

Annual Report 2014-15



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



His Excellency the President of India & Hon'ble Home Minister distributing first prize for progressive use of Hindi in the Department to Shri Sudhir Kumar, Secretary (F & PD)

**ANNUAL REPORT
2014-15**

**DEPARTMENT OF FOOD & PUBLIC
DISTRIBUTION**

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



**GOVERNMENT OF INDIA
NEW DELHI**

CONTENTS

Chapter	Title	Page No.
I	Organizational Set-up and Functions	1-20
II	Significant Achievements of the Year	21-28
III	Food Management	29-48
IV	Public Distribution System	49-59
V	Storage	61-64
VI	Sugar	65-77
VII	Edible Oils	79-82
VIII	International Co-operation	83-87
IX	Central Public Sector Enterprises & Regulatory Authority	89-109
	(A) Food Corporation of India	
	(B) Central Warehousing Corporation	
	(C) Hindustan Vegetable Oils Corporation Limited	
	(D) Warehousing Development & Regulatory Authority	
X	Results-Framework Document	111-116
	Annexures	117-135



CHAPTER - I

ORGANIZATIONAL SET-UP AND FUNCTIONS

Chapter-I

ORGANIZATIONAL 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 1st December 1942 under the Commerce Member of the Governor General's Council. Mr. Benjamin George Holdsworth, CIE, ICS, was the first Secretary of the Food Department. The new department with its headquarter at the Imperial Secretariat, New Delhi, took over all questions regarding the control of price and movement of food stuffs including sugar and salt (but not tea or 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 Notification No.12.E(FD)/42, dated 8th December 1942, an executive organisation was set up under the department for procurement and purchase of food stuffs, with Controller General of Foodstuffs as its head. And from 1st January, 1943 this organisation took over the procurement and purchase of all food requirements of the Army, dealt earlier by the Department of Supply. It started functioning from Jamnagar House, Shajahan Road, New Delhi, with a set up of Controller of Supplies located at Bombay, Calcutta, Madras, Cawnpore, Karachi and Lahore, which were already functioning in the Supply Department.

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

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

In 1960 the Ministry was divided into 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 food grains, especially wheat.

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

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

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

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

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

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

ORGANIZATIONAL SET-UP AND FUNCTIONS

- 1.1 Department of Food & Public Distribution is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution. The Ministry is under the charge of Shri Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs, Food & Public Distribution and Shri Raosaheb Dadarao Danve, Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution with effect from 27th May, 2014.
- 1.2. Shri Sudhir Kumar took over the charge of Secretary in the Department with effect from 01.06.2012. Secretary (F&PD) is assisted by one Additional Secretary & Financial Adviser, five Joint Secretaries, one Principal Advisor (Cost) and one Advisor (Cost).
- 1.3 The organizational set-up of the Department is at **Annex-I**. The sanctioned strength of the Department (including its Attached and Subordinate Offices) is at **Annex-II** while details of Budget Estimates, Revised Estimates and Actual Expenditure are at **Annex-III**.

VISION

Ensuring Food security for citizens of the country

MISSION

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

OBJECTIVES

- i. To implement the National Food Security Act, 2013, throughout the country;
- ii. To undertake price support operations through efficient procurement of wheat, paddy/rice and coarse grains.
- iii. To strengthen the Targeted Public Distribution System;
- iv. Development/Promotion of Sugar industry;
- v. Development of Warehousing Sector;
- vi. Improvements in Public Service System.

FUNCTIONS

- 1.4 The main functions of the Department are:-
 - (i) Formulation and implementation of national policies relating to procurement, movement, storage and distribution of food grains;
 - (ii) Implementation of the Public Distribution System with special focus on the poor;
 - (iii) Provision of storage facilities for the maintenance of central reserves of food grains and promotion of scientific storage;
 - (iv) Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of food grains;
 - (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, a Subordinate Office of the Department, is a premier Scientific and Technical Institute in the country which conducts post graduate and certificate level course in Sugar Technology, Sugar Engineering and Alcohol Technology disciplines and also provides consultancy to sugar and allied industries. In addition, it also undertakes Research and Development work in sugar and allied fields.

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

Indian Grain Storage Management & Research Institute (IGMRI), Hapur and its field stations at Hyderabad & Ludhiana are engaged in applied Research & Development activities in the field of Storage Management of food grains and imparting trainings on scientific storage and inspection of food grains through long term and short term training courses. IGMRI are also conducting awareness programmes for State Government officials and farmers sponsored by Warehousing Development & Regulatory Authority.

(D). Quality Control Cells (QCCs)

Quality Control Cells (QCCs) are monitoring the quality of food grains at the time of procurement, storage and distribution. These cells also ensure that guidelines/instructions issued by the Government from time to time about scientific storage and preservation of food grains are followed by FCI, CWC, SWCs and State agencies. These QCCs are located at Bangalore, Bhopal, Bhubaneswar, Delhi, Kolkata, Hyderabad, Lucknow and Pune.

The Central Grain Analysis Laboratory (CGAL) located in Krishi Bhawan at New Delhi assists the Department in monitoring the quality of food grains at the time of procurement, storage and distribution so as to protect the interest of the farmers as also the consumers. CGAL also renders technical opinion on quality aspects of food grains imported/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 14th January, 1965, under the Food Corporations Act, 1964, is the main agency responsible for execution of the food policies of Central Government. Functions of the FCI primarily relate to the procurement, storage, movement, distribution and sale of food grains on behalf of the Central Government.

(F). Central Warehousing Corporation

The Central Warehousing Corporation (CWC), another public sector enterprise under the Department was set up on 2nd 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 1st

January, 2015, CWC was operating 465 warehouses with a total storage capacity of 102.83 lakh MT including 57 Custom Bonded Warehouses, 3 Air Cargo Complexes, 30 Container Freight Stations/Inland Clearance Depots providing services to the export/import trade.

CWC is 50% share holder in 17 State Warehousing Corporations (SWCs). As on 1st January, 2015, the SWCs were operating 1696 warehouses with a total capacity of 284.36 lakh MT. Further, CWC has formed a 100% owned subsidiary company namely, Central Railside Warehouse Company Ltd (CRWC) for development of Railside Warehouse Complexes (RWCs). CRWC is now operating 19 RWCs with a total storage capacity of 3.29 lakh MT.

(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 for a healthy Negotiable Warehouse Receipt (NWR) System. The main functions of the WDRA are to register Accreditation Agencies, to register Warehouses having adequate facilities & safeguards satisfying financial, managerial & other criteria as

prescribed by WDRA, to promote scientific warehousing of goods. The main objectives of WDRA are 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 grievances. The representations received are promptly acknowledged and forwarded to the concerned organizations/agencies for appropriate action. A Grievance Box is placed at Gate No. 6 of Krishi Bhawan, for receiving the complaints. They can also be sent electronically through e-mail at *pgportal.gov.in*. These are monitored regularly by JS (PG) with Nodal Officers of organizations concerned viz. FCI, CWC, PAO and Administrative Divisions of this Department.
- 1.7 The progress report for the period 1.04.2014 to 31.12.2014 of Public Grievances received in this Department is as under: -

Total Public Grievances pending as on 31.03.2014	28
Additional Public Grievances received during the year	702
Total Public Grievances	730
Total Public Grievances disposed of	701
Total Public Grievances Pending as on 31.12.2014	29
Percentage of disposal	96%

- 1.8 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 is made

on this account. In accordance with the provisions contained in Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaint Committee has been set up in the Department to attend the complaints of their women employees.

RESERVATION

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

1.11 Representation of SCs, STs OBCs, differently abled persons, ex-service men and women officials in the Department (including its attached and subordinate offices) against the total number of officials (as on 31.12.2014) is given in the table below.

Groups	Gr. 'A'	Gr. 'B'	Gr. 'C'	Total	
Total No. of employees	130	231	434	795	
SC	18	34	130	182	
ST	06	15	27	48	
OBC	08	24	55	87	
No. of Differently Abled Persons	VH	-	01	05	06
	HH	-	02	-	02
	OH	-	01	06	07
	Total	-	04	11	15
Ex-S.Men	-	-	03	03	
Women Employees	12	74	43	129	

ACTIVITIES FOR DEVELOPMENT OF NORTH EASTERN REGION

(A) Activities of FCI in NE Region

Strengthening of PDS

1.12 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. During 2014-15 (upto December, 2014), a quantity of 28.47 Lakh MT food grains were moved to NE States. The Govt. has also allowed State Governments to lift six months quota in advance to smooth supply of food grains under TPDS.

1.13 Details of allotment and offtake under all schemes (actual/estimated) in respect of NE States are as under:-

(Fig. in lakh MT)

State	Wheat		
	Annual Allotment	Actual Offtake*	Projection #
Assam	3.87	3.82 [^]	1.27
Arnchl. Pd.	0.00	0.00	0.00
Tripura	0.29	0.23	0.08
Manipur	0.19	0.18	0.06
Nagaland	0.30	0.23	0.08
Mizoram	0.09	0.08	0.03
Meghalaya	0.20	0.17	0.06
Total	4.94	4.71	1.58

State	Rice		
	Annual Allotment	Actual Offtake*	Projection #
Assam	18.19	13.95	4.65
Arnchl. Pd.	1.15	0.90	0.30
Tripura	3.34	2.69	0.90
Manipur	2.00	1.56	0.52
Nagaland	1.33	1.22	0.41
Mizoram	1.46	1.07	0.36
Meghalaya	1.96	1.61	0.54
Total	29.43	23.00	7.68

(*) Upto Dec, 2014

(#) Projections for Jan to March, 2015

([^]) Including Open Sale under OMSS (D)

Augmentation of Storage Capacity in the North East Region (including Sikkim)

1.14 The Department is implementing a Plan

Scheme to create an additional storage capacity of 5.40 Lakh MT in the NE States through FCI with an allocation of ` 568.17 crore. The Scheme would create storage space sufficient for four months of requirement under TPDS. The State-wise capacity creation planned is given in table below:-

(Fig. in MT)

State	Total Cap. Appvd.	Planning for Capacity Augmentation			
		Completed in 11 th FYP	Covered in 12 th FYP under Phase - I	Through Silos	Under phase-II in 13 th FYP
Assam	3,45,000	12,500	1,77,000	50,000	1,10,000
Arunachal Pradesh	20,280	-	17,230	-	Nil
Manipur	45,000	4,590	30,410	-	10,000
Meghalaya	35,000	-	10,000	-	25,000
Mizoram	20,000	4,570	15,000	-	Nil
Nagaland	15,000	-	14,590	-	Nil
Sikkim	15,000	-	3,500	-	8370
Tripura	45,000	2,500	25,000	-	20,000
Total	5,40,280	24,180	2,92,730	50,000	1,73,370

1.15 During the 11th Five Year Plan, FCI has created a capacity of 24,180 MT with an expenditure of ` 58.41 crore. Out of balance capacity of 5.16 lakh MT, it is proposed to augment 2,92,730 MT capacity in the 12th FY Plan and 1,73,370 MT capacity in the 13th FY Plan. Further, there is also a proposal to construct a Silo of capacity 50000 MT under PEG Scheme through PPP mode at Changasari in Assam Region. Under this Scheme, in 12th FYP, a capacity of 2910 MT was created during 2012-13 and 2500 MT in FY 2013-14.

1.16 There have been problems in getting suitable lands for the storage godowns. However, with regular monitoring with the State Governments, substantial progress has been made. At present, the works for a capacity of 1,09,030 MT at 17 locations are in progress and for a capacity of 1,38,500 MT at 11 locations, the land cost is either deposited or being deposited. Further, for a capacity of

17,790 MT at 3 locations, the land is yet to be identified. In addition, as on 31.12.2014, a capacity of 22,000 MT at four locations in Assam Region [North Lakhimpur-2500 MT, Hojai-2500 MT, Jogigopa-2000 MT and Changsari-15000 MT (part capacity)] has been completed and an expenditure of ` 39.10 crore has also been incurred.

1.17 All out efforts are being made to complete the balance targeted capacity of 1,09,030 MT upto March, 2015 and also the target of total expenditure of ` 80 crores shall be met in the current financial year.

(B) Activities of CWC in NE Region

1.18 CWC has a storage capacity of 1.29 lakh MT in NE Region with occupancy of 84% as on 31.12.2014. The State-wise capacity being operated by the CWC in the North Eastern Region is detailed below:-

Name of State/ Centre	Capacity
Assam	
Amingaon	20,384 MT
Dhubri	12,100 MT
Maligaon	9,676 MT
Jorhat-I	10,500 MT
Jorhat-II	5,000 MT
Sorbhog	17,200 MT
Total	74,860 MT
Nagaland	
Dimapur	13000 MT
Tripura	
Agartala	19250 MT
Agartala C.S.	4750 MT
ICP Agartala	16750 MT
Total	40750 MT
Grand Total	1,28,610 MT

1.19 The average occupancy of these warehouses was 90%, 87%, and 81% for the years 2011-12, 2012-13 and 2013-14 respectively.

1.20 During the year 2012-13 and 2013-14, CWC has constructed additional capacity of 2000 MT at Dhubri (Assam) and 7200 MT at

Sorbhog (Assam) respectively.

- 1.21 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 17th November, 2013 by the Hon'ble Union Home Minister, Govt. of India and his counterpart from the Republic of Bangladesh. The EXIM operations commenced with effect from 21.11.2013. The complex consist of 3400 MT covered area and 13,350 MT open area. At Agartala ICP has handled 19,252 Import/Export trucks and earned revenue of ` 466.95 lakhs (April to December,2014) during the year 2014-15.
- 1.22 The North Frontier Railway has awarded Pest Control Services (PCS) contract of ` 240 Lakh for three years effective from 25.03.2013 to 24.03.2016. The CWC has completed disinfection of 54,752 railway coaches and earned revenue of ` 82.90 lakh during the year 2013-14 and during 2014-15 (April to December,2014) CWC has completed disinfection of 36474 railway coaches and earned revenue of ` 54.76 lakh.

Tribal Sub Plan

- 1.23 With a view to provide infrastructure and financial support, the Department is implementing "End-to-end Computerization of TPDS Operation" under 12th Five Year Plan (2012-17) on 50:50 cost sharing basis with State/UTs, except for NE 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 2014-15, ` 4.129 crore has been allocated on TSP. Under the Scheme, funds are being provided for Data Centre Infrastructure, PCs, System software, Networking etc. at State Food & Civil Supplies Department, District offices and Block level.

- 1.24 In keeping with the Official Language policy of Government of India to promote the use of Hindi in day-to-day official work and to achieve the targets prescribed by the Department of Official Language in their annual programme 2014-2015, multipronged efforts have been made to increase use of Hindi in official work. For this purpose, five workshops were organized, in which 130 officers and employees were acquainted with the requirements of the Official Language Act and the rules framed thereunder. Besides these measures, officers and employees were also trained to work in Hindi on computers. The progress made in the use of Hindi in the Department, its attached and subordinate offices and Public Sector Undertakings under its administrative control was also reviewed in the quarterly meetings of the Official Language Implementation Committee of the Department. 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.
- 1.25 During the year 2014-15 the Parliamentary Committee on Official Language inspected the offices of FCI and CWC 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 2014-15.
- 1.26 Hindi Fortnight was organized from 1st September 2014 to 15th September 2014 and on this occasion various Hindi competitions were organized. 42 winning officers/employees of the competitions were given cash prizes by Sh. Ram Vilas Paswan, Hon'ble Union Minister for Consumer Affairs, Food & Public Distribution in a function organized on 20th October 2014. In addition, essay writing and poetry competitions in Hindi on various topics relating to Swachh Bharat Abhiyan were also organized in the month of October 2014.

PROGRESSIVE USE OF HINDI



Hon'ble Minister distributing prizes

Prizes were distributed by the Honb'le Minister to the 8 winning personnel of the department on 20th October 2014.

- 1.27 Under the Running Shield Scheme introduced for various sections of the department to encourage the officers/staff of the department to do their maximum work in Hindi, SDF Section was awarded Running Shield for the year 2013-14. Similarly, under Shield/Trophy Scheme introduced for the offices working under this Department, Food Corporation of India, Delhi, Central Warehousing Corporation Headquarters, New Delhi, and Quality Control Cell, Lucknow were awarded shields by the Honb'le Minister as First, Second and Third prizes respectively for the year 2013-14. Besides, two special prizes were awarded to CWC Regional Office Laxmi Nagar and FCI Regional Office Rajinder Nagar, New Delhi.
- 1.28 The Department was awarded 1st prize under Indira Gandhi Rajbhasha Puraskar Yojana by the Department of Official Language for doing excellent work in the field of implementation of Official Language Policy of the Govt. of India for the year 2013-14. This prize was distributed by Honb'le President of India Sh. Pranab Mukherjee on 15.10.2014 in a function held at Vigyan Bhawan, New Delhi and the prize was received by Sh. Sudhir Kumar, Secretary, Food and Public Distribution.

TRAINING

- 1.29 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 endeavour of the Department to nominate officials for focused and effective training programmes.
- 1.30 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 number of the officials of this Department, who attended various training programmes within the country during 2013-2014 and 2014-2015 (April, 2014 to January, 2015) are as under:-

Category	2013-14	2014-15*
Gazetted	15	23
Non-Gazetted	11	08

*Upto 31.12.2014

- 1.31 Keeping in view the need to revisit the training needs and up-gradation of skills at various levels in the Department, it had also been included in Result Framework Document (RFD), 2012-13 and Institute of Secretariat Training Management (ISTM) has been engaged as Consultant for identifying training needs, skill requirement/competencies and implementing total quality management in the Department. They have submitted their report and their recommendations are being acted upon.
- 1.32 With a view to improve proficiency of officers and quality of work in the Department, an in-house weekly/fortnightly training programme for officers/officials from the level of Lower Division Clerk to Under Secretary has been initiated in the Department from 21.11.2014. Numerous sessions on 'Noting & Drafting', 'Forms & Procedure of Communication',

'Record Management', etc. have been organized so far. More such sessions will be organized in ensuing months.

- 1.33 Officials of this Department have also 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) and for matters related with SAARC.

- 1.34 Following is a list showing foreign training programmes attended by officers of this Department during 2014:-

Purpose of the Training	Name of the Officer
Customized training programme under Domestic Funding of Foreign Training (DFFT) Scheme on "Advanced Leadership Programme" organized by Australia New Zealand School of Government (ANZSOG) at Melbourne and Canberra, Australia from 16-21 February, 2014	Shri Ajai Saxena, Joint Secretary
Customized training programme under Domestic Funding of Foreign Training (DFFT) Scheme on "Leadership and Strategic Thinking" at Cambridge University, U.K. from 21st -26th September, 2014	Shri Sudhir Kumar Secretary,
Short-term training programme under Domestic Funding of Foreign Training (DFFT) Scheme on "PPP Contract Procurement, Implementation, Performance Monitoring and Conflict Resolution" at Institute for Public-Private Partnership(IP3), Washington DC, US from 10-21 November, 2014	Shri Pradeep Kumar Dash, Director

Short-term training programme under Domestic Funding of Foreign Training (DFFT) Scheme on "Urban Environmental Management" at AIT Bangkok, Thailand from 28th July to 8th August, 2014	Shri Ghanshyam Sahu, Deputy Secretary
Short-term training programme under Domestic Funding of Foreign Training (DFFT) Scheme on "WTO, International Trade and Development" at Graduate Institute Geneva, Switzerland from 30 th June, 2014 to 11 th July, 2014.	Shri V.M. Rao, Director

e-GOVERNANCE INITIATIVES UNDER DIGITAL INDIA PROGRAMME

- 1.35 Department of Food & Public Distribution has been playing a pioneer role in propagating IT based development, solutions to facilitate rapid growth and transformation in the Public Distribution System for efficient and effective delivery of services. Department is constantly in the pursuit of developing/implementing state-of-the-art application software related to various areas of importance. It has also undertaken 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 – End-to-end Computerization of TPDS operations on cost sharing basis with the States/UTs. Costs are being shared on 90:10 basis in respect of 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 database has

been completed in 33 States/UTs and is in progress in remaining 3 States/UTs. Digitization of godowns database has also been completed by all States/UTs except 2 States. Digitization of ration cards/beneficiary database has been completed in 20 States/UTs and is in progress in the remaining 16 States/UTs.

- b. Online allocation of food grains has been implemented fully in 10 States/UTs and has been started in another 11 States/UTs. Supply-chain has been computerized in 4 States/UTs and its implementation is under progress in 7 States/UTs.
- c. Toll free helpline for TPDS have been established in 28 States/UTs. Online grievance redressal mechanism for registration and tracking of grievance is now available in 21 States/UTs.
- d. The Department in consultation with NIC, DeitY and UIDAI, has prepared and circulated Guidelines for Fair Price Shop (FPS) Automation and the same were shared with all States/UTs in November, 2014. Consultations were held with States/UTs, UIDAI, and NIC etc. to discuss various aspects of FPS automation roll-out. A proposal for providing financial assistance to States/UTs for this purpose is also under consideration.

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_pll) 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 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. Similarly, online registration facility for Edible Oil Processing Units has been operational since May, 2014 (evegoils.nic.in). Registered units are providing monthly production data also online now.

iii. Parliament Questions/Answers online:

This Department is uploading answers on the website of Rajya Sabha through <https://pqars.nic.in> from the 224th Rajya Sabha session onwards. Question answered in Lok Sabha are being e-mailed to Lok Sabha Secretariat which in turn, are being uploaded by Lok Sabha Secretariat itself on their website.'

iv. e-Granthalaya' the Library Management System:

Intra-net web-based comprehensive software to manage the library activities has been implemented. This software maintains a database of all the books and journals in the Library of the Department and supports various searches, queries, availability status, pending status and information about new books and journals. Currently the system caters to users to access details through intranet-net of 34,325 books and journals. The Open Access Catalogue has been published on the public web site <http://dfpdlibrary.nic.in>.

v. RTI Request and Appeal Management Information System:

Web based software developed by NIC is installed in the Central Server to track the RTI requests and appeals. The reports which are required to be submitted to Central Information Commission (CIC) are generated through this software. During the year 2014-15 (upto 31.12.2014), 540 applications were received online and 126 applications received physically. Public Grievance portal is available on official website of the Department.

- vi. e-Office:** The e-Office project aims to support governance by ushering in a more effective and transparent inter and intra-government processes. The vision of e-Office is to achieve a simplified, responsive, effective and transparent working of all government offices. The e-Office project has various modules like File Tracking/Management System, Knowledge Management System, Leave Management System, Personal Information System, Tour Management System etc. So far, 18 divisions and total 754 users are using FMS services and more than 653 new files have been created in this financial year, through the system in the department and more than 250 circulars have been uploaded in the KMS module. User can also see their Pay-Slip, GPF and Income Tax details through the system through their user-id and password and issued to them under the Personal Information System. e-Leave system is being followed in the Department. The e-Tendering system is being followed under e-Procurement. For making the official website compliant to Government of India Guideline for Websites (GIGW), which is user friendly, disabled friendly and accessible on the mobile phones as well, re-designing /restructuring of website is under progress. Similarly, IT infrastructure is upgraded in the Department by procuring hardware, software, internet connectivity etc. A link to “My Gov” an initiative by Hon’ble Prime Minister has been provided on the website. A link for e-book is also on the Website of the Department.
- vii. e-Service Book (DOPT):** e-Service Book is a web based system to facilitate electronic maintenance of Service Books. The initialization of e-Service Books for employees has been completed for over 425 employees of the Department. Two officials from the Department have been deputed to enter the service book data of employees. Each and every employee has been provided an e-mail id in @nic.in domain.
- viii. Training to Staff:** Officers, Staff and Data Entry Operators of the Department have been provided training for using the application software such as File Tracking System, Court Cases Monitoring System, Sugar Export, e-Tendering, e-Samiksha and e-Office. Further, training has also been provided to staff for using RTI and making e-Service Book entries, Parliament Questions uploading and Recruitment Rule online.
- ix.** Bio-metric attendance system has been installed in the Department for maintaining punctuality.
- x.** Food Corporation of India (FCI) is one of the first Government organizations to start the “MyGov” platform involving citizens in the governance process. Depot online project has been approved 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 Integrated Information System for Foodgrains Management (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 grain in the country on daily basis.
- xi.** Central Warehousing Corporation (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. After signing of contract IBMS, the implementation may be completed in 2 Phases- 12 months and 6 months respectively.
- xii.** Warehousing Development Regulatory Authority (WDRA) has undertaken a transformation plan which envisages involvement of digital system for its major

activities. It has been proposed to put in place a system of electronically Negotiable Warehouse Receipt (NWR) in electronic form only; plan includes online application and registration of warehouse. This proposal is under process in consultation with Department of Economic Affairs. WDRA has launched a portal on 20.11.2014 hosting the directory of warehousing in the country.

