ Under the Private Entrepreneur Guarantee (PEG) scheme, a capacity of 151.20 lakh MT has been sanctioned for construction of PEG godowns in 20 States. A capacity of 131.66 lakh MT has been completed and a capacity of 14.96 lakh MT is under construction upto 31.12.2015.
- ❖ An initiative by the Warehousing Development and Regulatory Authority (WDRA) has been taken to integrate the Primary Agricultural Cooperative Societies (PACSS) warehouses under the negotiable warehouse receipt system so that the small and marginal farmers can get benefited from

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- this scheme. 253 warehouses of PACS have been registered in Tamilnadu and Andhra Pradesh.
- ❖ A Transformation Plan from the WDRA has been undertaken to invigorate the warehousing sector and significantly improve post-harvest lending to farmers against negotiable warehouse receipts. It has been proposed to put in place a system of electronic Negotiable Warehouse Receipts (NWRs). The plan also includes online application and registration of warehouses.
  - ❖ Request For Proposal (RFP) for construction of steel silos for bulk storage of wheat has been floated for 6 locations - Whitefield, Katihar, Kotkapura, Narela, Sahnewal and Changsari on Public Private Partnership (PPP) mode with Viability Gap Funding (VGF). This effort will add 2.5 lakh MT capacity of modern storage to FCI's capacity.
  - ❖ 610.08 lakh MT of foodgrains have been allocated to States/UTs for distribution under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) during 2015-16 (upto 04.01.2016).
  - ❖ For maintaining supplies and securing availability and distribution of essential commodity mainly foodgrains under TPDS, in exercise of the powers conferred under Section 3 of the Essential Commodities Act, 1955, the Department has notified the TPDS (Control) Order, 2015 on 20.03.2015. The Order supersedes the existing PDS (Control) Order dated 31.08.2001 and is in consonance with the National Food Security Act, 2013. The Order is in force from the date of its publication in the official gazette i.e. 20.03.2015. The Order empowers the State/UT Governments to take all necessary actions to ensure proper implementation of TPDS within State to ensure that highly subsidised foodgrains reaches to the intended beneficiary. The Department has subsequently notified the TPDS (C) Amendment Order, 2015 on 29.10.2015 in the Gazette of India Extraordinary Part-II, Section-3, Sub-section (i) vide GSR No. 814 (E) dated 28.10.2015. The amendment order has done away with the restrictions on identification of new Antyodaya households that had been imposed under provisions of the TPDS(C) Order, 2015 dated 20.03.2015.
  - ❖ Implementation of Component-I of the Scheme on End-to-End Computerization of TPDS in States/UTs is in progress. Guidelines for FPS automation shared with all States/UTs. In Jan, 2015, an MoU was signed with STQC (Directorate under DeitY) to certify the PoS devices and Mobile terminal.
  - ❖ Sustained efforts have resulted in significant reforms in TPDS. As a result thereof by the end of December 2015, digitisation of ration cards completed in 34 States/UTs, over 24 crore ration cards have been digitized and over 10.10 crore ration cards have been seeded with Aadhaar, Supply chain management implemented in 11 States/UTs, Online allocation of foodgrains implemented in 20 States/UTs, 61,904 Fair Price Shops (FPS) automated by installing 'Point of Sale' device, Toll free help lines and online grievance redressal system implemented in all States/UTs to display all operations of TPDS.
  - ❖ At the end of one year after National Food Security Act, 2013 (NFSA) came into force, i.e, upto July, 2014, implementation of the Act had started in 11 States/UTs. Since then, 16 more States/UTs have started implementing NFSA and the total number of States/UTs now implementing the Act is 27.
  - ❖ During the year, four meetings/conferences were held with States/UTs to persuade them for early and proper implementation of the Act. A National Consultation meeting of Ministers in-charge of Food and Consumer Affairs of States/UTs was organized on 07.07.2015 at Vigyan Bhawan, New Delhi to discuss measures necessary to ensure availability of essential commodities at reasonable prices and implementation of

NFSA. Three other meetings with State Food Secretaries, including the meeting with Food Secretaries of North-East States at Guwahati, were held during the year inter alia to discuss implementation of NFSA and end-to-end computerization of TPDS scheme.

- ❖ Two rules under NFSA namely “Food Security (Assistance to State Governments) Rules, 2015” and “Cash Transfer of Food Subsidy Rules, 2015” were notified on 17.08.2015 and 21.08.2015 respectively.
- ❖ In order to facilitate direct cash transfer of food subsidy to the beneficiaries, Government has notified “Cash Transfer of Food Subsidy Rules, 2015” on 21.08.2015 under the NFSA. These rules provide that Direct Benefit Transfer (DBT) scheme will be implemented in a State/UT with the consent of the concerned State Government/UT Administration. Accordingly, keeping in view of checking of leakage and diversions, this Department is pursuing with States/UTs to opt for DBT scheme in lieu of foodgrains under which subsidy component will be credited to bank accounts of beneficiaries who will be free to buy foodgrains from anywhere in the market. For taking up this model, pre-requisites for the States/UTs would be to complete digitization of beneficiary data and seed Aadhaar and bank account details of beneficiaries. The scheme has been launched in Chandigarh and Puducherry w.e.f. September, 2015.
- ❖ The Central Government also decided to share 50% (75% in the case of Hilly and difficult areas) of the cost of handling & transportation of foodgrains incurred by the states and the dealer’s margin so that it is not passed on to the beneficiaries and they get coarse grain @ ₹ 1/Kg, wheat @ ₹ 2/Kg and rice @ ₹ 3/Kg.
- ❖ A Group namely “Food Security” was opened @ myGov portal i.e. www.myGov. in for engaging with citizens by inviting their comments/suggestions on various issues from time to time. Under the said Group ‘Food Security’ a discussion thread namely ‘Improving the TPDS’ was opened

for a period of one month during February, 2015. Suggestions /comments received from citizens have been shared with the States/UTs as well as within the Department for sending an action taken report on the suggestions accepted and the action taken or to be taken on them for achieving the objective of an improved TPDS.

## RELIEF TO THE FARMERS

- ❖ Due to untimely rains & hailstorms, wheat crop was badly damaged in Rabi Marketing Season (RMS) 2015-16. The Government has relaxed quality norms for wheat and reimbursed value cut for such relaxation to extend full benefit of MSP to farmers. A total of 280.88 lakh MT of wheat has been procured from the farmers in RMS 2015-16 as against 280.23 lakh MT in previous season out of which 266.26 lakh MT has been procured Under Relaxed Specifications (URS).
- ❖ Further, in order to give relief to the State Governments/ State Government Agencies, the Central Government decided to apply a storage gain of only 0.5% on wheat lifted by FCI from the State Agencies after 30<sup>th</sup> June, 2015, as against the normal rate of 1%, based on the Report of a Committee of Experts headed by the CMD, FCI.
- ❖ Despite poor monsoon in current year resulting in lower 1<sup>st</sup> advance estimates of rice production in Crop Season 2015-16 compared to 4<sup>th</sup> advance estimates of previous season, paddy procurement from the farmers has been stepped up and till 22.01.2016, 229.35 lakh MT of paddy in terms of rice has been procured in the country as compared to only 178.11 lakh MT in previous season.
- ❖ Government agencies procured 280.88 lakh MT wheat during RMS 2015-16, providing relief to the farmers affected by freak rains and hailstorms.
- ❖ Rice/paddy procurement during KMS 2015-16 has just started and is estimated to be 300.00 lakh MT of rice. Till 31.12.2015, a quantity of 189.66 lakh MT of rice has been



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procured. Procurement of paddy in KMS 2015-16 has mainly increased in Punjab (77.81 to 93.49 lakh MT), Haryana (20.15 to 28.54 lakh MT), Chhattisgarh (21.63 to 32.88 lakh MT), Odisha (1.60 to 10.56 lakh MT) & U.P. (8.18 to 14.69 lakh MT).

- ❖ Due to unseasonal rains and hailstorms the wheat crop in certain parts of the country were damaged. However, to protect the interest of farmers, the Government has procured a large quantity of wheat under relaxed specifications. Wheat in Central Stock needs to be liquidated on over-riding priority to avoid deterioration of such stocks which has shelter self life. The international rates of wheat have been on the downside and some traders/millers in the country were opting to import wheat, which could directly affect the sale of wheat from Central Pool stock under OMSS (Domestic) in the year 2015-16. To protect the interest of farmers, Government imposed custom duty on wheat @ 10% w.e.f. 07.08.2015 and enhanced to 25% w.e.f. 19.10.2015.
- ❖ The Government has also relaxed procurement norms of paddy and resultant rice during KMS 2015-16 in affected areas of Andhra Pradesh and Uttar Pradesh on the request of State Government to help the farmers and to avoid distress sale.
- ❖ The drop in international prices of imported oils was affecting the prices of domestically produced edible oils consequent upon which farmers' interest was affected. The Department had recommended an increase in the import duty on edible oils with a dynamic range which varies according to international prices. Accordingly, Department of Revenue, vide Notification No. 46/2015-Customs dated 17.09.2015 increased the import duty on Crude oils from existing 7.5% to 12.5% and the import duty on Refined oils from existing 15% to 20%.

### **MILLERS LEVY ON RICE ABOLISHED**

- ❖ With effect from 01.10.2015, levy of rice on millers has been discontinued. This will save farmers from exploitation and now they

will not depend on millers for selling their paddy. This initiative has improved delivery of MSP to the farmers for paddy even in the situation of market prices ruling below the MSP, especially in the States of Andhra Pradesh, Telangana, Uttar Pradesh and West Bengal, where the farmers were substantially dependent on millers for selling their paddy.

- ❖ During KMS 2013-14 only a quantity of 8.52 lakh MT of paddy had been purchased directly from the farmers by the State Agencies in unified Andhra Pradesh, but in KMS 2014-15, such direct purchase of paddy has gone upto 36.76 lakh MT in Andhra Pradesh and Telangana together. The reduction of levy in KMS 2014-15 has not resulted in any substantial reduction of overall procurement of rice in these two States till date compared to KMS 2013-14. Similarly in Uttar Pradesh, the procurement of paddy has gone up from 9.07 lakh MT in previous season to 18.18 lakh MT in current season and overall procurement of rice has gone up from 11.05 lakh MT of previous season to 16.10 lakh MT till April, 2015. In West Bengal also, the procurement of paddy has gone up from 5.79 lakh MT in previous season to 13.29 lakh MT in current season and overall procurement of rice has gone up from 8.27 lakh MT to 13.31 lakh MT till April, 2015.

### **OUTREACH OF MINIMUM SUPPORT PRICE (MSP) INCREASED IN EASTERN STATES FOR PADDY FARMERS**

- ❖ In a bid to increase reach of MSP operations to more farmers and increase procurement of paddy, a policy for engagement of private players in procurement in Eastern States has been formulated this year. Now private firms have been allowed to procure paddy from farmers in a cluster, identified by the respective State Government in the States of Assam, Bihar, Eastern Uttar Pradesh, Jharkhand and West Bengal, where the Food Corporation of India (FCI) does not have a robust procurement mechanism which often forces farmers to go for distress sale. Private



firms would deliver Custom Milled Rice (CMR) at the FCI or State Government-owned agency godowns.

### **REFORMS IN SUGAR SECTOR & STEPS TAKEN TO LIQUIDATE CANE PRICE ARREARS OF FARMERS**

- ❖ Sugar production during current sugar season is estimated to be sufficient for domestic consumption requirements.
- ❖ To facilitate clearance of cane price arrears of the farmers relating to FRP for the sugar season 2014-15, a scheme for extending soft loans to the extent of ₹ 6000 crore to the sugar industry was notified on 23.06.2015. ₹ 4212 crore have been disbursed under the scheme. The Government also extended period by one year for achieving eligibility under the soft loan scheme and decided to bear the interest subvention cost to the extent of ₹ 600 crore for the extended period. This will extend benefits to large number of farmers by enabling more mills to avail the benefits of the scheme. It has also been decided that after clearing cane dues of farmers, subsequent balance, if any, will be credited into the mill accounts. This will benefit about 150 additional sugar mills which had proactively liquidated more than 90 percent of their cane dues payable. This would ensure that mills are incentivized for arranging bridge finances for timely clearance of cane dues to farmers.
- ❖ Direct Subsidy to farmers, Government decided to pay a production linked subsidy of ₹ 4.50 per quintal in 2015-16 season, to sugar mills to offset the cost of cane and facilitate timely payment of cane price dues of farmers for sugar season 2015-16. A notification in this regard issued on 02.12.2015. Funds released under the scheme shall be directly credited into farmers' accounts.
- ❖ The export incentive on raw sugar has been increased from ₹ 3200 per MT to ₹ 4000 per MT. Funds have been allocated to support 14 lakh MT of raw sugar exports as against 7.5 lakh MT achieved last year. In September 2015, the Government also announced quotas

for mills and co-operatives for mandatory exports of 4 million MT of sugar in 2015-16.

- ❖ The Government has enhanced import duty on sugar from 25% to 40% to discourage imports. Also, to prevent leakages of sugar in the domestic markets, the export obligation period has been reduced from 18 months to 6 months under the Advanced Authorization Scheme.
- ❖ Blending targets under Ethanol Blending Programme (EBP) has been scaled up from 5% to 10%. Remunerative prices for Ethanol supplied under EBP have been fixed in the range of ₹ 48.50-49.50 per litre, a substantial increase over previous years. As a result, the supplies of ethanol for blending have increased from about 32 crore litres per year to 103 crore litres per annum. Excise duties on ethanol supplied for blending in the next sugar season has also been waived off to further incentivize ethanol supplies for the blending program. This would further increase the ex-mill price of ethanol and help improving liquidity in the industry to facilitate payment of cane price arrears.



- ❖ In order to mobilise more funds for various interventions to be undertaken to facilitate liquidation of arrears of cane dues, such as interest subvention based soft loans, export incentives and production assistance, amendment in the Sugar Cess Act, 1982 was introduced in the Parliament.
- ❖ Due to sustained efforts to facilitate payment of sugarcane arrears to the farmers, arrears came down to ₹ 3476 crore at the end of

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December, 2015 from ₹ 21,000 crore in the sugar season 2014-15.

- ❖ The Fair & Remunerative Price (FRP) of sugarcane payable to the farmers in sugar season 2015-16 by sugar mills has been enhanced by ₹ 10 per quintal to ₹ 230 per quintal.
- ❖ A web-based platform to facilitate the sugar mills for submission of inputs has been started. Online data regarding production, cane price arrears, etc. are accessible for States. In order to reduce inventory levels, the Government has notified mill-wise Minimum Indicative Export Quota (MIEQ) to be exported by sugar mills. Also, the Government has formulated a national grid allocating the concerned mills having ethanol distillation capacity to produce and supply ethanol to Oil Marketing Companies (OMCs) to achieve blending levels of 10%.

## OTHER ACHIEVEMENTS

- ❖ With the approval of Cabinet Committee on Economic Affairs (CCEA), the Department of Agriculture Cooperation & Farmers Welfare (DAC&FW) has, vide order dated 23.06.2015, decided that FCI should be included as an Additional Central Nodal Agency for procurement of Pulses and Oilseeds. Accordingly, the Department has issued orders allowing FCI to be the Additional Central Nodal Agency for procurement of pulses and oilseeds and has further requested FCI to make arrangements for procurement of such commodities at MSP with the support of the State Government Agencies having experience and expertise of procurement of such commodities. The pattern of arrangements for Price Support Operations are going to be similar to the modus operandi adopted by NAFED for procurement of pulses and oilseeds and the required credit etc. should be mobilized under the guarantee provided to FCI separately by the DAC&FW for that purpose. The losses incurred with regard to the MSP operations of pulses and oilseeds will be required to be

directly compensated to FCI by the DAC&FW on the pattern of NAFED.

- ❖ FCI is also doing procurement of pulses for the first time, for building up a buffer stock of pulses for the Government for which the procurement is being done at mandies at market price discovered through auctions. FCI is operating in Maharashtra, Telangana and Andhra Pradesh. The financial support for this purpose is being provided by DAC&FW under their Price Stabilization Fund Scheme. Procurement period for Kharif pulses is from 15.10.2015 to 15.02.2016 and for Rabi pulses is from 15.03.2016 to 15.07.2016. DAC&FW has issued procurement Guidelines for such market operations. By 18.01.2016 FCI has purchased 3957 MT of Tur (Arhar) and 4.7 MT of Urad at market price under this scheme.
- ❖ In order to have better targeting of 'Other Welfare Schemes (OWS)' for poor, a Committee of Ministers set up under the Chairmanship of Hon'ble Minister for Consumer Affairs, Food and Public Distribution. The Committee not only decided continuation of foodgrain allocation for OWS but also nutritional support by providing milk and eggs etc. under the schemes.
- ❖ CWC has achieved an all time high turnover of ₹ 1562 crore in 2014-15 and paid a dividend of ₹20.21 crore to the Government.
- ❖ A warehouse directory of the country has been prepared by the WDRA which is available on the website 'www.warehousedirectory.in'.



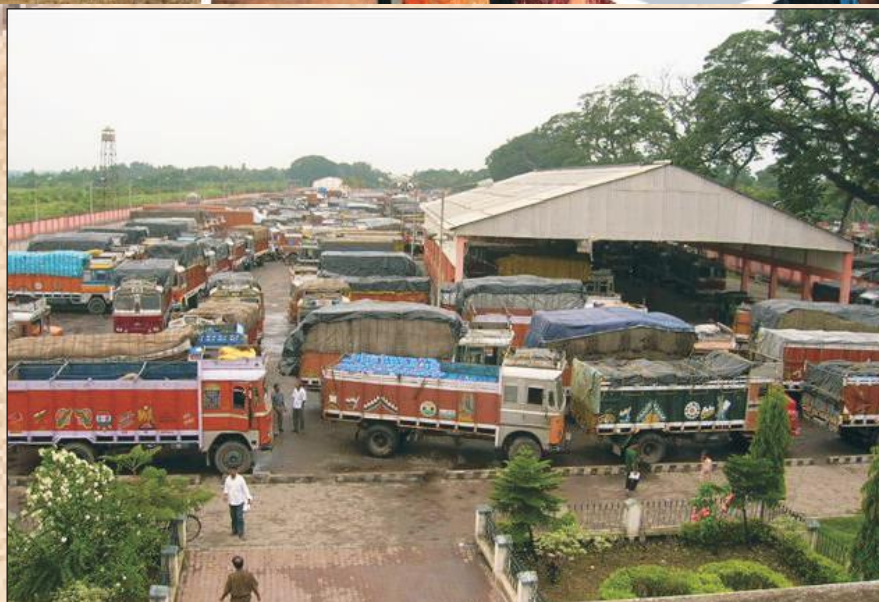
MD, CWC presenting the Dividend Cheque to Hon'ble Minister



# Chapter – III



IMPROVEMENTS  
IN  
PUBLIC SERVICE  
SYSTEM



# FOOD MANAGEMENT



**PROCUREMENT OF FOODGRAINS**

3.1 Procurement operations are seasonal - Kharif Marketing Season (KMS) starts from 1<sup>st</sup> October and lasts upto next 30<sup>th</sup> September of a Year. Paddy/ Rice and Coarse grains like jowar, bajra, ragi & maize are procured during the KMS. The Rabi Marketing Season (RMS) starts from 1<sup>st</sup> April and lasts upto next 31<sup>st</sup> March of a Year. Mostly, wheat and sometimes barley is procured during RMS. Before the start of every marketing season, the Department convenes a meeting of State Food Secretaries to make advance arrangements for procurement of foodgrains/ coarse grains. In this meeting, issues like procurement centres to be opened by the Food Corporation of India (FCI)/ State Government Agencies (SGAs), arrangement of storage space, evacuation plan for foodgrains and arrangement of packaging material are discussed in detail. Based on the estimates given by the State Food Secretaries, the targets of total procurement for the Central Pool are worked out in the meeting.

**MINIMUM SUPPORT PRICE**

3.2 Foodgrains are procured at the Minimum Support Price (MSP) fixed by the Government. For KMS 2015-16, the MSP for Common and Grade ‘A’ paddy was fixed at ₹1410/- and ₹1450/- per quintal respectively. The MSP of wheat was fixed at ₹1450/- per quintal for the RMS 2015-16, and for RMS 2016-17, it has been fixed at ₹1525/- per quintal. The comparative MSP of wheat and paddy as announced by the Ministry of Agriculture for crop year 2011-12 to 2015-16 is given below:-

(₹ per quintal)

Commodity	2011-12	2012-13	2013-14	2014-15	2015-16
Paddy-Common	1080	1250	1310	1360	1410
Paddy-Grade ‘A’	1110	1280	1345	1400	1450
Jowar-Hybrid	980	1500	1500	1530	1570
Jowar-Maldandi	1000	1520	-	1550	1590
Bajra	980	1175	1310	1250	1275
Maize	980	1175	1310	1310	1325
Ragi	1050	1500	1500	1550	1650
Wheat	1285	1350	1400	1450	1525
Barley	980	980	1100	1150	1225



Mandi operation – Procurement of foodgrains

**PROCUREMENT PLAN FOR WINTER/ SUMMER PADDY IN KMS 2014-15**

3.3 In the Rabi Conference of the State Food Secretaries held on 16.02.2015, a separate target of 50 lakh MT was fixed for procurement of paddy in terms of rice pertaining to winter/ summer crop in KMS 2014-15, which is usually procured during the period of April to September in a year. This practice of fixing separate target for this crop has been started for the first time to ensure that procurement of paddy for kharif crop is completed in time by the States and the procured paddy is subjected to milling without any delays and resultant CMRs are handed over to State Government Agencies (SGAs)/ FCI in time by the millers.

**PROCUREMENT PLAN FOR RMS 2015-16**

3.4 For wheat crop of RMS 2015-16, an estimated target of 300.00 lakh MT for procurement was set in consultation with the State Governments after a Conference of the State Food Secretaries held on 16.02.2015. Government has also decided to fix the period



of procurement of wheat in various States in such a manner that the procurement could start on the onset of harvesting and continue for a maximum period of 3 months in a particular State. Arrangements for opening of sufficient number of purchase centres, deploying procurement and quality testing staff, timely supply of packaging materials, mobilisation of required storage space were finalized in the meeting.

### **PROCUREMENT PLAN FOR KMS 2015-16**

- 3.5 For the Kharif crop of KMS 2015-16, an estimated target of 300.00 lakh MT for procurement of rice has been set in consultation with the State Governments after a Conference of the State Food Secretaries held on 30.07.2015. Government has also decided to fix the period of procurement of paddy in various States in such a manner that the procurement could start on the onset of harvesting and continue for a maximum period of 3 months only in a particular State. The Government has also decided to enforce a discipline in milling of the procured paddy and, therefore, a period of maximum 3-4 months only is allowed for completion of milling and handing over of CMR to SGAs/FCI. Separate targets are to be fixed for procurement of paddy for the winter/ summer crop of paddy in KMS 2015-16, for which a separate meeting of State Food Secretaries is scheduled to be held on 15<sup>th</sup> February, 2016.
- 3.6 The Central Government is now strictly following a time schedule for completion of all operations of the marketing season by June-end for States having only Kharif Crop of paddy (excluding difficult States) and by September-end for other States, however, under special circumstances, the States are permitted a further period of 3 months to complete the operations, with one month extension at a time. Thus, for KMS 2015-16 no CMR is planned to be accepted by FCI from the States concerned after 30<sup>th</sup> September, 2016 or 31<sup>st</sup> December, 2016, as the case may be. This policy is to

bring in a discipline in the procurement operations of rice and will help in preventing various malpractices, which have been allegedly affecting the rice procurement system in the past. This will help in timely milling of paddy procured in the succeeding season and will prevent its quality getting deteriorated.

### **SUPPLY OF JUTE BAGS/PACKAGING MATERIAL FOR KMS 2015-16 & RMS 2016-17**

- 3.7 As per provisions of the JPM Act, 1987, foodgrains are required to be packed and stored in jute bags only unless until a relaxation is granted under the said Act by the Government to use any other packaging material. FCI and State Government Agencies procuring foodgrains for Central Pool have the option of purchasing jute bags through Directorate General of Supplies & Disposals (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's formula. Presently, these agencies are procuring jute bags through DGS&D. Based on the indents of the State Governments, DGS&D conveys the requirement of the States to the Jute Commissioner who issues the Production Control Orders (PCO) on the active jute mills. The Quality Assurance Wing of 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, regular review meetings are held under the aegis of an Inter-Ministerial Committee (IMC) constituted by this Department, in which State Governments, jute bags manufacturers, plastic bags manufacturers and other stake holders are also invited. The IMC 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.

3.8 For KMS 2015-16 the total requirement of packaging material has been assessed to be 21.21 lakh bales of jute bags and a month-wise plan has been drawn accordingly by this Department. However, due to various factors total indenting done by the States has been for 14.49 lakh bales only. The Plan was reviewed from time to time based on the pace of procurement and by 18.01.2016, 12.87 lakh bales of gunny bags have been supplied by DGS&D to various States, major one being 5.07 lakh bales to Punjab and 3.02 lakh bales to Chhattisgarh. For RMS 2016-17, the net requirement of jute bags has been assessed to be 13.57 lakh bales after excluding the carried over stock of packaging material available with States and a month-wise plan has been drawn for ensuring timely supply of the jute bags for the season. However, as there is a crisis of jute fibre supply in Jute Bag Manufacturing Industry, only 8.20 lakh bale of jute bags are finally planned to be supplied to various States for RMS 2016-17 and remaining 5.37 lakh bales of HDPE/ PP bags have allowed to be purchased by the States through DGS&D under relaxation granted by the Ministry of Textiles as per provisions of JPM Act, 1987.

### **SCHEME OF DECENTRALISED PROCUREMENT OF FOODGRAINS**

3.9 The scheme of Decentralized Procurement (DCP) of foodgrains was introduced by the Central Government in 1997-98 with a view to effecting savings in food subsidy, enhancing the efficiency of procurement and public distribution and encouraging local procurement to the maximum extent thereby extending the benefits of MSP to local farmers. Under the DCP scheme, the State Government itself undertakes direct purchase of paddy and wheat on behalf of Government of India. Purchase centres are opened by the State Governments and their agencies as per their requirements. The State Governments procure, store and distribute foodgrains under TPDS and OWS. In the event of the total quantity of wheat and rice thus procured

falling short of the total allocation made by the Central Government for meeting the requirement of TPDS and other schemes, the Central Government, through FCI, meets the deficit out of the Central Pool stocks.

3.10 The Central Government undertakes to meet the expenditure incurred by the State Governments on the procurement operations as per approved costing based on certain fixed principles. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly. The State Governments presently undertaking Decentralized Procurement are West Bengal (paddy/ rice), Madhya Pradesh (paddy/ rice and wheat), Chhattisgarh (paddy/ rice), Uttarakhand (paddy/ rice and wheat), Andaman & Nicobar Islands (paddy/ rice), Odisha (paddy/ rice), Tamil Nadu (paddy/ rice), Gujarat (wheat), Karnataka (paddy/ rice), Kerala (paddy/ rice), Andhra Pradesh (paddy/ rice), Telangana (paddy/ rice), Bihar (paddy/ rice and wheat), Rajasthan (partial - wheat in Alwar District only) and Punjab (partial - wheat for NFSA obligations only).

### **IMPROVEMENT OF PROCUREMENT OF PADDY IN EASTERN STATES**

3.11 The Government has accepted the recommendation of High Level Committee (HLC) constituted under the Chairmanship of Shri Shanta Kumar, M.P. that FCI should focus more in the Eastern States of India, where there are frequent complaints of distress sale of paddy and procurement system is ineffective. Accordingly, State-wise 5-Year Action Plans drawn by FCI for U.P. (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam, where concerns exist about distress sale of paddy (procurement is already robust in Chhattisgarh & Odisha). Attempt is to increase procurement of rice in these States to a total of 81.67 lakh MT in current season compare to 53.65 lakh MT in previous season (increase of > 50%) & reach

out to all farmers in various paddy growing districts of these States.

- 3.12 FCI is opening 681 procurement centres (including private support) in comparison to only 141 in previous Season in these States. Total 26206 procurement centres are planned to be opened in this Season in these States. Besides Government Agencies, in consultation with States, FCI has taken a unique initiative to engage private parties to expand procurement operations in hitherto poorly covered clusters in Eastern U.P., Jharkhand, West Bengal & efforts are on to engage them in Assam also. Procurement in Eastern States usually picks up after Makar Sakranti only. As reported by FCI on 19.01.2016, 22.51 lakh MT of paddy in terms of rice has been procured in these States in KMS 2015-16 compared to only 13.56 lakh MT in previous Season

### **STATUS OF PROCUREMENT OF FOODGRAINS**

- 3.13 The status of procurement of foodgrains in 2015 - 16 is given below:

- (i) In RMS 2015-16 (April, 2014 to March, 2015), 280.88 lakh MT of wheat has been procured for the Central Pool, which is more than the total quantity of 280.23 lakh MT procured during the previous season i.e. RMS 2014-15. Untimely rains and hailstorms in February and March, 2015 had affected wheat crop to a significant extent in Madhya Pradesh, Gujarat, Rajasthan, Haryana, Punjab and Uttar Pradesh. Besides damage to the crop, there was also deterioration in the quality of wheat. As a result, these State Governments had requested for relaxation in quality norms of wheat to facilitate its purchase by the Government Agencies and to prevent farmers from resorting to distress sale. Accordingly, this Department had constituted joint teams of FCI and State Government officials to collect samples from the procurement centres and to get them analyzed. Based on the analysis of these filed samples suitable relaxation in quality norms was given in all these States and as a special measure of financial relief to

the State Governments concerned, the Central Government has decided to reimburse the cost of value cut to the State Governments/ SGAs concerned. Out of the total quantity of wheat procured in RMS 2016-17, the quantity of wheat procured Under Relaxed Specifications (URS) has been 266.26 lakh MT, the highest quantity being 99.56 lakh MT in Punjab, 67.53 lakh MT in Haryana, 65.09 lakh MT in M.P., 19.34 lakh MT in U.P. and 3.45 lakh MT in Rajasthan. Further, the Central Government has decided to apply a storage gain of only 0.5% on wheat lifted by FCI from the State Agencies after 30<sup>th</sup> June, 2015, as against the normal rate of 1%, based on the Report of a Committee of Experts headed by CMD, FCI.

- (ii) For the KMS 2015-16 (October, 2014-September, 2015), procurement of paddy/ rice started in October, 2014 and by 01.01.2015, 189.66 lakh MT of paddy in terms of rice has been procured in various States against the target of 300.00 lakh MT for Kharif crop of 2015-16. The total procurement of paddy in terms of rice in KMS 2014-15, which has ended on 30<sup>th</sup> September, 2015 has been 320.40 lakh MT as reported by FCI against the overall estimated quantity of 342.89 lakh MT for that season.

### **ISSUE OF BONUS OVER AND ABOVE MSP**

- 3.14 Certain State Governments, which were procuring surplus foodgrains than their requirement for TPDS were also providing bonus over and above MSP during past few years, which was distorting the market and driving away private buyers from the market of such States, leaving entire responsibility of purchase on the Government only. This used to result in over procurement in these States. To curb this anomaly, Central Government had taken a decision on 12<sup>th</sup> June, 2014 that in case, a surplus DCP State declares bonus for wheat or paddy from KMS 2014-15 and RMS 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for

TPDS/OWS allocations of that State and will provide acquisition and distribution subsidy to the State Government accordingly. The State Government will be responsible for the disposal of any surplus quantity procured in the State over and above this quantity and bear the financial burden in that regard. For non - DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and take care of entire MSP operations in the State on their own including the arrangements to be made for storage of procured foodgrains. With respect to such States, FCI in consultation with the Department of Food and Public Distribution will decide as to how much stock of wheat or rice it should acquire from the concerned State in a particular season and will restrict its Central Pool procurement to that extent leaving rest of the surplus stocks to be disposed off by the State Government concerned at its own risk and cost. This decision has successfully led to dropping of practice of giving bonus over and above MSP for paddy in Chhattisgarh and Madhya Pradesh from KMS 2014 - 15 onwards and for wheat in Madhya Pradesh from RMS 2015-16 onwards. The experience of KMS 2014-15 and that of KMS 2015-16 so far has been very encouraging as the procurement levels are lower in both Chhattisgarh and Madhya Pradesh compared to previous year and there is re-emergence of competition in the markets of paddy and wheat in these States.

**PROCUREMENT OF WHEAT IN RMS 2015-16**

3.15 The State-wise procurement of wheat during the last 5 years is given below:

(In lakh MT)

State	2011-12	2012-13	2013-14	2014-15	2015-16*
Haryana	68.91	86.65	58.00	64.95	67.78 (67.53)
M.P.	49.65	84.93	63.55	70.94	73.09 (65.09)

Punjab	109.58	128.34	108.97	116.41	103.44 (99.56)
Rajasthan	13.03	19.64	12.68	21.59	13.00 (12.91)
U.P.	34.61	50.63	06.83	6.28	22.67 (20.73)
Others	7.55	11.29	0.16	0.61	0.90 (0.44)
All India	283.35	381.48	250.92	280.23	280.88 (266.26)

\*Figures given in bracket pertain to URS wheat.

3.16 The breakup of procurement of wheat by FCI and State Agencies in RMS 2015-16 is given below:

State	Quantity Procured (In lakh MT)*		
	FCI	State Agencies	Total
Haryana	0.00 (0.00)	67.78 (67.53)	67.78 (67.53)
Madhya Pradesh	0.00 (0.00)	65.09 (65.09)	73.09 (65.09)
Punjab	18.48 (17.59)	84.96 (81.97)	103.44 (99.56)
Rajasthan	9.50 (9.46)	3.50 (3.45)	13.00 (12.91)
Uttar Pradesh	1.63 (1.39)	21.04 (19.34)	22.67 (20.73)
Others	0.23 (0.04)	0.67 (0.40)	0.90 (0.44)
<b>Grand Total</b>	<b>35.34</b>	<b>244.89</b>	<b>280.88 (266.26)</b>

\*Figures given in bracket pertain to URS wheat.

**PROCUREMENT OF RICE IN KMS 2015 – 16**

3.17 For having a comparative idea, the State-wise procurement of rice during the last 5 years is given below:

(In lakh MT)

STATE/ UTs	2011-12	2012-13	2013-14	2014-15	2015-16*
ANDHRAPRADESH	75.42	64.71	37.38	35.96	16.21
TELANGANA	0.00	0.00	43.53	35.04	9.81
ASSAM	0.23	0.20	0.00	0.15	0.00
BIHAR	15.34	13.03	9.42	16.14	0.70
CHANDIGARH	0.13	0.12	0.12	0.10	0.16
CHHATTISGARH	41.15	48.04	42.90	34.23	36.55
HARYANA	20.07	26.09	24.06	20.15	28.54
J & K	0.09	0.02	0.00	0.00	0.07
JHARKHAND	2.75	2.15	0.00	0.02	0.11
KARNATAKA	3.56	0.59	0.00	0.88	0.00
KERALA	3.76	2.40	3.59	3.74	0.96
MADHYA PRADESH	6.34	8.98	10.45	8.07	8.04
MAHARASHTRA	1.78	1.92	1.61	1.99	0.96
ODISHA	28.66	36.15	28.20	34.87	10.73
PUDUCHERRY	0.05	0.00	0.00	0.00	0.00



PUNJAB	77.31	85.58	81.06	77.86	93.49
TAMIL NADU	15.96	4.81	6.84	10.51	0.59
UTTAR PRADESH	33.57	22.86	11.27	16.98	15.98
UTTARAKHAND	3.78	4.97	4.63	4.65	4.69
WEST BENGAL	20.41	17.66	13.59	20.32	1.50
OTHERS	0.05	0.00	0.00	0.00	0.26
<b>ALL INDIA TOTAL</b>	<b>350.41</b>	<b>340.28</b>	<b>318.64</b>	<b>321.65</b>	<b>229.35</b>

3.18 The break-up of procurement of rice by FCI and State Agencies in previous 5 KMSs is given below:

(In lakh MT)

KMS	Procurement		
	FCI	State Agencies	Total
2011-12	91.10	259.31	350.41
2012-13	70.28	270.00	340.28
2013-14	60.51	258.13	318.64
2014-15	25.20	296.45	321.65
2015-16	5.23	224.12	229.35*

\*As reported by FCI on 22.01.2015.

### PROCUREMENT OF RICE UNDER LEVY SYSTEM

3.19 In previous years, rice used to be also procured under levy system from the rice millers/dealers at prices announced separately for each State. Levy on rice is imposed by the State Governments in exercise of powers conferred on them by the Central Government under the Essential Commodities Act, 1955. As direct purchase of paddy from the Farmers through the purchase centres opened by the Government Agencies is more beneficial to the farmers and also looking at the sufficiency of rice stocks under Central Pool and problems/likelihood of malpractices associated with the levy system, the Government of India had decided to limit the procurement through levy to the maximum extent of 25% only w.e.f. 1<sup>st</sup> October, 2014 i.e. in KMS 2014-15. The levy has been limited to 'zero' w.e.f. 1<sup>st</sup> October, 2015 i.e. in KMS 2015-16. The comparative account of procurement through levy in KMS 2012-13 and KMS 2013-14 is given below:

(In lakh MT)

Name of the states/ UT's	Percentage of levy during KMS 2014-15	Quantum of levy rice procured	
		KMS 2014 -15 (as reported on 22.01.2015)	KMS 2013-14
ANDHRA PRADESH	25%	7.69	36.90
TELANGANA	25%	18.75	27.09

CHHATISGARH	25%	0.00	0.05
HARYANA	25%	0.00	0.02
ODISHA	25%	0.01	0.03
UTTAR PRADESH	25%	4.80	5.19
UTTRAKHAND	25%	0.55	4.31
WEST BENGAL	25%	5.00	6.48
<b>TOTAL</b>		<b>26.80</b>	<b>80.07</b>

### PROCUREMENT OF PULSES BY FCI

3.20 HLC recommended that Government of India needs to revisit its MSP policy. Currently, MSPs are announced for 23 commodities, but effectively price support operates primarily in wheat and rice and that too in selected States. This Department agreed for procurement of pulses and oilseeds through FCI on the pattern of NAFED under the Price Support Scheme of the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW). With the approval of CCEA, the DAC&FW has, vide order dated 23.06.2015, decided that FCI should be included as an Additional Central Nodal Agency for procurement of Pulses and Oilseeds. Accordingly, the Department of Food & Public Distribution has issued orders allowing FCI to be the Additional Central Nodal Agency for procurement of pulses and oilseeds and has further requested FCI to make arrangements for procurement of such commodities at MSP with the support of the State Government Agencies having experience and expertise of procurement of such commodities. The pattern of arrangements for Price Support Operations are going to be similar to the modus operandi adopted by NAFED for procurement of pulses and oilseeds and the required credit etc. should be mobilized under the guarantee provided to FCI separately by the DAC&FW for that purpose. The losses incurred with regard to the MSP operations of pulses and oilseeds will be required to be directly compensated to FCI by DAC&FW on the pattern of NAFED.

3.21 FCI is also doing procurement of pulses for the first time, for building up a buffer stock of pulses for the Government for which the

procurement is being done at mandies at market price discovered through auctions. FCI is operating in Maharashtra, Telangana and Andhra Pradesh. The financial support for this purpose is being provided by DAC&FW under their Price Stabilization Fund Scheme. Procurement period for Kharif pulses is from 15.10.2015 to 15.02.2016 and for Rabi pulses is from 15.03.2016 to 15.07.2016. DAC&FW has issued procurement Guidelines for such market Operations. By 18.01.2016, FCI has purchased 3957 MT of Tur (Arhar) and 4.7 MT of Urad at market price under this scheme.

**STOCK POSITION IN CENTRAL POOL**

3.22 As against the stocking norms of 214.10 lakh MT (76.10 lakh MT of rice and 138.00 lakh MT of wheat including strategic reserve of 20 lakh MT and 30 lakh MT of strategic reserve), the stock of foodgrains in the Central Pool of FCI as on 01.01.2016 is 364.77 lakh MT, consisting of 237.88 lakh MT of wheat and 126.89 lakh MT of rice (excluding 113.36 lakh MT of rice due to be received from the un-milled paddy and 0.99 lakh MT of coarse grains lying with the SGAs. Another stock of 6.29 lakh MT (including 3.13 lakh MT of wheat and 3.16 lakh MT of rice has been in transit as on 1<sup>st</sup> January, 2016. This gives a very comfortable position to meet any challenges, climatic vagaries etc. The total stock of foodgrains in the Central Pool as on 1<sup>st</sup> July (as per stocking norms Central Pool stock on 1<sup>st</sup> July is required to be at highest level compared to at the beginning of other 3 quarters) during the last three years and current year was as follows:-

(In lakh MT)

Year	Stock			Stocking Norms including Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	Total
01.07.2012	307.08	498.08	805.16	135.80	275.80	411.20
01.07.2013	315.08	423.97	739.05	135.80	275.80	411.20
01.07.2014	212.36	398.01	610.37*	135.80	275.80	411.20
01.07.2015	158.95	386.80	545.75**	135.80	275.80	411.20

\*excluding 64.24 lakh MT of rice to be derived from the un-milled paddy as on 1<sup>st</sup> July, 2014.

\*\* excluding 57.76 lakh MT of rice to be derived from the un-milled paddy as on 1<sup>st</sup> July, 2015.

3.23 Quarterly 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-V**. State-wise position of stocks of rice and wheat in the Central Pool as on 01.01.2016 is at **Annex-VI**.



Foodgrains stacked in Godown

**COMPLETE LIQUIDATION OF MORE THAN TWO YEAR OLD STOCK**

3.24 In order to ensure supply of quality foodgrains to consumers and to minimize storage losses caused due to longevity of storage, Government has adopted policies to optimize the level of procurement of wheat and paddy/ rice and to liquidate old stock in such a manner than FCI does not carry any issuable stock of more than two years of age at the end of any year. As on 1<sup>st</sup> April, 2015, FCI had only a residual 0.02% issuable rice stock and 0.04% issuable wheat stock, which was more than two year old. In current year, by 1<sup>st</sup> January, 2016 itself more than two year old stock has been almost completely liquidated by FCI.

**OPEN MARKET SALE SCHEME (DOMESTIC)**

3.25 In addition to maintaining buffer stocks and making a provision for meeting the requirement of the TPDS and OWS, the FCI, on the instructions from the Government, sells wheat at pre-determined prices in the open market from time to time to enhance the supply of wheat especially during Stock of foodgrains the lean season and thereby to moderate the open market prices especially in the deficit

regions. For 2015-16, the Government has approved sale of entire surplus stock of 111 lakh MT of wheat available under Central Pool and 20 lakh MT of Grade – A Rice under OMSS (D) to bulk traders/consumers/State Governments and separate allocation for small traders as well as to the State Governments/National Cooperative Institutions. The sale is approved to be undertaken through electronic service provider in e-Auction mode upto March, 2015 (including delivery period). Sale to the small traders (3-15 MT) and the retail sale through Government/Cooperative Agencies under the scheme has been dispensed with in 2015-16. However, State Governments or its Agencies can participate in FCI's weekly auctions without depositing EMD and purchase wheat or rice for their requirement. FCI has also been allowed to sell wheat on the dedicated movement basis also from Punjab, Haryana & Madhya Pradesh from the very beginning. This alternate mode provides for separate weekly tenders to be invited for sale of wheat to the buyers under this system. Under this mode, buyers are 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. For sale of wheat in 2015-16, the Government has adopted a uniform reserve price for the fresh/old/URS stock of wheat under OMSS (D), which is ₹1550 per quintal for the above said 3 States and for other States by adding the freight/road transportation charges ex-Ludhiana to the concerned depot of sale into it.

3.26 An Inter-Ministerial Group (IMG) of Government Secretaries of Expenditure, Food & Public Distribution, Consumer Affairs and Commerce (to be invited based on need) has been constituted, with the approval of CCEA, which has been delegated the powers to make recommendations on the quantity of foodgrains to be sold in the domestic or export market and reserve price for such sale, which is to be approved by the Union Minister of Consumer Affairs, Food

& Public Distribution. IMG of Secretaries has held its meetings to make the required recommendations for sale of foodgrains under OMSS(D) in 2015-16 and for 2016-17, a meeting is proposed to be convened in February, 2016. A quantity of 48.18 lakh MT of wheat has been sold during the current year upto 22.01.2016 including 22.29 lakh MT under the dedicated movement component of scheme and sale of rice as on 22.01.2016 is 0.74 lakh MT.

3.27 The quantities of wheat sold under the OMSS(D) during the last 5 years are as under:

Year	Qty. (lakh MT)
2010-11	11.55
2011-12	11.84
2012-13	68.67
2013-14	61.16
2014-15	42.37
2015-16	48.18

(till 3<sup>rd</sup> weekly tender of January, 2016)

### POLICY ON FOODGRAINS STOCKING NORMS

3.28 The main objectives of the Policy are: -

- i. To meet the prescribed Minimum Foodgrain Stocking norms for food security,
- ii. For monthly releases of foodgrains for supply through the TPDS/OWS,
- 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.

### FOODGRAINS STOCKING NORMS FOR THE CENTRAL POOL

3.29 The foodgrains stocking norms for the central pool w.e.f. 22<sup>nd</sup> January, 2015 for stocking of foodgrains in the Central Pool are as follows:-

(In lakh MT)

	Wheat	Rice	Total
1 <sup>st</sup> April	74.6	135.8	210.4
1 <sup>st</sup> July	275.8	135.4	411.2
1 <sup>st</sup> October	205.2	102.5	307.7
1 <sup>st</sup> January	138.00	76.1	214.1

The above norms include Strategic Reserve of 30 lakh MT of wheat and 20 lakh MT of rice.



### ALLOCATION OF FOODGRAINS UNDER TPDS AND OWS

3.30 With a view to make receipt of foodgrains under TPDS, Government of India has enacted NFSA which has come into force w.e.f. 05.07.2013. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under TPDS, thus covering about two-thirds of the population. The eligible persons identified by the States/UTs will be entitled to receive 5 kgs of foodgrains per person per month at subsidized prices of ₹3/2/1 per kg for rice/wheat/coarsegrains. The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will receive 35 kgs of foodgrains per household per month.

3.31 The States/UTs which have not implemented the Act are receiving foodgrains under existing TPDS which is based on March, 2000 population estimates of Registrar General of India (RGI) and 1993-94 poverty estimates of erstwhile Planning Commission under which foodgrains (including additional allocations) are allocated @35 kg per family per month for AAY and BPL families and @ 15-35 kg per family per month for APL families.

3.32 So far only 27 State/UT Governments i.e Andhra Pradesh, Assam, Bihar, Chhattisgarh, NCT of Delhi, Goa, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Telangana, Tripura, Uttar Pradesh, Utrkhand, West Bengal, Chandigarh, Lakshadweep, Pudducherry, Daman & Diu, Andaman & Nicobar Islands and Meghalaya have implemented NFSA and revised monthly allocation of foodgrains under NFSA has been made to these States/UTs. Rest of the 9 States/UTs continue to get foodgrains under TPDS for AAY, BPL and APL families on the basis of 1993-94 poverty estimates of Planning Commission and March 2000 population estimates of RGI.

3.33 Under existing TPDS, the Government has so far made a provisional allocation of 287.79 lakh MT to 27 States/UTs who have implemented NFSA and 208.64 lakh MT of foodgrains to the remaining 9 States UTs during the current year. Further, an additional quantity of 50.11 lakh MT of foodgrains has also been allocated during the current year for Below Poverty Line (BPL) and Above Poverty Line (APL) families in the States/UTs where NFSA has not been implemented. In addition, 11.45 lakh MT of foodgrains have been allocated to the States for festival, calamities and additional TPDS requirement etc, and 52.09 lakh MT have been allocated under OWS for 2015-16 so far. Thus, during the current year, the Government has so far made a provisional allocation of 610.08 lakh MT for TPDS, OWS, festivals relief etc.

### OFF-TAKE OF FOODGRAINS

3.34 During the Financial Year 2015-16 the offtake of foodgrains upto November, 2015 under TPDS (offtake is against the allocation upto December, 2015) and various other schemes including OWS, OMSS/Export etc. are as under:-

- (i) The offtake of foodgrains (wheat and rice) against the allocation upto December, 2015 from the Central Pool under normal Targeted Public Distribution System (TPDS) during the period has been 391.89 lakh MT. This comprises 72.40 lakh MT under Below Poverty Line (BPL), 39.98 lakh MT under Antyodaya Anna Yojana (AAY), 90.58 lakh MT under Above Poverty Line (APL), 185.53 lakh MT under National Food Security Act (NFSA) normal and 3.39 lakh MT under NFSA (Tide Over). In addition there has been offtake of 11.79 lakh MT under Special Adhoc allocation, 0.37 lakh MT under allocation made to States/UTs at economic cost/MSP rate.
- (ii) The offtake under various Welfare



Schemes has been 24.97 lakh MT. In addition, there has been offtake of 27.66 lakh MT under Other schemes including Open/Tender Sale/Relief/WFP/Defence etc.

3.35 During the Financial Year 2015-16 (upto November, 2015), the total offtake of foodgrains from the Central Pool is as under:-

(In lakh MT)

SCHEME	OFFTAKE		
	RICE	WHEAT	TOTAL
(A) TPDS*			
AAY	33.49	7.39	40.88
BPL	57.85	17.48	75.34
APL	37.97	45.90	83.87
NFSA (Normal)	73.19	90.86	164.06
NFSA (Tide Over)	1.10	1.92	3.01
<b>TOTAL</b>	<b>203.60</b>	<b>163.56</b>	<b>367.16</b>
Special Adhoc (Additional APL)	10.22	4.19	14.41
Offtake against allocation made at Economic cost/ MSP rate	0.60	0.65	1.25
<b>SUB-TOTAL (A)</b>	<b>214.42</b>	<b>168.39</b>	<b>382.82</b>
<b>(B) WELFARE SCHEMES</b>			
MDM	11.81	2.58	14.39
WBNP	3.35	4.94	8.29
Hostels/Welfare Institutions	1.47	0.42	1.89
ANNAPURNA	0.25	0.04	0.29
RGSEAG- SABLA	0.03	0.09	0.12
<b>SUB-TOTAL (B)</b>	<b>16.91</b>	<b>8.07</b>	<b>24.97</b>
<b>(C) OTHER SCHEMES</b>			
WFP, RELIEF, DEFENCE etc.	1.09	0.02	1.11
OPEN SALE/TENDER SALE/ EXPORT	0.42	26.13	26.55
<b>SUB TOTAL (C)</b>	<b>1.51</b>	<b>26.15</b>	<b>27.66</b>
<b>TOTAL (A+B+C)</b>	<b>232.84</b>	<b>202.61</b>	<b>435.45</b>

\* Offtake under TPDS is against the allocation made upto December, 2015. As reported by FCI

## OTHER WELFARE SCHEMES (OWS)

### MID-DAY MEAL SCHEME

3.36 The Mid-Day Meal Scheme was launched on 15.08.1995 by the Ministry of Human Resource Development with a view to enhance enrollment, retention, attendance and simultaneously improving nutritional levels among students in primary schools, initially in 2408 blocks in 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).

3.37 The Department makes allocation of annual requirement of foodgrains under the Scheme to Department of School Education & Literacy, Ministry of Human Resource Development. Further allocation of foodgrains to States/UTs is made by that Department. FCI releases foodgrains to States/UTs at BPL rates as per allocation made by Department of School Education & Literacy.

3.38 Annual allocation/offtake of foodgrains under the scheme during the last three years & current year is as under:-

(In lakh MT)

YEAR	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2014-15	23.37	4.09	27.46	20.07	3.63	23.70
2015-16*	23.19	4.56	27.75	11.81	2.58	14.39

\*offtake upto November, 2015.

(Offtake includes backlog quota also.)



### WHEAT BASED NUTRITION PROGRAMME (WBNP)

3.39 This Scheme is implemented by the Ministry of Women & Child Development. The foodgrains allotted under this Scheme are utilized by the States/UTs under the Integrated Child Development Scheme (ICDS) for providing nutritious/ energy food to children

## FOOD MANAGEMENT

below 6 years of age and expectant/lactating women.

- 3.40 Annual allocation/offtake of foodgrains under the scheme during the last three years & current year is as under:-

(In lakh MT)

YEAR	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
2012-13	4.50	9.95	14.45	2.89	8.91	11.80
2013-14	7.15	9.00	16.15	4.49	8.50	12.99
2014-15	8.03	9.72	17.75	4.68	8.23	12.91
2015-16*	8.03	9.64	17.67	3.35	4.94	8.29

\*offtake upto November, 2015.  
(Offtake includes backlog quota also)

### SCHEME FOR SUPPLY OF FOODGRAINS TO WELFARE INSTITUTIONS (5% OF BPL ALLOCATION) AND SC/ST/OBC HOSTELS:

- 3.41 With a view to meet 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 OWS, an additional allocation of foodgrains (rice and wheat) not exceeding 5% of the BPL allocation is made to States/UTs by the Department based on the request received from the State/UT Governments.

- 3.42 SC/ST/OBC Hostel scheme was introduced in October, 1994. The residents of the hostels having 2/3<sup>rd</sup> students belonging to SC/ST/OBC are eligible to get 15 kg foodgrains per resident per month. Allocation of foodgrains under the scheme is made by the Department of Food and Public Distribution based on the requests received from the State/UT Governments.

- 3.43 However for better utilization of resources and monitoring, the Government has now decided that the Welfare Institution Scheme and SC/ST/OBC Hostels Scheme will be administered and managed by the Ministry of

Social Justice & Empowerment and Ministry of Tribal Affairs respectively and these two Ministries were required to revise guidelines and criteria for the scheme in consultation with the States/UTs by 31.05.2015. Department of Food and Public Distribution will continue to allocate foodgrains for these schemes as per the projected requirements of Ministry of Social Justice & Empowerment and Ministry of Tribal Affairs.

- 3.44 These two schemes are being implemented by the Department of Food and Public Distribution till now. The allocation/offtake of foodgrains under the above two schemes (Welfare Institutions and SC/ST/OBC Hostels) during the last three years & current year is as under:-

(In lakh MT)

Year	Total Allocation			Total Offtake	
	Welfare Institution	SC/ST/OBC Hostels	Total	Welfare Institution	SC/ST/OBC Hostels
2012-13	2.38	0.71	3.09	2.85	
2013-14	2.37	1.66	4.03	3.02	
2014-15	2.11	2.05	2.16	2.86	
2015-16*	1.54	2.05	3.59	1.89	

\*offtake upto November, 2015.  
Note: Offtake figures are combined as reported by FCI.

### ANNAPURNA SCHEME

- 3.45 The Ministry of Rural Development (MoRD) launched the scheme in 2000-01. Department of Food and Public Distribution allocates foodgrains as per the requirement projected by MoRD. 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 kgs. of foodgrains per person per month free of cost under the scheme.

- 3.46 Allocation of foodgrains to States/UTs is made by Ministry of Rural Development. FCI releases foodgrains to States/UTs at BPL rates as per allocation made by the Ministry of RD.

3.47 Annual allocation/offtake of foodgrains under the scheme during the last three years is as under:-

(In lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2014-15	0.51	0.18	0.69	0.22	0.01	0.23
2015-16*	0.39	0.12	0.51	0.25	0.03	0.29

\*offtake upto November, 2015.

### EMERGENCY FEEDING PROGRAMME (EFP)

3.48 Emergency Feeding Programme (EFP), a food-based intervention in the KBK districts of State of Odisha targetted towards old, infirm and destitute persons belonging to BPL households to provide them food security in their distress conditions, was introduced in 1995-96 covering initially 5 KBK Districts of Odisha with 45,141 beneficiaries which was later in eight KBK Districts namely Bolangir, Kalahandi, Koraput, Malkangiri, Nawarangpur, Naupada, Rayagada and Sonepur covering around 2 lakh beneficiaries. Under the scheme, foodgrains (rice) at BPL rates were allocated to the State Government by the Department.

3.49 The Empowered Committee headed by Secretary, Planning Commission has decided that from 2014-15 the scheme will be taken up by the State Government from their own resources. Accordingly, the Planning Commission has not approved any allocation under Emergency Feeding Programme for the year 2014-15 onwards. Annual allocation/offtake of foodgrains under the scheme during the last three years was as under:-

(In lakh MT)

Year	Annual Allocation	Offtake
2011-12	0.18	0.15
2012-13	0.18	0.18
2013-14	0.08	0.07

### RAJIV GANDHI SCHEME FOR EMPOWERMENT OF ADOLESCENT GIRLS (RGSEAG) – ‘SABLA’

3.50 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 to be implemented in 200 selected districts across the country. The Scheme aims at empowering adolescent girls of 11-18 years 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 foodgrains 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 the last three years and current year is as under:-

(In lakh MT)

Year	ALLOCATION			OFFTAKE		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
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
2014-15	0.81	1.26	2.07	0.32	1.22	1.54
2015-16*	0.81	1.26	2.07	0.03	0.09	0.12

\*offtake upto November, 2015.

### EXPORT OF FOODGRAINS FROM CENTRAL POOL STOCK

3.51 In view of the surplus stock in Central Pool, a quantity of 57.97 lakh MT of Wheat has been exported during 2012-13 to 2014-15 through Central Public Sector Undertakings, namely, MMTC, PEC and STC through competitive global tenders. No export of wheat has been

done after June, 2014. There is at present no plan for export/import of Wheat or Rice for Central Pool during 2015-16. However, a quantity of 100 MT has been donated by the Government of India to Myanmar out of Central Pool Stock.

**POST HARVEST MANAGEMENT OF FOODGRAINS**

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

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

3.53 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.

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

3.55 In order to upgrade the analytical facilities at IGMRI Hapur, upgradation of laboratory with ultra modern facilities especially in pesticide residue and mycotoxin contamination analysis under a Plan Scheme in 12<sup>th</sup> Five Year Plan has been completed. The process of procurement of equipments is under progress through e-Tendering. Supply orders have been issued to the firms to install equipments. Under this plan, existing infrastructure of physico-chemical laboratory has been upgraded with modern equipments.