1.36 Continuous efforts are being made in the Department and its Organizations for including more items and services to be made available online to make the Digital India Programme successful both at the National and State/UT level.

INTEGRATED FINANCE DIVISION

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

1.38 Broadly, following matters are dealt with in IFD:-

- (i) Preparation of budget according to the instructions issued by Finance Ministry from time to time;
- (ii) Scrutiny of budget proposals thoroughly before sending these to Ministry of Finance/Planning Commission;
- (iii) Maintenance of departmental accounts in accordance with the prescribed codal provisions;
- (iv) Watch and review the progress of expenditure against sanctioned grants and issue timely warnings to Controlling authorities where the progress of expenditure is not even;
- (v) Screening of proposals for supplementary demands for grants;
- (vi) Advise the department on all matters falling within the ambit of delegated

powers 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 TPDS and 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

1.39 Position of pending audit observations and a summary of important audit observations included in the C&AG Reports 2012-13 (Commercial) and action taken by the Department thereon as on 31.3.2014 along with details of one audit observation included in C&AG Report 2013-14 are at **Annex-IV**.

DEPARTMENTALISED PAYMENT AND ACCOUNTING ORGANISATION

Organisational set-up

1.40 Secretary (F&PD) is the Chief Accounting Authority who discharges his responsibilities with the assistance of AS & FA and Chief Controller of Accounts of the Department who reports to AS & FA.

1.41 The Departmentalized Payment and Accounting Organization of the Department of Food & Public Distribution has Four Pay and Accounts Offices located at New Delhi, Mumbai, Chennai and Kolkata besides one Principal Accounts Office located at New Delhi. The Chief Controller of Accounts is the Head of the Payment and Accounting Organization of the Department.

Functions & Responsibilities

1.42 The Payment and Accounting Organization under the Chief Controller of Accounts is responsible for:-

- i. Arranging payments through Pay and Accounts Offices and Cheque Drawing and Disbursing Officers for Pay and Allowances, Provident Fund Claims, Office Contingencies, Miscellaneous Payments, Loans and Advances to Government Servants and others, as well as Grants-in-aid. There are 4 PAOs, 1 CDDO and 20 Non-CDDOs in the Department of Food & Public Distribution. The Non-CDDOs presents their Claims/bills to the accredited PAOs who issues Cheque after scrutiny of the

Bills. The CDDO is authorized to make payments for Salaries and Contingent Claims after observing the relevant checks. The CDDOs issues cheques on the basis of Letter of Credits (LOCs) issued in their favour by the concerned PAOs to the accredited Bank branch.

- ii. Issuance of Pension Payment Orders (PPOs) in respect of retiring Government servants and payment of retirement benefits.
- iii. Supervision and monitoring of Utilization Certificates.
- iv. Maintenance of Loans and Grants-in-Aid to State Govt/PSU/Autonomous Bodies.
- v. Technical Advice to Ministry/ Department/PSU/Autonomous Bodies.
- vi. Review of Expenditure under Modified Cash Management System.
- vii. The Internal Audit Unit is responsible for conducting the inspection and internal audit of offices of all DDOs and other auditable units of the Department.

1.43 The Principal Accounts Office of this Ministry generates Periodic Reports like Monthly Accounts, Expenditure Statements, 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 Accounts 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.

1.44 In the Pay and Accounts Offices, 'COMPACT' software covers the major accounting tasks of the PAOs and supplies input through E-lekha. It is designed and developed with an attempt

to address all the Software System Attributes such as availability, portability, security and maintainability.

- 1.45 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 more than 300 odd PAOs are received at the Database server, this web-based application facilitates an ONLINE Financial Information System for fact based fiscal management.
- 1.46 The Internal Audit is managed by two Audit Parties, one at Kolkata and other at New Delhi under the overall charge of Chief Controller of Accounts. The Internal Audit examines several areas including management of records, implementation of various financial & accounting manuals, pointing out financial irregularities and procedural lapses. A total number of twelve (12) Units were approved to be audited during the period 2014-15, out of which nine (09) Units have already been audited upto 31st December, 2014.
- 1.47 A number of paras raised by audit resulted in recovery of over payment, recovery of Govt. dues from various Authorities/Institutions. Suggestions were also made by the Internal Audit Parties to DDOs for proper maintenance of records and to follow provisions contained in General Financial Rules for procurement of Government stores.

Achievements

- i. The actual expenditure of the Department of Food & Public Distribution during 2014-15 (upto 31st December, 2014) was ` 1,09,754.51 crores (including authorization of ` 5.52 crores) under Grant No.17.
- ii. Payment of subsidy released to Food Corporation of India during 2014-15 (upto 31st December, 2014) is ` 85,214.12

crores and to State Governments was ` 13,765.40 crores.

- iii. All Payments are made electronically through RBI advice or GePG Gateway directly to the Bank Account of the Beneficiary.
- iv. All GPF final payment cases received upto 31st December, 2014, were duly cleared.
- v. All the Superannuation Pension/Family Pension Cases received upto 31st December, 2014 were duly cleared.
- vi. All the bills received upto 31st December, 2014 were duly cleared.
- vii. All the Accounting Reports were submitted in time to Controller General of Accounts.
- viii. As per the recommendations of 6th pay commission, pension cases were to be e-revised and uploaded on the Portal of Central Pension Accounting Office (CPAO), Ministry of Finance. With reference to E-scroll Data of CPAO as on 31.12.2014, there were 44 cases pertaining to Pre-2006 retirees pending in the 4 Pay & Account Offices of the Department, as the pensioners need to be traced.
- ix. 12 Audit were approved for the Year 2014-15, out of which, audit of 09 Units were conducted till 31st December 2014.
- x. 68 Employees Attended training programs conducted by the Institute of Government Accounts & Finance (INGAF) & National Institute of Financial Management (NIFM), during the year 2014-15, till 31st December 2014 for in-service Trainings.

VIGILANCE SET-UP

- 1.48 In Department of Food & Public Distribution, Vigilance Administration is headed by CVO

at Joint Secretary Level on additional charge basis. The Vigilance Administration in two Schedule 'A' PSUs 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. At the Department, a Director, an Under Secretary and 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 and CWC. In other outstation subordinate offices, a suitable senior officer is entrusted with the work of Vigilance Administration.

- 1.49 Vigilance Division follows the guiding principles prescribed and instructions issued by CVC from time to time. Stress on the principle of preventive rather than punitive is being laid by addressing the faulty systems and procedural flaws which permit acts of omission and commission. Latest IT technology is harnessed to tackle corruption apart from extent rules and regulations and other innovative solutions to check corruption. Tools like rotational transfers, e-office, thorough checking of annual property returns are being applied to eradicate corruption.
- 1.50 Simplification of rules & procedures for the general public is being ensured to avoid



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

needless interface between citizens and government functionaries. The software is being designed to be citizen friendly apart from ensuring sensitivity and empathy towards timely public grievance redressal.

- 1.51 Simultaneously, e- procurement is being emphasized to ensure absolutely clean Govt. 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.
- 1.52 In pursuance to the directions of CVC, Vigilance Awareness Week was observed from 27.10.2014 to 01.11.2014, with the theme of "Combating Corruption - Technology as an enabler". In both the PSUs, and its subordinate Offices Vigilance Awareness Week was observed during which posters, lectures, seminars, debates and essay competition were organised. CWC had also released a booklet 'Vigilance-An Overview' on the occasion of Vigilance Awareness Week-2014.

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

- 1.53 The Right to Information Act 2005 came into force w.e.f. 12th October 2005. In order to promote transparency and accountability in the working of every public authority, the Act provides for setting out a practical regime for citizens to secure access to information under the control of public authorities.
- 1.54 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 appeal, the details of the Appellate Authorities, CPIOs

and Central Assistant Public Information Officers (CAPIOs) are available on the website of the department <http://dfpd.nic.in> which is updated from time to time.

- 1.55 The Department also complied with the provisions of the Act for publication of information relating to the Organizations within the prescribed time frame. Duly compiled manuals are available on the Department's website <http://dfpd.nic.in> - RTI -Manual-Manual XVI for information of the public and these manuals are being updated regularly. Similarly, information in respect of Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Directorate of Sugar and Vegetable Oils can also be accessed at <http://fciweb.nic.in/rtis/view/7>, <http://cewacor.nic.in/manusal.htm>, <http://dfpd.nic.in> – Directorate of Sugar and Vegetable Oils respectively.
- 1.56 The Department has refurbished its website to make it more citizen-centric. It is also being ensured that the contents available on the website are regularly updated through Content Management Software to make information more meaningful. Seven utility softwares relating to Government to Government (G-2-G) interface are also operational on the Department's intranet.
- 1.57 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 requests received in the Department under RTI Act, 2005 are being made through the RTIMIS software.
- 1.58 During the period 1st April 2014 to 31st December 2014, a total of 126 requests were received physically and 540 online and all requests were disposed of within the

prescribed time limit. Further during this period, 2 appeals were filed before various Appellate Authorities of this Department.

SWACHH BHARAT MISSION

- 1.59 To make the “Swachh Bharat Mission” a great success, Department of Food & Public Distribution has chalked out an Action Plan upto 2019 and started action accordingly.

Action Plan for the period 25th September to 31st October, 2014

- i Sanitation Pledge “Swachhta Shapath” was administered to the employees of the Department on 2nd October, 2014.
- ii To create awareness among the employees, Banners of “Swachh Bharat Mission”, small plastic boards showing “Don't litter” and stickers showing logo of “Swachh Bharat” are displayed at prominent places in Krishi Bhawan. Stickers were also displayed on Departmental vehicles, hired taxis and on the vehicles of officials/officers of the Department. T-shirts and Caps with “Swachh Bharat” logo were distributed among officials of this Department. Banners/Stickers were also displayed in the offices/depots of FCI, CWC & CRWC.
- iii To create healthy, hygiene and clean environment, weeding out of old records as well as cleanliness drives was carried out. Disposal of old/obsolete/mutilated books of Departmental Library is in the process.
- iv In order to keep the working atmosphere neat and clean, white-washing, pest control and rodent control of the corridors and rooms have been done. Cleaning of all fixtures and fittings is in the process.
- v A special drive on cleanliness was undertaken in FCI Hqrs from 25th September, 2014 to 1st October, 2014 to sensitize all employees. A programme of poems, music and debate on cleanliness was organized in FCI, Hqrs. Street Play on Safai Abhiyan was organized



Swachhta Shapath

on 2nd October, 2014 for creating public awareness and awareness among the employees. This event got a wide media coverage which has been uploaded on (Twitter) @FCI & (Facebook) Food Corporation of India. Between 3rd October, 2014 to 31st October, 2014, all the employees of FCI, Hqrs devoted one hour from 9 AM to 10 AM to ensure that their work place and floor is absolutely clean in all respects. This was done in addition to their normal duties.

- vi. 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.

Action Plan for one year

- i In order to keep the working atmosphere neat and clean, white-washing, pest control and rodent control of some corridors and rooms have been done and the same is in the process.



Swachh Bharat

Cleaning of all fixtures and fittings will also be done. Rooms and toilets under the charge of Department of Food and Public Distribution in Krishi Bhawan, will be renovated. Departmental Record Room will also be modernized. To encourage the sections and staff members a running trophy will be introduced for being awarded to the Section which achieve the best cleanliness standards. A floor officer has been nominated on each floor of Krishi Bhawan for proper supervision of cleanliness.

- ii FCI shall renovate all existing toilets in FCI Depots and offices and ensure that there are at least two toilets in each Unit for public/visitors and for staff/labourers, one for gents and another for ladies. It will also provide drinking water facility as well as a rest shed in all the godowns/depots. It will also ensure sustainable mechanism in ensuring regular cleaning of the toilets through Sulabh or any other agency. The Cultural wing of FCI shall enact the street play in all the Zones/Regions/District offices of FCI throughout the country as well as in various other PSUs/Ministries if required by them to spread this campaign to the whole country.
- iii CWC will use logo of Swachh Bharat Mission and its tag line at all stationery items, annual reports, magazines. Floor wise Nodal officer in CO/RO building of CWC has been

nominated to ensure cleanliness floor wise.

- iv 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-gradation of drinking water facilities with provision of filters and garden in the school near the RWC, Shakurbasti of CRWC. An amount of `5 lakh is being contributed towards the Clean Ganga Fund directly.

Action Plan for rest of the period upto 2019

- i Installation of false ceiling in the corridors.

- ii FCI would continue to maintain the facilities created and upgrade them. In addition, it would ensure proper landscaping, growing of trees and plants in all FCI depots as well as conservation of water measures throughout the country in the vicinity of FCI establishments. Besides, all the depots of FCI shall be converted into well maintained Model depots by the end of 2019.

- iii CWC will continue use logo of Swachh Bharat Mission and its tag line at all stationery items, annual reports, magazines. Thorough cleaning of offices through cleanliness drive one in three months has been planned. CWC has decided to construct 195 toilets in the Govt. run girls or co-education schools in rural area throughout the country.

- iv CRWC has planned projects for construction of toilets and sanitation campaigns for next three years.





CHAPTER - **II**

SIGNIFICANT ACHIEVEMENTS OF THE YEAR

Chapter-II

SIGNIFICANT ACHIEVEMENTS OF THE YEAR

PROCUREMENT OF FOODGRAINS

- In RMS 2014-15 (April 2014 to March 2015), 280.23 Lakh MT of wheat has been procured for the Central Pool, which is more than the total quantity of 250.92 Lakh MT procured during the previous season i.e. RMS 2013-14.
- For the KMS 2014-15 (October, 2014-September 2015), procurement of rice started in October, 2014 and by 01.01.2015, 149.18 Lakh MT of paddy in terms of rice has been procured in various States against the target of 300.50 Lakh MT for Kharif crop of paddy. The total procurement of paddy in terms of rice in KMS 2013-14, which has ended on 30th September, 2014 has been 318.40 Lakh MT as reported on 01.01.2015 against the overall estimated quantity of 364.19 Lakh MT for that season.
- Andhra Pradesh, which had started procurement of paddy in DCP mode, after the division of the State has expanded DCP operations in KMS 2014-15 to 6 districts. Telangana has also expanded DCP operations to 9 districts.
- To discourage States from giving market distorting bonus over and above MSP, the Central Government has taken a decision 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 food grains 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, then 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 food grains. 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. As a result of this policy the State Governments of Madhya Pradesh and Chhattisgarh have not given bonus for paddy in KMS 2014-15 and the market competition has increased.

- 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 has decided to limit the procurement of levy to the maximum extent of 25% only w.e.f. 1st October, 2014 i.e. in KMS 2014-15.

FOODGRAIN STOCK IN CENTRAL POOL

- The stock of food grains in the Central Pool as on 01.01.2015 was 368.56 Lakh MT, which comprised of 251.13 Lakh MT of wheat and 117.43 Lakh MT of rice (excluding 113.87 Lakh MT of rice due to be received from the un-milled paddy lying with the state agencies) and 2.55 Lakh MT of coarse grains.

REVISION OF BUFFER NORMS

- The revision of buffer norms of foodgrains for the Central Pool was under consideration of the Department for the past few years for the reason that the earlier buffer norms were in existence since January, 2005 and were very old. Further, the foodgrain requirement under TPDS and OWS had also increased substantially especially in view of the enactment of National Food Security Act. Hence, the Government has revised the buffer norms from 22nd January, 2015 onwards.

STORAGE OF FOODGRAINS

- The total storage capacity available for Central Pool food grains was 724.93 lakh MT (as on 31.12.2014), against this the stocks of food grains stood at 368.56 lakh MT. The total requirement of food grains for implementing the NFSA is estimated to be 612 lakh MT. Hence sufficient storage capacity is available for holding the required stocks.
- Under Private Entrepreneurs' Guarantee Scheme (PEG), about 121.80 Lakh MT capacities have been completed and 104.61 Lakh MT capacities have been taken over by FCI till 31.12.2014.

NATIONAL FOOD SECURITY ACT, 2013

- Government is committed to provide food grains to weaker sections of the society at reasonable prices. Under TPDS, OWS, festivals, relief, etc., the Government has so far made a provisional allocation of 612.80 Lakh MT, which is higher than the allocation of 566 Lakh MT released during 2013-14 for the same purpose.
- Food grains under the National Food Security Act, 2013 has so far been allocated to 11 States/UTs viz., Haryana, Rajasthan, Delhi, Himachal Pradesh, Punjab, Karnataka, Chhattisgarh, Maharashtra, Chandigarh, Madhya Pradesh and Bihar, as per the identification of beneficiaries reported by them.

- The Department organized a Conference of State Ministers for Food & Civil Supplies on 4th July, 2014 at Vigyan Bhawan, New Delhi, under the chairmanship of Hon'ble Finance Minister to discuss the measures to tackle food inflation and progress & issues in implementation of NFSA. As implementation of the Act was yet to start in several States/UTs, the time period for identification of beneficiaries was first extended by three months and again by further six months i.e. upto 04.04.2015.
- In a conference with Food Secretaries of States/UTs, where NFSA is being implemented, held on 03.12.2014 under the chairmanship of Hon'ble Minister of State for Consumer Affairs, Food and Public Distribution, status of implementation of NFSA was reviewed. Status of preparedness to implement the Act in remaining States/UTs, where NFSA is yet to be implemented, was reviewed separately in a conference with their Food Secretaries, held on 10.12.2014 under the chairmanship of Hon'ble Minister for Consumer Affairs, Food and Public Distribution.
- Department is required to frame set of rules in consultation with States/UTs as per the provisions of the Act. Two of these rules namely, "Provisioning of Funds to State Governments for Short Supply of Food grains Rules, 2014" and "Food Security Allowance Rules, 2015" have been notified in the Gazette of India.

OPEN MARKET SALE OF FOODGRAIN

- During 2014-15, the Government has approved sale of 100 Lakh MT of wheat 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 for retail sale has been dispensed with. FCI has also been allowed to sell wheat on the dedicated movement basis also from Punjab, Haryana & Madhya Pradesh from the very beginning.

- In 2014-15, the Government has, for the first time, adopted a different reserve price for the fresh stocks of wheat and old stock under OMSS (D). The reserve price for stock of RMS 2014-15 has been fixed at Rs.1570 per quintal for the above said 3 States and for other States by adding into it the freight/ road transportation charges ex-Ludhiana to the concerned depot of sale. For the older stock of wheat the reserve price has been fixed at Rs. 1500 per quintal.

MOVEMENT OF FOODGRAIN

- FCI has undertaken a pilot project of multi-model transportation of rice involving coastal shipping and road movement from designated depots of Andhra Pradesh to designated depots in Kerala. The operations were started in March, 2014 and so far approximately 98,000 MT of food grains have been transported by FCI. The covered depots in Kerala are FSD Cochin, FSD Arakulam, FSD Alappuzha and FSD Mavelikkara.
- The multi-modal transportation of 10,000 MT of food grains from Andhra Pradesh to Tripura via Ashuganj Port of Bangladesh has been carried out by FCI in two tranches and completed in November 2014. Bangladesh Government has now allowed a further movement of 35000 MT of food grains on this route. Tenders are now being finalized for further movement of 10000 MT of food grains from Kolkata to Tripura via Ashuganj and it is expected to commence soon.
- For conversion of Lumding-Badarpur metre gauge line into broad gauge, Indian Railways have closed the services on this route w.e.f. 01.10.2014, which has been catering to the supply of foodgrains to Manipur, Mizoram, Tripura and South Assam. The required quantity of about 80,000 MT of foodgrains to maintain monthly supply in these areas is now being moved through roads. For this with the support of the Cabinet Secretariat and by active persuasion with the State Chief Secretaries, FCI has successfully put in place necessary arrangements with due advance

planning and action.

COMPUTERIZATION OF TPDS OPERATIONS

- Scheme on 'End-to-end Computerization of the TPDS Operations' is being implemented, which comprises activities, namely, digitization of ration cards/beneficiary and other data, computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanism.
- Guidelines for implementing the next phase of the scheme i.e. Fair Price Shop (FPS) Automation have been sent on 11.11.2014 to all States/UTs.
- Financial assistance of ` 256.26 crore has been released to 24 States/UTs, NIC etc., under the scheme during 2012-13, 2013-14 and 2014-15 (upto 31.12.2014).
- Digitization of beneficiary data has been completed in 20 States and is in progress in remaining States/UTs. Transparency Portals and toll-free numbers have been set up in 28 States/UTs. Other activities like online allocation, supply-chain automation, etc. are also under implementation.

EXPORT OF FOODGRAINS AND INTERNATIONAL CO-OPERATION

- In view of comfortable stock position of food grains (wheat and rice) in Central Pool, the Government approved export of 20 Lakh MT wheat from the surplus Central Pool Stocks of FCI through the CPSUs during 2013-14 which were to be completed by June, 2014. A quantity of 12.30 Lakh MT of wheat was exported by March, 2014 at a weighted average FOB Price of US\$ 282.70 per MT and a quantity 3.27 lakh MT was exported from April to June, 2014 at a weighted average FOB rate of US\$ 281.22.
- India participated in the 41st Session of the Committee on World Food Security (CFS) held during 13th -18th October, 2014 at FAO Headquarters in Rome, Italy. The Indian delegation was led by Shri Deepak Kumar,

Joint Secretary in this Department accompanied by Shri Nilambuj Sharan, Director. India was asked to present a case study on NFSA for the benefit of the member countries. India made a presentation on National Food Security Act 2013 in the session on Coordination & linkages with CFS: National Case Studies and Lessons Learned: Right to Food. Deliberation on the following issues were also made during the Round Table Session of CFS meeting:-

- (i) Food losses and waste in the context of sustainable food systems ;
 - (ii) The role of sustainable fisheries and aquaculture for food security and nutrition.
- India hosted the 7th SAARC Food Bank Board Meeting on 10-11, November, 2014 in New Delhi. All SAARC Member States except Afghanistan attended the meeting. Besides, officers from SAARC Secretariat, Kathmandu and SAARC Agriculture Centre, Dhaka also attended the meeting. The Chairmanship from representative of Bhutan in SAARC Food Bank Board was handed over to Member from India to the SAARC Food Bank Board, Shri Ajai Saxena, Joint Secretary, Department of Food & P.D. On 11th November, 2014 a field visit to Indian Grain Storage Management and Research Institute (IGMRI), Hapur and Food Corporation of India (FCI)'s Godowns was organized for Board Members & SAARC officials to see the training facilities as well as storage systems of food grains in India.
 - The first training programme on “ Food Grain Testing, Quality Control and Scientific Storage” for the officers of SAARC Member Countries with participants from Bangladesh, Bhutan, Nepal, Maldives, Sri Lanka and India was organized at IGMRI Hapur with the faculty support of S&R Division, from 17th to 25th Nov., 2014.

QUALITY CONTROL OF FOODGRAINS

- Owing to various quality control measures,

there has been sharp decrease in quantity of damaged /non-issuable food grains in the FCI. The quantity of damaged /non-issuable food grain in FCI has come down from 1.35 Lakh MT in the year 2002-03 to 0.115 Lakh MT in the year 2014-15 (as on 31.10.2014). In the percentage term, damaged/non-issuable stocks in FCI has come down from 0.10% in the year 2007-08 to 0.04% in the year 2014-15 (as on 31.10.2014).