3.56 With a view to enthuse professional attitude/

management in training activities and to develop IGMRI, Hapur a center of excellence for the purpose of training in the field of Post Harvest Management of foodgrains, an MoU had been signed between CWC and the Department of Food & PD on 25.10.2012. Training infrastructures at IGMRI Hapur has been upgraded and all the training programmes at IGMRI Hapur are being conducted by CWC with the faculty support of Storage and Research (S&R) Division.

3.57 The performance of IGMRI, Hapur and its field stations under various activities during 2015-16 is summarized below:-

S.N.	Item /Activity	Annual Target (2015-16)	Achievement (upto 31 <sup>st</sup> December, 2015)	Projections (upto 31 <sup>st</sup> March, 2016)
1.	Long term Training Courses (LTTC)	3	3	3
2.	Short Term Training Courses (STTC)			
	a. Two weeks duration	6	5	6
	b. One week duration	6	4	6
3.	Analysis of foodgrain samples for			
	(i) Physical quality parameters	500	404	500
	(ii) Mycotoxin contamination	75	61	75
	(iii) Pesticide residue	150	131	150

3.58 The following major applied R&D activities have been undertaken by the IGMRI during 2015-16:

- i. Study on shelf life of lusture lost wheat procured under relaxed specifications during 2015-16 has been undertaken by IGMRI Hapur in the States of Punjab, Haryana, Maharashtra and Madhya Pradesh.
- ii. A study on suitability of bulk storage of wheat in plastic bags (Repol bags) at farm level is being undertaken by IGMRI Hapur and its field station Ludhiana.

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

3.59 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.

- 3.60 The main function of CGAL is to lay down quality standards for procurement of Kharif and Rabi foodgrains being procured for Central Pool stock keeping in view the interest of producers, consumers and the provisions under the Food Safety and Standards Act. In addition, it also carries out classification of rice/paddy varieties for fixation of procurement and issue prices, assessment of the quality of foodgrains that are imported or exported under Central Pool account in relation to the contractual specifications and assessment of the quality of foodgrain samples brought by inspecting officers of Quality Control Cell, New Delhi and other senior officers.
- 3.61 This lab has also been designated as referral lab in case of disputes in acceptance of Custom Milled Rice consignments between FCI and State agencies/rice millers. A number of 1046 foodgrain samples for physical parameter, 463 for protein determination, 79 for hardness index and 26 for uric acid in wheat samples have been analysed in CGAL during 2015-16 (upto 31<sup>st</sup> December, 2015).

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

- 3.62 Eleven Quality Control Cells located at New Delhi, Bangalore, Bhopal, Bhubaneswar, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna are functioning under the direct control of the Department.
- 3.63 The main objective of these cells is to ensure the quality of foodgrains at the time of storage. Surprise checks are conducted of food storage depots, by the officers of these cells to ensure the quality of foodgrains. It is also ensured that the guidelines/instructions issued by

the Government about proper storage and maintenance of foodgrains are followed by the FCI, CWC, SWCs and State agencies. These cells attend to various complaints received from MPs, VIPs, State Governments, media and consumers about the quality of foodgrains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspections/investigations are communicated to the concerned authorities for taking remedial measures including action taken against the delinquents.

- 3.64 In view of the shortage of technically qualified staff with the State Governments and their Agencies engaged in procurement, storage and distribution of foodgrains and Government encouraging the DCP scheme as Capacity Building Programme, Quality Control Cells conduct two days trainings to the State Government officers / officials on Quality control of foodgrains during procurement, storage and distribution at the field level.
- 3.65 Performance of inspection activities carried out by Quality Control Cells during 2015-16 is as under:-

S. No.	Item/Activity	Annual Target	Progressive total (upto 31.12.2015)	Projection (upto 31.03.2016)
1.	Inspection of Food Storage	1140	810	1140
2.	No. of Training Courses	38	24	38
3.	No. of officials trained	1330	840	1330

**PLAN SCHEME “STRENGTHENING QUALITY CONTROL MECHANISM”**

- 3.66 There are three sub-components; (a) opening up of 7 new Quality Control Cells to augment the quality control mechanism, (b) upgradation of IGMRI Laboratories, and (c) capacity building for skill up gradation.

- (A) Opening up of 7 new Quality Control Cells:** 7 new Quality Control Cells were proposed at Guwahati, Patna, Chandigarh, Jammu, Jaipur, Chennai and Ahmedabad. QCC offices at Patna, Chennai and Guwahati have been operationalised in 2015-16, feasibility

for opening of other four QCCs is being explored. New QCCs to augment quality control activities with creation of 15 posts of Assistant Director and revival of 14 posts of Technical Officer were approved. However, in view of ban on creation of new posts, one Assistant Director and one Technical Officer from existing non-plan strength have been posted at each new Cell opened and targeted work has already been started from 1<sup>st</sup> April, 2015.

**(B) Upgradation of Laboratory at IGMRI, Hapur:** To ensure that the Central Pool foodgrains meet the quality specifications, it is imperative to regularly analyse the Central Pool stocks for prescribed uniform specifications and for the presence of pesticide residues, mycotoxin contamination, uric acid, etc. In order to strengthen the Laboratories at IGMRI Hapur, the infrastructure of physico-chemical lab has been upgraded by renovating the building and procuring of physico-chemical equipments. A consultant from National Institute of Plant Health Management, (NIPHM), Hyderabad has been engaged for developing pesticide and mycotoxin analysis lab at IGMRI, Hapur for which e-tender procedure has been completed and supply order has been issued.

**(C) Capacity Building:** In view of the shortage of technically qualified staff with the State Government agencies engaged in procurement, storage and distribution of foodgrains and Government encouraging the decentralized procurement scheme under which State Governments and their agencies procure, store and distribute the foodgrains directly without involvement of FCI, the training requirements for the staff of the State Governments and their agencies is need of the hour. Further, IGMRI Hapur with apex level training facilities is envisaged to be a Centre of Excellence for training on post harvest management of foodgrains under this sub plan component.

QCCs, existing as well as newly opened impart short term trainings to the State

Government officers / officials on scientific storage, inspection and quality control of foodgrains. QCC conducted 14 training programmes for 490 State Government officials and 32 training programmes for 1120 State Government officials during 2013-14 and 2014-15 respectively. 38 trainings for 1330 persons are proposed to be conducted during 2015-16. However, 24 trainings for 840 officials have been conducted upto December, 2015. Training infrastructure of IGMRI Hapur has been upgraded to make it a centre of excellence for capacity building in post harvest management of foodgrains with the help of CWC.

₹5.00 crore has been proposed for 2015-16. Out of ₹ 5.00 crore, ₹ 2.25 crore has been incurred upto December, 2015. The supply orders of ₹ 1.16 crore have been issued on 24.11.2015 with the concurrence of IFD to the firms for procurement of laboratory equipments for pesticide residue and mycotoxin contamination analysis of foodgrains. e-Tender for small equipments worth of about ₹92.00 lakh has also been completed.

### MOVEMENT OF FOODGRAINS

3.67 Movement of foodgrains is as follows:

**(A) Coordination with Railways:** Coordinating and monitoring the movement of foodgrains from surplus regions to deficit regions, taking into account the storage capacity, procurement, stocks, allocations and offtake of foodgrains, is one of the major functions of the Department. FCI undertakes the activities connected with the movement of foodgrains for the PDS and OWS. 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.

To increase the co-ordination between

Railways and FCI, a Joint 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, coordination committees at Zonal and Regional levels have also been formed. Due to the regular interactions between Railways and FCI, the compliance of loading plan of FCI has improved and issues related to penal charges by Railways, infrastructure development at Railway Goodsheds have been sorted out. The availability of rakes has improved through the mechanism of these Coordination Committees, incurrance of demurrage charges has reduced and settlement of railway claims of FCI has been speeded up.

Indian Railways have timely completed Phase-I gauge conversion work of Lumding - Badarpur section by 31<sup>st</sup> March, 2015, which has helped in making Salchapra and Biara railheads in South Assam operational by Railways w.e.f 25.03.2015 and 20.07.2015 respectively. The induction of foodgrains by road is mainly being done to South Assam, Manipur, Mizoram and Tripura from these railheads now. Phase-II of gauge conversion by railways had begun in October, 2015 and in most likely to be completed by 31<sup>st</sup> March, 2016. With completion of this phase, Tripura and Manipur will be connected directly by broad gauge Railway network.

- (B) New Modes of Transportation:** FCI has been implementing a project of multi-model transportation involving coastal shipping and road movement of rice from designated depots of Andhra Pradesh to designated depots in Kerala. The operations were started in March, 2014. The movement is in containers, therefore, quality is well maintained and there are less chances of contamination or pilferage, as is in the case of transportation through railways and roads. The number of handlings is also less and transit loss is also prevented. Containerized movement is free of labour issues, demurrages, overtime payments, etc.

It is expected that with the improvement of minor ports at Kollam and Vizhinjam, more depots in Kerala will be covered by this mode of supply. The only limitation could be the availability of boiled rice at Kakinada in Andhra Pradesh, which is the port of origin for these operations. The operations were started in March, 2014 and 1,10,531 MT foodgrains have been transported by FCI during 2014-15 and 9596 MT in 2015-16 (upto December, 2015).

The Department has been trying for some time now to induct foodgrains into Tripura through an alternate riverine route passing through Bangladesh. Initially one time permission for movement of 10,000 MT was granted by Bangladesh Government. Although the rates received by FCI in tender for this were higher than the existing rail+road movement cost, tenders were awarded to ascertain the feasibility of movement and to augment the supply of foodgrains to Tripura where the regular supply routes were going to be affected due to mega block for Lumding – Badarpur meter gauge line. The transportation of 10,000 MT of foodgrains was carried out by FCI in two tranches which was completed in November, 2014 and further permission was sought from Bangladesh Government to allow movement of 35,000 MT of foodgrains every month during the mega block period of October, 2014 to March, 2015. Under the fresh permission of Government of Bangladesh to transport 35,000 MT of foodgrains via Ashuganj Port to Tripura, for movement of an additional quantity of 10,000 MT of rice to Tripura via Bangladesh from Kolkata under multi-mode arrangement, necessary approval was given by the Government and movement has been arranged by FCI successfully in 2015-16. Looking at the precarious stock position in Tripura and to keep the alternate route alive for supplies of FCI to Tripura, Government is further considering to permit movement of another 10,000 MT of rice through this multi-modal riverine route via Bangladesh to Tripura.



**(C) Optimization of Movement of Foodgrains by FCI:** With improvement of paddy procurement in Eastern States & expansion of DCP operations, some States are likely to become self-sufficient in rice requirement. This means more movement of rice by rail from Chhattisgarh & Odisha for Southern and Eastern India, affecting savings in transportation.

FCI is effectively optimizing movement in association with Railways to minimize cost & reduce transit losses of foodgrains—demurrage/ wharfage charges brought down from ₹167.60 crore in 2013-14 to ₹96.95 crore in 2014-15 and to ₹54.08 crore till December in 2015-16 – re-booking charges have been reduced from ₹68.15 crore in 2013-14 to ₹47.33 crore in 2014-15 and to ₹23.10 crore till December in 2015-16.

Focus on free time loading & un-loading has improved efficiency and increased rake availability.

Under OMSS, FCI is allowing dedicated rail movement of wheat purchased by private parties to reduce its transit costs.

Total rail movement by FCI in current year is expected to be 326.36 lakh MT as against 409.33 lakh MT in previous year.

**HILL TRANSPORT SUBSIDY (HTS)**

3.68 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 FCI is required to open godowns at Principal Distribution Centres (PDCs) wherever possible, or reimburse the State Governments/ UTs the cost of transportation of foodgrains, on actual basis, for lifting of foodgrains 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 foodgrains delivered to consumer.

3.69 The Scheme is at present applicable to Arunachal Pradesh, Mizoram, Himachal Pradesh, Sikkim, Jammu & Kashmir, Tripura, Manipur, Andaman and Nicobar, Meghalaya, Lakshadweep and Nagaland and State Governments are being reimbursed the claims of HTS as per due procedure laid down by FCI under the Scheme.

**FOOD SUBSIDY**

3.70 Food subsidy is provided in the Budget of the Department to meet the difference between Economic Cost of foodgrains and their sales realization at Central Issue Price (CIP) fixed for TPDS and OWS. In addition, the Central Government also procures foodgrains for meeting the requirements of buffer stock.



**Movement of foodgrains**



Hence, part of the food subsidy also goes towards meeting the carrying cost of buffer stock.

3.71 Since 2004-05, the MSP of wheat has increased from ₹630 per quintal to ₹1450 per quintal in RMS 2015-16. Similarly, MSP plus bonus of paddy (Common) has increased from ₹560 per quintal to ₹1410/ ₹ 1450 per quintal for KMS 2015-16. However, the CIP of wheat and rice for AAY, BPL and APL families has not been revised since 2002 and under the NFSA, 2013, the CIP has further been reduced. As a result, the gap between Economic Cost and CIPs of various kinds of foodgrains being distributed has been increasing and food subsidy incurred by the Government has risen substantially.

3.72 The food subsidy is provided to FCI, which is the main instrument of the Government for procurement and distribution of wheat and rice under TPDS and OWS and for maintaining the buffer stock of foodgrains as a measure of food subsidy. Under the Scheme of DCP, State-specific economic cost is determined by the Government of India and the difference between the economic cost so fixed and the CIP is passed on to the State Governments concerned as Food Subsidy.

3.73 The year-wise break-up of subsidy released for distribution of subsidized foodgrains and maintenance of buffer stocks during the last five years and current financial year to FCI and the States operating the DCP Scheme is as under:

(₹ in crore)

Year	Subsidy released		
	FCI	States	Total
2010-11	50729.56	12200.00	62929.56
2011-12	59525.90	12845.00	72370.90
2012-13	71980.00	12574.00	84554.00
2013-14	75500.02	14240.00	89740.02
2014-15	91995.35	21175.81	113171.16
2015-16 *	87000.00	20075.85	107075.85

\* As on 27.01.2016

## DISASTER MANAGEMENT

3.74 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.





# Chapter – IV



TO STRENGTHEN  
THE TARGETED  
PUBLIC DISTRIBUTION  
SYSTEM



## National Food Security Act 2013

The Act ensures food grains to lower income families of India at an affordable price

# PUBLIC DISTRIBUTION SYSTEM

### INTRODUCTION

- 4.1 The Public Distribution System (PDS) which was started to manage food supplies during scarcity has evolved as a system for distribution of foodgrains at affordable prices. 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 the responsibility for procurement, storage, transportation and bulk allocation of foodgrains 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, 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 (TPDS)

- 4.3 In June 1997, the Government launched the 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 foodgrains 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 foodgrains 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 foodgrains to the States/UTs was made on the basis of average consumption in the past i.e. average annual off-take of foodgrains 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 Foodgrains Bulletin on Department's web-site, namely, [www.http://dfpd.nic.in/](http://dfpd.nic.in/).



A view of Fair Price Shop

- 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 foodgrains 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 foodgrains 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 and TPDS (Control) Order 2015, State Governments are to formulate suitable guidelines for the identification of BPL while taking care to ensure that the families so identified are really the poorest.
- 4.8 Under the National Food Security Act, 2013 (NFSA) coverage has been delinked from poverty. The TPDS (C) Order, 2015 (TPDS)

notified on 20.03.2015 to bring the PDS (C) Order, 2001 in consonance with the NFSA requires the State Government to prepare and notify guidelines for identification of priority households as well as take steps to finalize the list of eligible households i.e. priority households and the Antyodaya Anna Yojana (AAY) households.

### **IDENTIFICATION OF ANTYODAYA FAMILIES AND ALLOCATION OF FOODGRAINS**

- 4.9 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.
- 4.10 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 foodgrains at a highly subsidized rate of ₹2 per kg. for wheat and ₹3 per kg for rice. 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 foodgrains 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.
- 4.11 AAY was initially 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).
- 4.12 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 1<sup>st</sup> April, 2002.

4.13 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.

4.14 The above guidelines have further been amended vide letter dated 3<sup>rd</sup> 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.

### **ALLOCATION OF FOODGRAINS UNDER TPDS**

4.15 Allocation of foodgrains 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 01.03.2000 or the number of families actually identified and ration cards issued by State Government, whichever is less.

4.16 Accordingly, allocations of foodgrains 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 2.25 crore AAY families in the country. However, allocation for APL category is made depending upon the availability of stocks of foodgrains in the Central Pool and the past offtake.

### **SCALE OF ISSUE OF FOODGRAINS UNDER TPDS**

4.17 Since 1997, the scale of issue of foodgrains under TPDS for 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 foodgrains 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 foodgrains in the Central Pool. APL families are being allocated foodgrains 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 The Department 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 foodgrains 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 foodgrains 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, PDS (C) Order, 2001 was notified on 31.08.2001. In order to bring the PDS(C) Order, 2001, in consonance with the National Food Security Act, 2013 (NFSA), the Department has notified the TPDS (C) Order, 2015 on 20.03.2015 in supersession of the PDS (C) Order, 2001 for maintaining supplies and securing availability and distribution of essential commodity, namely, foodgrains under the TPDS.
- 4.20 TPDS (C) Order, 2015 has come into force on the date of its publication in the

Official Gazette i.e. 20.03.2015. However, the provisions of the PDS (C) Order, 2001 shall continue to have effect as against the corresponding provisions of this Order in any State which has not implemented the NFSA, 2013 or is implementing the said Act only in part.

- 4.21 Clause 9(1) of the TPDS (C), Order, 2015 empowers the State Governments to issue an order under Section 3 of the Essential Commodities Act, 1955 for regulating the sale and distribution of the essential commodities. However, such order issued by the State Government shall not be inconsistent with the TPDS (C) Order, 2015.
- 4.22 The PDS(C) Order, 2001 as well as the TPDS(C) Order, 2015 empower State Governments to take all necessary steps for ensuring smooth implementation of TPDS so that the subsidised foodgrains reach the intended beneficiaries.
- 4.23 In order to remove the restrictions imposed by the TPDS (C) Order, 2015 on fresh identification of AAY families, the TPDS (C) Amendment Order, 2015 has been notified on 29.10.2015.
- 4.24 The TPDS (C) Order, 2015 mainly deals with issues namely (i) Identification of eligible households; (ii) Ration Cards; (iii) Scale of Issue and Issue price; (iv) Delivery of foodgrains (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**

- 4.25 To eliminate leakages and to ensure that eligible households receive their entitlements under the TPDS, the following measures have been taken by this Department:-
- (a) **Modernization of TPDS:** Modernization including end-to-end Computerization of TPDS has been taken up by the Department



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 Computerization of TPDS is also one of the essential reforms stipulated under the NFSA, 2013.

Some of the key initiatives taken for the computerisation of TPDS are as follows:

- i. States/UTs have prepared their Action Plans for computerization of TPDS.
- ii. Department is implementing a Plan Scheme on End-to-end Computerization of TPDS Operations under the 12<sup>th</sup> Five Year Plan (2012-17) on cost-sharing basis with the States/UTs on 50:50 basis except in NE States where cost sharing is on 90:10 basis. The Cabinet Committee on Economic Affairs (CCEA) approved Component-I of the Scheme in October, 2012 with funding requirement of ₹ 884.07 crore during 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. The Department conveyed administrative approval for the Scheme on 10.12.2012. Detailed Guidelines for the scheme were issued in September 2013. During the period 2012-13, 2013-14, 2014-15 and 2015-16 (upto 31.12.2015), financial assistance of ₹313.50 crore has been released to 30 States/UTs, NIC, etc. NIC is the technical partner for the project. The Common Application Software (CAS) prepared by NIC has been offered to all States/UTs. Computerization of TPDS has also been declared a Mission Mode Project (MMP) under the National e-Governance Programme.
- iii. 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>. Citizen may also access the Portals of the respective State/UT Food and Civil Supplies Department through the links provided. States/UTs have also been asked to link their data with TPDS dashboard.
- iv. To eliminate leakages, the Department has suggested two models to States/UTs under Direct Benefit Transfer Scheme i.e. Direct Cash Transfer and Automation of Fair Price Shops (FPSs). Cash Transfer of Food Subsidy Rules, 2015 have been notified in August, 2015. Direct Cash Transfer scheme has already been started on pilot basis in UTs of Chandigarh and Puducherry from the month of September, 2015.
- v. Fair Price Shop (FPS) automation involves issuance of foodgrains to beneficiary after his successful authentication at the FPS using Point of Sale (PoS) device/ mobile terminal. The Department had issued guidelines on FPS automation, including technical specifications for PoS device in November, 2014 to all States/UTs which were updated in May, 2015. The Government has approved ₹17/qtl. towards purchase and operations of the PoS device at FPS for automation under NFSA, 2013. So far, more than 61,904 FPSs are automated across the country. The States/UTs are expected to automate 1.5 lakh FPSs by March, 2016 and entire 5.42 lakh FPSs by March, 2017.
- vi. Being a Mission Mode Project (MMP), an Empowered Committee headed by Secretary (F&PD) and an MMP team under Joint Secretary are monitoring

- the scheme on a regular basis. Besides, a Finance Committee under the Special Secretary & 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 e-Mission Teams for close monitoring of the project within the State/UT.
- vii. For speeding up of computerization of TPDS, meetings are held with States/UTs on regular basis to ascertain the progress and resolve the problems faced. Video-conferences/workshops by NIC to resolve technical issues are also being carried out with each State. To address specific issues relating to NE States, a workshop was organized in Guwahati (Assam) in November, 2015. A National conference was also held to discuss TPDS computerization, best practices and other issues in November, 2015.
  - viii. The status of implementation of various activities under computerization scheme as reported by the States/UTs upto 31.12.2015 is at **Annex-VII**

**(b) 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 foodgrains, 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 foodgrains.
- iii. For sake of transparency, involvement of elected Panchayati Raj Institution (PRI) members in distribution of foodgrains; 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 foodgrains should be put up on websites and other prominent places for public scrutiny.
- vi. Wherever possible, door-step delivery of foodgrains should be ensured by States, instead of letting private transporter/wholesalers to transport goods.
- vii. Timely availability of foodgrains 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 June, 2015, implementation of the Action Plan has resulted in –

- i. Elimination of 494.50 lakh bogus/ineligible ration cards in 30 States
- ii. 33 States/UTs have reported action against the guilty to ensure leakage free distribution of foodgrains
- iii. Involvement of PRIs in vigilance committees to monitor FPS in 29 States/UTs
- iv. Display of BPL lists at FPS in 32 States/UTs
- v. Display of district-wise and FPS-wise allocations of foodgrains on website for public scrutiny in 22 States

- vi. Door-step delivery of foodgrains to FPS is presently being made in 27 States/UTs
- vii. Action regarding timely availability of foodgrains at FPS is being taken in 32 States/UTs
- viii. Training programmes for FPS level Vigilance Committees conducted in 27 States/UTs; and
- ix. Finalization of action plans for computerization of TPDS by all States/UTs.

(c) **Concurrent evaluation of TPDS:** An evaluation study on functioning of TPDS in six select States i.e. Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal was awarded to the National Council of Applied Economic Research (NCAER) in March, 2014. NCAER has submitted the final report of the Evaluation Study in September, 2015 which has been accepted by the Central Government. A copy of this Report has been forwarded to concerned State Governments for taking necessary remedial measures to remove the deficiencies noticed in the functioning of TPDS, including leakage and diversion of foodgrains inclusion/exclusion errors and so on.

(d) **Monthly Certification:** All State Governments were directed in March, 2008 to obtain monthly certificate confirming delivery of allocated foodgrains to the FPS and their distribution to the eligible households during the allocation month. So far, 24 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.

Clause 8(4) of the TPDS (C) Order, 2015 requires the State Government to obtain

a monthly certificate, including through electronic platform, confirming delivery of allocated foodgrains to the fair price shop and their distribution to eligible households during the allocation month. As per clause 8(5) of the TPDS (C) Order, 2015, the monthly certificate shall be given by the fair price shop owner and two or more persons as may be authorized by the State Government 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.

(e) **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 FPS levels consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, Women and Destitute Persons or Persons with Disability. The PDS (C) Order, 2001 stipulates that the meetings of the Committee shall be held at least once every quarter at all levels. The date and periodicity of the meeting would be notified by the State Governments. The revised PDS(C) Order also proposes wide publicity to the date and periodicity of the meeting of the Vigilance Committee.

Clause 11(4) of the TPDS (C) Order, 2015 requires the State Governments to set up Vigilance Committees for the TPDS at the State, District, Block and fair price shop levels as per the provisions of the NFSA to perform functions as specified in the said Act. As per clause 11(5) of the TPDS (C) Order,

2015, meetings of the Vigilance Committees shall be held at least once in every quarter at all levels and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity. As per clause 11(6) of the TPDS (C) Order, 2015, the State Government shall send a report annually to the Central Government on the functioning of Vigilance Committees in the prescribed format. As per clause 11(7) of the TPDS (C) Order, 2015, the number of meetings held by the Vigilance Committees shall be displayed on the State web portal and the action taken on issues discussed in meetings of vigilance committees shall be reviewed in the next meeting.

- (f) **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. Clause 9(5) of the TPDS (C) Order, 2015 reiterates the provisions of NFSA, 2013.

As per reports received from State/UT Governments upto the end of June, 2015 out of 5.47 lakh fair price shops reported to be in operation in the country, about 1.35 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 33 States/UTs

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

Clause 9(9) of the TPDS (C) Order, 2015

requires the State Government to allow sale of commodities other than the foodgrains distributed under the TPDS at the fair price shop to improve the viability of the fair price shop operations.

- (h) **Training Programmes for TPDS functionaries:** Under the Plan Scheme on strengthening of TPDS, the Department sanctions funds for training programmes to be conducted by State and UT Governments for 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 2013-14, ₹ 18.00 lakh, ₹0.45 lakh and ₹15.68 lakh were released to State Governments of Gujarat, Nagaland and Chhattisgarh respectively. In the financial year 2014-15, a sum of, ₹6,30,000/-, ₹45,000/- and ₹12,15,000/- were released to State Government of Mizoram, UT of Puducherry and State Government of Sikkim respectively. During the financial year 2015-16, a sum of ₹12,75,500/- has been released to State Government of Madhya Pradesh.

Further, in order to implement NFSA, 2013 successfully, 4 training programmes were conducted in March, 2014, August, 2014, November, 2014 and September, 2015 to sensitize and train Master Trainers and other officials nominated by States/UTs through FCI's Institute of Food Security, Gurgaon. A total of 165 participants from the States of Nagaland, Himachal Pradesh, Gujarat, Sikkim, Jammu & Kashmir, West Bengal, Manipur, Odisha, Tripura, Meghalaya, Delhi, Chhattisgarh, Jharkhand, Assam, Haryana, Andaman & Nicobar, Arunachal Pradesh, Bihar, Lakshadweep, Madhya Pradesh, Maharashtra, Puducherry, Tamil Nadu, Telangana, Uttar Pradesh, Kerala, Goa, Rajasthan, Chandigarh, Andhra Pradesh, Karnataka and Uttarakhand have attended the training programmes. ₹4.33 lakh, ₹6.89



lakh and ₹7.245 lakh were released to FCI during F.Y.2013-14, F.Y. 2014-15 and F.Y. 2015-16 respectively for conducting the training programmes.

- (i) **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 of targeted beneficiaries, the Department had issued revised policy guidelines on this subject in January, 2008. So far, 13 States have reported distribution of wheat flour/fortified wheat flour in part or full under TPDS. Vide this Department's communication dated 03.11.2014, it has been clarified that under NFSA, 2013, State/UT Governments may reduce the quantity or raise the end retail price of wheat flour being distributed by them in lieu of wheat through TPDS, subject to certain terms & conditions.
- (j) **Conference on 'A Leak Proof TPDS – The Way Ahead':** A Conference on 'A Leak Proof TPDS – The Way Ahead' was held by the Department on 30.10.2014 at New Delhi. The Conference was attended by experts from reputed institutions and representatives of selected State Governments. The main agenda items related to correct identification of beneficiaries under TPDS, securing the supply chain, delivery at the last mile and participatory monitoring and implementation. The recommendations of the Conference have been sent to all States/UTs for necessary action.

### NATIONAL FOOD SECURITY ACT, 2013

- 4.26 The National Food Security Act, 2013 (NFSA) was enacted by the Government in the year 2013 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 inter alia entitles upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under TPDS, thus covering about two-thirds of the population. Eligible households comprise of priority households and Antyodaya Anna Yojana (AAY) households. Persons belonging to priority households are entitled to receive 5 kg. of foodgrains per person per month at subsidised prices of ₹3/2/1 per kg. for rice/wheat/coarse grains. AAY households, which constitute the poorest of the poor, will continue to receive 35 kg. of foodgrains per household per month @ ₹ 3/2/1 per kg. for rice/wheat/coarse grains.
- 4.27 The Act also contains provisions for nutritional support to women and children. Pregnant women and lactating mothers are entitled to meals during pregnancy and six months after the child birth as well as maternity benefit of not less than ₹ 6,000. Children upto 14 years of age are entitled to nutritious meals as per the prescribed nutritional standards. In case of non-supply of entitled foodgrains or meals, the beneficiaries will receive food security allowance. For effective implementation and monitoring, the Act also provides for setting up of grievance redressal mechanism at the District and State levels. Separate provisions have also been made for ensuring transparency and accountability.
- 4.28 So far, 27 States/UTs viz., Andhra Pradesh, Assam, Bihar, Chandigarh, Chhatisgarh, Daman & Diu, Delhi, Goa, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Lakshadweep, Madhya Pradesh, Maharashtra, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Telangana, Tripura, Uttarakhand, Uttar Pradesh, West Bengal, Andaman & Nicobar and Meghalaya have started implementation of the Act. Foodgrains are being allocated to these States/UTs (except Chandigarh and Puducherry) as per the identification of beneficiaries reported by them. Chandigarh and Puducherry are implementing the Act in Direct Benefit Transfer (DBT) mode, under which food subsidy is being transferred in cash into the bank accounts of identified beneficiaries.

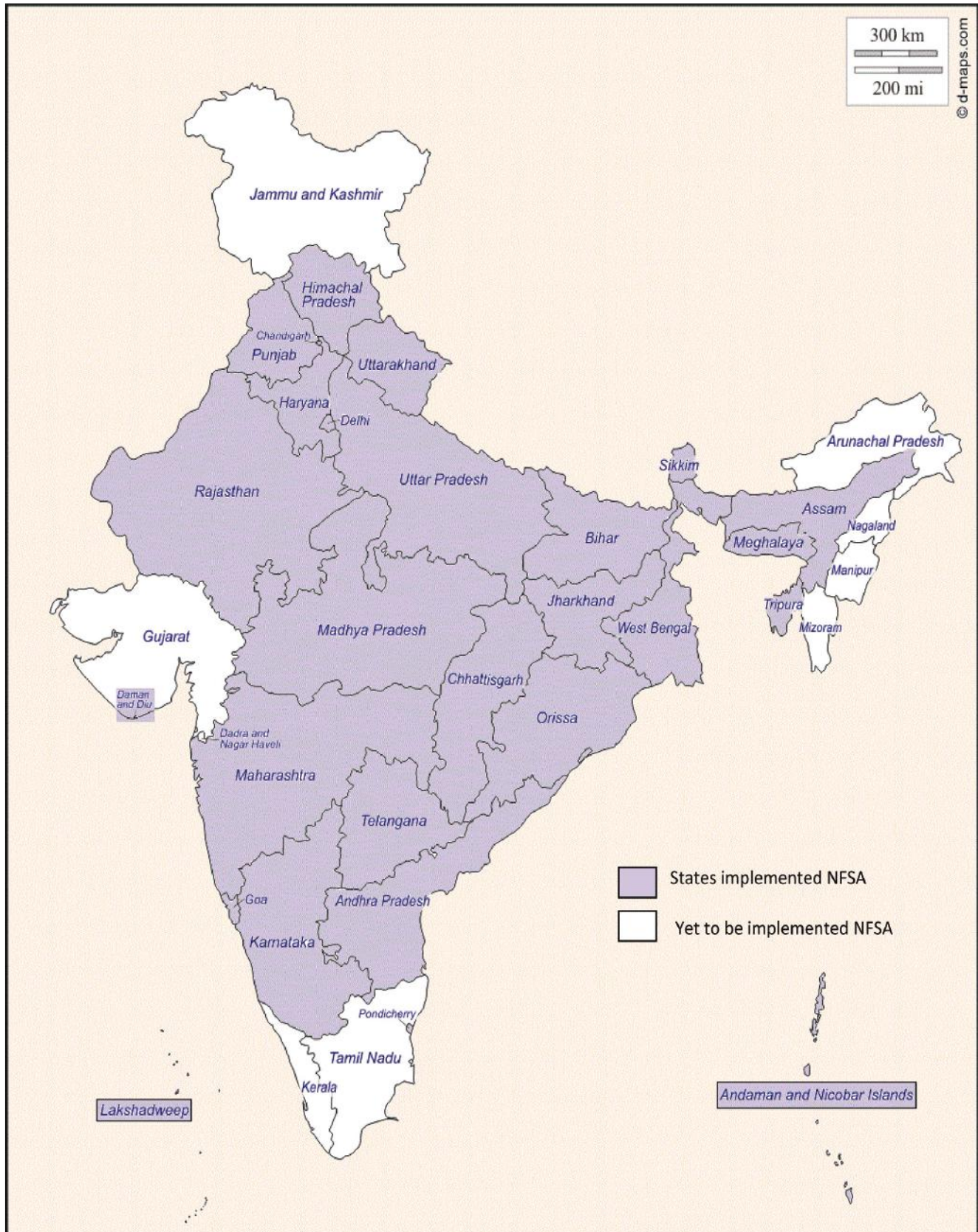
- 4.29 States/UTs have been constantly pursued throughout the year through meetings, conferences, video conferences (VCs), correspondence, visits etc. to expedite implementation of the Act. The points raised by States/UTs were addressed and the need for early implementation of Act and necessary strengthening of TPDS in order to be able to successfully deliver entitlements in a rights-based approach under NFSA was emphasized during meetings, VCs etc.
- 4.30 A National Consultation Meeting was held on 7<sup>th</sup> July, 2015 with the Food Ministers of the States/UTs under the chairmanship of Hon'ble Minister for Consumer Affairs, Food & Public Distribution. Secretary (F&PD) also reviewed the progress in a meeting held on 1<sup>st</sup> September, 2015 with the Food Secretaries of States/UTs where implementation of the NFSA had not been started yet/partially started or where progress of end-to-end computerization of TPDS scheme was slow. Status of their preparedness to implement the Act and the progress of TPDS computerization was reviewed and need for early implementation of the Act was stressed in the meeting.
- 4.31 A workshop to review the preparedness of North-Eastern States for computerization of TPDS, NFSA roll out and FPS automation was held on 19<sup>th</sup> November, 2015 in Guwahati. Learning and best practices of Andhra Pradesh, Chhattisgarh and Madhya Pradesh in these areas were also shared in the workshop.
- 4.32 A one day National Level Conference of Food Secretaries of all States/UTs was organized on 23<sup>rd</sup> November, 2015 in Vigyan Bhawan, New Delhi under the Chairmanship of Hon'ble Minister for Consumer Affairs, Food and Public Distribution to review the progress of end-to-end computerization of TPDS operations, implementation of NFSA, FPS automation and other reforms in TPDS.
- 4.33 The NFSA inter alia provides that the Central Government may, in consultation with the State Governments and by notification, make rules to carry out the provisions of the Act. Accordingly, the Department framed two rules under NFSA last year. These rules are "Provisioning of Funds to State Governments for Short Supply of Foodgrains Rules, 2014", notified on 27.10.2014 and "Food Security Allowance Rules, 2015", notified on 21.01.15. This year, remaining two rules were notified. The Food Security (Assistance to State Governments) Rules, 2015 were notified on 17 August, 2015 to prescribe norms and manner for Central assistance to the States/UTs in meeting the expenditure incurred by them towards intra-State movement, handling of foodgrains and margins paid to fair price shop dealers. Other rule, namely, "The Cash Transfer of Food Subsidy Rules, 2015" was notified on 21.08.2015 for the purpose of scheme for cash transfer of food subsidy.



**Hon'ble Minister reviewing status of implementation of NFSA in States**



# PUBLIC DISTRIBUTION SYSTEM





# 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 MT as on 01.04.2008 to a peak level 823.17 lakh MT as on 01.06.2012. The position of stocks in the Central Pool as on 31.12.2015 was 364.77 lakh MT.
- 5.2 Total storage capacity available with Food Corporation of India is 359.25 lakh MT as on 31.12.2015. Storage capacities, both Covered and CAP, available with State Agencies for Central Pool stock of foodgrains is 452.84 lakh MT. As a result, total of 812.09 lakh MT of storage capacity was available for storage of Central Pool stock of foodgrains. The detailed statement is at **Annex-VIII**.
- 5.3 Storage capacity available with FCI is concentrated mainly in the procuring hub located in the Northern Zone. The Northern Zone has about 67% of the total available storage capacity, the Southern Zone has about 14%, Western Zone has about 11%, Eastern Zone has about 7% and North-Eastern Zone has 1% of the total available storage capacity. As stated above, around 69% of the storage capacity is concentrated in 7 major procuring States i.e. Punjab, Haryana, Uttar Pradesh, Andhra Pradesh, Telangana, Madhya Pradesh and Chhattisgarh, while about 7% storage capacity is available in the four newly emerging procuring States of Bihar, Odisha, Jharkhand and West Bengal. Capacity enhancement as per requirement is taking place through PPP mode through creation of conventional godowns as well as steel silos.

## PEG SCHEME FOR CONSTRUCTION OF GODOWNS

- 5.4 To overcome storage constraints and ensure safe stocking of foodgrains across the country, the Government is implementing the Private Entrepreneurs Guarantee (PEG)

Scheme for construction of storage godowns in PPP through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Assessment of additional storage capacities required under the scheme is based on the overall procurement/consumption and the storage space already available.

- 5.5 Under the PEG scheme, FCI gives a guarantee of 10 years to private investors and 9 years to CWC/SWCs/State Agencies. A capacity of 151.20 lakh MT has been sanctioned for construction of PEG godowns in 20 States. A capacity of 131.66 lakh MT has been completed and a capacity of 14.96 lakh MT is under construction upto 31.12.2015. State-wise status of PEG scheme upto 31.12.2015 is at **Annex-IX**.
- 5.6 During 2015-16, the target of FCI for capacity construction was 3.00 lakh MT. A capacity of 4.65 lakh MT has been completed upto 31.12.2015 and additional capacity of 1.25 lakh MT is likely to be completed upto March, 2016. The State-wise storage capacity created under PEG scheme in 2015-16 is as follows:-

(Capacity In lakh MT upto 31.12.2015)

Sl. No	State	Achievement
1	Andhra Pradesh	0.00
2	Bihar	0.15
3	Chhattisgarh	0.42
4	Gujarat	0.00
5	Haryana	0.00
6	Himachal Pradesh	0.00
7	Jammu & Kashmir	0.00
8	Jharkhand	0.13
9	Karnataka	0.00
10	Kerala	0.00
11	Madhya Pradesh	1.49
12	Maharashtra	0.00
13	Odisha	0.30
14	Punjab	1.25
15	Rajasthan	0.00
16	Tamilnadu	0.05
17	Telangana	0.00
18	Uttar Pradesh	0.00

19	Uttarakhand	0.20
20	West Bengal	0.66
	<b>Total</b>	<b>4.65</b>

## SILOS – SCIENTIFIC STORAGE OF FOODGRAINS.

5.7 Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of foodgrains in bulk. It ensures better preservation of foodgrains and enhances its shelf life. If foodgrains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to foodgrains storage in bags in conventional warehouses. Further, since land availability in existing FCI godowns is scarce, it would be prudent to shift to storage of foodgrains in Silos as it requires approximately 1/3rd land as compared to conventional storage warehouses. Moreover, Silos can be operated round the clock which would bring in flexibility and would improve overall efficiency. As such, construction of Silos and utilization of Silos for storing and transportation of foodgrains in bulk would be beneficial to the nation as a whole besides also creating an efficient Food Supply Chain Management System. Accordingly, FCI has planned to modernize its storage facilities by construction of modern steel Silos on a PPP mode.

5.8 At present, FCI has steel silos of 5.5 lakh MT capacity being operated in PPP mode. The capacity of silos in the Base and Field Depots in two circuits are as given below:

(Fig. in MT)

Circuit-I		Circuit-II	
Location	Storage size	Location	Storage size
<b>Base Depot</b>			
Moga (Pb)	2,00,000	Kaithal (Hr)	2,00,000
<b>Field Depot</b>			
Chennai (TN)	25,000	Navi Mumbai	50,000
Coimbatore	25,000	Hooghly (WB)	25,000
Bangalore (KNK)	25,000		

5.9 It is proposed to augment Silo capacity in the country in phases as follows:

Year	Selection of Silo Operator (In lakh MT)	Silo Completion (In lakh MT)
2016-17	36.25 (Phase – 1)	5
2017-18	29.00 (Phase – 2)	15
2018-19	34.75 (Phase – 3)	30
2019-20	Completion of all silos	50
<b>Total</b>	<b>100</b>	<b>100</b>

5.10 Construction will be done in PPP mode through FCI, State Governments and other agencies like CWC. It has also been proposed to get the study conducted by independent experts prior to proceeding with construction of Silos in phase 2 and phase 3.

5.11 Accordingly, FCI has already floated tenders (RFP) for construction of Silos through PPP mode for total 2.5 lakh MT capacity at 6 locations viz. Narela, Changsari, Katihar, Whitefield, Sahnewal and Kotkapura.



Silo storage facility for foodgrains

## PLAN SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS

5.12 The Department is implementing a Plan Scheme for construction of godowns with focus on augmenting capacity in the North Eastern Region. While finalizing the scheme for 11<sup>th</sup> Five Year Plan, it was decided to expand the scope of the Scheme to States like Himachal Pradesh, Jharkhand, Bihar, Odisha, West Bengal, Chhattisgarh, Maharashtra and Lakshadweep for the purpose of construction of godowns.

5.13 In addition, the Department has been

## STORAGE

requesting the State Governments to create intermediate storage capacities at Block/Taluka level to store foodgrains collected from FCI depots, for further distribution to fair price shops. This is necessary to improve the supply chain logistics for TPDS. While construction of intermediate godowns is the responsibility of the State Governments, the Department has been providing plan funds to Governments of the NE States and J&K for this purpose, considering their difficult geographical conditions.

5.14 Under the Plan 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. Plan outlay for XII<sup>th</sup> Five Year Plan and Physical & Financial Achievements during 2012-13, 2013-14, 2014-15 & 2015-16 are given at **Annex-X**.

5.15 Total 75 projects of capacity 78,055 MT were sanctioned for construction of intermediate storage godowns using Grants-in-Aid in the North Eastern States and Jammu & Kashmir. As on 31.12.2015, capacity of 49,155 MT has been completed.

5.16 In addition, hiring of storage capacities is done by FCI wherever required and maximum utilization was made of existing capacities. The storage capacity available with FCI and the percentage utilization during last five years is at **Annex-XI**.





# Chapter – VI



# SUGAR

- 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 crore.
- 6.2 There are 714 installed sugar factories in the country as on 31.12.2015, with sufficient crushing capacity to produce around 329.89 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:

S. No.	Sector	No. of Factories
1.	Co-operative	326
2.	Private	345
3.	Public	43
<b>Total</b>		<b>714</b>

### SUGARCANE PRICING POLICY

- 6.3 With the amendment of the Sugarcane (Control) Order, 1966 on 22.10.2009 and 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 sugar mills or the Government. The new system also assures margins on account of profit and risk to farmers, irrespective of the fact whether sugar mills generate profit or not and is not dependent on the performance of any individual sugar mill.
- 6.5 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 2015-16 sugar season has been fixed at ₹230 per qtl. linked to a basic recovery of 9.5% subject to a premium of ₹2.42 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 from 2009-10 to 2015-16 is tabulated below:-

Sugar Season	FRP (₹ per quintal)	Basic Recovery Level
2009-10	129.84	9.5%
2010-11	139.12	9.5%
2011-12	145.00	9.5%
2012-13	170.00	9.5%
2013-14	210.00	9.5%
2014-15	220.00	9.5%
2015-16	230.00	9.5%

- 6.8 The payment to sugarcane farmers by sugar mills, though statutorily supported by various statutes and enforced by State Governments, 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 four seasons and also expected to be sufficient to meet domestic requirements during the current sugar season, 2015-16 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 crore)

Season	Position as on	Total price payable	Total price paid	Arrears	% of arrears on price payable
2015-16	31/12/2015	6468.70	3158.94	3309.76	51.17
2014-15	31/12/2014	9,327.46	3,987.73	5,339.73	57.25
2013-14	31/12/2013	12,169.25	5,319.47	6,849.77	56.29
2012-13	31/12/2012	17,371.09	9,531.26	7,839.83	45.13
2011-12	31/12/2011	14,839.92	10,092.04	4,747.88	31.99
2010-11	31/12/2010	12,411.82	8,058.63	4,353.19	35.07

- 6.10 The position of cane price payment and arrears for sugar season 2015-16 as on 31.12.2015 is as under:-

(₹ in crore)

Cane Price Payable	6468.70
Cane Price Paid	3158.94
Cane Price Arrears	3309.76
Percentage of Cane Price Arrears on Cane Price Payable	51.17

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

- 6.11 The year 2013-14 was a water-shed for the sugar industry. The Central Government considered the recommendations of the committee headed by Dr. C. Rangarajan on de-regulation of sugar sector and decided to discontinue the system of levy obligations on mills for sugar produced after September, 2012 and abolished the regulated release mechanism on open market sale of sugar. The de-regulation of the sugar sector was undertaken to improve the financial health of sugar mills, enhance cash flows, reduce inventory costs and also result in timely payments of cane price to sugarcane farmers. The recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to State Governments for adoption and implementation, as considered appropriate by them. The gist of recommendations of the Committee and action taken by the Government thereon is given at **Annex-XII**.

## REVIEW OF EXISTING SYSTEM FOR DISTRIBUTION OF SUGAR THROUGH PDS

- 6.12 Central Government has put in place a new dispensation for distribution of sugar through the TPDS post de-regulation of the sugar sector in April, 2013. Under the new system, State Governments/UT Administrations are required to procure sugar from open markets and make it available in the TPDS; the Central Government is to reimburse a fixed subsidy @ 18.50 per kg limited to the quantity based on existing allocations. State Governments /UT Administrations may either absorb additional costs incurred on handling, transportation and dealer's commission or pass it on to consumers by adding it to the Retail Issue Price of ₹13.50 per kg under the PDS. Also, State Governments / UT Administrations,



implementing NFSA, have been allowed to continue the existing coverage or extend it to beneficiaries under NFSA, within existing allocation of sugar.

### PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

6.13 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 production of sugar has been more than the domestic requirement /consumption in the country. As such, it appears that the cyclicity in sugar production has reduced. Season wise, production of sugar from the sugar season 2010-11 onwards is given below:-

(In lakh MT)

Sugar Season	Production of Sugar
2010-11	243.50
2011-12	263.43
2012-13	251.83*
2013-14	245.54
2014-15(P)	284.63

\*excludes 6.76 lakh MT white sugar produced from imported raw sugar.  
(P) Provisional

6.14 The closing stocks of sugar at the end of each sugar season from 2010-11 to 2014-15 is given below :-

(In lakh MT)

Sugar Season	Closing Stock
2010-11	58.19
2011-12	66.96
2012-13	91.09
2013-14(P)	72.13
2014-15(P)	88.76

(P) Provisional

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 2015-16 is provisionally estimated to be around 260 lakh MT. The details of estimated

carry-over stocks, production, imports, availability, estimated internal consumption, closing stocks for the last five seasons are at **Annex-XIII**.



### EX-MILL & RETAIL PRICES OF NON-LEVY SUGAR

6.16 Retail prices of sugar have been stable in the domestic market during current sugar season 2015-16. The range of price of non-levy sugar (S-30 Grade) in the major centres of the country during season 2009-10 to 2015-16 is as under:-

Sugar Season (Oct.-Sept.)	*Range of Ex-mill Prices (₹ per qtl.)	**Range of retail prices (₹ per kg.)
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
2014-15	2050-2860	29.35-35.87
2015-16 (upto Nov., 2015)	2560-2585	30.55-31.12

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. 15<sup>th</sup> January, 1997 and thus the export of

sugar was de-canalized. Under de-canalized 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 Open General License (OGL) at the strength of release orders.
- 6.21 Thereafter, the Government vide Notification No. 1059(E) dated 11.05.2015 has dispensed with the requirement of export release order. The export of sugar is free without any quantitative restriction.

### IMPORT OF SUGAR

- 6.22 Import of sugar, which was placed under 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 ₹850.00 per MT on imported sugar with effect from 28.04.1998. The basic custom duty was increased from 5% to 20% w.e.f. 14.01.1999 in addition to the countervailing duty. In the Union Budget for the year 1999-2000, duty on imported sugar was further increased from 20% to 25% with surcharge of 10%. The customs duty on imports of sugar was again increased to 40% on 30.12.1999 and 60% on 09.02.2000 along with continuance of countervailing duty of ₹950/- per MT (w.e.f. 01.03.2008) plus 3% education cess.
- 6.23 Sugar production in the sugar season

2008-09 has declined and in order to augment the domestic stock of sugar, the Central Government 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 OGL w.e.f. 17.04.2009 which was continued till 30.06.2012. Thereafter, a moderate duty of 10% was re-imposed w.e.f. 13.07.2012 which was increased to 15% w.e.f. 08.07.2013 and subsequently 15% to 25% as on 20.08.2015. The import duty was further increased from 25% to 40% w.e.f. 30.04.2015. Thereafter, there had been hardly any import of sugar under OGL.

- 6.24 As per information published by Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, the export/import of sugar from sugar season 2009-10 to 2014-15 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	12.02
2013-14	26.85
2014-15(P)	24.315

#### Import of Sugar

(In lakh MT)

Sugar Season (Oct-Sept)	Quantity**
2009-10	41.80
2010-11	3.65
2011-12	1.886
2012-13	17.12
2013-14	10.788
2014-15(P)	12.814

\*\* As per data furnished by DGCIS Kolkata.

### ETHANOL BLENDED PETROL (EBP) PROGRAMME

- 6.25 Ethanol is an agro-based product, mainly produced from a by-product of the sugar

industry, namely molasses. In years of surplus production of sugarcane, when prices are depressed, the sugar industry is unable to make timely payment of cane price to farmers. The EBP Programme seeks to achieve blending of Ethanol with motor spirit with a view to reducing pollution, conserve foreign exchange and increase value addition in the sugar industry.

- 6.26 The Central Government has scaled up blending targets from 5% to 10% under the EBP Programme. The procedure of procurement of ethanol under the EBP Programme has been simplified to streamline the entire ethanol supply chain and remunerative ex-depot price of ethanol has been fixed. To facilitate achieving of new blending targets, a “grid” which networks distilleries to Oil Marketing Companies (OMCs) depots and details of quantities to be supplied has been worked out. State-wise demand profile has also been projected, keeping in view distances, capacities and other sectoral demands. Excise duty has also been waived on ethanol supplies to OMCs for EBP Programme by sugar mills during 2015-16.

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

- 6.27 The Government had 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 crore 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 ₹2,303.77 crore over next five years would be borne by the Government through Sugar Development Fund

### **INTEREST SUBVENTION ON SCHEME FOR EXTENDING SOFT LOAN TO SUGAR MILLS, 2015**

- 6.28 The soft loan scheme is about ₹6000 crore and to be used for payment of cane price arrears of farmers for the sugar season 2014-15 relating to the Fair and Remunerative Price (FRP) of sugarcane fixed by the Central Government for that sugar season. All loans which are sanctioned and disbursed by 30<sup>th</sup> September, 2015 by the leading bank, pursuant to the Gazettee Notification No. 1(5)/2015 dated 23.06.2015 would be covered under the interest subvention scheme. Interest burden on this loan, estimated at ₹600 crore for one year would be borne by the Government through Sugar Development Fund.

### **INCENTIVE SCHEME FOR MARKETING AND PROMOTION OF RAW SUGAR PRODUCTION**

- 6.29 The Government on 28.02.2014 has notified a scheme allowing incentive 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. During 2013-14 sugar season, about 7.75 lakh MT of raw sugar was exported under the scheme. Further, the incentive rate was increased to ₹4000 per MT for export of raw sugar during 2014-15 sugar season with a quantitative ceiling of 14 lakh MT. During 2014-15 sugar season about 5.80 lakh MT of raw sugar was exported under the scheme. About ₹183.87 crore was disbursed to sugar mills during Financial Year 2014-15 and about 99.67 crore was released during 2015-16 sugar season up to 31.12.2015. The incentive available under the scheme is to be utilized for making payment to the farmers.

### **LEVY SUGAR PRICE EQUALISATION FUND**

- 6.30 The Levy Sugar Price Equalisation Fund Act 1976 (as amended in 1984) has been



enforced from 01.04.1976. During the current Financial Year 2015-16 (up to 31.12.2015), NIL amount has been recovered from the various sugar mills. In the year 2014-15, an amount of ₹3.52 crore was recovered and remitted to the said Fund. The total recovery from 01.04.1976 to 31.12.2015 is detailed at **Annex-XIV**.

### SUGAR DEVELOPMENT FUND

- 6.31 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. 01.03.2008 is being collected on all sugar produced and sold by any sugar factory within India.
- 6.32 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).
- 6.33 During the period from 1982-83 to 2015-16 (upto 30.11.2015), a net Cess amount of ₹8,785.75 crore has been collected. Out of this, till 30.11.2015, an amount of ₹ 7606 crore has been transferred to the Sugar Development Fund.
- 6.34 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 modernization and rehabilitation 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 loans to any sugar factory to implement a project of bagasse-based co-generation of power.
  - d. Making loans to a sugar factory for production of anhydrous alcohol or ethanol.
  - e. Making loans to a sugar factory for conversion of existing ethanol plant into zero liquid discharge plant.
  - f. Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of sugar industry.
  - g. Defraying expenditure on internal transport and freight charges on export shipment of sugar.
  - h. Defraying expenditure for the purpose of building up and maintenance of buffer stock with a view to stabilizing price of sugar.
  - i. 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.
  - j. Defraying expenditure on marketing and promotion service for raw sugar production.
  - k. Defraying expenditure on Interest subvention on scheme for extending soft loan to sugar mills.
  - l. Defraying any other expenditure for the purpose of the Act.
- 6.35 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-XV**. The amount disbursed to various sugar mills for various schemes during

financial year 2015-16 (upto 30.12.2015) is as follows:

(₹ in crore)

Sl. No.	Name of Schemes	Amount disbursed
i.	Administration of Sugar Development Fund	13.75
ii.	Loan to sugar factories for modernization/rehabilitation of plant and machinery, including expansion of crushing capacity	50.08
iii.	Loans to sugar factories for sugar cane development	12.73
iv.	Loans to sugar factories for bagasse based cogeneration power projects	29.71
v.	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	16.89
vi.	Reimbursement of Internal Transport & freight to sugar factory on export shipment and payment of other permissible claim	Nil
vii.	Subsidy maintenance of Buffer Stock of Sugar	1.04
viii.	Scheme for Extending Financial Assistance to Sugar undertaking, 2014	600.60
ix.	Grants-in-aid for development of Sugar Industry	0.08
x.	Incentive on marketing and promotion of Raw sugar production	99.67
xi.	Interest on subvention on scheme for extending soft loan to sugar mill, 2015	100.00
<b>Total</b>		<b>924.55</b>

6.36 A List of SDF beneficiaries (non-official recipients of Government funds) who have reviewed funds in respect of Scheme of Modernisation, Cane developers, Cogeneration, Ethanol, SEFASU-2014 and Soft Loans is at **Annex-XVI**.

6.37 During the financial year 2015-2016 (upto 30.11.2015), an amount of ₹378.81 crore has been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.



Sugar Cane Farm visit by the officers of the Department

## MINIMUM INDICATIVE EXPORT QUOTAS (MIEQ).

6.38 With a view to improving domestic sugar price sentiments, the Government fixed indicative export targets for each mill proportionate to their sugar production so as to evacuate 4 million MT of sugar stocks. No export subsidy or incentive is offered and the industry is expected to export at prevailing international prices and absorb the losses so incurred. It is expected that with stock evacuation, domestic sugar prices would increase and reach levels more supportive of cane prices. These are the Minimum Indicative Export Quotas (MIEQ). The industry can export greater quantities, and is at liberty to export raw, white or refined sugar depending on global market demand. The Quotas have also been made tradable.

## PRODUCTION SUBSIDY

6.39 The Government vide notification dated 02.12.2015 has also extended production subsidy @ ₹ 4.50 per quintal to sugar mills to offset cost of cane and facilitate timely payment of cane price dues of farmers for the current sugar season 2015-16. The production subsidy is payable provided mills achieve targets in respect of exports and ethanol blending.

## E-GOVERNANCE INITIATIVES

6.40 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](http://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, Cane price arrears of sugar mills on fortnightly basis etc.

## **NATIONAL SUGAR INSTITUTE, KANPUR**

6.41 National Sugar Institute, Kanpur is a premier Scientific & Technical Institute in the country which conducts Post Graduate & Certificate Courses in Sugar Technology, Sugar Engineering and Alcohol Technology disciplines. It undertakes research and development work in sugar and allied fields and also renders advice to Sugar and allied industry on various technical matters. During the 2015-16 academic sessions, 211 students were admitted in various courses conducted by the Institute. A new course, namely, “Certificate Course in Industrial Instrumentation & Process Automation” is proposed to be introduced w.e.f. academic session 2016-17.