- With a view to enthuse professional attitude/management in training activities and to develop IGMRI, Hapur a Center of Excellence for training in the field of Post Harvest Management of Foodgrains, an MOU has been signed between CWC and the department. All the training programmes during 2014-15 at IGMRI, Hapur are being organized by CWC with faculty support of S&R Division.
- Storage & Research (S&R) division has organized 12 Long Term Training Courses / Short Term Training Courses (LTTC/STTC) on scientific storage and inspection of foodgrains for officials of FCI, CWC, SWCs, State agencies and Pest Control Operators through Indian Grain Storage Management and Research Institute (IGMRI), Hapur and its field stations at Ludhiana and Hyderabad. IGMRI also conducted 5 Training courses under WDRA during 2014-15 (upto 31st December, 2014).
- In view of the shortage of technically qualified staff with the State Government and their agencies engaged in procurement, storage and distribution of foodgrains and States also being encouraged for decentralized procurement, the training for skill development of the staff of the State Governments and their agencies is need of the hour. Quality Control Cells, impart short term trainings to the State Government officers / officials on scientific storage, inspection and quality control of foodgrains. QCCs have conducted 24 training programmes for 35 trainees in each training during 2014-15 (upto

December, 2014).

- To strengthen the quality control mechanism and monitoring of quality of foodgrains at the time of procurement, storage and distribution so as to avoid damages/losses during storage, a new plan component “Strengthening of Quality Control Mechanism” during the 12th Five Year Plan has been included with two ongoing plan schemes (Strengthening of PDS & Capacity Building and Quality Control, Consultancies & Research) which have been merged. An amount of ₹ 23.30 crore has been approved for the new plan component for 12th Five Year Plan. An amount of ₹ 3.50 crore is allocated in RE for 2014-15 to the Plan Scheme for upgrading physico-chemical laboratory, training infrastructure facilities, procurement of equipment at IGMRI Hapur and conducting training programmes by QCC offices. A consultancy has been given to National Institute of Plant Health Management (NIPHM), Hyderabad, under ICAR to set up a Mycotoxin and Pesticide Testing laboratory facility.

SUGAR

- The country could achieve sugar production of 245.54 Lakh MT during sugar season 2013-14 as against the estimated consumption of 243 Lakh MT. The sugar prices remained stable in the domestic market throughout the year. The sugar production during the current sugar season 2014-15, is likely to be about 265 Lakh MT.
- As per information submitted by States, as on 15.01.2015, out of total cane price dues of ₹ 22836.80 crores, an amount of ₹ 11503.61 crores was paid, leaving a balance of about ₹ 11333.19 crores.
- The 'Fair and Remunerative Price' (FRP) of sugarcane payable by sugar mills for 2014-15 sugar seasons has been determined at ₹ 220/- per quintal linked to a basic recovery rate of 9.5% subject to a premium of ₹ 2.32 per quintal for every 0.1 percentage point increase above that level. The FRP for 2015-16 sugar season

has also been fixed well in time before the cane showing season at ₹ 230 per quintal linked to a basic recovery of 9.5% subject to a premium of ₹ 2.42 per quintal for every 0.1 percentage point increase above that level.

- During 2014-15, Sugar Development Fund (SDF) Section disbursed soft loans to the tune of ₹ 251 crore to sugar factories at an interest rate of 2% below the bank rate to meet the shortfall in promoters' contribution for their modernization, co-generation, ethanol and cane development projects upto 31.12.2014. Rate of interest has been revised to 6.75% with effect from 16.01.2015.
- From 2003 to 31.12.2014, an amount of ₹ 589.84 crores for ethanol projects and ₹ 2399.69 crores for bagasse based co-generation projects has been disbursed to sugar factories. It is estimated that it has helped create over 3345 KLPD capacity for ethanol production and over 3943 MW of co-generation capacity in the sugar factories.
- As per request of the States/UTs participating in new system of supply of sugar under PDS, the Government reviewed the existing system and it has been decided that the current level of subsidy at ₹ 18.50 per kg being given by Central Government will be continued for the existing level of allocations. Further, State Governments /UT Administrations may either absorb the additional cost on account of handling, transportation and dealer's commission or pass it on to the consumers by adding it to RIP under PDS in their respective territories. It is also decided that State Governments / UT Administrations, implementing NFSA, may continue with the existing coverage or extend it to the beneficiaries under NFSA, within the existing allocation of sugar.
- Keeping in view of the subdued sugar price due to domestic as well as global surplus production of sugar, the Government notified a scheme allowing incentives for marketing and promotion services of raw sugar production

targeted for export market. The scheme has helped to evacuate excess sugar stocks and the incentive available under the scheme is utilized by the sugar mills for making payment to the farmers.

- Under current Exim policy, the export of sugar is free, subject to prior registration of quantity with Directorate General of Foreign Trade (DGFT) and import of sugar is permitted at an import duty of 25%.
- In view of inadequate supply of ethanol by the sugar mills/distilleries for blending in alcohol, the Government has revised the process for purchase of ethanol as well as its price. Ex-depot ethanol price has been fixed in the range of ₹ 48.50 to ₹ 49.50 per litre, depending on the distance of the depot from the sugar mill. In place of Oil Marketing Companies (OMCs) calling for tenders, now, the OMCs have called Expression of Interest for supply of ethanol at these prices. The OMCs have been successful in finalizing supply of 30.26 crore litres and 6.32 crore litres of ethanol respectively in two phases of the EOI opened in January, 2015. Taking into account the finalized quantity of 35.52 crore litres against the tender floated in July, 2014, the total quantity finalised for the current season is 72.10 crore litres against 5% blending target of 115 crore litres.

WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY

- The Warehousing Development and Regulatory Authority (WDRA) has registered 551 warehouses till 08-01-2015. Out of these, 176 warehouses belong to Central Warehousing Corporation, 125 to State Warehousing Corporation, 77 warehouses to the Private Sector and 170 warehouses to the Primary Cooperative Societies.
- The quantity of the underlying commodities against Negotiable Warehouse Receipts (NWRs) during the year 2014-15 was 1.52 Lakh MT and valued at ₹ 328.01 crore (as on 08.01.2015). The quantity and value of the underlying commodities against NWRs during 2013-14 was 2.57 Lakh MT and ₹ 583.02 crore respectively.
- The WDRA has taken initiative to integrate the Primary Agriculture Cooperative Societies (PACSS) warehouses under the negotiable warehouse receipt system so that the small and marginal farmers can get benefited from this scheme. 170 warehouses of PACS have been registered in Tamil Nadu and Andhra Pradesh.
- The WDRA, in consultation with the Department of Economic Affairs, Department of Food and Public Distribution, and the National Institute of Public Finance and Policy (NIPFP), has prepared a concept paper on the Transformational Plan of the WDRA. The budget 2014-15 speech of the Finance Minister contains a para on the WDRA which mentions that the WDRA has begun a transformation plan to invigorate the warehousing sector and significantly improve the post-harvest lending to farmers against Negotiable Warehouse Receipts.

GOOD GOVERNANCE AND SWACHH BHARAT

- Bio-metric attendance system, e-office, e-file system, file management system, e-tendering, etc. have been taken up during the year. A web based platform to facilitate the sugar mills for submission of inputs is also started. State Governments can also obtain online data regarding production, cane price arrears of sugar mills, etc. from the portal. “My Gov” platform is used by FCI in getting views of the stakeholders for its proposed restructuring.
- The Department was awarded 1st prize under Indira Gandhi Rajbhasha Puraskar Yojana by the Department of Official Language for doing excellent work in the field of implementation of Official Language Policy of the Government of India for the year 2013-14. Shri Sudhir Kumar, Secretary (F&PD) received the prize from Hon'ble President of India Sh. Pranab Mukherjee on 15.10.2014 in a function held at Vigyan Bhawan, New Delhi.

- “Swachhta Shapath” was administered to the employees of the Department on 2nd October, 2014. Cleanliness drive was carried out and old records were weeded out. Department has also chalked out a plan to continue the

Swachhta Mission. CPSEs of the Department are also contributing in the Mission by way of adopting backward villages, constructing/renovating toilets in schools, adopting water conservation measures etc.





CHAPTER - III

FOOD MANAGEMENT

Chapter-III

FOOD MANAGEMENT

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

FOODGRAINS PRODUCTION PROSPECTS DURING 2014-15

- 3.2 As per Second Advance Estimates for 2014-15, total production of rice in the country is estimated at 103.04 million MT. The current year's production of rice is lower by 3.61 million MT than the last year's record production of 106.65 million MT. Production of wheat estimated at 95.76 million MT is marginally lower than the record production of 95.85 million MT achieved during 2013-14. Production of rice as well as wheat is considerably higher than their average production levels. The production of Coarse Cereals estimated at 39.83 million MT is also lower by 3.46 million MT than the last year's production and 0.63 million MT than the average production of last five years.
- 3.3 Total food grains production estimated at 257.07 million MT is lower by 8.50 million MT than the last year's record production of 265.57 million MT and an increase of 8.15 million MT over the average production of food grains during the last five years.

PROCUREMENT OF FOODGRAINS

- 3.4 Procurement operations are seasonal - Kharif Marketing Season (KMS) starts from 1st October and lasts upto next 30th September. Paddy/ Rice and Coarse grains like jowar, bajra, ragi & maize are procured during the KMS. The Rabi Marketing Season (RMS) starts from 1st April and lasts upto next 31st March. Mostly, wheat and sometimes barley is procured during RMS. Before the start of

every marketing season, DFPD 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 FCI/State Agencies, 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

- 3.5 Foodgrains are procured at the Minimum Support Price (MSP) fixed by the Government. For KMS 2014-15, the MSP for Common and Grade 'A' paddy was fixed at `1360/- and `1400/- per quintal respectively. The MSP of wheat was fixed at `1400/- per quintal for the RMS 2014-15, and for RMS 2015-16, it has been fixed at `1450/- per quintal. The comparative MSP of wheat and paddy as announced by the Ministry of Agriculture for crop year 2010-11 to 2014-15 is given below:-

(` per quintal)

Commodity	2010-11	2011-12	2012-13	2013-14	2014-15
Paddy-Common	1000	1080	1250	1310	1360
Paddy-Grade 'A'	1030	1110	1280	1345	1400
Jowar-Hybrid	880	980	1500	1500	1530
Jowar-Maldandi	900	1000	1520	NA	1550
Bajra	880	980	1175	1310	1250
Maize	880	980	1175	1310	1310
Ragi	965	1050	1500	1500	1550
Wheat	1120 [^]	1285	1350	1400	1450
Barley	780	980	980	1100	1150

[^] Includes an incentive bonus of `50 per quintal.
NA – Not announced.



Mandi operation – Procurement of food grains

PROCUREMENT PLAN FOR KMS 2014-15

3.6 For the Kharif crop of KMS 2014-15, an estimated target of 300.50 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 04.08.2014. 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 has been allowed for completion of milling and handing over of Custom Milled Rice (CMR) to State Agencies/ FCI. The target of 50 Lakh MT has been fixed for procurement of paddy for the winter crop or summer crop in KMS 2014-15, for which a separate meeting of State Food Secretaries has been held on 16th February, 2015.

3.7 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 and no CMR is accepted by FCI from them after 30th September or 31st December of the concerned year, as the case may be. This policy is bringing 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 also prevent deterioration in quality of grains.

SUPPLY OF JUTE BAGS/ PACKAGING MATERIAL FOR KMS 2014-15 & RMS 2015-16

3.8 Food Corporation of India (FCI) and State Government agencies procuring food grains for Central Pool have the option of purchasing jute bags through DGS&D or through open tender system, provided the purchase price through such tenders does not exceed the price fixed by the Jute Commissioner on the basis of Tariff Commission's formula. Presently, these agencies are procuring jute bags through DGS&D. Based on the indents of the State Governments; the DGS&D conveys the requirement of the States to the Jute Commissioner who issues the Production Control Orders (PCO) to the active jute mills. The Quality Assurance Wing of the DGS&D inspects the gunnies as per BIS specification before they are dispatched. In order to ensure that State Governments get timely supply of jute bags, regular review meetings are held under the aegis of an Inter-Ministerial Committee (IMC)

constituted by this Department, in which State Governments, jute bags manufactures, manufactures of plastic bags 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.

- 3.9 For KMS 2014-15 the total requirement of packaging material has been assessed to be 16.15 lakh bales of jute bags and a month-wise plan has been drawn accordingly by this Department. The Plan is reviewed from time to time based on the pace of procurement and by the end of December, 2014, 10.71 lakh bales of gunny bags have been supplied by DGS&D to various States, major one being 4.16 lakh bales to Punjab and 3.40 lakh bales to Chhattisgarh. For RMS 2015-16, the net requirement of jute bags has been assessed to be 9.34 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.

SCHEME OF DECENTRALISED PROCUREMENT OF FOODGRAINS

- 3.10 The scheme of Decentralized Procurement 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 decentralized procurement scheme, the producing State Government itself undertakes direct purchase of paddy and/or 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 other welfare schemes. In the event of the total quantity of wheat and rice thus procured falling short of the total

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

- 3.11 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 in 6 Districts), Bihar (paddy/ rice and wheat), Rajasthan (wheat in Alwar District only), Punjab (wheat for NFSA obligations only) and Telangana (paddy/ rice in 9 Districts).
- 3.12 The total procurement of rice in the States which have adopted decentralized procurement was 199.11 Lakh MT during KMS 2011-12, 188.46 Lakh MT during KMS 2012-13, 200.28 Lakh MT during KMS 2013-14 and 45.54 Lakh MT during KMS 2014-15 (as on 01.01.2015). In respect of wheat, for states which have adopted decentralized procurement system, the procurement of wheat was 92.54 Lakh MT in RMS 2014-15.

STATUS OF PROCUREMENT OF FOODGRAINS

- 3.13 The status of procurement of foodgrains in 2014-15 is given below:-
- (i) In RMS 2014-15 (April 2014 to March 2015), 280.23 Lakh MT of wheat has been procured for the Central Pool,

which is more than the total quantity of 250.92 Lakh MT procured during the previous season i.e. RMS 2013-14.

- (ii) For the KMS 2014-15 (October, 2014- September 2015), procurement of rice started in October, 2014 and by 01.01.2015, 149.18 Lakh MT of paddy in terms of rice has been procured in various States against the target of 300.50 Lakh MT for Kharif crop of paddy. The total procurement of paddy in terms of rice in KMS 2013-14, which has ended on 30th September, 2014 has been 318.40 Lakh MT as reported on 01.01.2015 against the overall estimated quantity of 364.19 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 Targeted Public Distribution System (TPDS) have also been providing bonus over and above MSP during past few years, which has been distorting the market and driving away private buyers from the market of such States, leaving entire responsibility of purchase on the Government only. This has resulted in over procurement in these States. To curb this anomaly, Central Government has taken a decision 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

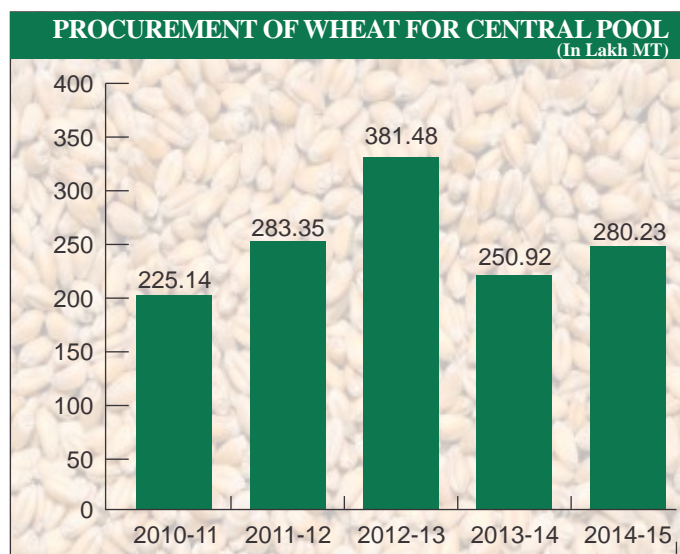
in the State over and above this quantity and bear the financial burden in that regard. For non-DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and 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 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 in KMS 2014-15. The experience of KMS 2014-15 has so far 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 market.

PROCUREMENT OF WHEAT IN RMS 2014-15

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

(In Lakh MT)

State	2010-11	2011-12	2012-13	2013-14	2014-15
Haryana	63.48	68.91	86.65	58.00	64.95
M.P.	35.39	49.65	84.93	63.55	70.94
Punjab	102.09	109.58	128.34	108.97	116.41
Rajasthan	4.76	13.03	19.64	12.68	21.59
U.P.	16.46	34.61	50.63	6.83	6.28
Others	2.96	7.55	11.29	0.16	0.06
All India	225.14	283.35	381.48	250.92	280.23



3.16 The breakup of procurement of wheat by FCI and State Agencies in RMS 2014-15 is given below:-

(In Lakh MT)

State	Quantity Procured		
	FCI	State Agencies	Total
Haryana	7.99	56.95	64.95
Madhya Pradesh	0.00	70.94	70.94
Punjab	18.38	98.03	116.41
Rajasthan	8.40	13.19	21.59
Uttar Pradesh	0.51	5.77	6.28
Others	0.06	0.01	0.06
Grand Total	35.34	244.89	280.23

PROCUREMENT OF RICE IN KMS 2014-15

3.17 The break-up of procurement of paddy in terms of rice by FCI and State Agencies in last 5 years in the country is given below:-

(In Lakh MT)

KMS	Procurement		
	FCI	State Agencies	Total
2010-11	119.70	222.09	341.98
2011-12	91.10	259.31	350.41
2012-13	70.33	270.11	340.28
2013-14	60.62	257.77	318.45
2014-15	3.31	145.87	149.18*

*As on 01.01.2015 (procurement is still going on)

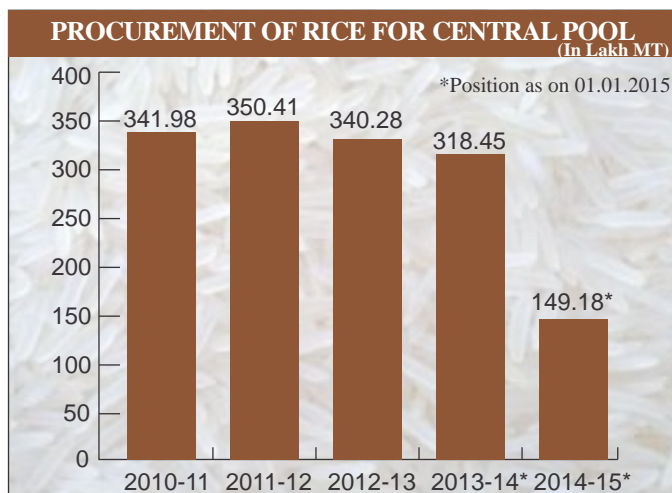
3.18 The State-wise procurement of rice during the

last 5 years is given below:-

(In Lakh MT)

States/UTs	2010-11	2011-12	2012-13	2013-14*	2014-15*
A. P.	96.09	75.42	64.71	37.37	4.15
Telangana	0.00	0.00	0.00	43.53	12.07
Assam	0.16	0.23	0.20	0.00	0.00
Bihar	8.83	15.34	13.03	9.42	0.04
Chandigarh	0.10	0.13	0.12	0.11	0.10
Chhatisgarh	37.46	41.15	48.04	42.90	15.67
Haryana	16.87	20.07	26.09	24.05	19.95
J & K	0.11	0.09	0.02	0.00	0.00
Jharkhand	0.00	2.75	2.15	0.00	0.00
Karnataka	1.80	3.56	0.59	0.00	0.00
Kerala	2.63	3.76	2.40	3.59	0.95
M. P.	5.16	6.34	8.98	10.39	4.85
Maharashtra	3.08	1.78	1.92	1.60	0.60
Odisha	24.65	28.66	36.15	28.00	3.07
Puducherry	0.40	0.05	0.00	0.00	0.00
Punjab	86.34	77.31	85.58	81.06	77.81
Tamil Nadu	15.43	15.96	4.81	6.84	0.04
U. P.	25.54	33.57	22.86	11.27	5.16
Uttarakhand	4.22	3.78	4.97	4.63	1.51
West Bengal	13.10	20.41	17.66	13.69	3.19
Others	0.01	0.05	0.00	0.00	0.02
Total	341.98	350.41	340.28	318.45	149.18

*As on 01.01.2015



PROCUREMENT OF RICE UNDER LEVY SYSTEM

3.19 Rice is 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 farmers through 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 has decided to limit the procurement of levy to the maximum extent of 25% only w.e.f. 1st October, 2014 i.e. in KMS 2014-15. The comparative account of procurement through levy in KMS 2012-13 and KMS 2013-14 is given below:-

(In Lakh MT)

Sl. No.	States/UT's	Percentage of levy during KMS 2013-14*	Quantum of levy rice procured	
			KMS 2013-14*	KMS 2012-13
1.	Andhra Pradesh	25%	36.90	55.27
2.	Telangana	25%	27.09	0.00
3.	Assam	25%	0.00	0.01
4.	Chandigarh	25%	0.00	0.01
5.	Chhatisgarh	25%	0.05	0.23
6.	Haryana	25%	0.02	0.27
7.	H.P.	25%	0.00	0.01
8.	Karnataka	25%	0.00	0.59
9.	Odisha	25%	0.03	0.30
10.	Uttar Pradesh	25%	5.19	10.93
11.	Uttarakhand	25%	4.31	4.76
12.	West Bengal	25%	6.48	8.06
	Total		80.07	80.44

*As on 01.01.2015

BUFFER STOCKING POLICY OF FOODGRAINS

3.20 The main objectives of the Buffer Stocking Policy are:-

- To meet the prescribed Minimum Buffer Stock norms for food security,
- For monthly release of food grains for

supply through the TPDS/Other Welfare Schemes,

- To meet emergency situations arising out of unexpected crop failure, natural disasters etc., and
- For market intervention to augment supply so as to help in moderating the open market prices.

MINIMUM BUFFER NORMS

3.21 The minimum buffer norms w.e.f. 22nd January, 2015 for stocking of food grains in the Central Pool are as follows:-

(Fig. in lakh MT)

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

The above norms include strategic reserve of 30 lakh MT of wheat 20 lakh MT of rice.

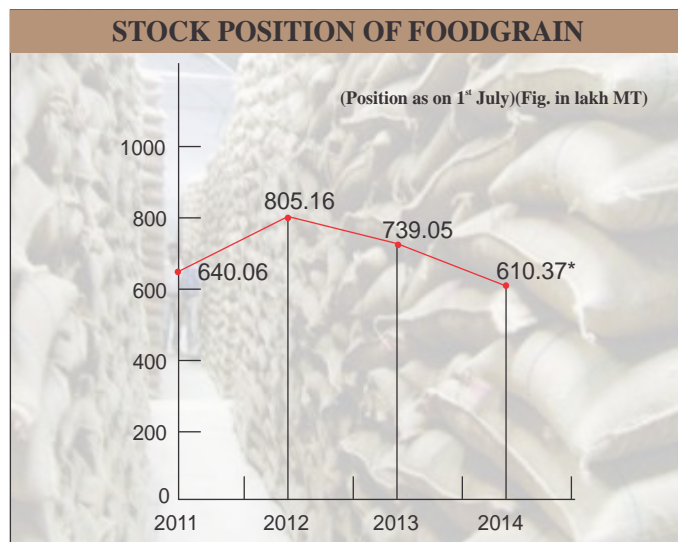
STOCK POSITION IN CENTRAL POOL

3.22 The stock of food grains in the Central Pool as on 01.01.2015 was 371.11 lakh MT, which comprised of 251.13 lakh MT of wheat and 117.43 lakh MT of rice (excluding 113.87 lakh MT of rice due to be received from the un-milled paddy lying with the state agencies) and 2.55 lakh MT of coarse grains. The total stock of food grains in the Central Pool as on 1st July during the last three years and current year was as follows:-

(In lakh MT)

Year	Stock
1 st July, 2011	640.06
1 st July, 2012	805.16
1 st July, 2013	739.05
1 st July, 2014	610.37*

*excluding 64.24 lakh MT of rice yet to be derived from the un-milled paddy.



*excluding 64.24 lakh MT of rice yet to be derived from the un-milled paddy.

3.23 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 01.01.2015 is given at **Annex-VI**.

OPEN MARKET SALE SCHEME (DOMESTIC)

3.24 In addition to maintaining buffer stocks and making a provision for meeting the requirement of the TPDS and Other Welfare Schemes, the FCI from time to time, on the instruction from the Government, sells wheat at pre-determined prices in the open market to enhance the supply of wheat especially during the lean season. This thereby moderates the open market prices especially in the deficit regions. During 2014-15, the Government has approved sale of 100 lakh MT of wheat under OMSS (D) to bulk traders/consumers/ State Governments, while separate allocation for small traders as well as to the State Governments/ National Cooperative Institutions for retail sale has been dispensed with. FCI has also been allowed to sell wheat on the dedicated movement basis also from Punjab, Haryana and 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



Food grains stacked in Godown

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.