## **RESEARCH WORK**

6.42 Research work on some important topics viz. Ethanol production from alternate feed stocks, Bagasse Gasification, Water Conservation and Development of techno-economic process for producing Sulphur-less white sugar in single stage was taken up by the institute during the year. The research work has been aimed at utilization of by-products of sugar industry in an innovative manner for value addition, to enhance productivity, provide process flexibility and to address environmental concerns. The Institute is continuing R&D work on the following topics.

- Production of Sulphur-less White Sugar by “Carbo-Phosphotation & Decantation process.
- Gasification of bagasse.
- Production of ethanol from alternate feed stocks viz. ligno-cellulosic material, Sugar Beet, Cassava, Sweet Sorghum and B-heavy molasses etc.
- Purification of waste water from sugar industry by Electro-coagulation.
- Production of Graphene Oxide from bagasse.

- Mechanical Clarification of syrup and molasses to produce better quality plantation white sugar.
- Studies on Physico-chemical parameters of raw spent wash & its effect on seed germination of selected crops and soil micro flora.

6.43 The Institute has also undertaken field trials in collaboration with International Potash Institute on application of graded dosage of potash and irrigation water.

## **RESEARCH PAPERS**

6.44 Based on the research work carried out and studies undertaken, 22 papers were either published in reputed journals or presented during various national and international seminars /conferences / conventions. The topics of these papers include energy conservation, bagasse gasification, by-product utilization for value addition, enhancement of productivity of sugar and ethanol units etc.

6.45 Research paper entitled “Innovative approach to enhance profitability of North Indian Sugar factories” by Narendra Mohan, A. Bajpai & S.K. Trivedi presented during 61<sup>st</sup> Annual Convention of Deccan Sugar Technologists Association (DSTA) of India at Surat was awarded as the best paper by DSTA for the year 2014-15.

## **FELICITATIONS**

6.46 Shri Narendra Mohan, Director was conferred with prestigious “ISGEC Gold Medal - Engineering for Excellence – Process Technology Award” for the year 2014-15.





**CONSULTANCY SERVICES**

6.47 The Institute rendered its services to various sugar factories situated in all the major sugar producing states viz. Uttar Pradesh, Punjab, Uttarakhand, Bihar, Karnataka, Haryana, Maharashtra, Rajasthan and Odisha etc. on the issue problems related to setting up of new units, addition of co-generation & ethanol production facilities, capacity expansion and modernization, energy and water conservation, lower sugar recovery, deterioration of sugar upon storage etc. 39 sugar factories/distilleries and other related organizations availed the services of the Institute’s experts. In addition to this, institute also provided its services to various organizations in recruitment of technical staff for their sugar & allied units.

**TRAINING PROGRAMME / REFRESHER COURSE**

6.48 Institute organized five days Training cum Skill Development Programme on “Maintenance of Machinery & Equipments in Sugar Factories” from 22<sup>nd</sup>-26<sup>th</sup> June, 2015. To enhance and refresh the knowledge of the in service technologists and engineers of the sugar industry, five days Refresher Course was organized at the Institute from 6<sup>th</sup>-10<sup>th</sup> July, 2015.

**SEMINARS/BRAIN STORMING SESSIONS**

6.49 To discuss & deliberate on the problems being faced by the Indian Sugar Industry & with a view to improve sugarcane & sugar productivity, Seminars/Brain storming sessions were organized at various places:

- i. An All India Seminar on “Efficient Methods of Juice Extraction” organized jointly with S. Nijalingappa Sugar Institute, Belagavi, Karnataka on 18<sup>th</sup> April, 2015 at Belagavi, Karnataka.
- ii. An All India Seminar on “Sugar Industry-Emerging Trends” was organized on 2<sup>nd</sup> September, 2015 at National Sugar Institute, Kanpur.

- iii. An All India Seminar on “Sugarcane Energy Utilization Technologies-Present Emerging & Future” organized jointly with JP Mukherjee & Associates, Pune on 17<sup>th</sup> October, 2015 at Pune, Maharashtra.
- iv. An All India Seminar on “Exploring Alternate Feed Stocks & Addressing Environmental Issues in Distilleries” organized jointly with All India Distillers Association, New Delhi on 19<sup>th</sup> November, 2015 at NSI, Kanpur



6.50 Besides, Institute faculty participated actively in various conventions / seminars / workshops etc. organized by various other Associations / Organizations to express their views on energy conservation, co-generation, ethanol production & on production of sugar to meet domestic and global requirements.

**VISITORS FROM ABROAD**

6.51 A delegation of Twenty-nine members from Australia visited the Institute on 5<sup>th</sup> May, 2015 to seek information about various activities of the Institute viz. teaching, research and

consultancy. The delegation led by Mr. Dale Price took keen interest in the research work being carried out for production of ethanol from Cassava and Sugar Beet.



Australian delegation in the Institute

### ADVISORY BOARD

6.52 The 48<sup>th</sup> meeting of the Advisory Board of the institute was held on 15<sup>th</sup> May, 2015 at the Institute under the Chairmanship of Joint Secretary (Sugar & Sugar Administration) to review the working of the institute. The meeting was attended by the officials from ministry and representatives from Indian Sugar Mills Association, National Federation of Cooperative Sugar Factories, Indian Institute of Sugarcane Research, U.P. Council of Sugarcane Research and The Sugar Technologists' Association of India etc.

### E-GOVERNANCE INITIATIVE

6.53 The Institute undertook e-Governance initiatives by extending high speed broad band connection in girls hostels and constructing a centralized computer room for use as language laboratory and also for teaching the students about preparation of engineering

drawing by using AUTO-CAD Software. Besides, Public Financial Management System (PFMS) & Aadhar Enabled Biometric Attendance System (AEBAS) were also made operational.

### PUBLICATION

6.54 E-newsletter on quarterly basis so as to propagate the teaching, research and other activities of the institute. Book, titled "Sugarcane & Sugar Related Statistics with Technical Efficiency Parameters obtained by Indian Sugar Factories-2015".

### RECRUITMENT OF FACULTY

6.55 Recruitment action for filling of various important faculty positions was taken up and 05 nos. recruitments on the posts of Assistant Professor of Sugar Technology, Assistant Engineer, Assistant Professor of Organic Chemistry and Officer Superintendent were made during the period. For filling other posts the recruitment action is in advance stage.

### ANNUAL PLAN

6.56 The Institute undertook development of various research & infrastructural facilities under Plan Budget e.g. construction of a new hostel, improvement in facilities at farm, renovation of main building (SMART classrooms), installation of solar street lights and structural repairs of experimental sugar factory etc. during the period against Budget Estimate of ₹250 lakhs only. Institute has proposed Revised Estimate for ₹350 lakhs only to undertake one more activity i.e. "Construction of experimental fermentation & distillation unit" at the Bio-chemistry Division.







# 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 Sugar and Vegetable Oils (DSVO) under this Department seeks to coordinate management of edible oils in the country through a multi-pronged strategy, namely, (i) assessment of the domestic demand for edible oils and its availability from domestic sources. Mismatch of demand and supply is met through import of edible oils so as to maintain their prices at reasonable level; (ii) it also closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures whenever necessary. The DSVO is staffed with qualified technical people who assist the Ministry in the coordinated management of Vegetable Oils particularly relating to production/availability and monitoring of prices.

### MAIN EDIBLE OILS

7.2 There are two sources of oils viz. primary source and secondary source. The primary sources of oil are nine principal oilseeds viz. groundnut, rapeseed/mustard, soyabean, sunflower, sesame, niger, safflower, castor and linseeds. Edible oils obtained through secondary sources include coconut, cottonseed, palm, rice bran and oilseed cakes. The production of nine principal oilseeds and availability of edible oils from domestic sources (primary source and secondary source) for the years 2011-12, 2012-13,

2013-14 and estimated production for (Kharif season) 2014-15 are given at **Annex-XVII**.

- 7.3 As per the 4<sup>th</sup> Advance Estimates of Ministry of Agriculture released on 17.08.2015 for 2014-15, estimated oilseeds production is about 266.75 lakh MT and estimated production of oils from these oilseeds in 2014-15 comes to about 63.26 lakh MT.
- 7.4 Vegetable Oil Products Production and Availability (Regulation) Order, 2011 which came into force w.e.f. 7<sup>th</sup> September, 2011 is administered by the Directorate. A producer who intends to produce, stock for sale or offer for sale vegetable oil, vegetable oil product, solvent extracted oil, de-oiled meal or edible flour shall make an application to the Director as specified in the Schedule-I, and obtain a registration certificate as specified in Schedule (II) of the said order. So far 486 edible oil refining industries and solvent extraction units have been registered under the said order till 31.12.2015.

### ASSESSMENT OF PRODUCTION AND SUPPLY OF EDIBLE OILS

7.5 The production of domestic oilseeds has shown an increase since 2003-04. However, untimely rains and drought conditions in certain states caused a decrease in production of oilseeds and edible oils during the last one year. Since the domestic 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 is insufficient to meet the demand. The shortfall is made good by imports.

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

(In lakh MT)

Year (November-October)	Production of Oilseeds (Primary Source)*	Net availability of edible oils from all domestic sources**	Imports***	Total Availability / Consumption of edible oils
2010-2011	324.79	97.82	72.42	170.24
2011-2012	297.98	89.57	99.43	189.00
2012-2013	309.43	92.19	106.05	198.24
2013-2014	327.49	101.90	109.76	211.66
2014-2015	266.75	89.78	138.53	228.31

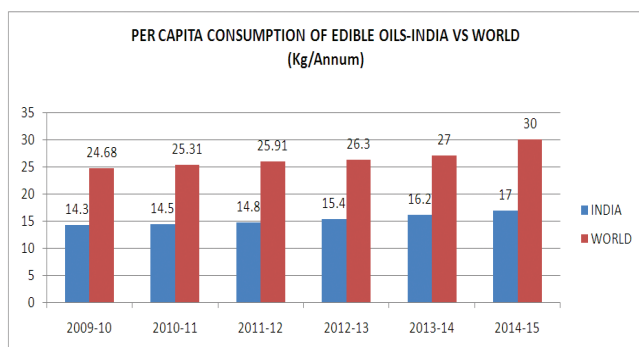
Source :

\* Ministry of Agriculture

\*\* Directorate of Sugar and Vegetable Oils

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

- 7.7 Per capita consumption of edible oils in the country as compared to world per capita consumption of edible oils since 2009-10 has been as under:-

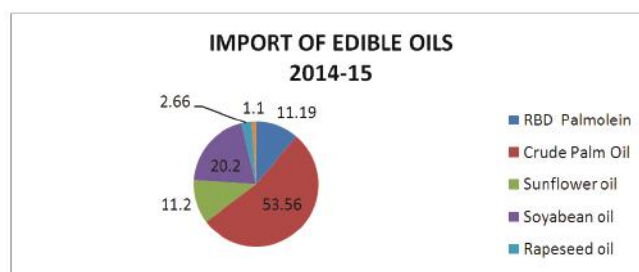


## IMPORT POLICY ON EDIBLE OILS

- 7.8 Since there has been a continuous excess demand for edible oils over domestic supply, 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.

- 7.9 In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. Due to a decrease in international prices of certain imported oils affecting domestic prices, w.e.f. 17.09.2015, the custom duty on crude oils has been revised from 7.5% to 12.5% and custom duty on refined edible oils has been revised from 15% to 20%.

- 7.10 About 50% of domestic demand of edible oils is met through imports. The total import of edible oils in 2014-15 Financial Year was 117.36 lakh MT. The major edible oils imported are Crude Palm Oil, Sunflower Oil and Soyabean Oil which constituted 53.56%, 11.20% and 20.20% of the total imports respectively during F/Y 2014-15, while RBD Palmolein constituted 11.19 % of total edible oil imports.



## EXPORT OF EDIBLE OILS, OILSEEDS, MINOR OILS & FATS AND OILCAKE/ EXTRACTION

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

(Qty. In lakh MT)  
(Value in ₹ crore)

Year (April-March)	Oil Seeds		Edible Oils and Fats		Oilcake/ extraction	
	Qty.	Value	Qty.	Value	Qty.	Value
2011-12	13.24	8279.32	4.97	390.79	74.41	68010.92
2012-13	9.90	7533.16	6.18	869.68	67.38	16270.79
2013-14	10.42	7933.00	5.84	779.58	68.32	16701.80
2014-15	13.97	10727.77	0.85	1073.00	39.70	7479.44
2015-16 (upto Oct)	5.07	4043.39	1.52	510.78	13.32	2326.48

Source: DGCIS



### TARIFF VALUE

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

### MEASURES TAKEN BY THE GOVERNMENT TO CONTAIN/STABILIZE THE PRICES OF EDIBLE OILS IN THE DOMESTIC MARKET

7.13 Export of edible oils has been banned w.e.f. 17.03.2008, which was extended from time to time. Vide notification dated 25<sup>th</sup> March, 2013, prohibition on export of edible oils has been extended with certain 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
- (iii) Organic edible oils, subject to export contracts being registered and certified 'Organic' by Agricultural & Processed Food Products Export Development Authority (APEDA)
- (iv) Export of edible oils in branded consumer packs of upto 5 Kgs is permitted with a Minimum Export Price of USD 900 per MT vide notification dated 6<sup>th</sup> February, 2015.
- (v) Export of Rice Bran Oil in bulk has been exempted from the prohibition on export of edible oils vide notification dated 6<sup>th</sup> August, 2015.
- (vi) State Governments have been allowed to impose stock limits on edible oils and oilseeds upto 30.09.2016.



# Chapter – VIII



## INTERNATIONAL CO-OPERATION

## INTERNATIONAL CO-OPERATION

8.1 India is associated with a number of International Agencies working in the field of food related matters. These include World Food Programme (WFP), SAARC Food Bank, Food and Agriculture Organization (FAO), International Grains Council (IGC) and International Sugar Organization (ISO) 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 14<sup>th</sup> SAARC Summit held in New Delhi on April 3<sup>rd</sup>-4<sup>th</sup>, 2007, the Heads of States of South Asian Association for Regional Cooperation (SAARC) countries have signed the Agreement to establish the SAARC Food Bank. The Food Bank will supplement national efforts to provide food security to the people of the region. The agreement on establishing the SAARC Food Bank has since been ratified by the President of India on 17<sup>th</sup> April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of foodgrains to be maintained by each member states consisting of either wheat or rice, or a combination of both as assessed share of the country.

8.3 India's initial assessed share in the reserve was 1,53,200 MTs out of a total share of 2,43,000 MTs. The assessed share is presently kept as 3,06,400 MTs out of a total share of 4,86,000 MTs. The quantum of reserve has been kept in different strategic locations in the designated Godowns of FCI. Joint Secretary (IC), Department of Food & Public Distribution has been designated as Member of SAARC Food Bank Board to represent India. The Board has considered and agreed to the proposal to designate the Central Grain Analysis Laboratory (CGAL), New Delhi as the regional reference laboratory for SAARC Food Bank.

8.4 The 8<sup>th</sup> SAARC Food Bank Board (SFB) meeting has been held on 2<sup>nd</sup>-3<sup>rd</sup> September,

2015 at Male, Maldives. India represented the meeting at the level Joint Secretary (IC) in the department in the capacity of Member, SAARC Food Bank Board. The meeting inter-alia discussed matters relating to the development of the SAARC Food Security Information System(SFSIS), formulation of the guidelines and storage methods, practices and quality control measures, foodgrains scenario in South Asia and lowering the threshold limit for withdrawing foodgrains from food bank etc.

### FAO AND COMMITTEE ON WORLD FOOD SECURITY

8.5 Food and Agricultural 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. India is a member to both FAO and CFS. Committee on World Food Security (CFS) monitors the progress of implementation of the WFS Plan of Action.

8.6 The 42<sup>nd</sup> Session of the Committee on World Food Security(CFS)held atFAO Headquarters in Rome, Italy from 12<sup>th</sup> -15<sup>th</sup> October, 2015 has been attended by a delegation led by Ms. Vrinda Sarup, Secretary, Department of Food & P.D. and Shri Vimlendra Sharan, Minister (Agriculture), Embassy of India, Rome. Deliberations on the following issues have been made during the Session:-

- (i) CFS and the Sustainable Development Goal Challenge
- (ii) State of Food Insecurity in the World(SOFI), 09.11.2015
- (iii) Policy Round Table on Water for Food Security and Nutrition



- (iv) Framework for Action for Food Security and Nutrition in Protracted Crisis
- (v) Food Security and Nutrition in the Post 2015 Development Agenda: Goals, Action and Outcomes
- (vi) Enhancing Regional Food Supply System and Processes to improve Nutrition
- (vi) National Multi Stakeholder Approaches and Experiences to improve Nutrition.
- (vii) The Global Strategic Framework for Food Security and Nutrition
- (viii) Outcomes of High Level Forum on Connecting small holders to markets
- (ix) CFS and its role in advancing Nutrition

## G-20 MATTERS

8.7 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 is comprised of 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

8.8 India is a member of the International Grains Council (IGC) an intergovernmental forum of exporting and importing countries for co-operation in wheat and coarse grain matters which was previously known as International Wheat Council up to 1995. It administers the Grains Trade Convention 1995. The IGC Secretariat, based in London since 1949,

also services the Food Aid Committee, established under the Food Aid Convention. International Grains Agreement comprises of Grains Trade Convention (GTC) and Food Aid Convention (FAC). India is a signatory to the International Grains Agreement (IGA) 1995 and its Grain Trade Convention (GTC) 1995 which is effective from 1<sup>st</sup> July 1995. IGC has 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. Department of Food & P.D. pays India's Annual membership contribution to the Council.

8.9 India was holding the post of Vice-Chairman of International Grains Council(IGC) for the Fiscal 2012-13(1<sup>st</sup> July 2012 to 30<sup>th</sup> 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.

8.10 42<sup>nd</sup> Council Session and IGC Grains Forum, 2015 was held on 30<sup>th</sup> November-2<sup>nd</sup> December, 2015 in Buenos Aires, Argentina wherein India was represented by the Shri Subhasish Panda, Joint Secretary, Department of Food & P. D. and Smt. Maninder Kaur Dwivedi, Executive Director (Personnel) Food Corporation of India (FCI)

## VISITS OF FOREIGN DIGNITARIES OF OTHER COUNTRIES

8.11 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 visits this Department to have a delegation level talks with Hon'ble Ministers, Secretary & other officers of this Department.

### WORLD FOOD PROGRAMME

8.12 Allocation of foodgrains (Rice & Wheat) under the Country Programme Action Plan (CPAP) 2008-2012 signed between the Government of India and the United Nations World Food Programme (WFP) 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 during 2008-2011. A total quantity of 1,65,065 tonnes of foodgrains have been allocated during these periods.

### WFP'S COUNTRY STRATEGIC PLAN (CSP) 2015-18

8.13 The new Country Strategic Plan (CSP) 2015-2018 has been signed between the UN World Food Programme (UNWFP) and Government of India under Department of Agriculture & Cooperation. Department of Food & P.D. has been made the nodal department for the strategic priority area under Component-1: Support State Governments to build a scalable implementation approach that enhances the effectiveness and efficiency of the National Food Security Act for its implementation.

Under this plan, WFP is now focused around providing technical assistance in a new role than the earlier Country Programme Action Plan (CPAP) 2008-2012. The main focus of WFP is on supporting the Government of India to make significant and measurable progress in order to contribute to the following two objectives:-

- (i) ensuring access to safe, nutritious and sufficient food for all people all year round.
- (ii) ensuring ending malnutrition according to internationally agreed targets, with a focus on stunting and wasting for

children under 5 years of age, and addressing the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.

8.14 Supporting the Government of India to advance these objectives, WFP will work with the Government at the National and State level and collaborate with UN agencies including FAO and UNICEF within the United Nations Development Action Framework (UNDAF). In this regard, 4 strategic priority areas have been identified to achieve the Outcomes during 2015-2018. Strategic Outcome-I: The efficiency of food based national safety-nets is improved to support the efforts of the Government of India to deliver the Zero Hunger and National Food Security Act targets, is one of these areas to be implemented by Deptt. of Food and P.D. among other line Ministries/Departments.

8.15 During 2015 WFP has set under its Annual Work Plan 2015, Component-1: Support State Governments to build a scalable implementation approach that enhances the effectiveness and efficiency of the National Food Security Act for its implementation. The following are the expected CSP Outputs in this area:-

- TPDS ration distributed to the right beneficiaries in right quantity and quality in the WFP supported States;
- Enhanced nutritional contents of food safety-net schemes under NFSA;
- An operational model for e-vouchers developed and implemented.

8.16 WFP through the Annual Work Plan, 2015 under CSP-I proposed support for beneficiary identification and enrolment/digitization in State Governments especially in Odisha and Kerala and implementation of TPDS reforms.



# Chapter – IX



## CENTRAL PUBLIC SECTOR ENTERPRISES & 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 FCI is the nodal agency of the Government of India responsible for executing food policies of the Central Government. The functions of FCI primarily consist of purchase, procurement at Minimum Support Price (MSP) from farmers, storage, movement/transportation, distribution and sale of foodgrains on behalf of the Central Government.

**ORGANISATIONAL SET-UP**

9.3 FCI co-ordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 24 Regional Offices, 1 Special Regional Office at Imphal covering the State of Manipur, 1 Port Office at Kandla and 162 District Offices.

**STAFF POSITION**

9.4 The Category-wise staff position for the quarter ending 30.09.2015 is as under:

CATEGORY	SANCTIONED STRENGTH	PERSONNEL IN POSITION
Category-I	1111	792
Category-II	6221	4362
Category-III	27270	12934
Category-IV	2380	3782
Total	36982	21870*

\*Personnel-in-position includes employees working against Watch & Ward posts for which sanctioned strength is under review.

**CAPITAL STRUCTURE**

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

(₹ in crore)

	As on 31.03.2013	As on 31.03.2014	As on 31.03.2015	As on 31.12.2015
Authorised Capital	3500.00	3500.00	3500.00	3500.00
Subscribed Capital				
(i)working capital	1484.00	1484.00	1484.00	1484.00
(ii)Const. of Godowns& Silos **	1078.31	1081.31	1168.15	1211.15
(iii) IISFM Project	96.74	96.74	96.74	96.74
(iv) Others	13.90	13.90	13.90	13.90
Total	2672.95	2675.95	2762.79	2805.79
** Equity released for NE during the year	19.28	NIL	71.84	43.00

**AUDIT & ACCOUNTS**

9.6 The responsibility of auditing of the accounts of the FCI rests with the Comptroller and Auditor General of India (C&AG). The accounts of the Corporation for the Year 2013-14 have been laid before both Houses of Parliament during the month of May, 2015. The accounts for 2014-15 have been approved and accepted by the Board on 04.11.2015. The accounts were submitted to the C&AG for audit on 05.11.2015. C&AG audit has been completed on 09.12.2015. C&AG is likely to issue final audit report in January, 2016.

9.7 The turnover of the Corporation for the last six years is given below:

(₹ in crore)

Year	Purchases	Sales	Subsidy on Foodgrains	Total
2009-10	62731.10	23320.38	42873.11	128924.59
2010-11	73324.71	25566.58	56394.42	155285.71
2011-12	87888.64	26686.92	68697.06	183272.62
2012-13	101923.28	39849.73	80563.18	222336.19
2013-14	103947.80	38356.90	89492.14	231796.84
2014-15 (Provisional / Unaudited)	106804.12	29757.01	105007.03	241568.16

## PROCUREMENT OF FOODGRAINS

### Wheat Procurement

9.8 During RMS 2015-16, total procurement of wheat for the central pool was 280.88 lakh MT as against 280.23 lakh MT during RMS 2014-15. Punjab, Haryana, Madhya Pradesh & Uttar Pradesh have accounted for more than 95% of the total procurement of wheat during RMS 2015-16.

### Paddy/ Rice Procurement

9.9 Total quantity of paddy procurement during KMS 2014-15 was 425.07 lakh MT as against 355.78 lakh MT of paddy procured during previous KMS 2013-14.

9.10 The total procurement of rice during KMS 2014-15 for Central Pool was 321.70 lakh MT as against 318.45 lakh MT of rice (including paddy in terms of rice) during KMS 2013-14. KMS 2015-16 commenced from 01.10.2015. Upto 31.12.2015, 189.66 lakh MT rice (including paddy in terms of rice) has been procured by Government agencies including FCI.

### Procurement of Levy Rice

9.11 The procurement of levy rice by FCI & State Government for the central pool during KMS 2014-15 was 36.80 lakh MT as against 80.07 lakh MT of levy rice received during KMS 2013-14. Further, procurement of rice through levy system has been abolished by GoI w.e.f. 01.10.2015.

### Paddy/ Rice Procurement in KMS 2014-15

9.12 Region-wise procurement of paddy and receipt of levy rice and CMR during KMS 2014-15 is as under:

#### KMS 2014-15

(In lakh MT)

States/UTs	Paddy	Levy	CMR	Total Actual Rice Received
A.P.	42.19	7.69	28.16	35.85
Telangana	24.32	18.75	16.11	34.86
Assam	0.23	0.00	0.15	0.15
Bihar	24.09	0.00	16.13	16.13
Chandigarh	0.15	0.00	0.10	0.10

Chattisgarh	51.08	0.00	34.21	34.21
Haryana	30.07	0.00	19.87	19.87
Jharkhand	0.09	0.00	0.02	0.02
Karnataka	1.31	0.00	0.00	0.00
Kerala	5.50	0.00	3.73	3.73
M.P.	12.04	0.00	7.68	7.68
Maharashtra	2.97	0.00	1.80	1.80
Odisha	52.03	0.01	33.14	33.15
Punjab	116.21	0.00	77.56	77.56
Tamil Nadu	15.69	0.00	10.42	10.42
U.P.	18.18	4.80	12.17	16.97
Uttarkhand	6.12	0.55	4.11	4.66
West Bengal	22.86	5.00	15.27	20.27
Total	425.13	36.80	280.63	317.43

### Paddy/ Rice Procurement in KMS 2015-16

9.13 Region-wise procurement of paddy and receipt of CMR during current KMS 2015-16 (upto 31.12.2015) is as under:

#### KMS 2015-16

(In lakh MT)

STATES/ UTs	Paddy	CMR	Total Rice
A.P.	14.66	5.39	5.39
Telangana	13.23	2.31	2.31
Bihar	0.13	0.00	0.00
Chandigarh	0.24	0.09	0.09
Chhattisgarh	34.48	7.77	7.77
Haryana	42.60	10.63	10.63
Jharkhand	0.02	0.00	0.00
J&K	0.10	0.00	0.00
Kerala	1.62	0.80	0.80
M.P.	8.37	0.00	0.00
Maharashtra	0.91	0.01	0.01
Odisha	8.46	0.53	0.53
Punjab	139.54	24.84	24.84
Tamil Nadu	0.61	0.00	0.00
U.P.	12.95	6.08	6.08
Uttarakhand	3.90	1.58	1.58
West Bengal	1.21	0.00	0.00
<b>Total</b>	<b>283.03</b>	<b>60.03</b>	<b>60.03</b>

## PROCUREMENT OF COARSE GRAINS

9.14 In the States of Maharashtra, Karnataka, Madhya Pradesh, Chhattisgarh and Andhra Pradesh, the State Government and their agencies undertook the procurement of coarse grains.

## CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

The Region-wise procurement of coarse grain during last two Marketing Seasons is as under:

(Quantity in MT)

REGION	2013-14				2014-15			
	Jowar	Bajra	Maize	Ragi	Jowar	Bajra	Maize	Ragi
Maharashtra	85	-	95555	-	5867	-	1619	-
Chhattisgarh	-	-	2587	-	-	-	-	-
M.P.	2	-	86573	-	1643	-	301842	-
A.P.	-	-	27918	-	-	-	4945	-
Telangana	-	-	288904	-	-	-	6438	-
Karnataka	4	-	713807	14788	6839	-	-	135955
Bihar	-	-	722	-	-	-	-	-
<b>Total</b>	<b>91</b>	<b>-</b>	<b>1216066</b>	<b>14788</b>	<b>14349</b>	<b>-</b>	<b>314844</b>	<b>135955</b>

### STOCK MANAGEMENT

9.15 The stock holding under central pool as on 01.01.2016 is 364.77 lakh MT (Rice 126.89 lakh MT; Wheat 237.88 lakh MT). In addition, 199.04 lakh MT paddy is also available in the central pool. The Crop Year-wise percentage of issuable stock in central pool as on 01.01.2016 is as under:

(In lakh MT)

Crop Year	Wheat %age of stocks	Rice %age of stocks
2015-16	48.26	46.45
2014-15	50.59	53.14
2013-14	01.14	00.38
2012-13*	00.01	00.03
<b>Total</b>	<b>100</b>	<b>100</b>

\* Stock of crop year 2012-13 covered under ICAR study

Note: The stock excludes stocks in transit, BRL/Upgradable/Non-issuable/'C&D' category wheat and "D" category rice.

### TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)

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

9.17 The off take of wheat and rice under TPDS/NFSA, Additional allocations and welfare schemes of the Government of India during the year 2015-16 (upto 31.12.2015) is as follows:

(In lakh MT)/(Provisional)

Name of scheme	Category	2015-2016		
		Wheat	Rice	Total
(a)TPDS	APL	30.83	33.77	64.60
	APL Addl.	16.24	5.07	21.31
	BPL	17.39	55.55	72.94
	BPL Addl.	5.19	12.41	17.60
	ANTYODAYA	7.27	31.95	39.22
	NFSA	93.46	80.60	174.06
	Other than NFSA	2.13	1.34	3.47
	<b>TOTAL TPDS</b>	<b>172.51</b>	<b>220.69</b>	<b>393.20</b>
(b) Addl. Allocations for relief/flood & Festivals etc.	0.75	1.03	1.78	
(c) OTHER WELFARE SCHEMES (OWS)	9.89	21.62	31.51	
(d) OMSS(D)	31.54	0.47	32.01	
<b>GRAND TOTAL</b>	<b>214.69</b>	<b>243.81</b>	<b>458.50</b>	

9.18 The estimated offtake of wheat and rice for the period 01.01.2016 to 31.03.2016 is as under:

(In lakh MT)/(Provisional)

Name of scheme	Category	2015-2016		
		Wheat	Rice	Total
(a)TPDS	APL	6.70	5.31	12.01
	APL Addl.	2.90	0.62	3.52
	BPL	4.89	9.39	14.28
	BPL Addl.	1.33	2.41	3.74
	ANTYODAYA	1.95	6.15	8.1
	NFSA	37.93	44.58	82.51
	Other than NFSA	0.95	0.82	1.77
	<b>TOTAL TPDS</b>	<b>56.65</b>	<b>69.28</b>	<b>125.93</b>



(b) Addl. Allocations for relief/ flood & Festivals etc.	0.02	5.43	5.45
(c) OTHER WELFARE SCHEMES (OWS)	3.51	0.13	3.64
(d) OMSS(D)	40.00	0.13	40.13
<b>GRAND TOTAL</b>	<b>100.18</b>	<b>74.97</b>	<b>175.15</b>

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

- (2) Other Welfare Schemes include Mid Day Meal, Nutrition Programme, Welfare Institutions and SC/ST/OBC Hostels, Annapurna and Defence/BSF/CRPF.
- (3) Offtake under TPDS/OWS/OMSS(D) is estimated for January to March 2016, as per the allotment received till date from Ministry and current trend of offtake during 2015-16.

9.19 In North Eastern (NE) States, difficulties are faced in maintaining adequate level of foodgrains stocks due to topographical constraints and natural calamities. The induction of stocks in the NE States is a perpetual problem which gets acute during the monsoons due to breaches in roads, landslides, cloud burst and washing away of bridges etc. in the Region 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 NE States is also another limiting factor.

9.20 The State-wise issue of foodgrains under all the schemes during the year 2015-16 (upto 31.12.2015) and the comparative position of the corresponding period during the year 2014-15 and estimated offtake for 2015-16 in NE States are as under:

State	Wheat			
	Actual	Actual	Estimated	Total Estimated
	2014-15 upto 31.12.14	2015-16 upto 31.12.15	2015-16 (01.01.16 to 31.03.16)	2015-16 upto 31.03.16
Assam	3.82	4.02	0.61	4.63
Arunachal	0.00	0.00	0.00	0.00
Tripura	0.23	0.22	0.06	0.28
Manipur	0.18	0.28	0.09	0.37
Nagaland	0.23	0.30	0.09	0.39
Mizoram	0.08	0.07	0.02	0.09
Meghalaya	0.17	0.23	0.07	0.30
<b>Total</b>	<b>4.71</b>	<b>5.12</b>	<b>0.94</b>	<b>6.06</b>

(In lakh MT)

State	Rice			
	Actual	Actual	Estimated	Total Estimated
	2014-15 upto 31.12.14	2015-16 upto 31.12.15	2015-16 (01.01.16 to 31.03.16)	2015-16 upto 31.03.16
Assam	13.95	11.13	4.48	15.61
Arunachal	0.90	0.86	0.28	1.14
Tripura	2.69	2.14	0.67	2.81
Manipur	1.56	1.37	0.79	2.16
Nagaland	1.22	0.98	0.26	1.24
Mizoram	1.07	0.55	0.18	0.73
Meghalaya	1.61	1.45	0.46	1.91
<b>Total</b>	<b>23.00</b>	<b>18.48</b>	<b>7.13</b>	<b>25.61</b>

9.21 In NE Region, the total offtake of wheat during 2015-16 (upto 31.12.2015) has increased from 4.71 lakh MT to 5.12 lakh MT and in case of rice it has decreased from 23.00 lakh MT to 18.48 lakh MT, as compared to the corresponding period in the last year.

9.22 The comparative stock position of food grain in the NE Region as on 01.01.2015 and 01.01.2016 is as under:

As on	Wheat	Rice	Total
01.01.2015	0.64	2.79	3.43
01.01.2016	0.53	2.39	2.92

9.23 The stocks as on 01.01.2016 in respect of wheat & rice has decreased by 0.11 lakh MT and 0.40 lakh MT, respectively, when compared to the stock position as on 01.01.2015 in the NE Region.

9.24 Further, the month-wise estimated offtake of foodgrains in respect of NE Region for the remaining period of 2015-16 is as under:

Period	Wheat	Rice	Total
January 2016	0.32	2.38	2.70
February 2016	0.32	2.38	2.70
March 2016	0.31	2.37	2.68
<b>Total</b>	<b>0.95</b>	<b>7.13</b>	<b>8.08</b>

Note: Offtake is estimated for January to March 2016, based on the allotment received till date from Ministry. It is presumed that balance allotment would be lifted 100% & OMSS(D) is as per current trend of sale.

**IMPORT & EXPORT**

9.25 There has been neither export nor import of foodgrains (wheat and rice) by FCI on Government account during the Year 2015-16 (till 31.12.2015).

**QUALITY CONTROL**

9.26 The Quality Control (QC) wing of FCI is entrusted with enormous task of procurement & preservation of foodgrains. The foodgrains are procured as per laid down specifications of Government of India and inspected regularly during storage to monitor the quality. Representative samples of the stocks are drawn for physical analysis to ensure whether the quality standard meets the parameters of laid down specifications of Government of India and Food Safety & Standard Authority of India (FSSAI). This is done through a network of 2133 laboratories (as on 01.01.2016) throughout the country. The laboratories at Headquarters, IFS Gurgaon, Zonal, Regional, District & Depots levels are equipped to carry out physical analysis of the foodgrains.

9.27 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 staffs on procurement and preservation of foodgrain management.

9.28 Periodical disinfestation measures are undertaken i.e. prophylactic and curative treatments is given to the stocks with the permitted insecticides to ensure the health of the grains so that it is preserved in the highest category possible. Preventive measures are also undertaken to control rodents, birds and pest infestation by appropriate measures.

9.29 The stocks of foodgrains strictly conforming to FSSAI norms are issued under TPDS and OWS to various State Governments by adopting joint sampling system scrupulously.



Preventive quality control by placing ALP Tablets

**NON-ISSUABLE (DAMAGED) FOODGRAINS AND ITS DISPOSAL**

9.30 Foodgrains which do not conform to FSSAI norms and further cannot be reconditioned for normal issue are considered ‘Non-Issuable’. Damage to the stock may occur in the Covered/CAP storage or in transit. The non-issuable foodgrains 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. A major quantity gets damaged due to natural calamities such as cyclone (Andhra Pradesh Region) and rain (UP, TN, Kerela and Gujrat Region). Some quantity of foodgrain stocks also gets damaged due to prolonged storage, in transit damage etc. The break-up of damaged foodgrains accrued during 2015-16 (upto 01.01.2016) is under:

Reasons for damage	Quantity (in MT)
Quality complaints	323
Prolonged storage	24
Negligence	79
Cyclone	2039

Railhead damage	13
Rain	101
Transit damage	317
CAP damage	2
Others	29
Total	2927

9.31 A quantity of 4320 tonnes of non-issuable foodgrains has been disposed off during 2015-16 (from April, 2015 to December, 2015).

### NEW INITIATIVES

9.32 The BOD has approved the Model Tender Form (MTF) for engagement of service provider for quality assurance and checking during receipt, preservation, maintenance, despatches and issue of foodgrains in designated FCI godowns. Currently tenders have been floated by Chhattisgarh, Maharashtra, Gujrat, Andhra Pradesh and Tamil Nadu.

9.33 Procurement of pulses has started from KMS 2015-16 (Tur and Urad). Necessary directions have been given to Institute of Food Security, Gurgaon, to arrange training programme for Officers/Officials for smooth procurement, storage, preservation and liquidation of pulses.

9.34 As huge quantity of wheat has been procured Under Relaxed Specification (URS) during RMS 2015-16 in various wheat procuring States, a study on “Shelf-life of wheat procured under relaxed specifications” is currently being done by IGMRI, Hapur to evaluate the quality of procured wheat during RMS 2015-16 and further drawing priority for issuance.

9.35 As per recommendations of HLC and subsequent decision taken by Government of India, FCI has drawn a roadmap for strengthening its quality control infrastructure and modernization of laboratories. In this track, FCI has approached reputed Government Institutes and private parties for evolving and field testing of mechanized

devices for quality checking of rice.

### MODEL DEPOTS

9.36 As per MoU between FCI and Ministry of CA, F & PD, it has been planned to transform 50 existing depots into Model Depots. A FCI depot having cumulative weightage of 90% or more is termed as Model Depot. Weightage of depot is assessed by 22 parameters based on functional utility which includes profile roof sheeting, CC road, proper flooring, weighbridge, proper office block, electrification, CCTV, signage, Solar Panel, toilet, labor shed, safe drinking water facilities, etc.

### TRAINING

9.37 The FCI 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, Internal Audit etc. and also conducts Management Development Programmes. IFS also imparts Induction 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 in the grass root level. The major achievements of IFS during the period 2015-16 (up to 31.12.2015) are as under:

- 49 training programmes involving 1119 in-service Officers/Officials have been conducted.
- IFS has also conducted 02 training programme on National Food Security Act, 2013 – 55 officers trained.
- Induction Training Programme (Batch-I, II, III, IV & V) imparted/being imparted to 205 newly recruited Management Trainees at the level of Manager at



various cadres of FCI at IFS, Gurgaon.

- 9.38 In addition to the training at IFS, Officers of FCI have also been nominated for various specialized/management development programmes in professional Institutes of repute viz. Middle Level Vigilance courses, CBI Academy GZB; Management Programme in Public Policy, ISB Hyderabad/ Mohali; GST Seminar, SCOPE; Improving Enterprise Performance, India Infrastructure publishing Pvt Ltd; Risk Based IA for effective management control at Ooty, ICWAI; Managing IT Projects IIM, Ahmedabad; Workshop on SRD for PWDS at New Delhi, IPA; International conference for CAs, ICAI; Conduct of Table top exercise on Disaster Management, NDMA Bhawan; Contract Labour/EPF programmes, Labour Law Reporter; International Workshop on Governance of State Owned Enterprises (SOEs); National Convention on Risk Management, Institute of Directors. These programmes include diverse subjects having relevance to the functioning of FCI. In all 25 Officers/Officials have so far been nominated in 13 specialized programmes for the period 2015-16.
- 9.39 In order to keep pace with the changing environment in view of globalization and liberalization policy of GoI, 3 Senior Level management officers were also deputed abroad to attend various training/conferences.
- 9.40 In addition to the training efforts at the Corporate level, training programmes are also conducted at various Zonal Training Institutes (ZTIs) located at Noida, Mumbai, Kolkata, Guwahati and Chennai. These ZTIs mostly impart in-service training to Cat. III officials within the Zone apart from conducting Induction Training for newly recruited Cat. III Staff. At Zonal Level 1046 and 1991 employees have been imparted in-service and Induction Training respectively.
- 9.41 Thus, 4389 Officers/Officials have been trained in the Corporation for the period 2015-16.

9.42 FCI also extended internship/training to approximately 115 students from various recognized Universities and Professional Institutes.

### SC/ST EMPLOYEES IN FCI

9.43 Statement showing the representation of SCs/ STs in services of FCI as on 30.09.2015 is as under:

CATEGORY	Sanctioned Strength	Total No. of Employees	No. of SC	No. of ST
Cat.I	1111	792	201	106
Cat.II	6221	4362	939	690
Cat.III	27270	12934	2751	1200
Cat.IV (Excluding Safaiwala)	2380	3728	1270	484
Cat.IV (Safaiwala)	0	54	25	1
<b>Grand Total</b>	<b>36982</b>	<b>21870</b>	<b>5186</b>	<b>2481</b>

### COMPUTERIZATION IN FCI

#### Implementation of e-Tendering/e-Procurement

9.44 FCI took a decision to switch over to e-Tendering (under NIC's Central Public Procurement (CPP) Portal) in compliance of the guidelines issued by Government of India, to switch over to e-Tendering for tenders of value of ₹5 lakhs and above. Accordingly, the implementation of e-Tendering was initiated in all FCI offices, with specific directions to completely switch over to e-Tendering by 31.01.2014. The concerned FCI offices have switched over to e-Tendering completely.

### INTEGRATED INFORMATION SYSTEM FOR FOODGRAINS MANAGEMENT (IISFM)

9.45 Government had sanctioned "Integrated Information System for Foodgrains Management" (IISFM) Project in the 10<sup>th</sup> Five Year Plan, with a total estimate cost of ₹96.74 Crore, in August, 2003, 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 NE Zone, covering all seven NE States.

**A) District Stock Accounting Module (DISFM /District Module)**

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

**B) IISFM Rapid Reporting Service (IRRS)**

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

Various reports, on stocks position and off-take data, depot capacity utilization etc., are generated through this web-based application and used at all levels of FCI Offices. Based on the feedback from various stake-holder of the project, several modifications have been made in the application from time to time and a few additional reports are also being generated to make the IRRS reports more comprehensive and need based.

The stock information in IRRS has been made viewable to the general public by NIC on the PDS portal and on IISFM site (<http://egrains.nic.in>). A link for PDS portal has also been provided on the FCI Website, under the News & Updates Column (<http://fciweb.nic.in/news/view/@15>) and under stocks details Sections (<http://fciweb.nic.in/stocks view/14>).

**C) IRRS in DCP/ Major Procuring States**

IRRS application has also been extended to the 7 DCP/Major Procuring States to capture

Central Pool stock position and off-take information. Among the identified seven DCP States, namely Chhattisgarh, Karnataka, MP, Odisha, Tamil Nadu, Haryana and Uttar Pradesh, where hardware has been supplied under the IISFM project, IRRS has already been implemented by Odisha, Tamil Nadu, Chhattisgarh, Madhya Pradesh and Karnataka with varying degrees of success. The other major procuring States viz. Haryana and Uttar Pradesh are continuously being pursued and encouraged to use IRRS to report the central pool stock information available with them.

**RELEASE ORDER MODULE (UNDER IMPLEMENTATION)**

9.46 NIC submitted a Detailed Project Report (DPR) for development of the Release Order (RO) module, which will generate computerized Release Orders and record RO-wise lifting. After long deliberations, it was decided to link weighbridge, FAP applications and the Release Order Module. The consolidated feedback of FCI on the DPR was provided to NIC for incorporation in the Release Order Module.

9.47 For initiating the study for RO Module, the developer has conducted field study at four (4) FCI sites, viz. D.O. Sanathnagar, D.O. Warangal, D.O. Tarnaka (A.P. Region)& D.O. Mayapuri (Delhi Region).

9.48 An Internal User Group (IUG) has also been constituted with Officers from all concerned Operating Divisions in FCI. This group is coordinating with NIC and the vendor to facilitate the development and implementation of the RO module.

9.49 The developer has provided the Weigh Bridge linked Input Screens and the process flow of the R.O. Module application which have been finalized for further development of the module. Finalization of data sharing methodology between RO Module and FAP is under process.

9.50 IUG Members have reviewed the SRS

Document (Version 1.6) and have submitted the report regarding finalization of SRS Document (version 1.6). The SRS Document has been approved and NICS I has been requested to expedite the development work.

### DEPOT ONLINE SYSTEM

9.51 For automation of depot operations, Food Corporation of India (FCI) is implementing the Depot Online System, which seeks to automate all the operations at the depot level and eliminate usage of manual registers by capturing data online at source and on a real time basis.

The **key objectives** of the project are the following:

- 1) Standardization and automation of depot level processes
- 2) Efficiency improvement in management of foodgrains storage and distribution
- 3) Enablement of real time monitoring of operations
- 4) A Linear Programming Model integrated with FOIS of railways for efficient movement operations
- 5) Timely data reporting
- 6) Improvement in end-to-end operational visibility for informed decision making
- 7) Effective planning and optimization of administrative work

The **expected benefits** are mentioned below:

- 1) Integrated view of end to end processes, use of workflow, notification and alerts
- 2) Seamless connection between depots and District/Regional Offices of FCI
- 3) Capture data at source and in real time through Handheld Devices, reduce redundancy
- 4) Integrate with weigh bridge to read data automatically
- 5) Standardize and improve current processes to increase efficiency
- 6) Free up manpower from laborious data collation and report preparation

- 7) Leverage IT as decision support systems to handle dynamic nature of business
- 8) KPI driven dashboard for the top management
- 9) Integrate with various stake holder community
- 10) Align with 'Digital India' vision of the Government

9.52 A Detailed Project Report (DPR) for the nation-wide roll-out of the project was prepared to capture the functional as well as systemic requirements for implementing the project.

9.53 For the Development & Implementation of Depot Online System in Food Corporation of India, M/s RICOH India Limited has been appointed as System Integrator. The Letter for Award of Contract was issued to the said vendor on 14<sup>th</sup> Aug 2015. System Integrator (SI, i.e. M/s Ricoh India Limited) has started the development work. Live demonstrations of the modules are being conducted by the SI, for instant feedback and approvals from the process owners of FCI. Project Execution Committee meetings are being convened on a weekly basis, to review the progress of the project and provide directions.

9.54 It is planned that the application will be initially rolled out in 30 pilot depots (at least one from each FCI region) by February' 16 and subsequently in all FCI depots (March' 15 onwards). Stabilization of the application is planned to be achieved by May' 2016.

9.55 The SI has provided the initial version of the application & accordingly, the User Acceptance Testing (UAT) of the Depot Online application is being conducted at FCI HQ & the Pre- Pilot Depots. Training at Pre-Pilot and Pilot Depots has been started by the System Integrator.

### PROCUREMENT MONITORING SYSTEM (PMS)

9.56 Procurement Monitoring System (PMS) was developed by NIC, with an objective



to monitor the progress of procurement of wheat/rice.

- 9.57 The Paddy/Rice (KMS) Module was rolled out on 01.10.2013 for the KMS 2013–14 and Wheat (RMS) Module was rolled out on 24.03.2014 for the RMS 2014–15.
- 9.58 As the State agencies of Punjab, Haryana and Telangana States were ready to feed their own data from RMS 2015 -16, their user IDs/passwords were created in the PMS. But due to non-feeding of data by some State Agencies, it has been subsequently decided that FCI District Offices will feed the procurement data for both FCI and State Agencies henceforth across India.

### LAN/WAN RESTRUCTURING AND BANDWIDTH UP-GRADATION

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

#### a) Bandwidth Up-Gradation

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

#### b) LAN/WAN Restructuring

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

### CYBER SECURITY POLICY

9.60 The 'Cyber Security Policy' has been finalized and approved by the BoD, FCI on 31.07.2014 and has been circulated to all concerned for compliance.

### VIDEO CONFERENCING

9.61 To leverage the sound bandwidth and network connectivity setup under the restructuring of LAN/WAN project, FCI is also implementing/upgrading the Video Conferencing facility at FCI up to District office level.

### MARKET BORROWINGS

#### Cash Credit Facility

- 9.62 FCI is enjoying a Cash Credit facility of ₹54,495 crore from a Consortium of 66 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 55 bps. The interest rate varies with any change in base rate of 5 major banks.
- 9.63 The effective monthly compounding interest rates charged by the bank from 01.04.2015 to 31.10.2015 are given below:

Sl.No.	From	To	Rate of Interest (%)
1	01.01.2015	10.05.2015	10.73
2	11.05.2015	30.06.2015	10.51
3	01.07.2015	30.09.2015	10.48
4	01.10.2015	06.10.2015	10.44
5	07.10.2015	Onwards	10.13

### SHORT TERM LOAN (STL)

9.64 As a measure to meet the short term requirement over and above the Cash Credit Limit, the FCI has the approval of its Board of Directors to avail STL from the scheduled Banks to the extent of ₹30,000 crore during the financial year 2015-16. The Corporation has availed ₹47,215 crore through STL during 2015-16 Out of this, an amount of ₹39,345 crore has been repaid, leaving an outstanding balance of ₹7,870 crore as on 31.12.2015. STL are availed from different banks at their respective quoted rate ranging from 9.20% to 10.00% which is less than the CCL interest cost. This has resulted in savings of ₹ 65.04

crore during 2015-16 (upto 31.12.2015).

### ISSUE OF BONDS

9.65 As on 31.12.2015, total outstanding Long Term Government Guaranteed Bonds are of ₹13,000.00 crore after the redemption of Bonds worth ₹3,121.00 crore as on 16.12.2015. No fresh bonds are issued in the 2015-16.

### WAYS & MEANS ADVANCE

9.66 To meet the temporary requirement of funds, GoI provided FCI a recoverable WMA of ₹10,000 crore in the Year 2015-16 which carries an interest rate equivalent to average 364 days T. Bills rate and outstanding WMA shall be recovered by the Government in the last quarter of FY 2015-16 from the last instalment of Food Subsidy schedule to be received in January'2016.

### IMPLEMENTATION OF OFFICIAL LANGUAGE

9.67 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, 2015.

9.68 During the period from 01.04.2015 to 31.12.2015 Headquarters conducted inspections in 31 Subordinate Offices to review the progress in use of Hindi. 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 who have taken part in various incentive schemes introduced in FCI and are being honoured with awards.

9.69 Regional Office, Delhi and Regional Office, Bhubneshwar were awarded trophies under Akhil Bhartiya Rajbhasha Shield Yojna for the year 2014-15 for their excellent performance in the field of Hindi implementation. Similarly Headquarter's Budget and Cost Section also won Mukhalaya Rajbhasha Shield for the Year 2014-15 for excellent performance in

the field of Hindi implementation. Apart from this 6th issue of in house magazine 'Khadya Darpan' was also published by Headquarters during the month of September, 2015.

### (B) CENTRAL WAREHOUSING CORPORATION

9.70 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.

9.71 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.
- To operate Warehouses, create infrastructure and arrange facilities for storage, handling and transport of agriculture produce, seeds, manures, fertilizers, agriculture implements, notified commodities, bonded cargo, air cargo, containerized cargo and liquid cargo. Further, the Corporation may also provide marketing and other warehousing related services in respect of agriculture produce or notified commodities.

### CAPITAL STRUCTURE

9.72 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 2015-16 (upto 30<sup>th</sup> November, 2015). The capital structure of CWC is as given below:

Sl.No.	Institution	Paid up Capital (₹ in lakh)
1.	Central Government	3,742.50
2.	State Bank of India	1,474.40

3.	Other Scheduled Banks	1,091.83
4.	Insurance Companies including Life Insurance Corporation of India	477.74
5.	Cooperative Societies	14.87
6.	Recognized Associations dealing in agricultural produce	0.71
7.	Companies dealing in agricultural produce etc.	0.05
	<b>Total</b>	<b>6,802.10</b>

### GRANT OF SCHEDULE 'A' STATUS

9.73 CWC is a Schedule 'A', Mini Ratna Category-I PSU with effect from 13.05.2015.

### GROWTH IN STORAGE CAPACITY

9.74 The storage capacity operated by CWC as well as its capacity utilization has gradually increased over past few years. However, the average capacity utilisation has declined during 2013-14 and 2014-15 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. This was made up by vigorous marketing efforts and utilization as on 31.03.2015 has increased to 96.39 lakh MT as compared to 83.71 lakh MT as on 31.03.2014, an increase of 15% in utilization.

### CAPACITY ADDITION

9.75 Details of the storage capacity constructed by CWC in the years 2010-11 to 2014-15 and projected for 2015-16 are as under:

(In lakh MTs)					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1.45	2.09	2.35	2.21	1.90	1.66*

\*Planned capacity increase during 2015-16.

9.76 The details of the State-wise storage capacity created by CWC during 2015-16 (upto 30.11.2015) are as under:

Sr.No.	State	Capacity in MT
1	Bihar	9,830
2.	Madhya Pradesh	3,400
3.	Punjab	10,080
4.	Rajasthan	5,000
5.	West Bengal	7,970
6.	Odisha (Marshaghai-Kendrapada)	10,000
	<b>Total</b>	<b>46,280</b>



## CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

9.77 Works for capacity of 1.13 lakh MT are in progress. CWC is likely to achieve the target of 1.66 lakh MT fixed for the year 2015-16.

### CAPACITY UTILISATION

9.78 The Storage Capacity of CWC, its utilization and percentage of utilization during last five years and the year under report are given in the following table:

Year	Owned/Covered			Hired*			Total		
	Capacity (lakh MT)	Utilization (lakh MT)	% of Utilization	Capacity (lakh MT)	Utilization (lakh MT)	% of Utilization	Capacity (lakh MT)	Utilization (lakh MT)	% of Utilization
2010-11	68.74	60.64	88	34.77	30.13	87	103.51	90.77	88
2011-12	70.48	64.06	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	74.14	63.26	85	31.41	27.50	88	105.55	90.76	86
2014-15	75.84	58.65	77	30.36	26.74	88	106.21	85.39	80
2015-16 (April to Nov.2015)	76.53	57.32	75	40.61	37.75	93	117.14	95.06	81

\*Includes management warehouses and open storage capacity.

### TURNOVER, PROFIT AND DIVIDEND

9.79 CWC has been a consistently profit making and dividend paying CPSE. CWC paid dividend @ 54% of the equity for the Year 2014-15. The details of turnover, Profit Before Tax and dividend paid during the Years 2010-11 to 2014-15 & Revised Estimate for 2015-16 are given in the following table:

Year	Turnover	Profit Before Tax	Dividend Paid (₹ in crore)		
			Central Govt.	Others	TOTAL
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	1528.19	256.47	17.96	14.67	32.63
2014-15	1561.83	260.06	20.21	16.50	36.71
2015-16 (RE)	1591.80	217.21	NA	NA	NA

9.80 Against ₹ 35.45 crore for upgradation during 2014-15, Rs 75 crore are planned for upgradation of warehouses and infrastructure during 2015-16 which will reduce profitability being revenue expenditure.

### PEST CONTROL SERVICES

9.81 The Corporation has been rendering Pest Control Services to a varied group of clients

both private and public with the aim to prevent the economic and health loss caused by pests, rodents and termites by using ISI marked / WHO approved / eco-friendly pesticides. The Corporation earned gross revenue of ₹19.70 crore during the year 2014-15. The gross revenue earned up to 30.11.2015 has been ₹13.18 crore and projected to earn additional revenue of 08.82 crore upto 31.03.2016.

There has been a significant growth in the segment of disinfestations of Railway Coaches which fetched a revenue of ₹9.18 crore by way of treatment of 6,68,455 AC, non-AC Rail coaches & pantry cars during the year 2014-15. CWC has disinfested 325825 Railway coaches from April, 2015 to November, 2015 and earned a revenue of ₹5.58 crore. Northern Railway has awarded Pest & Rodent control in Railway Passenger Coaches for three years for an amount of ₹7.85 crore w.e.f. 21.10.2015. In a major break through, the Corporation secured a two year long PCS contract from M/s Shipping Corporation of India to undertake disinfestations of their passenger vessels, Boats, ONGC vessels etc. at all the major and minor ports of India which will fetch sizeable revenue to the Corporation.

9.82 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.



Explaining the moisture content in foodgrains to farmers

### INTEGRATED CHECK POSTS

9.83 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 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.

9.84 Satisfied with the performance of CWC at ICP, Attari, the management of Cargo Terminal of the ICP at Agartala (Tripura) on Indo-



Hon'ble Minister visiting CFS, District Park, Navi Mumbai with officers of CWC

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 commenced in November, 2013.

### STATE WAREHOUSING CORPORATIONS

9.85 CWC has 19 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 31.12.2015 was ₹ 61.79 crore. As on 30.11.2015, the SWCs operated 1707 warehouses with a total capacity of 288.93 lakh MT. The SWCs have constructed additional capacity of 8.01 lakh MT during 2014-15.

### CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED (CRWC)

9.86 CRWC, a PSU under Ministry of Consumer Affairs, Department of Food and Public Distribution, incorporated on 10.07.2007 under Companies Act, 1956. The equity paid-up share capital of CRWC amounting to ₹ 40.56 crore is subscribed by CWC.