3.25 In 2014-15, the Government has, for the first time, adopted a different reserve price for the fresh stocks of wheat and old stock under OMSS (D). The reserve price for stock of RMS 2014-15 has been fixed at Rs.1570 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. For the older stock of wheat the reserve price has been fixed at Rs. 1500 per quintal.

3.26 An Inter-Ministerial Group (IMG) of officials was also constituted to monitor the sale of wheat under the scheme. IMG has been holding regular meetings to monitor the progress of sale. A quantity of 29.42 Lakh MT of wheat has been sold during the current year upto 19.01.2015 including 6.94 Lakh MT under the dedicated movement component of scheme. In order to further improve the management and liquidation of surplus stocks in Central Pool, the Government has set up a Committee of

Secretaries on 22nd January, 2015 to take decisions regarding the quantities and reserve price of wheat and rice to be liquidated in domestic or export market.

- 3.27 The quantities of wheat sold under the OMSS (D) during the last 4 years and current year are as under:-

(In Lakh MT)

Year	Qty.
2010-11	11.55
2011-12	11.84
2012-13	68.67
2013-14	61.16
2014-15	29.42*

* Till 3rd weekly tender of January, 2015

ALLOCATION OF FOODGRAINS UNDER TPDS AND OTHER WELFARE SCHEMES

- 3.28 Government has been making allocation of food grains under TPDS @ 35 kg per family per month for AAY and BPL families and @ 15-35 kg per family per month for APL families as per the March 2000 population estimates of RGI and 1993-94 poverty estimates of Planning Commission. However, with the objective to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity, Government has enacted the National Food Security Act, 2013 which provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized food grains under Targeted Public Distribution System (TPDS), thus covering about two-third of the population. The eligible persons identified by the States/UTs will be entitled to receive 5 kg of food grains per person per month at subsidized prices of ₹ 3/2/1 per kg for rice/wheat/coarse grains. The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 kg of food grains per household per month.
- 3.29 The Act also has a special focus on the nutritional support to women and children. Besides meal to pregnant women and lactating mothers during pregnancy and six months after the child birth, such women will also be entitled to receive maternity benefit of not less than ₹ 6000. Children upto 14 years of age will be entitled to nutritious meals or take home rations as per the prescribed nutritional standards. The States/ UTs were required to implement the Act upto 04.07.2014, which has now been extended upto 04.04.2015.
- 3.30 So far, only 11 State / UT Governments viz. Rajasthan, Haryana, Himachal Pradesh, Bihar, Chhattisgarh, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Chandigarh and NCT of Delhi have implemented NFSA and revised monthly allocation of food grains under NFSA has been made to these States/UTs. Rest of the 25 States/UTs continue to get food grains under TPDS for AAY, BPL and APL families on the basis 1993-94 poverty estimates of Planning Commission and March, 2000 population estimates of RGI.
- 3.31 Under TPDS, the Government has so far made a provisional allocation of 218.66 Lakh MT to 11 States/UTs which have implemented NFSA and 264.85 Lakh MT of food grains to the remaining States/UTs during the current year. Further, an additional quantity of 66.45 Lakh MT of food grains have also been allocated (including 50 Lakh MT of rice allocated on 07.07.2014) 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 12.85 Lakh MT of food grains have been allocated to the States for festival, calamities and additional TPDS requirement etc, and 50 Lakh MT have been allocated under Other Welfare Schemes (OWS) for 2014-15 so far.
- 3.32 Thus, during the current year, Government has so far made a provisional allocation of 612.80 Lakh MT for TPDS, OWS, festivals

relief etc, which is higher than the allocation of 566 Lakh MT released during 2013-14 for the same purpose.

OFF-TAKE OF FOODGRAINS

3.33 During the Financial Year 2014-15, the offtake of food grains upto December, 2014 under Targeted Public Distribution System (TPDS) (offtake is against the allocation upto January, 2015) and various other schemes including OWS, OMSS/Export etc., is as under:-

- (i) The offtake of food grains (wheat and rice) against the allocation upto January, 2015, from the Central Pool under normal TPDS during the period has been 365.010 Lakh MT. This comprises 78.187 Lakh MT under Below Poverty Line (BPL), 46.831 Lakh MT under Antyodaya Anna Yojana (AAY), 86.708 Lakh MT under Above Poverty Line (APL), 149.237 Lakh MT under National Food Security Act (NFSA) normal and 4.048 Lakh MT under NFSA (Tide Over). In addition, there has been offtake of 17.281 Lakh MT under special ad-hoc allocation, 6.306 Lakh MT under allocation made to States/UTs at economic cost/MSP rate.
- (ii) The offtake under various Welfare Schemes has been 29.889 Lakh MT. In addition, there has been offtake of 18 Lakh MT under other schemes including Open/Tender



Sale/Relief/WFP/Defence etc.

3.34 During the financial year 2014-15 (upto December, 2014), the total offtake of food grains from the Central Pool is as under:-

(In lakh MT)

Scheme	Rice	Wheat	Total
(A) TPDS*			
AAY	37.274	9.557	46.831
BPL	59.625	18.561	78.187
APL	44.937	41.771	86.708
NFSA (Normal)	64.327	84.910	149.237
NFSA (Tide Over)	1.117	2.931	4.048
Total	207.281	157.730	365.010
Special Adhoc	15.559	1.721	17.281
Offtake against allocation made at economic cost/MSP	2.446	3.860	6.306
Sub-Total (A)	225.286	163.311	388.597
(B) Welfare Schemes			
MDM	14.809	2.752	17.561
WBNP	3.392	5.992	9.384
EFP	0	0	0
Hostels/Welfare Institutions	1.310	0.446	1.756
ANNAPURNA	0.043	0.008	0.051
RGSEAG-SABLA	0.244	0.894	1.138
VGB	0	0	0
Sub-Total (B)	19.797	10.092	29.889
(C) Other Schemes			
WFP, RELIEF, DEFENCE etc.	1.104	0.065	1.169
Open Sale/Tender Sale/Export	0.005	16.826	16.831
Sub Total (C)	1.109	16.891	18.000
Total (A+B+C)	246.193	190.293	436.486

* Note: Offtake under TPDS is against the allocation made upto January, 2015.

As reported by FCI

OTHER WELFARE SCHEMES (OWS)

Mid-Day Meal Scheme

3.35 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 of the country. By the year 1997-98, the scheme was introduced in all the blocks of the country. The Scheme presently covers students of Class I-VIII of Government and Government aided schools, Education Guarantee Scheme/Alternative and Innovative Education Centres (EGS/AIE).

3.36 The Department of Food & Public Distribution makes allocation of annual requirement of food grains under the Scheme to Department of School Education & Literacy (D/o SE&L), Ministry of Human Resource Development. Further allocation of food grains to States/UTs is made by D/o SE&L. Food Corporation of India (FCI) releases food grains to States/UTs at BPL rates as per allocation made by D/o SE&L.

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

(Figures in Lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2011-12	22.29	4.84	27.13	19.17	4.49	23.66
2012-13	23.83	4.67	28.50	20.74	4.23	24.97
2013-14	22.79	4.67	27.46	19.86	3.91	23.77
2014-15*	23.37	4.09	27.46	14.81	2.75	17.56

*offtake upto Dec., 2014 (Offtake includes backlog quota also.)

Wheat Based Nutrition Programme (WBNP)

3.38 This Scheme is implemented by the Ministry of Women & Child Development. The food grains allotted under this Scheme are utilized by the States/UTs under the Integrated Child



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

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

(Figures in Lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2011-12	5.65	9.52	15.17	2.63	8.79	11.42
2012-13	4.50	9.95	14.45	2.89	8.91	11.80
2013-14	7.15	9.00	16.15	4.49	8.50	12.99
2014-15*	8.03	9.64	17.67	3.39	5.99	9.38

*offtake upto Dec., 2014

(Offtake includes backlog quota also.)

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

3.40 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 other Welfare Schemes, an additional allocation of food grains (rice and wheat) not exceeding 5% of the BPL allocation is made to States/UTs at BPL prices by the department.

3.41 Department has been trying to streamline the allocation under the scheme. To maintain the allocation under the Scheme as per the

defined parameters and in transparent manners so that only genuine institutions/beneficiaries can avail the benefit of the scheme, the States/UTs were requested for clarifications in this regard. In the meantime, a Group of Ministers has been appointed by the Government on 22nd December, 2014 to look into the issue and submit its recommendations/ views.

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

3.42 This scheme was introduced in October, 1994. The residents of the hostels having 2/3rd students belonging to SC/ST/OBC are eligible to get 15 kg food grains per resident per month. Allocations of food grains under the scheme are made by the Department of Food and Public Distribution based on the requests received from the State/UT Governments. During the current year, allocation under the scheme have been made so far to Andhra Pradesh, Chhattisgarh, Dadra & Nagar Haveli, Karnataka, Madhya Pradesh, Nagaland, Telangana & Tripura.

3.43 The allocation/offtake of food grains under the above two schemes (Welfare Institutions and SC/ST/OBC Hostels) during the last three years & current year is as under:-

(Figures in Lakh MT)

Year	Total Allocation			Total Offtake	
	Welfare Inst.	SC/ST/OBC Hostels	Total	Welfare Inst.	SC/ST/OBC Hostels
2011-12	2.09	1.24	3.33	2.20	
2012-13	2.38	0.71	3.09	2.85	
2013-14	2.37	1.66	4.03	3.02	
2014-15*	0.86	2.04	2.90	1.76	

*offtake upto Dec., 2014

Note: Offtake figures are combined as reported by FCI.

Annappurna Scheme

3.44 The Ministry of Rural Development launched the scheme in 2000-01. Department of Food and Public Distribution allocate food grains as per the requirement projected by the

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

3.45 The Ministry of Rural Development was requested to furnish the State-wise projected monthly requirement of food grains for the year 2014-15 to this department. But the same has not been received so far. Therefore, during 2014-15, no allocation has been made so far under the scheme.

3.46 Annual allocation/offtake of food grains under the scheme during the last three years is as under:-

(Fig. in Lakh MT)

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

Emergency Feeding Programme (EFP)

3.47 Emergency Feeding Programme (EFP), a food-based intervention in the Kalahandi, Bolangir, Koraput region (KBK) of State of Odisha targeted 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 and later in eight KBK Districts namely Bolangir, Kalahandi, Koraput, Malkangiri, Nawarangpur, Naupada, Rayagada and Sonepur covering around 2 lakh beneficiaries. Under the scheme, food grains (rice) at BPL rates are allocated to the State Government by the Department of Food & Public Distribution.

3.48 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 food grains under the scheme during the last three years is as under:-

(Fig. 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’

3.49 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 food grains under the scheme for nutrition is @ 100 grams of grains per beneficiary per day for 300 days in a year. Annual allocation and offtake of rice & wheat during the last three years and current year is as under:-

(Fig. in Lakh MT)

Year	Allocation			Offtake		
	Rice	Wheat	Total	Rice	Wheat	Total
2011-12	1.57	1.16	2.73	0.21	0.50	0.71
2012-13	0.81	1.31	2.12	0.26	0.71	0.97
2013-14	0.75	1.00	1.75	0.39	0.73	1.12
2014-15*	0.75	1.00	1.75	0.24	0.89	1.14

*Offtake upto Dec., 2014.

EXPORT OF FOODGRAINS FROM CENTRAL POOL STOCK

3.50 With record production, procurement and availability of surplus stocks of foodgrains (wheat and rice) in the Central Pool stocks of Food Corporation of India, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 08.08.2013 approved export of 20 Lakh MT of wheat from Central Pool stocks of FCI through CPSUs at the cost to be determined by individual tender subject to floor price of US\$ 300 per MT. However, keeping in view the prevailing price situation of wheat in international market and appreciation of U.S dollar against Indian Rupee, the CCEA in its meeting held on 30.10.2013 approved reduction of the base price for the export from US\$ 300 per MT to US\$ 260 per MT. A quantity of 12.30 Lakh MT of wheat was exported by 31.03.2014 at a weighted average FOB price of US\$ 282.70 per MT and a quantity of 3.27 Lakh MT has been exported upto June, 2014 at a weighted average FOB rate of US\$ 281.22.

3.51 Details of port-wise export of wheat through the CPSUs viz. STC, MMTC and PEC during 2013-14 and 2014-15 is as under:-

Export during 2013-14

(In MT)

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

Export during 2014-15

(In MT)

Port	CPSU	Quantity
Kandla	PEC	72,138
Krishnapatnam	PEC	33,000

Kakinada	MMTC	88,000
Pipavav	MMTC	48,552
Mundra	STC	54,500
Vizag	PEC	30,890
Total		3,27,080

Export during 2011-12 to 2014-15

(In Lakh MT)

Year	Export				
	Private Stock		Central Pool		
	Basmati Rice	Non-Basmati Rice	Wheat	Non-Basmati Rice	Wheat
2011-12	31.78	39.98	6.40	NIL	1.00
2012-13	34.60	66.88	35.42	0.024	29.73
2013-14	37.57	70.18	29.13	NIL	26.47
2014-15	16.41*	35.96*	21.53	NIL	3.27

* Figures upto September, 2014. Source: DGCI&S,Kolkata/FCI

Import during 2011-12 to 2014-15

(In Lakh MT)

Year	Import			
	Private Stock		Central Pool	
	Wheat	Rice	Wheat	Rice
2011-12	0.01	0.0002	NIL	NIL
2012-13	0.007	0.029	NIL	NIL
2013-14	0.014	0.112	NIL	NIL
2014-15	0.010	0.057	NIL	NIL

Source: DGCI&S,Kolkata/FCI

POST HARVEST MANAGEMENT OF FOODGRAINS

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

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

3.53 IGMRI, Hapur and its field stations at Ludhiana and Hyderabad are carrying out

applied Research & Development activities on various aspects of Storage Management of food grains. Storage Technology developed elsewhere is also tested in Indian conditions. Besides, the quality of food grain is monitored by analyzing samples of food grains for physical parameters, pesticide residue and mycotoxin contamination.

3.54 IGMRI also conduct Long Term and Short Term Training Courses (LTTC&STTC) on scientific storage and inspection of food grains for the officers of FCI, CWC, SWCs, State agencies and pest control operators.

3.55 IGMRI are also conducting awareness programmes for State Government officers and farmers sponsored by Warehousing Development & Regulatory Authority (WDRA).

3.56 In order to upgrade the analytical facilities at IGMRI Hapur, a project for upgradation of laboratory with ultra modern facilities especially in pesticide residue and mycotoxin contamination analysis under a Plan Scheme in 12th Five Year Plan has been initiated. Under this, existing infrastructure of physico-chemical laboratory has been upgraded at IGMRI Hapur. The process of procurement of equipments has been started through e-tendering. National Institute of Plant Health Management (NIPHM), Hyderabad has been



Training Session at IGMRI, Hapur

engaged as a consultant in October, 2014 for setting up modern facilities for pesticides residue and mycotoxin contamination analysis at IGMRI, Hapur under the plan scheme

3.57 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 has been signed between CWC and the Department of Food & PD on 25.10.2012. All the training programmes at IGMRI Hapur are being conducted by CWC with the faculty support of S&R Division.

3.58 The performance of IGMRI, Hapur and its field stations under various activities during 2014-15 is summarized below:-

S. N.	Item / Activity	Annual Target	Achievement*	Persons Trained*
A. Training				
1.	Long term/Short term Training Courses (LTTC/STTC)	3	3	78
2.	Short Term Training Courses (STTC)			
	a. Two weeks duration	6	5	154
	b. One week duration	6	4	110
3.	Training Courses for farmers under WDRA	10	5	250
B. Testing of Food grains				
	Analysis of foodgrain samples for			
	(i) Physical quality parameters	500	377	
	(ii) Mycotoxin contamination	75	61	
	(iii) Pesticide residue	150	112	

*As on 31.12.2014

3.59 The first training programme on “Foodgrain testing, Quality Control and scientific storage” for the officers of SAARC member countries with participants from Bangladesh, Bhutan, Nepal, Maldives, Sri Lanka & India w.e.f. 17th to 25th Nov. 2014 was organized at IGMRI Hapur.

3.60 The following major applied R&D activities have been undertaken by the IGMRI during 2014-15:-

- i. Testing of insecticide incorporated zerofly bags against stored grain insect pests in actual storage conditions.
- ii. Survey of storage of maize at farm level in Punjab and Himachal Pradesh.

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

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

3.62 The main function of CGAL is to lay down quality standards for procurement of Kharif and Rabi food grains being procured for Central Pool stock keeping in view the interest of producers, consumers and the provisions under the Food Safety and Standards Act. In addition, it also carries out classification of rice/paddy varieties for fixation of procurement and issue prices and assessment of the quality of food grain samples brought by inspecting officers of Quality Control Cell, New Delhi and other senior officers.



Chemical analysis of food grains at CGAL

3.63 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 proposal to designate CGAL for analysis of food grain under SAARC Food Bank for the member countries is under consideration. In all 1166 food grains samples for physical parameter, 240 for protein determination and 660 for hardness index in wheat have been analyzed in CGAL during 2014-15 (upto December, 2014).

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

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

3.65 The main objective of these Cells is to ensure the quality of food grains at the time of storage. Surprise checks are conducted of Food Storage Depots, by the officers of these cells to ensure the quality of food grains. It is also ensured that the guidelines/instructions issued by Government about proper storage and maintenance of food grains are followed by the FCI, CWC, SWCs and State agencies. These Cells attend to various complaints

received from MPs, VIPs, State Governments, media and consumers about the quality of food grains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/ investigations are communicated to the concerned authorities for taking remedial measures including action taken against the delinquents.

3.66 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 decentralized procurement scheme as Capacity Building Programme, QCCs two days training programme for the State Government officers / officials on Quality Control of foodgrains during procurement, storage and distribution at the field level.

3.67 Performance of inspection activities carried out by Quality Control Cells during 2014-15 is as under:-

S. No.	Item/Activity	Annual Target	Progressive total (upto 31.12.14)	Projection (upto 31.03.15)
1.	Inspection of Food Storage	930	710	930
2.	No. of Training Courses	32	24	32
3.	No. of officials trained	1120	840	1120

NEW PLAN SCHEME “STRENGTHENING OF QUALITY CONTROL MECHANISM”

3.68 To strengthen the quality control mechanism and monitoring of quality of food grains at the time of procurement, storage and distribution so as to avoid damages/losses during storage, a new plan component “Strengthening of Quality Control Mechanism” during the 12th Five Year Plan has been included with two ongoing plan schemes (Strengthening of PDS & Capacity Building and Quality Control,

Consultancies & Research) which have been merged on the advice of the Planning Commission. An amount of ` 23.30 crores has been approved for the new plan component for 12th Five Year Plan.

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

a) **Opening up of new Quality Control Cells:** It is proposed under the Plan component to open 7 new Quality Control Cells at Guwahati, Patna, Chandigarh, Jammu, Jaipur, Chennai and Ahmedabad. Process for opening a new Quality Control Cell in Patna (Bihar) has already been initiated and three more QCCs at Ahmedabad, Chennai and Guwahati are to be set up during the current financial year.

b) **Upgradation of Laboratory at IGMRI, Hapur:** To ensure that the Central Pool food grains meet the quality specifications, it is imperative to regularly analyze the Central Pool stocks for prescribed uniform specifications and for the presence of pesticide residues, mycotoxin contamination, uric acid, etc. Existing infrastructure of physico-chemical laboratory has been upgraded at IGMRI Hapur. The process of procurement of equipments has been started through e-tendering. National Institute of Plant Health Management (NIPHM), Hyderabad has been engaged as a consultant in October, 2014 for setting up modern facilities for pesticides residue and mycotoxin contamination analysis at IGMRI, Hapur under the plan scheme

c) **Capacity Building for skill upgradation:** In view of the shortage of

technically qualified staff with the State Government agencies engaged in procurement, storage and distribution of food grains and Government encouraging the decentralized procurement scheme under which State Governments and their agencies procure, store and distribute the food grains directly without involvement of FCI, the training requirements for the staff of the State Governments and their agencies is need of the hour. Training infrastructure of IGMRI Hapur has been upgraded to make it a Centre of Excellence for capacity building in post harvest management of food grains with the help of Central Warehousing Corporation (CWC).

MOVEMENT OF FOODGRAINS

3.70 Coordinating and monitoring the movement of foodgrains from surplus regions to deficit regions, taking into account the storage capacity, procurement, stocks, allocations and offtake of foodgrains, is one of the major functions of the Department. Food Corporation of India undertakes the activities connected with the movement of foodgrains for the Public Distribution System and other welfare schemes. Movement division in the department closely monitors the movement and co-ordinates with FCI and Railways. Optimum evacuation of foodgrains from the procuring regions and induction and stocking of foodgrains in the North Eastern States, Jammu & Kashmir and other deficit areas, identified from time to time is specially monitored.

3.71 To increase the co-ordination between Railways and FCI, a co-ordination committee comprising of representatives of Ministry of Railways, Department of Food and Public Distribution and FCI has been formed. Regular meetings of the committee are held. In addition coordination committees at Zonal and Regional levels have also been formed.



Movement of food grains by rail



Movement of food grains by road

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

- 3.72 FCI has undertaken a pilot project of multi-model transportation involving coastal shipping and road movement of rice from designated depots of Andhara Pradesh to designated depots in Kerala. The operations were started in March, 2014 and so far approximately 98,000 MT of foodgrains have been transported by FCI. The covered depots in Kerala are FSD Cochin, FSD Arakulam, FSD Alappuzha and FSD Mavelikkara. 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.

- 3.73 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 guage line conversion. 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. Bangladesh Government has now allowed a further movement of 35,000 MT of foodgrains on this route. Tenders are now being finalized and necessary permissions are being sought from Ministry of Home Affairs and Ministry of Finance. The movement is expected to commence soon.

3.74 For conversion of Lumding-Badarpur metre gauge line into broad gauge, Indian Railways have closed the services on this route w.e.f. 01.10.2014, which has been catering to the supply of foodgrains to Manipur, Mizoram, Tripura and South Assam. The required quantity of about 80,000 MT of foodgrains to maintain monthly supply in these areas is now being moved through roads and for this with the support of the Cabinet Secretariat, and by active persuasion with the State Chief Secretaries, FCI has put successful arrangements in place with due advance planning and action.

3.75 Details of movement of food grains during 2013-14 and 2014-15 are given at **Annex-VII**.

HILL TRANSPORT SUBSIDY (HTS)

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

3.77 The Scheme is at present applicable to Arunachal Pradesh, Mizoram, Himachal Pradesh, Sikkim, Jammu & Kashmir, Tripura, Manipur, Andaman and Nicobar, Meghalaya, Lakshadweep and Nagaland. During the current year no claims have been

received from these States except from Himachal and Sikkim. A statement showing the details of HTS claims of States/UTs for the last three year and current year upto 31.12.2014 is at **Annex-VIII**.

FOOD SUBSIDY

3.78 Food subsidy is provided in the Budget of the Department of Food and Public Distribution to meet the difference between Economic Cost of foodgrains and their sales realization at Central Issue Price (CIP) fixed for TPDS and other welfare schemes. In addition, the Central Government also procures foodgrains for meeting the requirements of buffer stock. Hence, part of the food subsidy also goes towards meeting the carrying cost of buffer stock.

3.79 Since 2004-05, the Minimum Support Price (MSP) of wheat has increased from ` 630 per quintal to ` 1400 per quintal in RMS 2014-15. Similarly, MSP plus bonus of paddy (Common) has increased from ` 560 per quintal to ` 1360 per quintal in KMS 2014-15. However, the CIP of wheat and rice for AAY, BPL and APL families has not been revised since 2002. As a result, the gap between Economic Cost and CIPs has been increasing and food subsidy incurred by the Government has risen substantially.

3.80 The food subsidy is provided to FCI, which is the main instrument of the Government of India for procurement and distribution of wheat and rice under TPDS and other welfare schemes and for maintaining the buffer stock of foodgrains as a measure of food subsidy. Under the Scheme of Decentralised Procurement, State-specific economic cost is determined by the Government of India and the difference between the economic cost so fixed and the Central Issue Price is passed on to the State Governments concerned as Food Subsidy.

3.81 The year-wise break-up of subsidy released for distribution of subsidized food grains and maintenance of buffer stocks during the last three years and current financial

year to FCI and the States operating the Decentralised Scheme is as under:-

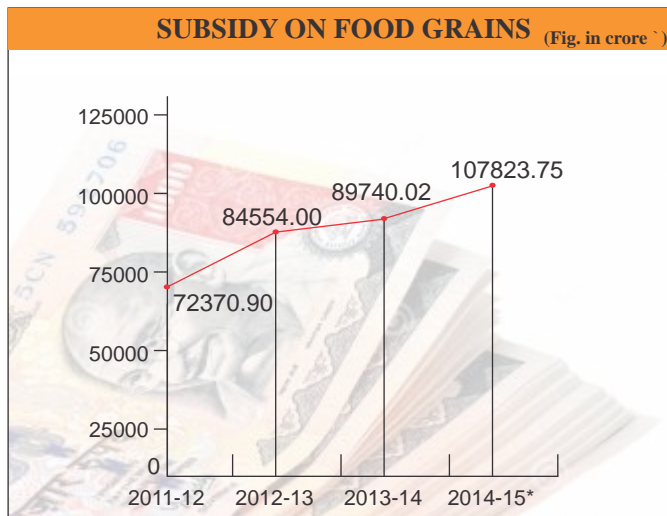
(In crore `)

Year	Subsidy released		
	FCI	States	Total
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	15828.40	107823.75

*As on 14.01.2015

DISASTER MANAGEMENT

3.82 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



*As on 14.01.2015

foodgrains in the various parts of the country, whenever, affected by any natural calamity or disaster.





CHAPTER - IV

PUBLIC DISTRIBUTION SYSTEM

Chapter-IV

PUBLIC DISTRIBUTION SYSTEM

INTRODUCTION

4.1 The Public Distribution System (PDS) which started as a system to manage food supplies during scarcity has evolved as a system for distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodity 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 food grains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards and supervision of the functioning of Fair Price Shops (FPS) rests with the State Governments. Under the PDS, commodities, namely, wheat, rice and coarse grains are being allocated to the States/UTs for distribution. States/UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, etc. as per their requirement.

TARGETED PUBLIC DISTRIBUTION SYSTEM

4.3 In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor. Under the TPDS, States are required to formulate and



A view of Fair Price Shop

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 food grains was earmarked annually. The identification of the poor under the scheme is done by the States as per State-wise poverty estimates of the Planning Commission for 1993-94 based on the methodology of the "Expert Group on estimation of proportion and number of poor" chaired by Late Prof. Lakdawala. The allocation of 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 of Food and Public Distribution's web-site, namely, [www.http://dfpd.nic.in/](http://dfpd.nic.in/).

- 4.6 The end retail price is fixed by the States/UTs after taking into account margins for wholesalers/retailers, transportation charges, levies, local taxes, etc. Under the TPDS, the States were requested to issue 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, 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.

IDENTIFICATION OF ANTYODAYA FAMILIES AND ALLOCATION OF FOOD GRAINS

- 4.8 In order to make TPDS more focused and targeted towards the poorest of the poor, a separate category of "Antyodaya Anna Yojana" (AAY) was launched in December, 2000 for one crore families.
- 4.9 AAY contemplates identification of poorest of the poor families from amongst the number of BPL families covered under TPDS within the States and providing them 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.
- 4.10 Antyodaya Anna Yojana (AAY) was initially launched for one crore families to be identified from the Below Poverty Line (BPL) families. Coverage under this scheme has been

expanded thrice since then i.e. during 2003-04, 2004-05 and 2005-06 covering additional 50 lakh households each time. Thus the total coverage under AAY was raised to 2.50 crores AAY families (i.e. 38% of BPL).

- 4.11 The scale of issue that was initially 25 kg per family per month was increased to 35 kg per family per month with effect from 1st April, 2002.
- 4.12 Detailed guidelines were issued to the States/UTs for identification of the Antyodaya families under the AAY and additional Antyodaya families under the expanded AAY. In order to identify these households, the following criteria are adopted: -
- Landless agriculture labourers, marginal farmers, rural artisans/craftsmen, such as potters, tanners, weavers, blacksmiths, carpenters, slum dwellers, and persons earning their livelihood on daily basis in the informal sector like porters, coolies, rickshaw pullers, hand cart pullers, fruit and flower sellers, snake charmers, rag pickers, cobblers, destitute and other similar categories in both rural and urban areas
 - Households headed by widows or terminally ill persons/disabled persons/ persons aged 60 years or more with no assured means of subsistence or societal support
 - Widows or terminally ill persons or disabled persons or persons aged 60 years or more or single women or single men with no family or societal support or assured means of subsistence
 - All primitive tribal households.
- 4.13 The above guidelines have further been amended vide letter dated 3rd June, 2009 to include all eligible BPL families of HIV positive persons in the AAY list on priority, against the criteria mentioned in the guidelines

for identification of AAY families under Antyodaya Anna Yojana circulated vide letter dated 12.5.2005, within respective ceilings on numbers of AAY families communicated by this Department.

ALLOCATION OF FOODGRAINS UNDER TPDS

- 4.14 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.
- 4.15 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 2.42 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

- 4.16 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

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

- i. There should be no compulsion on the beneficiaries to lift their entitlements of upto six months in one go. To avoid undue financial burden/inconvenience to the beneficiaries, this should be purely voluntary.
- ii. The existing system of lifting the quota every month and in installments should be permitted to continue for those who are not interested or cannot afford to lift the entire quantity.
- iii. Adequate publicity should be made about the same. The bulk distribution of 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

4.18 In order to maintain supplies and securing availability and distribution of essential commodities, Public Distribution System (Control) Order, 2001 was notified on August

31st, 2001. Further, in pursuance of National Food Security Act, 2013, a revised Control Order has been prepared, which is being finalized. The revised order 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

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

- (i) **Modernization of TPDS:** Modernization including end-to-end Computerization of Targeted Public Distribution System (TPDS) has been taken up by the Department of Food and Public Distribution with a view to address challenges such as leakages and diversion of food grains, 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 National Food Security Act, 2013.

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

- (a) States/UTs have prepared their Action Plans for computerization of TPDS.
- (b) Department is implementing a Plan Scheme on End-to-end Computerization of TPDS Operations under the 12th Five Year Plan (2012-17) on cost-sharing basis with the States/UTs 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 and 2014-15 (upto 31.12.2014), financial assistance of ₹256.26 crore has been released to 24 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. Computerisation of TPDS has also been declared a Mission Mode Project (MMP) under the National e-Governance Programme.

(c) 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.



Organization of Camps for issue of digitized ration card

- (d) Guidelines for implementing the next phase of the scheme i.e. Fair Price Shop (FPS) Automation have been sent on 11.11.2014 to all States/UTs. A proposal for incentivizing the purchase and use of Point of Sale (PoS) devices by FPS dealers is also under consideration in the Government.

For speeding up of computerisation 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. Some of the recent initiatives taken by the Department are as follows:

- In May 2014, officers from department were deputed to visit assigned State/UT and review the TPDS Computerization Programme.
- A National conference to discuss TPDS computerization, best practices and other issues was held in July 2014.
- Hon'ble Minister for Consumer Affairs Food & Public Distribution has written to State Chief Ministers/Food Ministers in July 2014 to expedite the implementation of the project
- Progress of TPDS computerization was reviewed and discussed with States/UTs during conference held in December 2014 under the chairmanship of Hon'ble Minister/Minister of State.

Being a Mission Mode Project (MMP), an Empowered Committee headed by Secretary (F&PD) and a MMP team under Joint Secretary are monitoring the scheme on a regular basis. Besides, a Finance Committee under Addl. Secretary-cum-Financial Adviser and a Technical Committee under DG, NIC have been set up to look into the respective issues. States/UTs have also been asked to set up respective State Apex Committees and State Project e-Mission Teams for close monitoring of the project within the State/UT.

The status of implementation of various activities under computerization scheme as reported by the States/UTs upto 31.01.2015 is at **Annex-IX**.

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

- (a) States should undertake a campaign for review of BPL/AAY list to eliminate bogus ration cards.
- (b) Strict action should be taken against the guilty to ensure leakage free distribution of food grains.
- (c) For sake of transparency, involvement of elected Panchayati Raj Institution (PRI) members in distribution of food grains; FPS licenses be given to Self Help Groups (SHGs), gram panchayats, cooperatives etc.
- (d) BPL and AAY lists should be displayed on all FPSs.
- (e) District-wise and FPS-wise allocations of food grains should be put up on websites and other prominent places for public scrutiny.
- (f) Wherever possible, door-step delivery of food grains should be ensured by States, instead of letting private transporter/wholesalers to transport goods.
- (g) Timely availability of food grains at FPS level and fixed dates of distribution to ration card holders should be ensured.

- (h) Training of members of FPS level Vigilance Committee should be ensured.
- (i) Computerization of TPDS operations should be undertaken.

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

- (a) Elimination of 493.83 lakh bogus/ineligible ration cards in 30 States;
 - (b) 33 States/UTs have reported action against the guilty to ensure leakage free distribution of food grains;
 - (c) Involvement of PRIs in vigilance committees to monitor FPS in 29 States/UTs;
 - (d) Display of BPL lists at FPS in 32 States/UTs;
 - (e) Display of district-wise and FPS-wise allocations of food grains on website for public scrutiny in 22 States;
 - (f) Door-step delivery of food grains to FPS is presently being made in 20 States/UTs;
 - (g) Action regarding timely availability of food grains at FPS is being taken in 32 States/UTs;
 - (h) Training programmes for FPS level vigilance committees conducted in 27 States/UTs; and
 - (i) Finalization of action plans for computerization of TPDS by all States/UTs.
- (iii) **Concurrent evaluation of TPDS:** An evaluation study on functioning of TPDS in six select States i.e. Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal has been awarded to the National Council of Applied Economic Research (NCAER) in March, 2014. The study is likely to be completed in February –March, 2015.
- (iv) **Monthly Certification:** All State Governments were directed in March, 2008 to obtain monthly certificate confirming delivery of allocated food grains to the FPS and their distribution to the eligible households during the allocation

month. So far, 23 States/UTs have reported implementation of monthly certification. In the revised PDS (Control) Order, it is proposed that the monthly certificate shall be signed by the FPS owner and two or more persons as may be prescribed by the State Governments such as head of the local authority, Executive Officer/ Secretary of the local authority, members from the Vigilance Committees, Women's Self Help Group among others.

- (v) **Vigilance Committees:** Vigilance Committees have been in existence since the inception of the rationing system to ensure transparency and proper functioning of TPDS. NFSA, 2013 provides that Vigilance Committees shall supervise the implementation of all schemes under the Act, inform the District Grievance Redressal Officer of any violation of the provisions of the Act as well as any malpractice or misappropriation of funds found by it. Every State Government is thus required to setup Vigilance Committees at the State, District, Block and fair price shop levels consisting of such persons as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, women and destitute persons or persons with disability. The PDS (Control) Order, 2001 stipulates that meetings of the Committee shall be held at least once every quarter at all levels. The date and periodicity of the meeting would be notified by the State Governments. The revised PDS(Control) Order also proposes wide publicity to the date and periodicity of the meeting of the Vigilance Committee.

- (vi) **Allotment of Fair Price Shops to Institutions and Groups:** Issue of licences to fair price shops fall within the purview of State/UT Governments. However, as per NFSA, 2013, States/UTs shall give preference to public institutions or public bodies such as Panchayats, Self Help Groups, Co-operatives, in licensing of fair price shops and management of fair price shop by women or their collectives.

As per reports received from State/UT Governments upto the end of June, 2014 out of 5.21 lakh fair price shops reported to be in operation in the country, about 1.36 lakh fair price shops have been allotted to Cooperatives, women's Self Help Groups, Village Panchayats, Urban Local Bodies and other Self Help Groups in 31 States/UTs.

(vii) Sale of non-PDS items in FPS: To make operations of FPS economically viable, the State/UT Governments have been advised to allow FPS owners to enlarge basket of commodities by allowing sale of non-PDS items for daily use as per local requirements. 16 State/UT Governments have confirmed that FPS in these States are selling non-PDS items such as edible oil, pulses, milk powder, soaps, etc.

(viii) Publicity-cum-awareness Campaign: To facilitate greater public scrutiny of functioning of TPDS, publicity-cum-awareness campaign are undertaken amongst the TPDS beneficiaries, functionaries of the State Governments and the general public for increasing their awareness/sensitivity about functioning of TPDS under a Plan Scheme on Strengthening of TPDS. During the year 2012-13, an amount of `30.756 lakh was sanctioned to 3 States including 1 NE States. During the year 2013-14, an amount of `25.281 lakh has been sanctioned to the States of West Bengal (`20 lakh) and Sikkim (`5.281 lakh). During the current year 2014-15, an amount of `10.00 lakh have been sanctioned to the States of Himachal Pradesh (`5.00 lakh) and Telangana (`5.00 lakh).

(ix) 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/- and `45,000/- has been released to State Govt. of Mizoram and UT of Puducherry respectively.

Further, in order to successfully implement NFSA, 2013, 3 training programmes were conducted in March, 2014, August, 2014 and November, 2014 to sensitize and train Master Trainers and other officials nominated by States/UTs through Food Corporation of India (FCI)'s Institute of Food Security, Gurgaon. A total of 134 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, and Chandigarh have attended the training programmes. `4.33 lakh and `6.89 lakh were released to FCI during Financial Year 2013-14 and Financial Year 2014-15 respectively for conducting the training programmes.

(x) Distribution of wheat flour/fortified wheat flour under TPDS: To facilitate distribution of wheat flour/fortified wheat flour under TPDS instead of wheat in convergence with other government programmes/schemes for nutritional improvement of targeted beneficiaries, the Department had issued revised policy guidelines on this subject in January, 2008. So far, 15 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.

- (xi) **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 select State Governments. The main agenda items related to correct identification of beneficiaries under Targeted Public Distributions System, 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

- 4.20 Government of India enacted the National Food Security Act, 2013 (NFSA) on 10th September, 2013 with the objective to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity. The Act provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized food grains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population. Persons belonging to eligible households will be entitled to receive 5 Kg of food grains per person per month at subsidized prices of `3/2/1 per Kg for rice/wheat/coarse grains respectively. Existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 Kg of food grains per household per month.
- 4.21 The Act also has a special focus on the nutritional support to women and children. Besides meal to pregnant women and lactating mothers during pregnancy and six months after the child birth, such women will also be entitled to receive maternity benefit of not less than `6,000. Children upto 14 years of age will be entitled to nutritious meals as per the prescribed nutritional standards. In case of non-supply of entitled food grains or meals,

the beneficiaries will receive food security allowance. The Act also contains provisions for setting up of grievance redressal mechanism at the District and State levels. Separate provisions have also been made for ensuring transparency and accountability.

- 4.22 Food grains under the Act has so far been allocated to 11 States/UTs viz., Haryana, Rajasthan, Delhi, Himachal Pradesh, Punjab, Karnataka, Chhattisgarh, Maharashtra, Chandigarh, Madhya Pradesh and Bihar, as per the identification of beneficiaries reported by them.
- 4.23 The NFSA provides for a period not exceeding 365 days after the commencement of the Act for identification of eligible households for receiving subsidized food grains under Targeted Public Distribution System (TPDS). On completion of the one year period, this Ministry organized a Conference of State Ministers for Food & Consumer Affairs on 4th July, 2014 at Vigyan Bhawan, New Delhi, under the chairmanship of Hon’ble Finance Minister to discuss the measures to tackle food inflation and progress and issues in implementation of NFSA. States/UTs, where implementation of NFSA was yet to start, were requested to complete the identification of beneficiaries without any further delay and ensure implementation of the Act at the earliest. Hon’ble Minister for Consumer Affairs, Food and Public Distribution stressed on the need for correct identification of beneficiaries so that no needy person is left out. In this context, he stated that though the criteria for identification of beneficiaries is to be evolved by States, while identifying the eligible households for coverage under the Act, they should ensure that Scheduled Castes and Scheduled Tribes Households except those in the service of the Government, public sector undertakings or autonomous institutions or income tax payees, are included.
- 4.24 As implementation of the Act is yet to start in 25 States/UTs, the time period for identification of beneficiaries was first

extended by three months and again by further six months i.e. upto 04.04.2015.

4.25 Status of implementation of NFSA in 11 States/UTs where it has been started, was reviewed in a conference with their Food Secretaries, held on 3rd December, 2014 under the chairmanship of Hon'ble Minister of State for Consumer Affairs, Food and Public Distribution. In a separate conference with Food Secretaries of 25 States/UTs where implementation of the Act is yet to start, held on 10th December, 2014 under the chairmanship of Hon'ble Minister for Consumer Affairs, Food and Public Distribution, status of their preparedness for implementation was reviewed. Aspects relating to identification of beneficiaries, delivery of food grains upto door-step of fair price shops, end-to-end computerization of TPDS and setting up of effective Grievance Redressal Mechanism were discussed in detail during these conferences.

4.26 Department is required to frame three set of rules in consultation with States/UTs as per the provisions of the Act. Two of these rules



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

have been notified. The “Provisioning of Funds to State Governments for Short Supply of Food Grains Rules, 2014” provides for the manner in which Central Government will provide funds to States/UTs in case of short supply of foodgrains from the Central Pool. The “Food Security Allowance Rules, 2015” deals with the amount and manner of payment of food security allowance to eligible persons in case of non-supply of entitled quantities of foodgrains.





CHAPTER - V

STORAGE

Chapter-V

STORAGE

STORAGE OF FOODGRAINS AND AUGMENTATION OF STORAGE CAPACITY

- 5.1 Procurement of food grains in the last few years has touched new heights given remunerative MSPs coupled with better operational outreach. As a result, central pool stocks increased from 196.38 Lakh MT on 01.04.2008 to a peak level of 823.17 Lakh MT on 01.06.2012. The stock position in the central pool as on 01.06.2014 was 622.31 Lakh MT. To meet the short-term peak requirements of storage capacity, FCI resorts to short-term hiring of covered godowns as well as storage of food grains under Cover & Plinth (CAP) which is also a scientific method for storage of food grains.
- 5.2 Total storage capacity available with Food Corporation of India as on 01.01.2015 is 373.81 Lakh MT. Storage capacity of 351.12 Lakh MT is available with State agencies for holding central pool stocks. Thus total storage capacity of about 725 Lakh MT is available for storage of central pool stock (**Annex-X**).
- 5.3 Storage capacity available with FCI is concentrated mainly in the procuring hub located in the Northern Zone. The Northern Zone has about 65% of the total available storage capacity, the Southern Zone has about 15%, Western Zone has about 12%, Eastern Zone has only about 7% and North-Eastern Zone has less than 1% of the total available storage capacity. Around 69% of the storage capacity is concentrated in 8 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. As Government of India has initiated an ambitious

programme of extension of green revolution to Eastern States, this has assumed greater importance.

PEG SCHEME FOR CONSTRUCTION OF GODOWNS

- 5.4 To overcome storage constraints and ensure safe stocking of food grains across the country, 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 152.26 Lakh MT has been sanctioned for construction of godowns in 20 States, against which 121.80 Lakh MT has been completed and 104.61 Lakh MT has been taken over upto 31.12.2014. State-wise status report of the Scheme is given at **Annex-XI**.
- 5.6 During 2014-15, the target for capacity construction under PEG scheme is 27.00 Lakh MT. Out of this, a capacity of 3.09 Lakh MT has been completed upto 31.12.2014 and remaining capacity is likely to be completed upto March 2015. State-wise status of targeted capacity creation vis-à-vis achievements upto 31.12.2014 is given at **Annex-XII**.

SILOS – Scientific Storage of Food Grains

- 5.7 For ensuring long term scientific storage, the Government has also approved construction



PEG godown at Dhuri



Silo storage facility for food grains at Moga

of 20 Lakh MT of storage capacity in the form of Silos in PPP. Details of approved locations for construction of Silos are given at **Annex-XIII**.

VGF Route (Planning Commission)

- 5.8 Storage capacity of 1.5 Lakh MT at Kilaraipur, Pune and Changsari (50000 MT each) has been identified. Land is being provided by State Govt./FCI. Further, FCI has also identified eight more locations within FCI's owned depots with Railway siding. In this regard, tender for selection of Consultant for Project Feasibility Study of Construction of Silos & Bid Process Management was floated by FCI on 04.12.2014. This tender was opened in FCI Hqrs. on 26.12.2014. The evaluation process has been completed.

VGF Route (DEA)

- 5.9 Storage capacity of 1 Lakh MT has been identified at Kaimur and Buxar (50000 MT each) in Bihar. Bid documents are in final phase.

Non-VGF Route

- 5.10 Silos in the remaining sites shall be constructed in non-VGF model, for which Bid documents are being modified in line with Planning Commission approved Model concession Agreement (MCA).

PLAN SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS

- 5.11 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 11th 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.
- 5.12 In addition, the Department has been requesting the state governments to create intermediate storage capacities at Block/Taluka level to store foodgrains collected from FCI depots, for further distribution to fair price shops. This is necessary to improve the supply chain logistics for TPDS. While construction of intermediate godowns is the responsibility of the state governments, DFPD has been providing plan funds to governments of the NE states and J&K for this purpose, considering their difficult geographical conditions.
- 5.13 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. For construction of intermediate storage godowns by to the State Governments of North East Region and the State Government of Jammu & Kashmir, funds are released in the form of Grants-in-Aid. Plan outlay for 12th Five Year Plan and Physical and Financial Achievements during 2012-13 and 2013-14 are given at **Annex-XIV**.

- 5.14 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 31.12.2014, capacity of 33,220 MT has been completed.
- 5.15 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 given at **Annex-XV**. The General Managers (Region) of FCI have been given full powers for hiring/dehiring of storage capacity as per requirement. The year-wise details of net hiring/dehiring are given as under:-

(In Lakh MT)

	Net Capacity hired/dehired
Net Hiring (2010-11)	26.44
Net Hiring (2011-12)	19.61
Net Hiring (2012-13)	41.38
Net Hiring (2013-14)	-8.53
Net Hiring (2014-15) (upto December 2014)	5.92

Note: Negative figures indicate dehiring of capacity





CHAPTER - VI

SUGAR

Chapter-VI

SUGAR

GENERAL

- 6.1 Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade servicing of machinery and supply of agriculture inputs. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. Today Indian sugar industry's annual output is worth approximately ` 80,000 crores.
- 6.2 There are 704 installed sugar factories in the country as on 31.12.2014, with sufficient crushing capacity to produce around 324.4 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and cooperative sector units. The capacity of sugar mills is, by and large, in the range of 2500 TCD-5000 TCD bracket but increasingly expanding and going even beyond 10000 TCD. Two standalone refineries have also been established in the country in the coastal belt of Gujarat and West Bengal which produce refined sugar mainly from imported raw sugar as also from indigenously produced raw sugar. The sector-wise break-up of sugar mills in the country is as given below:-

Sl. No.	Sector	Number of factories
1.	Co-operative	325
2.	Private	336
3.	Public	43
Total		704*

*Includes each refinery in West Bengal & Gujarat.

SUGARCANE PRICING POLICY

- 6.3 With the amendment of the Sugarcane (Control) Order, 1966 on 22.10.2009 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 (CACAP) 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 with regard to the following factors:-

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

- 6.4 Under the FRP system, the farmers are not

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

- 6.5 In order to ensure that higher sugar recoveries are adequately rewarded and considering variations amongst sugar mills, the FRP is linked to a basic recovery rate of sugar, with a premium payable to farmers for higher recoveries of sugar from sugarcane.
- 6.6 Accordingly, FRP for 2014-15 sugar season has been fixed at ` 220 per qtl. linked to a basic recovery of 9.5% subject to a premium of ` 2.32 per qtl for every 0.1 percentage point increase above that level.
- 6.7 The FRP of sugarcane payable by sugar factories for each sugar season from 2009-10 to 2015-16 is at tabulated below:-

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

sugar seasons and also expected to be sufficient to meet domestic requirements during 2014-15 sugar season, due to timely interventions, the cane price arrears could be kept to a minimum during these seasons.