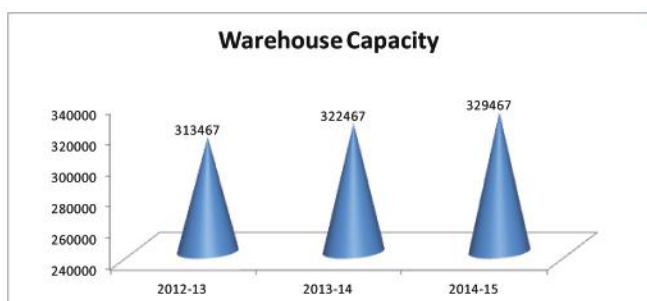
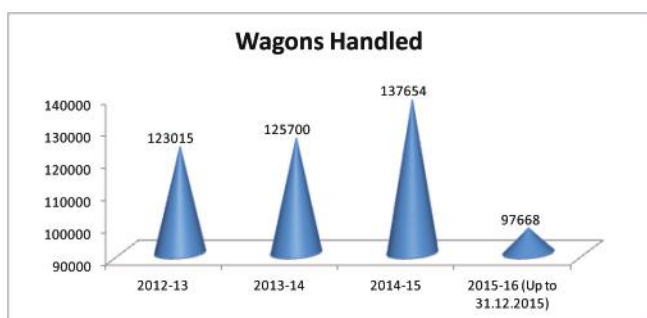
9.87 As on the 31<sup>st</sup> March, 2015, CRWC has operated 19 RWCs with a total installed capacity of 329467 MT. The units which are in operation together with their installed capacities are given below:

S. No.	Name of RWC	Capacity (in MT)
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

## CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

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	16,000
	<b>TOTAL</b>	<b>3,29,467</b>

9.88 The Railway terminal at Jogeshwari, Mumbai with capacity of 16000 MT has been made operational effective 11.01.2015.



9.89 The Financial results of the Company for the year 2015-16 as compared to previous year are given below:

(₹ in lakh)

Particulars	2014-15	2013-14	2015-16 (estimated upto 31.12.2015)
Gross Revenue	10067.07	9132.74	6581.25
Gross Expenditure	7911.42	6338.28	5205.75
Profit before tax (PBT)	2155.63	2794.46	1375.50
Tax Expense	769.70	1030.33	490.50
Profit after Tax (PAT)	1385.93	1764.12	885.00
Gross margin	3666.46	3806.11	3492.00
Net worth	9951.22	9303.72	10287.00
Earnings per Share (₹)	3.42	4.35	2.91

9.90 In view of improved financial performance, CRWC has paid dividend @15% of the equity amounting to ₹ 7,30,78,146 (including corporate dividend tax) for the year 2014-15.



MD, CRWC handing over Dividend Cheque to MD, CWC

### AWARDS

9.91 CRWC has also been awarded with New Ink Legend PSU Shining Award 2014 from Hon'ble Governor of Haryana, Sh. Kaptan Singh Solanki.

9.92 MD, CRWC has been awarded with Udyog Ratna, Excellence Award from the Institute of Economic Studies.

### PROJECTS & BUSINESS EXPANSION

**Dahej SEZ:** 9886.12 sqmtrs. plot of land has been acquired for construction of three storey warehouse at Dahej, SEZ. Development of warehousing facility at Dahej, SEZ is being planned.

**Pahleja:** Contract for construction of 13800 MTC RWC at Pahleja, Dehri- On-Sone in place of the existing terminal at Dehri- On-Sone due to the DFC corridor passing through the existing terminal has been finalized and the work is expected to be taken up shortly.

**Pandu Port:** Agreement was executed with Inland Waterways Authority of India (IWAI) for operation of warehouse measuring 3500 sqmtrs at Pandu Port, Guwahati on license basis.

### ADDITIONAL RWCS ARE BEING PLANNED AT NEW GUWAHATI, AND FATUA.

9.93 Ten (10) Additional terminals have been



allocated to CRWC by the Railways for development of RWCs with temperature controlled storage. Necessary groundwork in this regard is under progress.

## HUMAN RESOURCE MANAGEMENT

9.94 With the passage of time and expansion of its operations and responding to its human resource recruitment in time, there was an urgent need to proceed for the second phase of recruitment in the company. Accordingly, professionals in Marketing & Logistics, HR, Finance & Engineering, etc were inducted at various levels in the Company. As on 31.12.2015 a total number of 49 employees are working as regular employees.

9.95 In order to motivate and encourage the staff, CRWC has extended its incentive scheme for the Year 2015-16 for the Terminal Managers and their staff who have achieved more than 100% target in respect of both the parameters i.e physical and financial performance

9.96 Most of the Officials on contract and deputation basis have undergone the training programme of various activities. During this year, total 9 training programmes have been conducted.

9.97 As per the directions of the Government, a Vigilance Awareness Week was also organized by CRWC during the period from 26.10.2015 to 31.10.2015 to create and aware the employees as to how they could contribute in making a transparent and corruption free working environment.



Hon'ble Minister during the Foundation Day function of CRWC

## (C) HINDUSTAN VEGETABLE OILS CORPORATION LIMITED

9.98 HVOC, a fully-owned Government 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, Bangalore and Kanpur. The Breakfast Food Unit (BFFU) of HVOC, discontinued its operation from June, 2011 since the unit reached a point where it was not able to recover the incremental costs from the operation. The liquidator has been providing funds from the sales realization of moveable assets for payment of salary/wages and other dues of the employees of BFFU on the order of the Hon'ble High Court of Delhi. As on date, BFFU is having 85 employees on its roll.

9.99 This Ministry explored the possibility of take over of HVOC/BFFU alongwith its employees by other PSUs under this Ministry as well as Ordnance Factory Board. However, the same did not materialize.

9.100 Based on approval of the Government, HVOC introduced Modified Voluntary Separation Scheme on 28.10.2014, which was valid for a period of 3 months for the remaining employees of HVOC. Only 15 employees accepted this offer. The Employees Union have approached Delhi High Court against the offer and this matter along with sale of assets of BFFU is pending before Hon'ble High Court of Delhi. As on 01.12.2015, there are total 85 employees on the roll of the

company. The company has made a loss of ₹ 2.79 crore in the year 2014-15, mainly due to payment of salary/wages to the employees without any production work. The company has total liability of ₹ 400.31 crore towards the Government, comprising of ₹95.62 crore as loan and ₹ 304.69 crore as interest due but not paid.

#### **(D) WAREHOUSING DEVELOPMENT & REGULATORY AUTHORITY (WDRA)**

9.101 WDRA is under the administrative jurisdiction of the Department and has been set up on the 26<sup>th</sup> October, 2010 under the provisions of the Warehousing (Development & Regulation) Act, 2007.

9.102 The main objectives of the Warehousing (Development and Regulation) Act, 2007 are to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a WDRA and related matters. The Negotiable Warehouse Receipts (NWRs) issued by the warehouses registered under this Act would help farmers to seek loans from banks against NWRs and avoid distress sale of agricultural produce. It will also be beneficial for a number of other stakeholders such as banks, financial Institutions, insurance companies, trade, commodities exchanges as well as consumers. It will encourage farmers to store their agricultural produce in scientific registered warehouses wherein storage losses would be minimized and quality of the commodities would be maintained during storage period.

#### **REGULATION OF WAREHOUSING BUSINESS**

9.103 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.

#### **Requirement for Registration of Warehouses**

- i. The warehouses should be constructed as per Bureau of Indian Standards (BIS)/ FCI/CWC specifications.
- ii. The warehouses should be storage-worthy for different goods to be stored.
- iii. The warehouses should be equipped with all necessary equipment for weighing, handling, sampling, grading, firefighting and insect pest management.
- iv. The warehouses should have positive networth certified by a Chartered Accountant or credit worthiness certificate from a scheduled bank for individual warehouse or for its organization.
- v. The warehouses should have adequate trained staff with expertise and knowledge for the scientific storage of goods to be stored in the warehouses.
- vi. Warehouses should have adequate security arrangements.
- vii. The warehouse should give an undertaking that all the local laws have been complied with for carrying out the business of warehousing.
- viii. The warehouse and goods stored in the warehouse should be adequately insured for various risks such as fire, flood, theft, burglary, misappropriation, riots, strikes and terrorism.
- ix. Any other requirement prescribed by the Authority from time to time.

#### **ACTIVITIES INITIATED BY THE AUTHORITY**

9.104 The Authority initiated following activities during the year 2015-16:-

- (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 10 accreditation agencies.

- (ii) **Notification of Agricultural Commodities:** The Authority had notified 123 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:** WDRA has registered 953 warehouses of CWC, SWCs, PACSs and private organisations.
- (iv) **Integration of PACs with NWR:** 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. 253 PACS warehouses have been registered.
- (v) **Introduction of NWR System cold storages:** 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 Government of India under the chairmanship of MD, National Horticulture Board. Four cold storages have been registered with the WDRA.
- (vi) **Training and awareness programme:**
- (a) **Regional 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. WDRA in association with IFC and Canara Bank has organized Bankers' Conferences on Pledge Financing of NWRs by banks at New Delhi and Bangalore respectively.

- (b) During 2015-16, upto 31.12.2015, 58 training and awareness programmes for 2900 farmers have been organized in different States with the help of various institutions.

#### Initiatives of the WDRA for better governance

9.105 WDRA, in association with the Department of Food and Public Distribution, the Department of Economic Affairs and the National Institute of Public Finance & Policy (NIPFP) is undertaking a Transformation Plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers against negotiable warehouse receipts.

9.106 The Transformation Plan has been approved by the Department of Food & Public Distribution. The Transformation Plan envisages a complete revamp of the WDRA's functioning. Key points of focus include the following:

- i. Re-writing the existing rules and regulations with a focus towards building NWRs as credible instruments of trade. This will require a shift towards risk-based regulation, lowering compliance costs, creation of a rating system for warehouses, the creation of information repositories and the Electronification / dematerialisation of NWRs under the present Warehousing (Development & Regulation) Act, 2007.
- ii. Building organisational capability within WDRA to effectively regulate the NWR market. This will require strengthening the WDRA, creating IT-based internal processes and systems, creating monitoring and surveillance tools, and staff capacity building.
- iii. Conducting market surveys and studies



to generate information about the warehousing sector. These surveys and studies are proposed to be conducted annually by WDRA to enable evidence

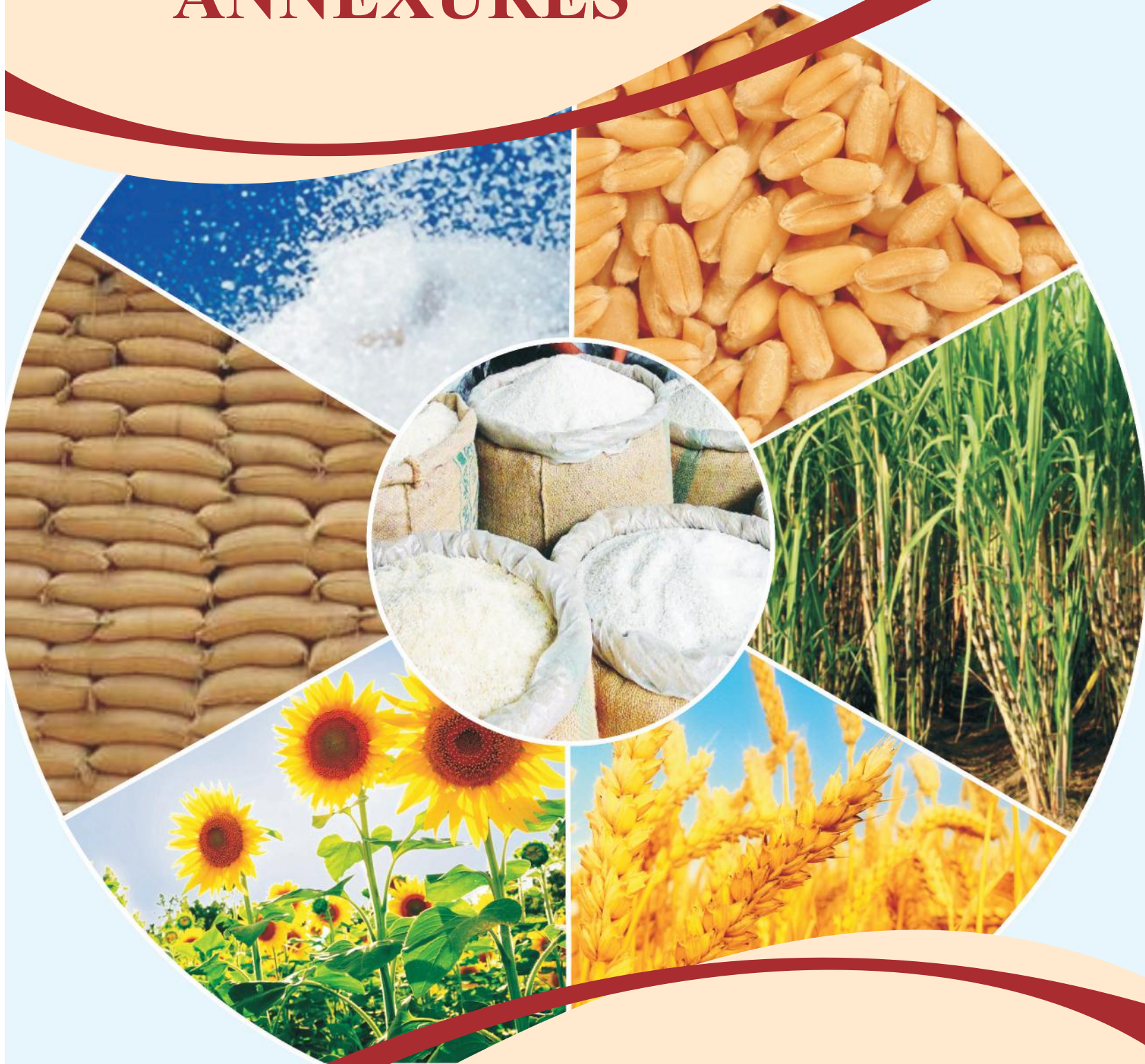
based regulation, and to disseminate greater information relating to the Warehousing Sector.



‘India Warehousing’ Show at Pragati Maidan, New Delhi.

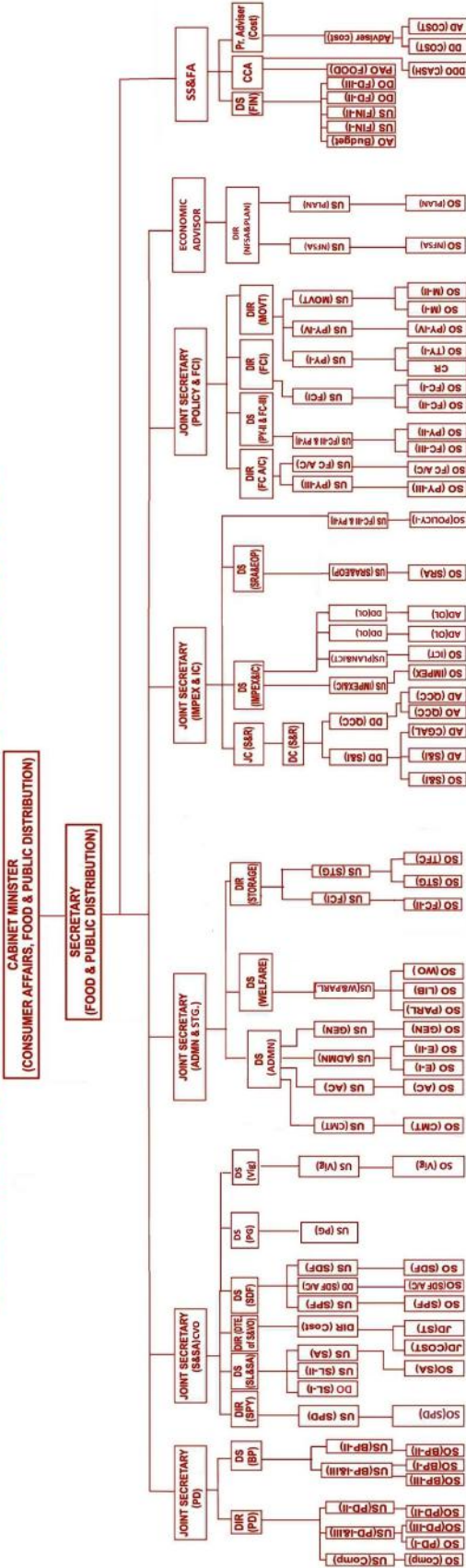


# ANNEXURES





ORGANISATION STRUCTURE OF DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION



- SP Desk
Sugar Policy Desk
STG
Storage
TFC
Task Force Cell
US
Under Secretary
W/WEL
Welfare
WO
Welfare Officer

- Lib.
Library
M
Movement
OL
Official Language
PARL
Parliament
PD
Public Distribution
PY
Policy
QCC
Quality Control Cell
SA
Sugar Administration
S&I
Storage & Inspection
S&R
Storage & Research
SO
Section Officer
SRA
Storage & Research Administration
SDF
Sugar Development Found

- DO
Desk Officer
EOP
Edible Oil Policy Establishment
FC
Food Corporation
FCI
Food Corporation of India
FC A/Cs
Food Corporation Accounts
F D
Finance Desk
FIN.
FINANCE
G/GEN
General
IC
International Cooperation
ICT
Information & Communication Technology

- A
Administration
AC
Administration Coordination
AD
Assistant Director
BP
Basic Plan
CCA
C&G Coordination & General Chief Controller of Accounts
CGAL
Central Grain Analysis Laboratory
CMT
Carrier Management
CR
Control Room
DD
Deputy Director



## Annexure-II

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

Group	Department	SRA Hqrs.	IGMRI, Hapur & Field Stations	QCC	Dte. of Sugar & Vegetable Oils	NSI, Kanpur	Total
'A'	74	09	19	14	12	54	182
'B'	258	15	17	35	15	20	360
'C'	233	11	57	34	24	230	589
'D'	-	-	-	-	-	3	3
<b>Total</b>	<b>565</b>	<b>35</b>	<b>93</b>	<b>83</b>	<b>51</b>	<b>307</b>	<b>1134</b>

## Annexure-III

**BUDGET ESTIMATE, REVISED ESTIMATE AND EXPENDITURE STATEMENT**

(₹ in crore)

Year	Department	Demand No	Budget Estimates			Revised Estimates			Actual		
			Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
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	194.07	103404.16	103598.23
2014-15	Food & PD	17	330.00	125954.34	126284.34	150.00	134326.54	134476.54	146.05	129303.00	129449.05
2015-16	Food & PD	18	212.00	136325.55	136537.55	165.00	162084.41	162249.41	99.93*	120788.50*	120888.43*
2016-17	Food & PD	18	150.00	152554.11	152704.11						

\* Expenditure upto December, 2015.

**POSITION OF PENDING AUDIT PARAS**

(As on 31.12.2015)

Year (C&AG Report)	No. of Paras/ PAC reports on which ATNs have been submitted to PAC/COPU after vetting by Audit during 2015-16	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 of PAC/ COPU
Up to 2010-11	11		3		
2011-12	2		2		
2012-13	3				
2013	1		2		
2014			1		
2015		3		2	
<b>Total</b>	<b>17</b>	<b>3</b>	<b>8</b>	<b>2</b>	<b>0</b>

**SUMMARY OF FEW IMPORTANT AUDIT OBSERVATIONS****Para No.6.1.12: Irregular refund without ensuring interest of the Corporation - UP**

The zonal management of FCI refunded ₹75 lakh to a private party without ensuring the interest of the Corporation.

(Para No.6.1.12 of Report No.3 of 2005)

**Action Taken by the Department:**

The point wise reply has been concurred to by IFD. The reply has been sent to C&AG on 1.5.2015, New Delhi for vetting before it is submitted to Lok Sabha Secretariat. The office of the C&AG vide letter dated 28.8.2015 has given further vetting remarks in respect of this audit para. The further observations of the C&AG have been forwarded to FCI for their reply and comments vide this directorate's letter dt.4.9.2015. FCI has recently

given their reply on further vetting remarks, vide their letter dated 23.9.2015. FCI has again been requested to furnish specific reply on all vetting remarks of the Audit. The reply received from FCI is under examination.

**Para No. 6.2: Excess expenditure on handling of foodgrains**

FCI (UP) region paid handling charges of foodgrain 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 2013)

**Action Taken by the Department:**

Last review ATN was sent to the Audit on 15.5.2015. Vetting remarks of Audit received on 22.6.2015 and sent to FCI for their comments on 23.6.2015. Reply/Response of FCI is still awaited in the matter.

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

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

(Para No.6.3 of Report No. 13 of 2013)

**Action Taken by the Department:**

The Audit Para from C&AG received on 22.08.2013. FCI has intimated vide their letter dated 23.6.2014 that the liable party has requested a meeting for fixation of settlement amount as party has not found feasible the high interest imposed by FCI. The party has proposed to make the payment of actual amount (Principal) if FCI agrees on the same. GM(Gujarat) has in the meanwhile directed the AGM (Port Office) to file money suit against M/s Kailash Enterprises at Gandhi Nagar Court and to explore the possibility of recovery of the dues through Revenue Recovery Act. The ED (West) has also formed a Committee of three Senior Officers to look into the counter claims raised by the SCH&T Contractor, report of which is awaited. FCI has been requested on 23.12.2014 seeking outcome of the Court hearing held on 08.12.2014. FCI has intimated vide letter dated 17.6.2015 that they have already filed criminal complaint against M/s Kailash Enterprises on 28.4.2015 at Hon'ble Chief Judicial Magistrate Court. Hearing on 30.5.2011 was adjourned due to non-receipt of pending FIR against M/s Kailash Enterprises. The next date of hearing was fixed on 05.01.2016. In respect of No.SCS-62/2014, it has been informed that the case has been adjourned to 04.01.2016.

**Para No. 6.1 Excess payment on gunny depreciation**

FCI made excess payment of ₹11.53 crore on gunny depreciation to State Government and their agencies during KMS 2010-11 to 2012-13 on purchase of Custom Milled Rice.

(Para No.6.1 of Report No. 13 of 2014)

**Action Taken by the Department:**

ATN sent to Audit on 19.2.2015. A reminder has been sent to Audit on 14.5.2015, requesting them to sent vetting remarks on the para. Further vetting remarks of Audit have been received on 2.9.2015 and sent to FCI for their comments on 3.9.2015. Reminder sent on 1.10.2015 and 16.11.2015.

**Para No. 5.1: Lack of transparency in awarding Strategic Alliance Management contracts**

Audit observed that CWC did not adhere to the CVC guidelines and mandated tendering procedure while entering into Strategic Alliance Management Agreement for operation of two of its Container Freight Stations in the West Zone. Deficiency in the contracts resulted in undue benefits to one of the contractor to the tune of ₹6.78 crore.

(Report No.21 of 2015)

**Action Taken by the Department:**

The para was received in August, 2015. It has been forwarded to CWC with the request to furnish Action Taken Note thereon. Based on the inputs received from CWC, the Action Taken Note on the observation of the Audit has been sent to C & AG on 26.11.2015.

**Para No. 5.2: Loss due to non-availing of concessional railway freight**

Food Corporation of India failed to avail the benefit of concessional railway freight in terms of the agreement entered into with a private developer-cum-operator which resulted in loss of ₹27.23 crore.

(Report No.21 of 2015)

**Action Taken by the Department:**

The para was received in August, 2015. It has been forwarded to FCI for comments. Based on the reply received from FCI, ATN is being prepared.

**Para No. 5.3 : Excess payment of Mandi Labour charges**

Food Corporation of India made excess payment of ₹16.96 crore to the Government of Uttar Pradesh and its agencies during the year 2010-11 and 2011-



12 due to reimbursement of inadmissible elements as part of mandi labour charges on procurement of wheat.

(Report No.21 of 2015)

### **Action Taken by the Department:**

The Para was received in August, 2015. It has been forwarded to FCI for comments. Based on the reply received from FCI, ATN is being prepared.

### **Para No. 5.4: Excess payment of interest of ₹5.22 crore.**

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

(Report No.21 of 2015)

### **Action Taken by the Department:**

The Para was received in August, 2015. It has

been forwarded to FCI on 27.8.2015 to furnish the Action Taken Report. FCI's reply/ATN dated 28.9.2015 has been sent to CAG on 7.10.2015 for vetting. Vetting remarks dated 12.11.2015 received from the audit has been sent to FCI on 18.11.2015. Revised ATN sent to C & AG on 11.12.2015.

### **Para No. 5.5: Avoidable payment of terminal charges**

FCI paid to the Railways non-leviable destination terminal charges amounting to ₹ 5.01 crore in respect of its own siding from July, 2007 to March, 2013.

(Report No.21 of 2015)

### **Action Taken by the Department:**

The Para was received in August, 2015. Letter has been sent to FCI on 28.08.2015 for their comments/information. FCI forwarded ATN on 27.10.2015. Additional information has been sought from FCI on 01.12.2015 which is still awaited.

## Annexure - V

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

(In lakh MT)

AS ON	WHEAT		RICE		TOTAL	
	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms	Actual stock	Foodgrains Stocking norms
01.10.2010	277.77	140	184.44	72	462.21	212
01.01.2011	215.40	112	255.80	138	471.20	250
01.04.2011	153.64	70	288.20	142	441.84	212
01.07.2011	371.49	201	268.57	118	640.06	319
01.10.2011	314.26	140	203.59	72	517.85	212
01.01.2012	256.76	112	297.18	138	553.94	250
01.04.2012	199.52	70	333.50	142	533.02	212
01.07.2012	498.08	201	307.08	118	805.16	319
01.10.2012	431.53	140	233.73	72	665.26	212
01.01.2013	343.83	112	322.21	138	666.04	250
01.04.2013	242.07	70	354.68	142	596.75	212
01.07.2013	423.97	201	315.08	118	739.05	319
01.10.2013	361.00	140	190.33	72	551.33	212
01.01.2014	280.47	112	146.98	138	427.45	250
01.04.2014	178.34	70	202.78	142	381.12	212
01.07.2014	398.01	201	212.36	118	610.37	319
01.10.2014	322.63	140	154.22	72	476.85	212
01.01.2015	251.13	138.00	117.43	76.10	368.56	214.10
01.04.2015	172.21	74.60	170.94	135.80	343.15	210.40
01.07.2015	386.80	275.80	158.95	135.40	545.75	411.20
01.10.2015	324.50	205.20	125.78	102.50	450.28	307.70
01.01.2016	237.88	138.00	126.89	76.10	364.77	214.10

**Notes:**

1. Revised norms is w.e.f. 22.1.2015
2. Foodgrains Stocking norms includes Strategic Reserve of 30 lakh MT of wheat and 20 lakh MT of rice

**TOTAL STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.01.2016**

Part-II Region	(Figs. In lakh MT)								
	STOCK WITH FCI			STOCK WITH STATE AGENCIES			TOTAL CENTRAL POOL STOCK		
	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
	2	3	4	5	6	7	8	9	10
Bihar	0.85	1.82	2.67	0.00	0.00	0.00	0.85	1.82	2.67
Jharkhand	1.36	0.27	1.63	0.00	0.00	0.00	1.36	0.27	1.63
Odisha	1.02	1.60	2.62	4.99	0.00	4.99	6.01	1.60	7.61
West Bengal	0.84	4.90	5.74	1.57	0.00	1.57	2.41	4.90	7.31
<b>Zonal Total</b>	<b>4.07</b>	<b>8.59</b>	<b>12.66</b>	<b>6.56</b>	<b>0.00</b>	<b>6.56</b>	<b>10.63</b>	<b>8.59</b>	<b>19.22</b>
Assam	1.37	0.47	1.84	0.00	0.00	0.00	1.37	0.47	1.84
Arunachal Pr.	0.11	0.00	0.11	0.00	0.00	0.00	0.11	0.00	0.11
Tripura	0.18	0.03	0.21	0.00	0.00	0.00	0.18	0.03	0.21
Mizoram	0.12	0.01	0.13	0.00	0.00	0.00	0.12	0.01	0.13
Meghalaya	0.11	0.00	0.11	0.00	0.00	0.00	0.11	0.00	0.11
Manipur	0.24	0.01	0.25	0.00	0.00	0.00	0.24	0.01	0.25
Nagaland	0.26	0.01	0.27	0.00	0.00	0.00	0.26	0.01	0.27
<b>Zonal Total</b>	<b>2.39</b>	<b>0.53</b>	<b>2.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.39</b>	<b>0.53</b>	<b>2.92</b>
Delhi	0.14	2.00	2.14	0.00	0.00	0.00	0.14	2.00	2.14
Haryana	5.80	34.00	39.80	0.00	7.35	7.35	5.80	41.35	47.15
Himachal Pr.	0.06	0.29	0.35	0.00	0.00	0.00	0.06	0.29	0.35
J&K	1.26	0.67	1.93	0.00	0.00	0.00	1.26	0.67	1.93
Punjab	26.08	38.36	64.44	0.00	51.36	51.36	26.08	89.72	115.80
Rajasthan	0.16	15.27	15.43	0.00	0.00	0.00	0.16	15.27	15.43
Uttar Pr.	15.35	16.83	32.18	0.00	0.00	0.00	15.35	16.83	32.18
Uttarakhand	0.59	0.69	1.28	0.63	0.00	0.63	1.22	0.69	1.91
<b>Zonal Total</b>	<b>49.44</b>	<b>108.11</b>	<b>157.55</b>	<b>0.63</b>	<b>58.71</b>	<b>59.34</b>	<b>50.07</b>	<b>166.82</b>	<b>216.89</b>
Andhra Pr.	6.46	0.21	6.67	5.90	0.00	5.90	12.36	0.21	12.57
Karnataka	5.42	1.61	7.03	0.00	0.00	0.00	5.42	1.61	7.03
Kerala	3.04	0.93	3.97	0.14	0.00	0.14	3.18	0.93	4.11
Tamil Nadu	6.98	1.21	8.19	0.00	0.00	0.00	6.98	1.21	8.19
Telangana	6.04	0.17	6.21	4.88	0.00	4.88	10.92	0.17	11.09
<b>Zonal Total</b>	<b>27.94</b>	<b>4.13</b>	<b>32.07</b>	<b>10.92</b>	<b>0.00</b>	<b>10.92</b>	<b>38.86</b>	<b>4.13</b>	<b>42.99</b>
Gujarat	0.67	3.90	4.57	0.00	0.00	0.00	0.67	3.90	4.57
Maharashtra	5.64	9.23	14.87	0.00	0.00	0.00	5.64	9.23	14.87
Madhya Pr.	0.07	1.68	1.75	4.29	39.64	43.93	4.36	41.32	45.68
Chhattisgarh	3.72	0.23	3.95	7.39	0.00	7.39	11.11	0.23	11.34
<b>Zonal Total</b>	<b>10.10</b>	<b>15.04</b>	<b>25.14</b>	<b>11.68</b>	<b>39.64</b>	<b>51.32</b>	<b>21.78</b>	<b>54.68</b>	<b>76.46</b>
<b>Total</b>	<b>93.94</b>	<b>136.40</b>	<b>230.34</b>	<b>29.79</b>	<b>98.35</b>	<b>128.14</b>	<b>123.73</b>	<b>234.75</b>	<b>358.48</b>
Wheat lying in mandies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stock in Transit	3.16	3.13	6.29	0.00	0.00	0.00	3.16	3.13	6.29
<b>Total (All India)</b>	<b>97.10</b>	<b>139.53</b>	<b>236.63</b>	<b>29.79</b>	<b>98.35</b>	<b>128.14</b>	<b>126.89</b>	<b>237.88</b>	<b>364.77</b>

**NOTE :**

1. Transit figures are estimated.
2. Rice does not include unmilled paddy with FCI/State Agencies in terms of rice.
3. Total quantity of unmilled paddy with FCI and State Agencies = 199.04 lakh MT (FCI 3.66 lakh MT; State Agencies 195.38 lakh MT). CMR that could be derived taking out-turn ratio as 67% = 133.36 lakh MT.
4. Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included unmilled paddy lying with FCI and State Agencies in terms of rice, therefore, for any trend analysis of level of stocks with previous years, the figures in preceding note shall be added in the total stock of rice.



## Annexure-VII

**STATUS OF END-TO-END COMPUTERIZATION OF TPDS OPERATIONS***(as on 31.12.2015)*

S.N.	States/UTs	Ration Card Data Digitization	RC data available on Portal	Online Allocation	Supply-Chain Management	Transparency Portal	Online Grievance	Toll-Free Number
1	Andaman & Nicobar Islands	100%	Yes	Partial (South Andaman)-	-	Yes	Yes	Yes
2	Andhra Pradesh	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
3	Arunachal Pradesh	100%	Partially	Partially	-	Yes	-	Yes
4	Assam	100%	Yes	Implemented	-	-	Yes	Yes
5	Bihar	100%	Partially	Implemented	Implemented	Yes	Yes	Yes
6	Chandigarh	100%	Yes	NA	NA	Yes	Yes	Yes
7	Chhattisgarh	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
8	Dadra and Nagar Haveli	100%	Partially	-	-	Yes	-	Yes
9	Daman and Diu	100%	Yes	Feb 2016	Feb 2016	Yes	-	Yes
10	Delhi	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
11	Goa	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
12	Gujarat	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
13	Haryana	100%	Yes	Jan 2016	Apr 2016	Yes	Yes	Yes
14	Himachal Pradesh	64%	Yes	Feb 2016	Mar 2016	Yes	Yes	Yes
15	Jammu and Kashmir	100%	Partially	-	-	-	-	Yes
16	Jharkhand	100%	Yes	Implemented	1/24 Godowns	Yes	Yes	Yes
17	Karnataka	100%	Yes	Implemented	Implemented	Yes	-	Yes
18	Kerala	100%	Partially	-	-	Yes	Yes	Yes
19	Lakshadweep	100%	Yes	-	-	-	-	Yes
20	Madhya Pradesh	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
21	Maharashtra	100%	Partially	Implemented	2 districts	Yes	Yes	Yes
22	Manipur	100%	Yes	Jan 2016	-	-	-	Yes
23	Meghalaya	100%	Yes	Feb 2016	-	Yes	Yes	Yes
24	Mizoram	100%	Yes	-	-	-	Yes	Yes
25	Nagaland	100%	Yes	-	-	Yes	-	Yes
26	Odisha	100%	Yes	Implemented	Implemented	Yes	Yes	Yes
27	Puducherry	100%	Yes	NA	NA	Yes	Yes	Yes
28	Punjab	100%	Yes	Implemented	-	Yes	Yes	-
29	Rajasthan	100%	Yes	Jan 2016	-	-	Yes	Yes
30	Sikkim	100%	Yes	Implemented	-	Yes	-	Yes
31	Tamil Nadu	100%	Partially	Implemented	Implemented	Yes	Yes	Yes
32	Telangana	100%	Yes	Implemented	Implemented	-	Yes	Yes
33	Tripura	100%	Yes	Implemented	-	Yes	Yes	Yes
34	Uttarakhand	100%	Yes	Implemented	-	Yes	Yes	Yes
35	Uttar Pradesh	100%	Partially	Implemented	Jan 2016	Yes	Yes	Yes
36	West Bengal	87%	Partially	Implemented	3 district	Yes	Yes	Yes
<b>Completion Status</b>		<b>34</b>	<b>27</b>	<b>20</b>	<b>11</b>	<b>29</b>	<b>27</b>	<b>35</b>

\*Statement is prepared as per reports received from States/UTs and NIC from time to time.

**STORAGE CAPACITY WITH FCI AND STATE AGENCIES**

(Fig. In lakh MT as on 31.12.2015)

State	Total Storage Capacity with FCI (Owned/Hired )						Total Storage Capacity with State Agencies		Grand Total	
	Covered		CAP		Total		Covered	CAP	Covered	CAP
	Owned	Hired	Owned	Hired	Covered	CAP				
Bihar	3.66	2.60	1.00	0.00	6.26	1.00	3.45	-	9.71	1.00
Jharkhand	0.67	1.65	0.05	0.00	2.32	0.05	-	-	2.32	0.05
Orissa	3.12	2.41	0.00	0.00	5.53	-	6.16	-	11.69	-
West Bengal	8.50	1.15	0.51	0.00	9.65	0.51	6.49	-	16.14	0.51
Assam	2.70	1.05	0.00	0.00	3.75	-	2.27	-	6.02	-
Arunachal Pd	0.18	0.04	0.00	0.00	0.22	-	0.11	-	0.33	-
Meghalaya	0.14	0.14	0.00	0.00	0.28	-	-	-	0.28	-
Mizoram	0.25	0.00	0.00	0.00	0.25	-	0.42	-	0.67	-
Tripura	0.29	0.07	0.00	0.00	0.36	-	0.48	-	0.84	-
Manipur	0.28	0.04	0.00	0.00	0.32	-	-	-	0.32	-
Nagaland	0.21	0.13	0.00	0.00	0.34	-	-	-	0.34	-
Delhi	3.36	0.00	0.31	0.00	3.36	0.31	-	-	3.36	0.31
Haryana	7.68	41.99	3.33	0.00	49.67	3.33	30.99	30.53	80.66	33.86
Himachal Pd.	0.19	0.30	0.00	0.00	0.49	-	-	-	0.49	-
J & K	1.03	1.36	0.10	0.00	2.39	0.10	-	-	2.39	0.10
Punjab	22.24	79.28	7.31	0.10	101.52	7.41	42.42	100.44	143.94	107.85
Rajasthan	7.06	10.42	1.85	0.00	17.48	1.85	5.78	0.19	23.26	2.04
Uttar Pradesh	14.95	29.51	5.19	0.00	44.46	5.19	14.12	-	58.58	5.19
Uttarakhand	0.66	0.98	0.21	0.00	1.64	0.21	1.86	-	3.50	0.21
Andhra Pradesh	7.36	4.91	1.60	0.00	12.27	1.60	12.88	-	25.15	1.60
Telangana	5.37	3.35	1.02	0.00	8.72	1.02	12.27	-	20.99	1.02
Kerala	5.29	0.05	0.21	0.00	5.34	0.21	0.97	-	6.31	0.21
Karnataka	3.81	3.70	1.36	0.00	7.51	1.36	20.36	0.41	27.87	1.77
Tamilnadu	6.24	4.67	0.31	0.00	10.91	0.31	5.71	-	16.62	0.31
Gujarat	5.00	1.89	0.27	0.00	6.89	0.27	2.06	-	8.95	0.27
Maharashtra	8.85	10.69	1.02	0.00	19.54	1.02	11.18	-	30.92	1.02
Goa	0.15	0.05	0.00	0.00	0.20	-				
Madhya Pradesh	3.37	0.05	0.36	0.00	3.42	0.36	111.60	14.28	115.02	14.64
Chhattisgarh	5.12	2.92	0.01	0.00	8.04	0.01	15.41	-	23.45	0.01
<b>Total</b>	<b>127.73</b>	<b>205.40</b>	<b>26.02</b>	<b>0.10</b>	<b>333.13</b>	<b>26.12</b>	<b>306.99</b>	<b>145.85</b>	<b>640.12</b>	<b>171.97</b>
	<b>333.13</b>		<b>26.12</b>		<b>359.25</b>		<b>452.84</b>		<b>812.09</b>	

## Annexure-IX

## STATE-WISE STATUS OF PEG SCHEME

(Fig. in MT as on 31.12.2015)

Sl. No.	State	Capacity sanctioned/ allotted	Capacity completed	Capacity taken over	Capacity under construction
1	Andhra Pradesh	1,12,800	87,800	87,800	25,000
2	Bihar	5,25,000	1,45,000	80,000	2,60,000
3	Chhattisgarh	5,42,230	4,92,390	4,92,390	49,840
4	Gujarat	50,000	49,800	49,800	0
5	Haryana	34,93,309	34,56,629	33,67,779	16,680
6	Himachal Pradesh	24,170	24,170	19,170	0
7	Jammu & Kashmir	2,94,010	1,27,180	1,27,180	1,20,160
8	Jharkhand	2,53,000	1,13,000	1,13,000	30,000
9	Karnataka	2,41,440	2,04,770	2,04,770	36,670
2	Kerala	5,000	5,000	5,000	0
11	Madhya Pradesh	15,55,060	11,71,690	6,20,890	3,83,370
12	Maharashtra	5,64,527	5,64,527	5,39,527	0
13	Odisha	3,70,000	2,79,500	2,59,500	45,500
14	Punjab	45,08,858	44,15,225	43,55,225	78,270
15	Rajasthan	2,50,000	2,20,000	1,63,000	15,000
16	Tamilnadu	2,50,000	1,60,000	1,40,000	75,000
17	Telangana	3,19,000	2,69,000	2,38,000	
18	Uttarakhand	0	0	0	0
19	Uttar Pradesh	15,51,127	12,33,127	12,23,127	3,18,000
20	West Bengal	2,10,180	1,46,770	81,500	43,010
	<b>Total</b>	<b>1,51,19,711</b>	<b>1,31,65,578</b>	<b>1,21,67,658</b>	<b>14,96,500</b>



**PLAN SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS**Plan outlay for 12<sup>th</sup> Five Year Plan.

(₹ in crore)

Sl. No.	Head	Estimated Cost	Unspent balance of 11th Plan	Outlay in 12th Plan
1	Construction of godowns by FCI at 37 locations in the NE (2,92,730 MT).	509.76	51.20	458.56
2	Construction of godowns by FCI at 9 locations in 4 other states (76,220 MT).	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
	<b>Total</b>	<b>597.26</b>	<b>67.26</b>	<b>530.00</b>

**Physical and Financial Achievements by FCI**

Year	North East Region		Other States		Total (NE+Other States)	
	Physical (In MT)	Financial (₹ in crore)	Physical (In MT)	Financial (₹ in crore)	Physical (In MT)	Financial (₹ in crore)
2012-13	2,910	27.72	1,160	2.64	4,070	30.36
2013-14	2,500	30.94	20,000	11.02	22,500	41.96
2014-15	43,480	76.48	-	0.99	43,480	77.47
2015-16	19,170	43.00	-	0.00	19,170	43.00
<b>Total</b>	<b>68,060</b>	<b>178.14</b>	<b>21,160</b>	<b>14.65</b>	<b>89,220</b>	<b>192.79</b>

**STORAGE CAPACITY AVAILABLE WITH FCI AND THE PERCENTAGE UTILISATION**

(In lakh MT)

Position as on	Covered			CAP			Grand Total	%age utilization
	Owned	Hired	Total	Owned	Hired	Total		
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%
30.06.2014	130.09	224.03	354.12	26.38	6.90	33.28	387.40	82%
30.06.2015	127.40	217.90	345.30	26.02	1.68	27.70	373.00	82%

## Annexure-XII

## IMPLEMENTATION OF RECOMMENDATIONS OF DR. RANGARAJAN COMMITTEE

Issues	Gist of Recommendations	Status
<b>Cane Area Reservation:</b>	Over a period of time, states should encourage development of such market-based long-term contractual arrangements, and phase out cane reservation area and bonding. In the interim, the current system may continue.	States have been requested to consider the recommendations for implementation as deemed fit. So far, none of the States have taken action, current system continues.
<b>Minimum Distance Criteria:</b>	It is not in the interest of development of sugarcane farmers or the sugar sector, and may be dispensed with as and when a state does away with cane reservation area and bonding.	States have been requested to consider the recommendations for implementation as deemed fit. There is no reservation of area in Maharashtra. Rest of the States have not made any changes in the current arrangement.
<b>Sugarcane Price : Revenue Sharing</b>	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.	States have been requested to consider the recommendations for implementation as deemed fit. So far only Karnataka & Maharashtra have passed state acts to implement this recommendation.
<b>Levy Sugar</b>	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 <sup>st</sup> October, 2012. Procurement for PDS operation is being made from the open market by the states/ UTs and Government is providing a fixed subsidy @ ₹ 18.50 per kg.
<b>Regulated Release Mechanism</b>	This mechanism is not serving any useful purpose, and may be dispensed with.	Release mechanism has been dispensed with.
<b>Trade Policy</b>	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 has been enhanced from 25% to 40% w.e.f. 29.4.2015.
<b>By-products</b>	There should be no quantitative or movement restrictions on by products like molasses and ethanol. The prices of the by-products should be market-determined with no earmarked end-use allocations. There should be no regulatory hurdles preventing sugar mills from selling their surplus power to any consumer.	Excise duty on potable alcohol/ liquor is a major source of revenue for the State Govts therefore the situation varies from State to State. The State Governments have already been requested to reconsider the regulatory controls on movement of molasses which can be used for producing ethanol.
<b>Compulsory Jute Packing:</b>	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)

Particulars	2010-11	2011-12	2012-13	2013-14(P)	2014-15 (Projected)
Carry- over stocks with sugar mills from Previous season	51.25	62.96	66.96	91.09	72.13
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	72.13
Production of Sugar	243.50	263.43	258.58#	245.54	284.63
Imports	-	-	6.76	1.05	-
Estimated Total availability	292.19	321.97	324.59	337.68	356.76
Estimated releases/dispatches for Internal consumption	208	227.25	230.00	243.00	256.00
Exports against ALS/AAS obligation and OGL	26	27.76	3.5	22.55	12.00
Domestic Raw Dispatches	-	-	-	-	-
Total Estimated releases/Dispatches	234	255.01	233.50	265.55	268.0
Estimated Closing stocks with sugar mills at the end of season	58.19*	66.96	91.09	72.13**	88.76

P-Provisional

# includes 251.83 lakh M.T White Sugar and 6.76 lakh M.T White Sugar produced from imported Raw Sugar.

\*Closing stock of one season differs from opening stock of other season on account for damaged /wet sugar, sugar sold against court order.

\*\* Excludes about 0.60 lakh MT of unmarketable BISS/Brown sugar in the stocks



## Annexure-XIV

## RECOVERY OF AMOUNT IN RESPECT OF LSPEF

(As on 31.12.2015)

Year	Credits	Transfer to FCI	Prog. Total
1976-1977	₹ 1,94,21,813.15	-	₹ 1,94,21,813.15
1977-1978	₹ 1,94,71,945.87	-	₹ 3,88,93,759.02
1978-1979	₹ 1,18,72,622.14	-	₹ 5,07,66,381.16
1979-1980	₹ 84,23,366.51	-	₹ 5,91,89,747.67
1980-1981	₹ 34,84,097.40	-	₹ 6,26,73,845.07
1981-1982	₹ 39,50,185.11	-	₹ 6,66,24,030.18
1982-1983	₹ 8,53,756.30	-	₹ 6,74,77,786.48
1983-1984	₹ 13,54,444.52	-	₹ 6,88,32,231.00
1983-1984	₹ 0.00	(-)₹22400000	₹ 4,64,32,231.00
1984-1985	₹ 1,27,85,849.19	-	₹ 5,92,18,080.19
1985-1986	₹ 2,50,29,726.56	-	₹ 8,42,47,806.75
1986-1987	₹ 1,94,40,067.71	-	₹ 10,36,87,874.46
1987-1988	₹ 42,79,968.68	-	₹ 10,79,67,843.14
1988-1989	₹ 88,35,326.85	-	₹ 11,68,03,169.99
1989-1990	₹ 13,93,717.62	-	₹ 11,81,96,887.61
1990-1991	₹ 1,61,03,954.69	-	₹ 13,43,00,842.30
1991-1992	₹ 1,79,54,291.68	-	₹ 15,22,55,133.98
1992-1993	₹ 2,18,37,080.81	-	₹ 17,40,92,214.79
1993-1994	₹ 53,63,892.95	-	₹ 17,94,56,107.74
1994-1995	₹ 15,60,154.79	-	₹ 18,10,16,262.53
1995-1996	₹ 2,48,127.05	-	₹ 18,12,64,389.58
1996-1997	₹ 73,33,019.62	-	₹ 18,85,97,409.20
1997-1998	₹ 40,80,806.42	-	₹ 19,26,78,215.62
1998-1999	₹ 4,53,40,758.88	-	₹ 23,80,18,974.50
1999-2000	₹ 2,64,59,302.53	-	₹ 26,44,78,277.03
2000-2001	₹ 5,84,90,922.69	-	₹ 32,29,69,199.72
2001-2002	₹ 5,43,78,084.65	-	₹ 37,73,47,284.37
2002-2003	₹ 9,56,01,869.49	-	₹ 47,29,49,153.86
2003-2004	₹ 6,26,02,032.00	-	₹ 53,55,51,185.86
2004-2005	₹ 1,31,54,985.57	-	₹ 54,87,06,171.43
2005-2006	₹ 5,83,06,196.70	-	₹ 60,70,12,368.13
2006-2007	₹ 6,38,27,854.76	-	₹ 67,08,40,222.89
2007-2008	₹ 9,03,94,805.86	-	₹ 76,12,35,028.75
2008-2009	₹ 3,78,59,404.00	-	₹ 79,90,94,432.75
2009-2010	₹ 12,64,62,637.00	-	₹ 92,55,57,069.75
2010-2011	₹ 5,07,52,539.74	-	₹ 97,63,09,609.49
2011-2012	₹ 15,62,79,443.60	-	₹ 1,13,25,89,053.09
2012-2013	₹ 9,26,00,848.30	-	₹ 1,22,51,89,901.39
2013-2014	₹ 6,35,58,586.94	-	₹ 1,28,87,48,488.33
2014-2015	₹ 3,52,38,444.28	-	₹ 1,32,39,86,932.61
2015-2016	₹ 0.00	-	₹ 1,32,39,86,932.61
<b>TOTAL</b>	<b>₹ 1,34,63,86,932.61</b>		

## Annexure-XV

## BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernisation/ 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% percent per annum below the Bank Rate prevailing on the date of release (Currently bank rate is 7.75% w.e.f. 02.10.2015, RBI)			
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 (upto 31.12.15)	₹ 2924.95 Crores	₹ 1049.78 Crores	₹ 2475.85 Crores	₹ 632.34 Crores
Loan disbursed during the year 2015-16. (Upto 31.12.15)	₹ 50.08 Crore (RE ₹150 Crore)	₹ 12.73 Crore (RE ₹30.74 crore)	29.71 Crore (RE ₹200 Crore)	₹16.89 Crore (RE ₹76.83 Crore)

## Annexure-XVI

## Disbursement of loan for the year of 2015-16 (Scheme wise) As on 31.12.2015

Sl. No.	Name of Suagr Factory	Scheme	Amt Released (in ₹)
1	M/s. Dr. Babasaheb Ambedkar Sahakari Sakhar Karkhana Ltd., Arvindnagar, Keshegaon, District Osmanabad, Maharashtra	Modernization	18,69,31,560
2	M/s. Jaywant Sugars Limited, Djavaarwado. Tal. Karad. Distt. Satara Maharashtra	Modernization	3,59,55,200
3	M/s. Shri Vighnahar Sahakari Sakhar Karkhana Ltd.,Junnar/Ambegaon, Nivrittinagar (Dhalewadi), Taluka Junnar, District Pune, Maharashtra	Modernization	3,46,88,080
4	M/s. Kumbhi Kasari Sahakari Sakhar Karkhana Ltd., Kuditre, Taluk Karveer, District Kolhapur, Maharashtra	Modernization	11,17,66,000
5	M/s Gangamai Industries and Constructions Ltd., Sugar and Cogeneration Unit: Village Najik Babhulgaon, PO Rakshi, Taluk Shevgaon, District Ahmednagar, Maharashtra	Modernization	12,19,48,000
6	M/s Yashwantrao Mohite Krishna Sahakari Sakhar Karkhana Ltd., Rethare Budruk, Taluka Karad, District Satara, Maharashtra	Modernization	95,92,000
		<b>Total</b>	<b>50,08,80,840</b>
1	M/s Chaddha Sugar and Industries Ltd. Kiri Afgana, Tehsil Batala, Dist. Gurdaspur, Punjab	Cane Development	1,96,02,000
2	M/s Sadashivrao Mandlik Kagal Taluka SSK Ltd. Sadashivnagar, Hamidwada-Koulage , Tal –Kagal, distt- Kolhapur, Maharashtra	Cane Development	2,82,69,000
3	M/s Madhucon Sugar and Power Industries Limited, Rajeswarapuram (V), Nelakondapally Mandal, Khammam Dist., Andhra Pradesh	Cane Development	2,56,00,000
4	M/s Satish Sugars Limited Taluk-Gokak, District-Belgaum, Karnataka	Cane Development	1,78,65,000
5	M/s Sitaram Maharaj Sakhar Karkhana (Khardi) Ltd., At – Post Khardi, Taluka- Pandharpur, Distt. Solapur, Maharashtra	Cane Development	3,60,00,000
		<b>Total</b>	<b>12,73,36,000</b>
1	M/s Kancheshwar Sugar Limited (KSL), At Post, Mangrul, Tal Tuljapur, District Osmanabad, Maharashtra	Co-Gen	5,88,54,000
2	M/s Swaraj India Agro Ltd., A/P Upalave, Tal. Phaltan, Distt.-Satara, Maharashtra	Co-Gen	6,25,98,000
3	M/s Kumbhi Kasari SSK Ltd., Kuditre, Tal. Karvir, Dist. Kolhapur, Maharashtra	Co-Gen	4,54,11,800
4	M/s Shri Vithal Sahakari Sakhar Karkhana Ltd., Venunagar, Post-Gursale, Tal. Pandharpur, Distt-Solapur, Maharashtra	Co-gen	13,02,66,000
		<b>Total</b>	<b>29,71,29,800</b>
1	M/s The Nandi Sahakari Sakkar Karkhane Niyamit, Krishnanagar, Post Hosur, Teh. & Dist. Bijapur, Karnataka	Ethanol	10,21,17,800
2	M/s Fabtech Sugar Private Ltd., At Nandur, Tal. Mangalvedha, Distt. Solapur, Maharashtra	Ethanol	6,67,60,000
		<b>Total</b>	<b>16,88,77,800</b>
	<b>Name of Agency</b>	<b>Scheme</b>	<b>Amt Released (in ₹)</b>
1	Shri Naresh Kumar, Chief Manager (TUFS cell) State Bank of India, NGN Vidya Marg, Hariman Circle, Mumbai-400001	SEFASU-2014	6,00,60,92,457
		<b>Total</b>	<b>6,00,60,92,457</b>
	<b>Name of Agency</b>	<b>Scheme</b>	<b>Amt Released (in ₹)</b>
1	Chief Manager (TUFS cell) State Bank of India, NGN vaidya Marg, Hariman circle, Mumbai - 400001	Soft Loan	1,00,00,00,000
		<b>Total</b>	<b>1,00,00,00,000</b>

**ESTIMATED DOMESTIC PRODUCTION, IMPORT AND  
TOTAL AVAILABILITY OF EDIBLE OILS (OILS-WISE) DURING THE YEARS  
2011-12, 2012-13, 2013-14 AND 2014-15  
(NOVEMBER TO OCTOBER)**

(Quantity In lakh MT)

Name of Oilseed	2011-12		2012-13		2013-14*				2014-15**			
	Oilseed	Oil	Oilseed	Oil	Oilseed		Total	Oil	Oilseed		Total	Oil
					Kharif	Rabi			Kharif	Rabi		
<b>A. PRIMARY SOURCE</b>												
Rapeseed/Mustard	66.04	20.47	80.29	24.89	-	78.77	78.77	24.42	-	63.09	63.09	19.56
Soyabean	122.14	19.54	146.66	23.47	118.60	-	118.60	18.97	105.28	-	105.28	16.84
Groundnut	69.64	16.02	46.95	10.80	80.58	16.56	97.14	22.34	50.75	14.82	65.57	15.08
Sunflower	5.16	1.70	5.44	1.80	1.54	3.50	5.04	1.66	1.06	3.09	4.15	1.37
Sesame	8.10	2.51	6.85	2.12	7.15	-	7.15	2.21	8.11	-	8.11	2.51
Niger Seed	0.98	0.29	1.02	0.31	0.98	-	0.98	0.29	0.73	-	0.73	0.22
Safflower Seed	1.45	0.44	1.09	0.33	-	1.13	1.13	0.31	-	0.96	0.96	0.29
Castor	22.95	9.18	19.64	7.86	17.27	-	17.27	6.91	17.33	-	17.33	6.93
Linseed	1.52	0.46	1.49	0.45	-	1.41	1.41	0.41	-	1.53	1.53	0.46
<b>Sub Total</b>	<b>297.98</b>	<b>70.61</b>	<b>309.43</b>	<b>72.03</b>	<b>226.12</b>	<b>101.37</b>	<b>327.49</b>	<b>77.52</b>	<b>183.26</b>	<b>83.49</b>	<b>266.75</b>	<b>63.26</b>
<b>B. SECONDARY SOURCE</b>												
Coconut		4.00		3.90	-	-	-	4.3	-	-	-	3.8
Palm oil		-		-	-	-	-	1.38	-	-	-	1.71
Cottonseed		11.62		11.57	-	-	-	12.40	-	-	-	12.15
Rice Bran		7.50		7.8	-	-	-	8.1	-	-	-	9.2
Solvent Extracted Oils		4.10		4.1	-	-	-	4.1	-	-	-	4.0
Tree & Forest Origin		1.20		1.2	-	-	-	1.2	-	-	-	1.6
<b>Sub Total</b>		<b>28.42</b>		<b>28.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.46</b>
<b>Total (A+B)</b>		<b>99.03</b>		<b>100.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95.72</b>
<b>C. LESS: EXPORT &amp; INDUSTRIAL USE</b>		<b>9.46</b>		<b>8.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.94</b>
<b>D. NET DOMESTIC AVAILABILITY</b>		<b>89.57</b>		<b>92.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89.78</b>
<b>E. IMPORT OF EDIBLE OILS \$</b>		<b>99.43</b>		<b>106.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.53</b>
<b>F. TOTAL AVAILABILITY/ CONSUMPTION OF EDIBLE OILS FROM DOMESTIC AND IMPORT SOURCES</b>		<b>189.00</b>		<b>198.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.31</b>

\* Based on Final Estimates (declared by Ministry of Agriculture on 17.08.2015).

\*\* Based on 4th Advance Estimates (declared by Ministry of Agriculture on 17.08.2015).

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





Hon'ble Minister for Consumer Affairs, Food and Public Distribution,  
Shri Ram Vilas Paswan lighting the lamp to inaugurate conference of the State Food  
Secretaries to discuss end-to-end computerization of PDS and roll out of NFSA.



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Ministry of Consumer Affairs, Food & Public Distribution  
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