- 6.9 The position of cane price payments and arrears for the past few sugar seasons, on a similar cut-off date, was as under :-

(In crores `)

Season	Position as on	Total price payable	Total price paid	Arrears	% of arrears on price payable
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
2009-10	31.12.2009	11,156.87	8,894.52	2,262.35	20.28

- 6.10 The position of cane price payment and arrears for sugar season 2014-15 as on 31.12.2014 is as under:-

(In crores `)

Cane Price Payable	9327.46
Cane Price Paid	3987.73
Cane Price Arrears	5339.73
Percentage of Cane Price Arrears on Cane Price Payable	57.25

REVIEW OF EXISTING SYSTEM FOR DISTRIBUTION OF SUGAR THROUGH PDS

- 6.11 Central Government has put in place a new dispensation for distribution of sugar through Targeted Public Distribution System (TPDS) after de-regulation of sugar sector in April, 2013. Under the new system, State Governments/UT Administrations are required to procure sugar from open market to make it available in the TPDS at the existing Retail Issue Price (RIP) of ` 13.50 per kg and Central Government is to reimburse a fixed subsidy @ ` 18.50 per kg limited to the quantity based on the existing allocation. However, keeping in view the request of participating states/UTs, Central Government has reviewed the existing system of



Sugar production

distribution of sugar through PDS and it has been decided that:-

- i. The current level of subsidy at ` 18.50 per kg being given by Central Government will be continued for the existing level of allocations.
- ii. State Governments /UT Administrations may either absorb the additional cost on account of handling, transportation and dealer’s commission or pass it on to the consumers by adding it to ` 13.50 per kg under PDS in their respective territories.
- iii. State Governments / UT Administrations, implementing NFSA, may continue with the existing coverage or extend it to the beneficiaries under NFSA, within the existing allocation of sugar.

6.12 The new system of open market procurement of sugar by States/UTs has been adopted by 27 States/UTs from June, 2013 onwards. During the financial year 2014-15, an amount of ` 3218.77 crores (including ` 900 crores to FCI) has been released to 23 States/UTs upto 31st December, 2014.

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

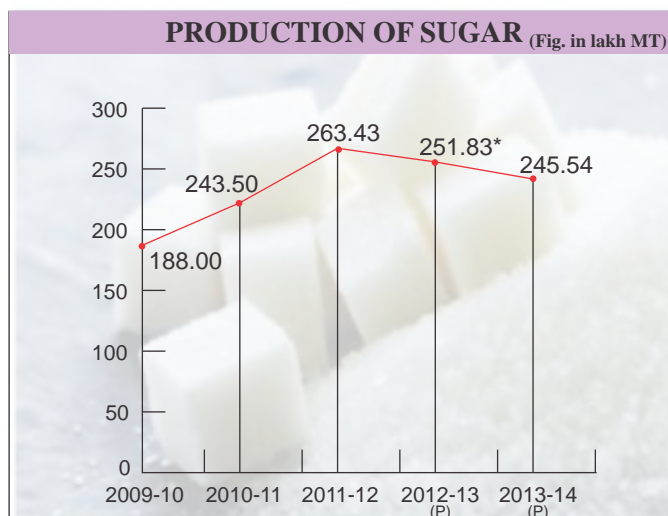
6.13 Sugar production in India has been cyclic in nature. Every 2-3 years of high sugar production are followed by 2-3 years of low sugar production. From sugar season 2010-11

onwards, the production of sugar has exceeded domestic requirements in the country. As such, it appears that the cyclicity in sugar production has reduced. Season wise production of sugar from 2009-10 onwards is given below:-

(Qty. in lakh MT)

Sugar Season	Production of Sugar
2009-10	188.00
2010-11	243.50
2011-12	263.43
2012-13(P)	251.83*
2013-14 (P)	245.54

*Excludes 6.76 lakh MT white sugar produced from imported raw sugar.
(P) - Provisional



*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 2009-10 to 2013-14 are given below:-

(Qty. in lakh MT)

Sugar Season	Closing Stock
2009-10	51.25
2010-11	58.19
2011-12	66.96
2012-13(P)	91.09
2013-14(P)	72.13

(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 2014-15 is provisionally estimated to be around 250.46 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-XVI**.

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 2014-15. The range of prices of non-levy sugar (S-30 Grade) in the major centres of the country during season 2009-10 to 2014-15 (upto December, 2014), was as under:-

(` per quintal)

Sugar Season (Oct.-Sept.)	*Range of Ex-Mill Prices	**Range of retail prices
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 (upto Dec.,14)	2460-3135	34.00-38.00

Source:

*Daily Trade Mart Enquiry, Directorate of Sugar.

**Price Monitoring Cell, Department of Consumer Affairs.

EXPORT OF SUGAR

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

- 6.18 Through an Ordinance, the Sugar Export Promotion Act, 1958, was repealed w.e.f. 15th January, 1997 and thus the export of sugar was de-canalized. Under decanalized regime, the export of sugar was being carried out through the Agricultural and Processed Food Products Export Development Authority (APEDA), under Ministry of Commerce. Thereafter, the sugar export was undertaken by the various sugar mills/merchant exporters, after obtaining the export release orders from the Directorate of Sugar.

- 6.19 During the surplus phase of 2006-07 and 2007-08 sugar seasons, the sugar exports were permitted without release orders vide notification dated 31.07.2007. Subsequently, the necessity of obtaining release orders was reintroduced from 01.01.2009, as country entered the down swing phase of sugar production.

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

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

IMPORT OF SUGAR

- 6.22 Import of sugar, which was placed under Open General License (OGL) with zero duty

in March 1994, continued with zero duty upto 27.04.1998. The Government imposed a basic customs duty of 5% and a countervailing duty of ₹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 had 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 Open General License (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 subsequently increased to 15% w.e.f. 08.07.2013. The import duty was further increased from 15% to 25% with effect from 20.08.2014. Thereafter, there had been hardly any import of sugar under OGL.

6.24 As per information published by DGCIS, Kolkata, the export/import of sugar from sugar season 2009-10 to 2013-14 is given below :-

Export of Sugar (In lakh MT)

Sugar Season(Oct-Sept)	Quantity**
2009-10	2.371
2010-11	28.14
2011-12	36.735
2012-13	12.02
2013-14(P)	26.85*

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(P)	17.12
2013-14(P)	10.788

*This includes exports of about 22 lakh MT under OGL

** As per Data furnished by DGCIS Kolkata.

*** As reported by Department of Revenue. (P) - Provisional

ETHANOL BLENDED PETROL (EBP) PROGRAMME

6.25 Ethanol is an agro-based product, basically produced from the by-product of the sugar industry, viz. molasses. In the years of surplus production of sugarcane, when the sugar prices are depressed, the sugar industry is unable to pay cane price to the farmers. This is mainly due to surplus production of sugar. The ethanol blended petrol programme, besides lowering pollution levels, is expected to provide another outlet for ethanol use, thus insuring utilization of molasses produced as a by-product during manufacture of sugar.

6.26 It has been decided by the Government that Oil Marketing Companies shall sell Ethanol-blended petrol with percentage of ethanol up to 10% to achieve 5% ethanol blending across the country as a whole. It was also decided that the procurement price of ethanol will be decided between Oil Marketing Companies (OMCs) and suppliers of ethanol. However, this target of 5% blending was not being achieved due to delay in timely settlement of tenders and on account of procurement price issues. The Government has modified the policy for procurement of ethanol under the EBP. The entire bidding process, through which ethanol prices were determined by tender, has been dismantled. Under the new arrangement, the ex-depot price of ethanol has been fixed in the range of ₹48.50 to ₹49.50 per litre and OMC's now call EOI from interested

sugar mills and distilleries to supply ethanol at this rate. This price is remunerative and the new process smoothes the entire ethanol supply chain. It should facilitate achieving the 5% blending target and is expected to generate revenue for sugar mills enabling them to avoid building up of cane price arrears.

- 6.27 The OMCs have been successful in finalizing supply of 30.26 crore litres and 6.32 crore litres of ethanol respectively in two phases of the EOI opened in January, 2015. Taking into account the finalized quantity of 35.52 crore litres against the tender floated in July, 2014, the total quantity finalised for the current season is 72.10 crore litres against 5% blending target of 115 crore litres.

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

- 6.28 The Government has formed an Informal Group of Union Ministers (IGOM) under the Chairmanship of Minister of Agriculture to look into the problems of sugar sector. On the recommendations of IGOM, the Government on 3.1.2014 has notified a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) envisaging interest free loans worth `6600 crores by bank as additional working capital to sugar mills, for clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season to sugarcane farmers. Interest burden on this loan, estimated at `2750 crores over next five years would be borne by the Government through Sugar Development Fund.

INCENTIVE SCHEME FOR MARKETING AND PROMOTION OF RAW SUGAR PRODUCTION

- 6.29 The Government on 28.2.2014 has notified a scheme allowing incentives for marketing and promotion services for raw sugar production targeted for export market for a quantity of 40 lakh MT during 2013-14 and 2014-15 sugar seasons. The incentive available under the

Scheme shall be utilized by the sugar mills for making payment to the farmers. About 7.75 lakh MT of raw sugar has been covered under the incentive scheme till end of 2013-14 sugar season.

LEVY SUGAR PRICE EQUALISATION FUND

- 6.30 The Levy Sugar Price Equalization Fund Act 1976 (as amended in 1984) has been enforced from 01.04.1976. During the current financial year 2014-15 (upto 27.01.2015) a sum of `3.21 crores has been recovered from various sugar mills and credited to LSPE Fund. In the year 2013-14, an amount of `6.36 crores was recovered and remitted to the said Fund. The total recovery from 01.04.1976 to 27.01.2015 is detailed at **Annex- XVII**.

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 from 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 2014-15 (upto 31.12.2014), a net Cess amount of `8228.90 crore has been collected. Out of this, till 31.12.2014, an amount of `6856 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 rehabilitation and modernization of any sugar factory;
- (b) Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated;
- (c) Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of sugar industry;
- (d) Defraying expenditure on internal transport and freight charges on export shipment of sugar;
- (e) Making loans to any sugar factory to implement a project of bagasse based co-generation power;
- (f) Making loans to a sugar factory for production of anhydrous alcohol or ethanol.
- (g) Defraying expenditure for the purpose of building up and maintenance of buffer

stock with a view to stabilizing price of sugar.

- (h) Defraying expenditure for the purpose of financial assistance to sugar factories towards interest on loans given in terms of any scheme approved by the Central Government from time to time.
- (i) Defraying expenditure on marketing and promotion service for raw sugar production.
- (j) Defraying any other expenditure for the purpose of the Act.

6.35 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-XVIII**. The amount disbursed to various sugar mills for various scheme during financial year 2014-15 (upto 31.12.2014) is as follows:-

(` in crore)

Sl. No.	Name of Scheme	Amount disbursed (upto 31.12.2014)	Projection (from 01.1.2015 to 31.03.2015)	Total
i.	Admn. of Sugar Development Fund	20.20	0.28	20.48
ii.	Loan to sugar factories for modernization/ rehabilitation of plant and machinery, including expansion of crushing capacity	150.00	50.00	200.00
iii.	Loans to sugar factories for sugar cane development	49.50	25.50	75.00
iv	Loans to sugar factories for bagasse based cogeneration power projects	Nil	46.45	46.45
v	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	51.46	23.54	75.00
vi	Reimbursement of Internal Transport & freight to sugar factory on export shipment and payment of other permissible claim	Nil	Nil	Nil

vii	Subsidy maintenance of Buffer Stock of Sugar	3.30	1.70	5.00
viii	Scheme for Extending Financial Assistance to Sugar undertaking 2007	Nil	Nil	Nil
ix	Scheme for Extending Financial Assistance to Sugar undertaking 2014	100	603.77	703.77
x	Grants-in-aid for development of Sugar Industry	0.50	0.35	0.85
xi	Incentive on raw sugar production	Nil	200.00	200.00
	Total	374.96	951.59	1326.55

6.36 During the financial year 2014-2015 (upto 31.12.2014), an amount of `438.94 crore (target for FY 2014-15 is `500 crore) has been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.

DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY

6.37 The Development Council for Sugar Industry is a statutory body set up under Section 6 of the Industries (Development and Regulation) Act, 1951 vide Notification No. SRO 892 dated 12th March, 1954 of the Ministry of Commerce and Industry. After expiry of the tenure, the Council is reconstituted for a further period of two years. The Development Council for Sugar Industry was last reconstituted on 5th September, 2011 and was

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

6.38 The Government has recently taken a decision that the Development Council for Sugar Industry (DCSI) may be dissolved and may not be reconstituted further. The two Sub-Committees of the Development Council - Standing Advisory Committee on Sugar Standards (SACSS) and Standing Research Advisory Committee (SRAC) may also be disbanded.



Sugarcane development

- 6.39 The work of Standing Advisory Committee on Sugar Standards (SACSS) may be assigned to Sugar Industry Sectional Committee of Food & Agricultural Division (FAD-2), Bureau of Indian Standard(BIS), with the concurrence of Head, Food & Agricultural Division, BIS for recommending the introduction of Indian Sugar Standards from year to year for use by the sugar factories, trade, Government Organizations, etc and to review the price differentials for different grades of sugar and other related matters.
- 6.40 The work of Standing Research Advisory Committee (SRAC) may henceforth be taken up by a Sub-Committee to be constituted under Sugar Development Fund (SDF) Standing Committee under SDF Rules for examining the research schemes received from the sugar factories, Scientific Organizations and other concerned organizations for recommending sanction of grant-in-aid for conducting research activities relating to the sugar industry, monitoring the progress made in regard to approved research work and all other related matter.

E-GOVERNANCE INITIATIVES

- 6.41 The Directorate of Sugar, Department of Food and Public Distribution in order to improve and systemize the data management system in sugar sector, has developed a web based platform (esugar.nic.in/sugar_pII) for online submission of inputs by sugar mills on monthly basis. This has helped the Government to take prompt and informed policy decisions for better management of sugar sector. The new system also provides transparency in the data management of the sugar mills as well as Government's working. The portal also provides window for online connectivity with the State Governments for getting inputs regarding production, stocks utilization of levy sugar for PDS, cane price arrears of sugar mills on fortnightly basis etc.

NATIONAL SUGAR INSTITUTE, KANPUR

- 6.42 National Sugar Institute, Kanpur is a premier

Scientific & Technical Institute in the country which conducts Post Graduate and Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology disciplines. It also undertakes research and development work in sugar and allied fields and renders advice to Sugar and allied industry on various technical matters. During 2014-15 academic session, 214 students were admitted in various courses conducted by the Institute. A new course, namely, "Certificate Course in Quality Control" has been introduced by the Institute from the academic session 2014-15.

RESEARCH WORK

- 6.43 Research work on some of the topics viz. Bagasse Gassification, Water Conservation and Development of techno-economic process for producing Sulphur-less sugar has been taken up in collaboration with Indian Sugar Mills Association, National Federation of Co-operative Sugar Factories and Sugar factories situated in Gujarat and Maharashtra. The Institute is carrying out Research and Development work on the following topics:-
- a) Drying of bagasse using flue gas from boiler furnace.
 - b) Cane/Bagasse Diffusion Process for extraction of juice in place of conventional Milling Process.
 - c) Electrolytic Clarification of Sugarcane juice.
 - d) Development of techno-economic process for producing sulphur-less sugar.
 - e) Gasification of bagasse.
 - f) Use of enzymes for increasing fermentability of molasses.
 - g) Preservation of sugarcane juice.
 - h) Development of sensor for determining staleness of sugarcane.
 - i) Use of alternate stocks for Ethanol Production.

RESEARCH PAPERS PRESENTED/ PUBLISHED/COMMUNICATED

6.44 Based on the research work carried out and studies undertaken, 12 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, by-product utilization for value addition, enhancement of productivity of sugar and ethanol units etc.

AWARD

6.45 Dr. P. K. Jain, Physical Chemist was conferred with prestigious Noel Deer Gold Medal during 73rd Annual Convention of The Sugar Technologist's Association of India at Bangaluru for his research paper entitled "Treatment of Raw Distillery Effluent by Double Compartment Electrolytic Cell using KCL as Reference Electrolyte".

ADVISORY AND EXTENSION VISITS

6.46 The Institute rendered its services to various sugar factories situated in Uttar Pradesh, Bihar, Karnataka, Haryana, Maharashtra and Odisha etc. on the problems related to capacity expansion and modernization, energy conservation, lower sugar recovery, deterioration of sugar upon storage and on issues relating to co-generation and ethanol

production etc. During the period, 38 sugar factories/distilleries and other related organizations availed the services of the Institute's experts.

6.47 A memorandum of understanding for collaborative research, training programmes and for providing technical consultancy to sugar factories situated in Karnataka was signed during the visit of Secretary, Industries & Commerce, Government of Karnataka to the Institute on 26th December, 2014.

TRAINING PROGRAMME /REFRESHER COURSE

6.48 To enhance the knowledge of the in-service Technologists and Engineers of the Sugar Industry, a five days Refresher Course was organised at the Institute from 7th to 11th July 2014. Further, two days training programme on "Basic Microbiological Techniques" was organized on 28th to 29th December, 2014 for the benefit of Distillery personnel.

SEMINARS/BRAIN STORMING SESSIONS

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

- i. An All India Seminar on "Innovative



Secretary, Industries & Commerce, Government of Karnataka with Director, NSI, Kanpur



Approaches to Enhance Productivity of Sugar Units” was organized jointly with South Indian Sugarcane and Sugar Technologist’s Association and Deccan Sugar Technologist’s Association at Kolhapur (Maharashtra) on 3rd May 2014.

- ii. An All India Seminar on “Diminishing Productivity of Sugarcane and Sugar recovery in Northern India – Reasons and Opportunities” was organized jointly with The Sugar Technologists’ Association of India at Lucknow on 18th July 2014.
- iii. A Brain Storming Session on “Water Conservation in Sugar Factories” was organized jointly with Dalmia Bharat Sugars Ltd. at Nigohi, Shahjahanpur on 17th July 2014.
- iv. An All India Seminar on “Process Options to Produce Sugar for Domestic and Global Requirements” was jointly organized with S. Nijalingappa Sugar Institute, Belgaum and Bharat Ratna Sir M. Visvesvaraya Sugarcane Research Institute, Mandya at Mysore, Karnataka on 8th August 2014.

VISITORS FROM ABROAD

6.50 A three member delegation from Iran led by Mr. Valiollah Taghipur, Industrial Research Deputy Manager, visited the Institute on 19th and 20th August, 2014 to seek information



Iran delegation with Institute officials

about the teaching/training programmes conducted by the Institute and also to explore possibilities for availing consultancy services of the Institute.

6.51 Experts from International Potash Institute, Switzerland visited the Institute for carrying out collaborative work on enhancing sugarcane yield by use of balance dose of micronutrients.

ADVISORY BOARD AND COMMITTEE OF EXPERTS

6.52 The Advisory Board of the Institute which reviews the working of the Institute from time to time was reconstituted during the period. Further a “Committee of Experts” constituted by the Department to look into the revival of the Institute for better working, submitted its report on 30th September, 2014 to the department giving its short and long term recommendations for re-structuring and improving overall working of the Institute.

E-GOVERNANCE INITIATIVE

6.53 The institute undertook e-governance initiatives by installing following facilities during the period:-

- i. A Language Laboratory was setup to upgrade skills of the students.
- ii. Internet facility was extended to the



Experts from International Potash Institute, Switzerland with Institute Officials

students in one more hostel.

- iii. Comp DDO already implemented. Action is being taken to implement other modules of e-office through NIC at the Institute. Facilities for online submission of admission forms, online procurement of sugar standards and availing other services of the Institute also established.
- iv. To facilitate teaching, particularly, designing of process equipments through AUTO-CAD construction of a Computer Laboratory was taken up.
- v. The Institute has also set up the video conferencing facilities. The Institute participated in the video-conferencing on 5th August 2014 vide which Hon'ble President of India interacted with the faculty and students of various Universities, Institutes and colleges.

PUBLICATION OF E-NEWSLETTER

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

3rd editions (April-June 2014, July-September 2014 and October-December, 2014) have been hosted on the institute's website.

RECRUITMENT OF FACULTY

- 6.55 Recruitment action for filling various vacant faculty positions was taken up through UPSC/SSC during the period and recruitment on 12 posts was made. For filling other posts the recruitment action is in advance stage.

ANNUAL PLAN

- 6.56 The Institute undertook various activities for development of research and infrastructural facilities under Plan budget e.g. construction of a new hostel, improvement in facilities at farm, renovation of main building of experimental sugar factory, construction of computer laboratory and installation of solar street lights etc. during the period. Against the budget estimates of ` 250 lakh, on the basis of preliminary estimates provided by the CPWD, sanctions for ` 246.83 lakh were obtained and work has been taken up at site in each of the scheme.





CHAPTER - VII

EDIBLE OILS

Chapter-VII

EDIBLE OILS

7.1 Edible oils and Fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. The Directorate of 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, 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 2010-11, 2011-12, 2012-13 and estimated production for (Kharif season) 2013-14 are given at **Annex-XIX**.

7.3 As per the 4th Advance Estimates of Ministry of Agriculture released on 14.08.2013 for 2013-14, estimated Oilseeds production is about 328.79 Lakh MT and estimated production of oils from these oilseeds in 2013-14 comes to about 77.80 Lakh MT.

7.4 Vegetable Oil Products Production and Availability (Regulation) Order, 2011 which came into force w.e.f. 7th 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 421 edible oil refining industries and solvent extraction units have been registered under the said order till 31.12.2014.

ASSESSMENT OF PRODUCTION AND SUPPLY OF EDIBLE OILS

7.5 The production of domestic oilseeds has shown an increase since the year 2003-04.



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 (Nov. Oct.)	Production of Oilseeds (Primary Source)*	Net availability of edible oils from all domestic sources**	Imports***	Total Availability/ Consumption of edible oils
2009-10	248.82	79.46	74.64	154.10
2010-11	324.79	97.82	72.42	170.24
2011-12	297.98	89.57	99.43	189.00
2012-13	309.43	92.19	106.05	198.24
2013-14 \$	328.79	100.80	109.76	210.56

Source:

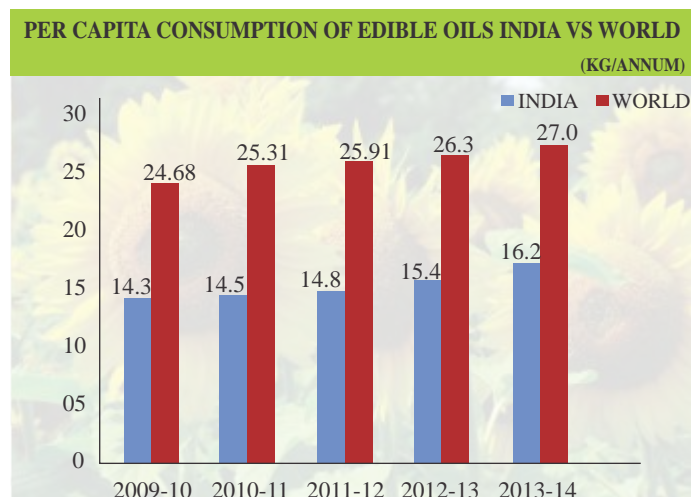
* Ministry of Agriculture

** Directorate of Vanaspati, Vegetable Oils and Fats

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

\$ As per 4th Advance Estimates of the Deptt. of Agriculture & Cooperation

- 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:-



(Kg. per annum)

Year	2009-10	2010-11	2011-12	2012-13	2013-14
India	14.3	14.5	14.8	15.4	16.2
World	24.68	25.31	25.91	26.3	27.0

Source : Oil World, 2014

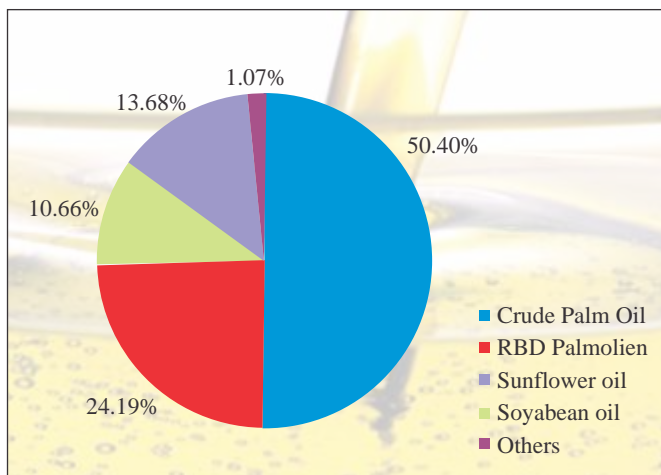
IMPORT POLICY ON EDIBLE OILS

- 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. With effect from 24.12.2014, the customs duty on crude oils and refined oils has been revised to 7.5% and 15% respectively.

- 7.10 About 50% of domestic demand of edible oils is met through imports. The total import of edible oils in 2013-14 financial year was 104.34 Lakh MT. The major edible oils imported are Crude Palm Oil, Sunflower Oil and Soyabean Oil which constituted 50.40%, 10.66% and 13.68% of the total imports respectively during 2013-14, while RBD Palmolein constituted 24.19% of total edible oil imports.

Import of Edible Oils - 2013-14



PRICES OF EDIBLE OILS

7.11 As per Price Monitoring Cell of Department of Consumer Affairs, during the last one year wholesale prices of major edible oils such as Mustard oil, Sunflower oil and Vanaspati showed a decline whereas prices of Soyabean oil remained stable. The wholesale price of Groundnut oil however showed an increase.

(Price in ` per quintal)

Name of Oil	Price variation		
	Price as on 31.01.2015	Price as on 31.01.2014	Variation
Soyabean Oil	8000	8000	0.00%
Mustard Oil	8500	8800	-3.41%
Groundnut Oil	11400	8967	27.13%
Sunflower Oil	6200	6325	-1.98%
Vanaspati	6960	7912	-12.03%

Source :- Price Monitoring Cell, Department of Consumer Affairs

MEASURES TAKEN TO CONTAIN /STABILIZE THE PRICES OF EDIBLE OILS

7.12 To contain/stabilize the prices of edible oils in the domestic market, export of edible oils has

been banned w.e.f. 17.3.2008, which was extended from time to time. Vide Notification dated 25th March, 2013 and Notification dated 18th June, 2013, prohibition on export of edible oils has been extended with following exemptions, till further orders:-

- i The exemptions include export of Castor oil, Coconut oil from all EDI Ports and through Land Custom Stations (LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders,
- ii Edible oils produced out of minor forest produce, and
- iii Export of edible oils in branded consumer packs of upto 5 Kg with a Minimum Export Price of USD 1400 per MT which has been further reduced to USD 900 per MT vide notification dated 6th February 2015.

State Governments have been allowed to impose stock limits on edible oils and oilseeds upto 30.09.2015.





CHAPTER - **VIII**

INTERNATIONAL CO-OPERATION

Chapter-VIII

INTERNATIONAL CO-OPERATION

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

SAARC FOOD BANK

8.2 In pursuance of the decision taken in the 14th SAARC Summit held in New Delhi on April 3-4, 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 India on 17th April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of food grains to be maintained by each member states consisting of either wheat or rice, or a combination of both as assessed share of the country.

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 of India 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 Food Corporation of India (FCI). Joint Secretary (IC), Department of Food & Public Distribution has been designated as Member of SAARC Food Bank Board to represent India. The Board in its 6th Meeting



Seventh SAARC Food Bank Board Meeting held in New Delhi, during 10-11 November, 2014

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 India hosted the 7th SAARC Food Bank Board (SFB) on 10-11, November, 2014 in New Delhi. All SAARC Member States except Afghanistan attended the meeting. Besides, officers from SAARC Secretariat, Kathmandu and SAARC Agriculture Centre, Dhaka also attended the meeting. The meeting commenced with the handing over of the Chairmanship from representative of SAARC Food Bank Board Member from Bhutan to Member of SAARC Food Bank Board, India, Shri Ajai Saxena, Joint Secretary, Department of Food & P.D. The meeting inter-alia deliberated the followings issues:-

- a. Review of the implementation of earlier decision taken at 6th SFB board meeting;
- b. Godowns /Storage Facilities in Member States;

- c. Designating Central Grain Analysis Laboratory (CGAL), India as SAARC Food grain Testing Reference Laboratory and undertaking capacity building programme for concerned SAARC officials at Indian Grain Storage Management & Research Institute (IGMRI), Hapur;
- d. Challenges/uncertainty in getting timely information for Food Bank and way out;
- e. Consideration of matter related to review of the lowering the threshold on withdrawal of food grains;
- f. Formulation of working guidelines for operationalization of SAARC Food Bank.

8.5 On 11th November, 2014 a field visit to Indian Grain Storage Management and Research Institute (IGMRI), Hapur and Food Corporation of India (FCI)'s Godowns was organized for Board Members & SAARC officials to study training facilities as well as storage systems of food grains in India.

8.6 Besides, the first training on “Foodgrain Testing, Quality Control and Scientific Storage” for officials of SAARC Member States at Indian Grain Storage Management and Research Institute (IGMRI), Hapur was

held from 17-26, November, 2014. Six participants from 5 member countries viz. Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka attended the training apart from four officers from the Indian side.

41st SESSION OF COMMITTEE ON WORLD FOOD SECURITY

8.7 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 to review and follow-up of policies concerning world food security, including food production, physical and economic access to food etc. Department of Food & Public Distribution is the nodal department for CFS. CFS monitors the progress of implementation of the WFS Plan of Action. The 41st Session of CFS held at FAO Headquarters in Rome, Italy from 13th -18th October, 2014 was attended by a Government of India delegation led by Shri Deepak Kumar, Joint Secretary in this Department accompanied by Shri Nilambuj Sharan, Deputy Economic Advisor and Director, National Food Security Act. Deliberation on the following issues have



Officials of SAARC member states at IGMRI, Hapur



Shri Deepak Kumar, Joint Secretary at 41st Session of CFS

been made during the Round Table Session:-

- i) Food losses and waste in the context of sustainable food systems
- ii) The role of sustainable fisheries and aquaculture for food security and nutrition

8.8 Besides, India made a presentation on National Food Security Act 2013 during the panel discussions on Coordination & linkages with CFS on the topic National Case Studies and Lessons Learned: Right to Food.

G-20 MATTERS

8.9 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) for which nodal authority is Deptt. of Agriculture & Coop.

INTERNATIONAL GRAINS COUNCIL

8.10 India is a member of the International Grains Council (IGC) which was previously known as International Wheat Council up to 1995 and is an intergovernmental forum of exporting and importing countries for co-operation in wheat and coarse grain matters. It administers the Grains Trade Convention 1995. The IGC Secretariat, based in London since 1949, also services the Food Aid Committee, established under the Food Aid Convention. International Grains Agreement comprises of Grains Trade Convention (GTC) and Food Aid Convention (FAC). India is a signatory to

the International Grains Agreement (IGA) 1995 and its Grain Trade Convention (GTC) 1995 which is effective from 1st July 1995. IGC have two types of members-Importing Members and Exporting Members. India has been included in the category of Exporting members in July, 2003 and represented in the meetings/session of the Council held from time to time. Besides, this Department also participates in other meetings of IGC like Market Conditions Committee meetings and Executive Committee meetings.

8.11 India held the post of Vice-Chairman of International Grains Council(IGC) for the fiscal 2012-13 (1st July 2012 to 30th June, 2013) with Mr. Deepak Kumar, Joint Secretary in the Department of Food & Public Distribution holding the Ex-officio position as Vice-Chairman of International Grains Council(IGC) for 2012-13.

8.12 During the year 2014, the following meeting of International Grains Council has been attended & deliberated by officers/delegation of this Department:-

Meetings of IGC	Represented by
39th Council Session and IGC Grains Conference, 2014 held on 9 th -10 th June, 2014 in London, U.K	Shri Sriprakash Kar, Executive Director (I/E), Food Corporation of India

VISITS OF FOREIGN DIGNITARIES OF OTHER COUNTRIES

8.13 In order to strengthen the bi-lateral relations especially in the Food & Agriculture Sectors, foreign dignitaries at the level of Foreign Ministers, Ambassadors and high level business executives of the countries concerned visit this Department for discussion with Hon'ble Ministers, Secretary & other officers of this Department. During 2014 the following dignitaries visited this

Department:-

Delegation	Purpose of the visit
Visit of a Canadian delegation led by Hon'ble Lyle Eldon Stewart, Saskatchewan Minister of Agriculture with Prof. K.V. Thomas, the then Hon'ble MoS(IC)CA, F&PD on 17 th February, 2014 at 12.30 PM	Although no formal issues proposed by the Canadian side to discuss, bilateral discussion concerning food security, grain storage, trade especially on edible oils, pulses etc. Raised during the discussion.
Meeting of Canadian Minister of Agriculture and Agri-Food Mr. Gerry Ritz with Hon'ble Minister for CA,F&PD, Shri Ramvilas Paswan.	Meeting was a courtesy call on Hon'ble Minister to establish relations with the Minister and to discuss Canadian capabilities in grain handling and storage systems and the prospects for import of Canadian pulses.
Visit of an executive delegation of US-India Business Council led by Mr. Paul Shickler, President, DuPont-Pioneer to meet with Shri Ajai Saxena, Joint Secretary, Department of Food & P.D.	The deliberation was on the issue of senior management representatives of US companies to hear about India Government's priorities and identify India-based solutions and partnerships in sectors related to food and food security.
Visit of H.E. Dr. João Cravinho, Ambassador of the European Union in New Delhi with Hon'ble Minister for CA,F&PD, Shri Ramvilas Paswan on 12.11.2014. The Ambassador was accompanied by Mr. Wojciech Dziworski, First Secretary, Trade and Economic Affairs, Embassy of the EU in New Delhi.	Meeting was a courtesy call on Hon'ble Minister and deliberated on bilateral issues including discussion on India's National Food Security Act, 2013.

WORLD FOOD PROGRAMME

- 8.14 Government of India allocates food grains under a Country Programme Action Plan (CPAP) 2008-2012 signed between the Government of India and the United Nations World Food Programme (WFP), allocation of food grains (Rice & Wheat) have been made by Department of Food & Public Distribution at BPL issue prices for the development schemes to be utilized in various WFP assisted projects in India. A total quantity of 1,65,065 MT of food grains have been allocated during 2008 to 2011. The current Country Programme 2008-2012 is extended upto December, 2014 to facilitate the transition in new Country Strategy, which is under formulation by WFP in consultation with Department of Agriculture & Cooperation.
- 8.15 A sub-committee meeting for Component 1- Capacity Development for Food Security'

was held on 21st August, 2014 between Department of Food and Public Distribution and WFP to monitor the progress on the activities listed in the Annual Work Plan (AWP), 2013 and to discuss the issue highlighted in AWP, 2014. It was observed that the progress is on track and most of the outputs of AWP will be achieved. Some activities rolled over to be part of the new Country Plan are – cross learning workshop/visit and nutri-farms.

WFP's Annual Work Plan 2014

- 8.16 As per the Annual Work Plan (AWP), 2014 prepared by WFP and finalized in the meeting of the Country Programme Advisory Committee (CPAC) of the WFP held on 27th August, 2014 under the Chairmanship of Secretary (A&C), activities like providing support in strengthening TPDS, strengthening Food Security and Nutrition Safety Nets and Advocacy and Governance will be undertaken by WFP during 2014.





CHAPTER - **IX**

CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

Chapter-IX

CENTRAL PUBLIC SECTOR ENTERPRISES AND REGULATORY AUTHORITY

9.1 There are three Central Public Sector Enterprises (CPSEs) – Food Corporation of India (FCI), Central Warehousing Corporation (CWC), Hindustan Vegetable Oils Corporation Limited (HVOC) and one Regulatory Authority – Warehousing Development and Regulatory Authority (WDRA) under the administrative control of Department of Food & Public Distribution. Organizational set-up, functions and achievements of three CPSEs and Regulatory Authority during current financial year are given in succeeding paragraphs.

A. FOOD CORPORATION OF INDIA

9.2 The Food Corporation of India (FCI) is the nodal agency of the Government of India responsible for executing food policies of the Central Government. The 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 The Food Corporation of India coordinates its functions through a country-wide network of offices with Headquarters at New Delhi and 5 Zonal Offices, 24 Regional Offices, 1 Special Regional Office at Imphal covering the State of Manipur, 1 office at Kandla Port and 169 District Offices.

STAFF POSITION

9.4 The Category-wise staff position of Food Corporation of India for the quarter ending

30.09.2014 is as under:-

Category	Sanctioned Strength	In-Position*
A	1012	779
B	6292	4249
C	26831	14304
D	2380	4516
Total	36515	23848

Note: *Includes employees working against Engineering, Hindi and Security posts for which sanctioned strength is under review.

CAPITAL STRUCTURE

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

	As on 31.03.12	As on 31.03.13	As on 31.03.14	As on 31.12.14
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 **	1055.03	1078.31	1081.31	1131.31
(iii) IISFM Project	96.74	96.74	96.74	96.74
(iv) Others	3.90	13.90	13.90	13.90
Total	2649.67	2672.95	2675.95	2725.95
** Equity release for NE during the year	59.94	19.28	NIL	50.00

AUDIT & ACCOUNTS

9.6 The responsibility of auditing of the accounts of the Food Corporation of India rests with the Comptroller and Auditor General of India (C&AG). The Accounts of the Corporation for the year 2013-14 has been approved and accepted by the Board on 19.12.2014 and

C&AG have started audit from 22.12.2014.

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

(In ` crores)

Year	Purchases	Sales	Subsidy	Total
2008-09	53178.79	17289.26	34787.46	105255.51
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

PROCUREMENT OF FOODGRAINS

Wheat Procurement

- 9.8 During RMS 2014-15, total procurement of wheat for the central pool was 280.23 Lakh MT as against 250.92 Lakh MT procured during RMS 2013-14. Punjab, Haryana, Madhya Pradesh and Uttar Pradesh have accounted for more than 92% of the total procurement of wheat during RMS 2014-15.

Paddy/ Rice Procurement

- 9.9 The total quantity of paddy procurement during KMS 2013-14 was 355.71 Lakh MT as against 388.06 Lakh MT of paddy procured during previous KMS 2012-13. The total quantity of paddy procured in KMS 2014-15 (upto 31.12.2014) has been 210.75 Lakh MT.

- 9.10 The total procurement of rice during KMS 2013-14 for central pool was 318.40 Lakh MT as against 340.44 Lakh MT of rice (including paddy in terms of rice). KMS 2014-15 has commenced from 01.10.2014 and upto 31.12.2014, 149.17 Lakh MT rice (including paddy in terms of rice) has been procured by Govt. agencies including FCI.

Procurement of Levy Rice

- 9.11 The procurement of levy rice by FCI & State Govt. for the central pool during 2013-14 was 80.07 Lakh MT as against 80.44 Lakh MT of levy rice received during KMS 2012-13.

Paddy/ Rice Procurement in KMS 2013-14

- 9.12 Region-wise procurement of paddy and receipt of levy rice and CMR during KMS 2013-14 is as under:-

(In Lakh MT)

States/ UTs	Paddy in terms of rice	Levy	CMR	Total Rice Received*
A.P.	0.72	36.90	0.45	37.35
Telangana	24.54	27.09	16.22	43.31
Assam	0.00	0.00	0.00	0.00
Bihar	14.07	0.00	7.63	7.63
Chandigarh	0.17	0.00	0.12	0.12
Chhattisgarh	63.96	0.05	41.97	42.02
Haryana	35.87	0.02	23.42	23.44
Jharkhand	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	0.00
Karnataka	0.00	0.00	0.00	0.00
Kerala	5.36	0.00	3.64	3.64
M.P.	15.52	0.00	6.00	6.00
Maharashtra	2.40	0.00	1.32	1.32
Odisha	41.75	0.03	26.08	26.11
Puducherry	0.00	0.00	0.00	0.00
Punjab	120.98	0.00	80.65	80.65
Rajasthan	0.00	0.00	0.00	0.00
Tamil Nadu	10.21	0.00	6.75	6.75
U.P.	9.07	5.19	5.88	11.07
Uttarakhand	0.47	4.31	0.32	4.63
West Bengal	10.62	6.48	6.95	13.43
Total	355.71	80.07	227.40	307.47

*Upto 31.12.2014

Paddy/ Rice Procurement in KMS 2014-15

- 9.13 Region-wise procurement of paddy and receipt of levy rice and CMR during current KMS 2014-15 (upto 31.12.2014) is

as under:-

(In Lakh MT)

States/ UTs	Paddy in terms of rice	Levy	CMR	Total Rice Received
Telangana	10.04	5.35	1.20	6.55
Assam	0	0	0	0
Bihar	0.06	0	0	0
Chandigarh	0.15	0	0.09	0.09
Chhattisgarh	23.39	0	2.16	2.16
Haryana	29.78	0	7.67	7.67
Jharkhand	0	0	0	0
J&K	0	0	0	0
Karnataka	0	0	0	0
Kerala	1.42	0	0.57	0.57
M.P.	7.24	0	0	0
Maharashtra	0.90	0	0	0
Odisha	4.59	0	0.43	0.43
Puducherry	0	0	0	0
Punjab	116.14	0	19.14	19.14
Rajasthan	0	0	0	0
Tamil Nadu	0.07	0	0	0
U.P.	6.64	0.71	3.33	4.04
Uttarakhand	2.16	0.06	0.85	0.91
West Bengal	2.46	1.54	0.51	2.05
Total	210.75	7.98	36.91	44.89

Procurement of Coarse Grains

9.14 In the States of Maharashtra, Karnataka, Madhya Pradesh, Chhattisgarh and Andhra Pradesh, the State Govt. and their agencies undertook the procurement of coarse grains. The Region wise procurement of coarse grains during last two marketing seasons has been as under:-

Region	2012-13 (In MT)			
	Jowar	Bajra	Maize	Ragi
Maharashtra	63843	-	9	-
Chhattisgarh	-	-	-	-
M.P.	5740	-	2234	-
A.P.	-	-	-	-
Telangana	-	-	-	-
Karnataka	-	-	-	-
Bihar	-	-	-	-
Total	69583	-	2243	-

Region	2013-14 (In MT)			
	Jowar	Bajra	Maize	Ragi
Maharashtra	85	-	95555	-
Chhattisgarh	-	-	2587	-
M.P.	2	-	86573	-
A.P.	-	-	27918	-
Telangana	-	-	288904	-
Karnataka	4	-	713807	14788
Bihar	-	-	722	-
Total	91	-	1216066	14788

STOCK MANAGEMENT

9.15 The stock holding under central pool as on 01.01.2015 is 368.56 Lakh MT (Rice-117.43 Lakh MT; Wheat-251.13 Lakh MT). Rice does not include un-milled paddy of 169.96 Lakh MT, out of which CMR that could be derived taking out turn ratio as 67% will be 113.87 Lakh MT. The Crop Year-wise percentage of issuable stock in central pool as on 31.12.2014 is as under:-

(In Lakh MT)

Crop Year	Wheat	Rice*
	% of stocks	% of stocks
2014-15	86.73	40.93
2013-14	12.93	58.89
2012-13	0.34	0.18
Total	100	100

*Excluding unmilled paddy

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 and OWS.

9.17 The off take of wheat and rice under TPDS, additional allocations and welfare schemes of the Government of India during the year 2014-15 (upto 31.12.2014) is as follows:-

(In Lakh MT) / (Provisional)

Name of scheme	Category	2014-15		
		Wheat	Rice	Total
(a)TPDS	APL	36.88	30.57	67.45
	APL Addl.	4.86	14.33	19.19
	BPL	18.56	59.63	78.19
	BPL Addl.	1.72	15.56	17.28
	Antyodaya	10.37	38.09	48.46
	NFSA	84.09	63.51	147.6
	Other than NFSA	2.96	1.15	4.11
	Total TPDS	159.44	222.84	382.28
(b) Addl. Allocations for relief/flood & Festivals etc.	3.85	2.47	6.32	
(c) Other Welfare Schemes	10.14	20.88	31.02	
(d) OMSS(D)	16.45	0.00	16.45	
(e) Tender Sale other than OMSS(D)	0.00	0.00	0.00	
Grand Total	189.88	246.19	436.07	

9.18 The estimated offtake of wheat and rice for the period 01.01.2015 to 31.03.2015 is as under:-

(In Lakh MT) / (Provisional)

Name of scheme	Category	2014-2015		
		Wheat	Rice	Total
(a)TPDS	APL	12.29	10.19	22.48
	APL Addl.	1.62	4.78	6.40
	BPL	6.19	19.88	26.07
	BPL Addl.	0.57	5.19	5.76
	Antyodaya	3.46	12.70	16.16
	NFSA	28.03	21.17	49.20
	Other than NFSA	0.99	0.38	1.37
	Total TPDS	53.15	74.29	127.44
(b) Addl. Allocations for relief/flood & Festivals etc.	1.28	0.82	2.10	
(c) Other Welfare Schemes	3.38	6.97	10.35	
(d) OMSS(D)	27.42	0.00	27.42	
(e) Tender Sale other than OMSS(D)	0.00	0.00	0.0	
Grand Total	85.23	82.08	167.31	

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

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

(iii) Offtake under TPDS/OWS/OMSS(D) is estimated for January 2015 to March 2015, as per the current trend 2014-15.

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

9.20 The State-wise issue of foodgrains under all the schemes during the year 2014-15 (upto 31.12.2014) and the comparative position of the corresponding period during the year 2013-14 in NE States are as under:-

(In Lakh MT)

State	Wheat			
	Actual	Actual	Estimated	Total
	2013-14 upto 31.12.13	2014-15 upto 31.12.14	2014-15 (1.1.15 to 31.3.15)	2014-15 upto 31.03.15
Assam	4.31	3.82	1.27	5.09
Arunachal	0.07	0.00	0.00	0.0
Tripura	0.24	0.23	0.08	0.31
Manipur	0.24	0.18	0.06	0.24
Nagaland	0.24	0.23	0.08	0.31
Mizoram	0.08	0.08	0.03	0.11
Meghalaya	0.21	0.17	0.06	0.23
Total	5.39	4.71	1.58	6.29

(In Lakh MT)

State	Rice			
	Actual	Actual	Estimated	Total
	2013-14 upto 31.12.13	2014-15 upto 31.12.14	2014-15 (1.1.15 to 31.3.15)	2014-15 upto 31.03.15
Assam	10.89	13.95	4.65	18.60
Arunachal	0.73	0.90	0.30	1.20
Tripura	2.48	2.69	0.90	3.59
Manipur	1.09	1.56	0.52	2.08
Nagaland	0.99	1.22	0.41	1.63
Mizoram	1.21	1.07	0.36	1.43
Meghalaya	1.39	1.61	0.54	2.15
Total	18.78	23.00	7.68	30.68

9.21 In North East Region, the total offtake of wheat during 2014-15 (upto 31.12.2014) has decreased from 5.39 Lakh MT to 4.71 Lakh MT and in case of rice it has increased from 18.78 Lakh MT to 23.00 Lakh MT, as compared to the corresponding period in the last year.

9.22 The comparative stock position of foodgrains in the North Eastern Region as on 01.01.2014 and 01.01.2015 is as under:-

(In Lakh MT)

As on	Wheat	Rice	Total
01.01.2014	0.45	2.88	3.33
01.01.2015	0.64	2.79	3.43

9.23 The stocks as on 01.01.2015 in respect of wheat has increased by 0.19 Lakh MT and rice has decreased by 0.09 Lakh MT when compared to the stock position as on 01.01.2014 in the NE Region. The stock of sugar is Nil as on 01.01.2015 due to discontinuation of sugar operations by FCI in all the States including NE States.

9.24 Further, the month-wise estimated offtake of foodgrains in respect of NE Region for the remaining period of 2014-15 is as

under:-

(In Lakh MT)

Period	Wheat	Rice	Total
January 2015	0.53	2.56	3.09
February 2015	0.52	2.56	3.08
March 2015	0.53	2.56	3.09
Total	1.58	7.68	9.26

Offtake is estimated for January to March 2015, based on current trend of lifting during 2014-15 (April to December 2014)

IMPORT & EXPORT

Import

9.25 There has been no import of foodgrains (wheat & rice) by FCI on Government account during the year 2014-15 (upto 31.12.2014).

Export

9.26 There has been no sale of rice from central pool for export purposes to PSUs/Private Exporters during the year 2014-15 (upto 31.12.2014).

Export of 20 LMT of wheat from Central Pool stocks through CPSUs

9.27 Government of India vide OM No.4-11/2013-Impex dated 30.08.2013 & 04.09.2013 decided to export 20 Lakh MT of wheat from central pool stocks through CPSUs upto 30.06.2014. As per above decision, 15.57 Lakh MT wheat stocks were exported against approved quantity of 15.02 Lakh MT, out of which 3.27 Lakh MT was exported during 2014-15 as per details given below:-

(In Lakh MT)

Year	Qty. Exported
2013-14	12.30
2014-15 (Upto June,14)	3.27
Total	15.57

QUALITY CONTROL

9.28 The Quality Control (QC) wing of FCI manned by qualified and trained personnel is

entrusted with enormous task of procurement and preservation of foodgrains. The foodgrains are procured as per laid down specifications of Govt. of India and inspected regularly during storage to monitor the quality. Representative samples of the stocks are drawn for physical and chemical analysis to ensure whether the quality standard meets the parameters of laid down specifications of Govt. of India and Food Safety & Standard Authority of India (FSSAI). This is done through a network of about 1850 laboratories throughout the Country. The laboratories at Zonal and Regional levels are equipped to carry out physical and chemical analysis of the foodgrains. The district and depot laboratories generally undertake physical analysis of foodgrains. Laboratories across the country are being upgraded with latest equipments. The laboratory at Institute of Food Security (IFS), Gurgaon would be upgraded as 'State of Art' Laboratory.

- 9.29 The senior Q.C. Officers undertake frequent visits to the procurement and 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 those found responsible for procurement of stocks below the laid down parameters. Long terms/short term training is held for QC staffs on procurement and preservation of foodgrain management.
- 9.30 Periodical disinfection measures are undertaken i.e. prophylactic and curative treatments are imparted to the stocks with the permitted insecticides to ensure the health of the grains so that it may be preserved in the highest category possible. Preventive measures are also undertaken to control rodents, birds and pest infestation by appropriate measures. The stocks of foodgrains strictly conforming to Uniform



Hon'ble Minister visiting the QC lab of FCI Headquarters

Specifications of Govt. of India standard are issued to PDS by adopting joint sampling system scrupulously.

NON-ISSUABLE (DAMAGED) FOODGRAINS AND ITS DISPOSAL

- 9.31 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 CAP storage or in transit. Such stocks need to be salvaged to segregate sound grains, for issue under normal channels. Stocks not fit for normal issue will have to be dealt with as 'Non-Issuable foodgrains'. The Non-Issuable stocks on receipt in the godowns or detected in the depot, are properly checked and segregated on the basis of condition and proportion of sound grains present in different lots. 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 quantity of 19855 tonnes of non-issuable foodgrains has been disposed off during 2014-15 (from April, 2014 to December,

2014). A quantity of 8805 tonnes of non-issuable foodgrains is lying with FCI in various Regions/Zones as on 31.12.2014, out of which 7931 tonnes is covered by tender/auction.

SWACHH BHARAT CAMPAIGN

9.32 Under the Swachh Bharat Campaign, survey of all the FCI godowns has already been completed. It has been noticed that 261 existing toilets and 40 labour sheds require renovation. Further 226 ladies toilets are also to be constructed. It has been decided to complete the renovation of all the 261 toilets and 40 labour shed upto 31.03.2015. New ladies toilets have been planned to be completed in 2015-16.

MODEL DEPOTS

9.33 It has been planned to transform at least 1 depot in each Region i.e. 26 depots as Model Depots. Model depot would have all the facilities like leak proof roofing, flooring, CC roads, labour shed, toilets for men & women, public conveniences for stake holders, drinking water facility and solar energy based lighting etc.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

9.34 Under Corporate Social Responsibility and Sustainable Development (CSR&SD), it was proposed to provide canteen facilities and public convenience facilities in FCI owned depots for all stake holders. Further in order to recharge the water table, provision of Rain Water Harvesting Systems has been made in FCI depots. It has also been the endeavour of FCI to plant the trees in depot compound for green environment. Accordingly, for the year 2014-15, following achievement has been made upto 31.12.2014:-

TRAINING

9.35 The Food Corporation of India has its own Training Institute, the Institute of Food Security (IFS) at Gurgaon (Haryana). The Institute imparts training to officers and officials in various disciplines relevant to FCI operations i.e. Depot Management, Quality Control, Industrial Relations, Administration, Computer, Vigilance, Financial Management, Financial Accounting Package, Rajbhasha Hindi, Internal Audit etc. and also conducts Management Development Programmes. IFS also imparts on the job training to newly recruited Management Trainees. The Management has envisaged Orientation/Induction Training Programme for Officers/Officials to keep them abreast on the operational/functional activities of the Corporation at the grass root level. The status of various trainings imparted at IFS, FCI Hqrs, Zonal Offices etc. during the period 2014-15 (up to 31.12.2014) is as under:-

- Overall training imparted to 1669 officers/ officials of FCI totaling 76,955 mandays.
- At IFS, Gurgaon, 58 training programmes involving 1140 in-service officers/officials of FCI were conducted.
- IFS also conducted 04 training programme on National Food Security Act, 2013 TPDS for State/UT Government Officers as per directions of MOCAF&PD – 191 officers were trained.
- Induction Training Programme (Phase-I,II and III) is being imparted to 164 newly recruited Management Trainees of FCI at IFS,Gurgaon.

	Canteen	Public convenience	Rain Water Harvesting	Solar Panel	Sun Pipe	Plantations of trees
Target	45	45	115	50	5	55000
Achievement	07	13	84	-	04	55000

9.36 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. ICWAI, New Delhi; Standing Committee of Public Enterprises, New Delhi; Rajbhasha Avam Prabandhan Vikas Sansthan, Jaipur; Indian Institute of Management, Ahmedabad; Landmark Worldwide Forum, New Delh; Punjab Agricultural University, Ludhiana; IIPA, New Delhi; ASCI, Hyderabad; NIPHM, Hyderabad; IGMRI, Hapur; ISTM, New Delhi; FICCI, New Delhi and Bharatiya Anubad Parishad, New Delhi. These programmes include diverse subjects having direct relevance to the functioning of FCI. In all 358 officers/officials have so far been nominated in 28 specialized programmes from April, 2014 to December, 2014.

9.37 In order to keep pace with the changing environment in view of globalization and liberalization policy of GOI, 7 senior level management officers were deputed abroad to attend various conferences. One officer visited Queensland University, Australia to attend workshop on Australia – India Strategic Fund, one officer visited Thailand to attend 34th EXCOM meeting of AFMA, one officer visited London to attend 39th Indian Grain Council conference, London, one officer visited Cambridge, UK for in-service training and three officers attended 8th round of Phase-V of Mid Career Training Programme (MCTP) at Washington DC and New York, USA for in-service training.

9.38 In addition to the training efforts at the Corporate level, training programmes are also conducted at various Zonal Training Institutes (ZTI's) located at Noida, Mumbai, Kolkata, Guwahati and Chennai. These ZTI's mostly impart in-service training to Cat.III officials within the Zone apart from conducting induction training for newly recruited Cat.III Staff. Upto December 2014, 2805 newly recruited Category III

officials have been imparted induction training at various ZTI's.

9.39 Summer training was imparted to 116 students from various universities / Institutes in various Divisions at FCI Headquarters.

SC/ST EMPLOYEES IN FCI

9.40 Statement showing the Representation of SCs/STs in service of FCI as on 30.09.2014 is as under:

CATEGORY	Sanctioned Strength	Total No. of Employees	No. of SC	No. of ST
Cat.I	1012	779	215	127
Cat.II	6292	4249	887	650
Cat.III	26831	14304	3036	1319
Cat.IV (Excluding Safaiwala)	2380	4445	1544	523
Cat.IV (Safaiwala)	0	71	30	7
Grand Total	36515	23848	5712	2626

COMPUTERIZATION IN FOOD CORPORATION OF INDIA

Implementation of e-Tendering/e-Procurement

9.41 FCI took a decision to switch over to e-Tendering [under NIC's Central Public Procurement (CPP) portal] in compliance to the guidelines issued by Government of India, to switch over to e-Tendering for tenders of value of Rs. 10 lakhs and above.

9.42 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 Food Grains Management (IISFM)

9.43 Government had sanctioned "Integrated Information System for Food Grains Management" (IISFM) Project as a Plan Scheme, with a total estimated cost of

₹ 96.74 Crore, in August, 2003, in its Xth Five Year Plan, to put in place an on-line MIS for stock position in any FCI Depot, at any given point of time. The IISFM project has been successfully implemented in all FCI Depots, including the depots under North East Zone, covering all seven North Eastern States.

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

9.44 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 Head Quarter 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)

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

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

9.47 The stock information in IRRS has been made viewable to the general public by NIC on the PDS portal. A link for PDS Portal has also been provided on the FCI Website, under

the News & Updates column ([HTTP://FCIWEB.NIC.IN/NEWS/VIEW/215](http://FCIWEB.NIC.IN/NEWS/VIEW/215)) and under Stocks Details Sections ([HTTP://FCIWEB.NIC.IN/stocks/view/14](http://FCIWEB.NIC.IN/stocks/view/14)).

c) IRRS in DCP/ Major Procuring States

9.48 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 degree of success.

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

Release Order Module (Under Implementation)

9.50 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, the NIC team and concerned FCI Divisions, 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.

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

9.52 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.

- 9.53 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.

Depot Online System (Proposed)

- 9.54 The project is to be implemented in all FCI Depots. A detailed project report (DPR) for the nation-wide roll-out of the project is being prepared by M/s Pricewaterhouse Cooper Pvt. Ltd. (PwC) (the Consulting Agency), which would capture the functional as well as systemic requirements for implementing the project.

- 9.55 The progress of Depot Online project was reviewed by Principal Secretary to the Prime Minister on 15th Nov., 2014, in which directions were issued to request Secretary, DeitY to study whether there is a possibility of executing this project internally, i.e. within the Department and compress the timelines for implementation to six months. As advised by Secretary, DeitY, FCI has formulated a strategy for implementation of the project in a time frame of six months. The following action plan has been prepared for the project to be carried out in a time-bound manner:-

- (i) Software application based on Open Source will be developed through NIC/NICSI empanelled vendor(s).
- (ii) The software application will be hosted as a centralized application on NIC Data Centre in Delhi with DR centre in Hyderabad.
- (iii) Connectivity at depot will be through broad band and 2G/3G networks.
- (iv) Desktop computers and hand-held devices will be provided at depot level to capture data in real time from depot

sheds, weighbridges and rail heads.

- (v) Hardware procurement will be through NIC/NICSI/DGS&D empanelled vendors.
- (vi) Emphasis will be put on Process Re-engineering, Change Management, Capacity Building & Training.

- 9.56 A questionnaire has also been prepared for sizing and estimation of the hardware required at various depots/field offices of FCI. Accordingly, the information is being gathered and is being compiled by PWC. A workshop for the project was also conducted on 6th Jan, 2015 wherein suggestions and comments from FCI field offices were gathered.

- 9.57 A meeting was also convened on 7th Jan, 2015 at NIC HQ, New Delhi for identification of a suitable vendor for the development of the software application, i.e. Depot Online System. Finalization of the vendor is currently under process.

Procurement Monitoring System (PMS)

- 9.58 Procurement Monitoring System (PMS) was developed by NIC, in compliance to JS (P&FCI) letter dated 1st July, 2013, with an objective to monitor the progress of procurement of wheat/rice.

a) Paddy/Rice (KMS) Module

- 9.59 During KMS 2013-14, PMS was rolled out (vide FCI letter dated 01.10.2013) for testing and feedback, with specific instructions to all FCI District Offices to start feeding procurement data on a daily basis. Accordingly, FCI District offices of procuring regions started feeding the data. However, certain discrepancies were observed, which were duly forwarded to NIC, to develop a robust system and also to incorporate the same for RMS module too. Subsequently, multiple joint testing sessions of the KMS Module have been conducted by FCI and NIC teams. The updated PMS Module for KMS

2014-15 has been provided by NIC.

9.60 It has been decided that during current KMS (i.e. KMS 2014-15), FCI offices will feed the data for both the State Agencies and for FCI. Accordingly, instructions have been issued to FCI Offices. FCI field offices have started feeding the procurement data of KMS 2014-15. Once the system attains stability State Agencies will be requested to feed their own data in the system.

b) Wheat (RMS) Module

9.61 RMS (Wheat) module of PMS was rolled out (vide FCI letter dated 24.03.2014) across all FCI field offices and all the GMs (Region) were requested to ensure daily and updated feeding of Procurement data in the module. Technical issues in the module, as and when reported by the field offices, were taken up with NIC, for necessary rectifications. Joint Testing sessions for the RMS Module were conducted by FCI and NIC teams, wherein it has been observed that most of the technical issues have been resolved. The module will be rolled out in the next RMS 2015-16.

9.62 Provision for modification of procurement data in the PMS application has also been provided. For this, instructions have been formulated and circulated to all concerned.

LAN/WAN restructuring and Bandwidth Up-Gradation

9.63 The existing LAN/WAN in FCI has become quite outdated and need drastic revamp/upgradation to keep up with the increasing demands of web based IT applications.

a) Bandwidth Up-Gradation

9.64 FCI is revamping the existing IT network infrastructure, to establish network bandwidth of 34 Mbps for HQ, 10 Mbps for ZOs & ROs and 4 Mbps for sensitive DOs & 2 Mbps for other Dos. BSNL has been awarded the project of point-to-point lease

line connectivity between FCI Offices up to district level and the respective NIC offices.

b) LAN/WAN Restructuring

9.65 Through tendering process, NICS selected M/s HCL Comnet Ltd for re-structuring the existing LAN/WAN infrastructure in the FCI offices upto district office level.

Cyber Security Policy

9.66 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.

Aadhar Enabled Biometric Attendance System (AEBAS)

9.67 Food Corporation of India has been registered at centralized attendance portal viz. <http://fci.attendance.gov.in> and AEBAS has been implemented in Hqrs with effect from 01.01.2015. For the proper functioning of the Aadhar Enabled Biometric Attendance System (AEBAS), registration of all FCI employees, on central attendance portal, i.e. www.fci.attendance.gov.in, is under process. As on 09.01.2015, 330 FCI employees of FCI HQ have already registered on central attendance portal.

MARKET BORROWINGS

Cash Credit Facility

9.68 The 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. The effective monthly compounding interest rate charged by the bank from 01.04.2014 to 31.12.2014 is

10.83% p.a. and 10.73% p.a. from 01.01.2015 onward.

Short Term Loan (STL)

9.69 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 Short Term Loan (STL) from the scheduled Banks to the extent of ₹20,000 crore during the financial year 2014-15. As on 31.12.2014, the Corporation raised ₹31,110 crore through STL and STL of ₹500 crore is only outstanding. STL are availed from different banks at their respective quoted rate ranging from 9.95% to 10.25% which is less than the CCL interest cost. This has resulted in a savings of ₹28.92 crore during FY 2014-15 (upto 31.12.2014).

Issue of Bonds

9.70 To reduce the interest cost of FCI, the Corporation mobilized ₹8,604.90 crore in 2005 through issue of Bonds. Out of which ₹4,690.40 crore has been repaid leaving a balance of ₹3,914.50 crore. Further to meet the additional fund requirement of FCI, ₹13,000 crore was raised through issue of Bonds in year 2013 (₹5,000 crore) and year 2014 (₹8,000 crore). Total outstanding Bonds as on 31.03.2014 is ₹16,914.50 crore. In the year 2014-15, the Bonds worth ₹793.50 crore is due for redemption. In addition to above, a proposal for fresh issue of GoI Guaranteed Bonds of ₹12000 crore in the last quarter of 2014-15 has been sent to Ministry vide letter dated 06.01.2015 to fulfill the funds shortage.

Ways & Means Advance

9.71 To meet the temporary requirement of funds, GoI provided FCI a recoverable WMA of ₹10,000 crore in the year 2014-15 which comes an interest rate equivalent to average 364 days T. Bills rate.

IMPLEMENTATION OF OFFICIAL LANGUAGE

9.72 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, 2014.

9.73 During the period from 01.04.2014 to 31.12.2014, Headquarters conducted inspections in 07 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 taken part in various incentive schemes introduced in Food Corporation of India and are being honoured with awards.

9.74 Regional Office, Delhi and Regional Office, Hyderabad were awarded trophies under Akhil Bhartiya Rajbhasha Shield Yojna for the year 2013-14 for their excellent performance in the field of Hindi implementation. Similarly Headquarters Planning and Research Division also won Mukhyalya Rajbhasha Shield for the year 2013-14 for excellent performance in the field of Hindi implementation. Apart from this 5th issue of In-house magazine Khadya Drapan was also published by Headquarters during the month of September 2014. Corporation's Headquarters and Regional Office, Delhi were awarded First Prize and Special Prize respectively on 20.10.2014 under All India Official Language competition held for PSUs in a function organized by the Food Ministry.

(B) CENTRAL WAREHOUSING CORPORATION

9.75 The Central Warehousing Corporation (CWC) was established in March, 1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, which was subsequently repealed and replaced by the Warehousing Corporations Act, 1962.

9.76 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 disinfestations 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

9.77 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 2014-15 (upto 31st December 2014). The capital structure of CWC is as given below:-

(In Lakh MT)

Institution	Paid up Capital
Central Government	3,742.50
State Bank of India	1,474.40
Other Scheduled Banks	1,091.83
Insurance Companies including Life Insurance Corporation of India	477.74
Cooperative Societies	14.87
Recognized Associations dealing in agricultural produce	0.71
Companies dealing in agricultural produce etc.	0.05
Total	6,802.10

GRANT OF SCHEDULE 'A' STATUS

9.78 CWC is a Schedule 'A', Mini Ratna Category-IPSU with effect from 23rd September 2009.

GROWTH IN STORAGE CAPACITY

9.79 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 (up to 31.12.2014) mainly due to low stock position of FCI in view of liquidation of stocks for PDS and export. During the year 2013-14, CWC added 2.21 lakh MT constructed capacity in 14 States including 10000 MT and 7800 MT for Odisha State Warehousing Corporation (OSWC) and Primary Agricultural Co-operative Societies (PACS) respectively.

CAPACITY ADDITION

9.80 Details of the storage capacity constructed by CWC in the years 2009-10 to 2013-14 and projected for 2014-15 are as under:

(In lakh MT)

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
0.85	1.45	2.09	2.35	2.21	1.97

9.81 The details of the State-wise storage capacity created by CWC during 2013-14 are as under:-

(Fig. in MT)

	State	Capacity
1	Assam	7,200
2.	Bihar	1,200
3.	Chhattisgarh	5,000
4.	Haryana	20,500
5.	Jharkhand	1,800
6.	Karnataka	25,300
7.	Kerala	9,000
8.	Maharashtra	5,000
9.	Madhya Pradesh	25,000

	State	Capacity
10.	Odisha	For CWC 23,420 For OSWC 10,000 For PACSs 7,800
		Sub total 41,220
11	Rajasthan	65,600
12	Uttar Pradesh	4,200
13	Uttarakhand	1,200
14	West Bengal	8,800
	Total	2,21,020

9.82 The details of the storage capacity created by CWC during 2014-15 (up to 31.12.2014) State wise are as under:-

(Fig. in MT)

S.No.	State	Capacity
1	Haryana	10,000
2.	Karnataka	4,700
3.	Madhya Pradesh	13,900
4.	Odisha	6,500
5.	Rajasthan	14,400
6.	West Bengal	7,400
7.	Tamil Nadu	4,400
	Total	61,300

9.83 Works for a capacity of 2.02 Lakh MT are in progress. CWC is likely to achieve the target of 2.00 Lakh MT fixed for the year 2014-15.

CAPACITY UTILISATION

9.84 The Storage Capacity of CWC, its utilization and percentage of utilization during last five C years and the year under report are given in

the following table:-

(Fig. in Lakh MT)

Year	Owned/Covered			Hired*			Total		
	Capacity	Utilization	% of Utilization	Capacity	Utilization	% of Utilization	Capacity	Utilization	% of Utilization
2009-10	67.82	58.30	86	39.37	33.57	85	107.19	91.87	85
2010-11	68.74	60.64	88	34.77	30.13	87	103.51	90.77	88
2011-12	70.48	64.04	91	29.84	26.76	90	100.32	90.82	91
2012-13	72.71	68.17	94	29.63	26.74	90	102.34	94.91	93
2013-14	74.14	63.26	85	31.41	27.50	88	105.55	90.76	86
2014-15#	75.84	58.61	77	28.12	24.48	87	103.96	83.09	80

#April to Dec, 2014 (Provisional)

*Includes management warehouses and open storage capacity.

TURNOVER, PROFIT AND DIVIDEND

9.85 CWC has been a consistently profit making and dividend paying CPSE. CWC paid dividend @ 48% of the equity for the year 2013-14. The details of turnover, Profit Before Tax and dividend paid during the years 2003-04 to 2013-14 are given in the following table:-

(Fig. in crore `)

Year	Turnover	Profit Before Tax	Dividend Paid		
			Central Govt.	Others	Total
2003-2004	462.86	33.88	2.25	1.84	4.09
2004-2005	522.87	60.42	4.49	3.66	8.15
2005-2006	619.50	106.95	7.86	6.40	14.26
2006-2007	686.44	133.80	10.10	8.23	18.33
2007-2008	776.23	154.76	11.23	9.14	20.37
2008-2009	849.25	110.44	11.23	9.16	20.39
2009-2010	987.95	163.88	14.22	11.61	25.83
2010-2011	1029.55	203.73	14.97	12.22	27.19
2011-2012	1218.65	159.12*	14.97	12.22	27.19
2012-2013	1406.70	209.23	15.34	12.53	27.87
2013-2014	1528.19	256.47	17.96	14.67	32.63
2014-15 (RE)	1516.54	200.39	NA	NA	NA

(*The Profit Before Tax reduced due to provision of ` 100.13 crore towards introduction of pension for the employees of the Corporation with effect from 01.01.2007)

PEST CONTROL SERVICES

9.86 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 ` 19.67 crore during the year 2013-14. The gross revenue earned up to 31.12.2014 has been ` 14.28 crore (prov.), and projected to earn the additional revenue of ` 6.00 crore up to 31st March, 2015. 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



Hon'ble Minister reviewing the performance of the CWC at its Corporate Office

disinfestations/fumigation as per need of customers.

INTEGRATED CHECK POSTS

- 9.87 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.
- 9.88 Satisfied with the performance of CWC at ICP, Attari, the management of Cargo Terminal of the ICP at Agartala (Tripura) on Indo-Bangladesh border has also been assigned by LPAI to CWC initially for a period of one year on similar terms and conditions of ICP, Attari. The operation of the Cargo terminal of ICP, Agartala commenced in November 2013.



Shri B.B. Pattanaik, MD, CWC signing MoU with Shri Y.S. Sahrawat, Chairman, LPAI for operation of Cargo Terminal of ICP, Agartala.

STATE WAREHOUSING CORPORATIONS

- 9.89 CWC has 17 associates, the State Warehousing Corporations (SWCs). The total

investment of the Central Warehousing Corporation, which is 50% shareholder in the equity capital of the SWCs, as on 31.12.2014 was ₹ 61.79 crore. As on 31.12.2014 (provisional), the SWCs operated 1696 warehouses with a total capacity of 284.39 Lakh MT. The SWCs have constructed additional capacity of 05.28 Lakh MT during 2014-15.

CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED

- 9.90 Central Railside Warehouse Company Limited (CRWC), a PSU under Ministry of Consumer Affairs, Department of Food and Public Distribution, under Companies Act, 1956, received certificate for commencement of business on 24th July, 2007. The Share capital of ₹ 40.56 crores as equity of the new company has been subscribed by Central Warehousing Corporation (CWC).
- 9.91 Railside Warehousing Complexes are being operated in the following locations:-

(As on 31.12.2014)

Sl. No.	Name of RWC	Capacity
1.	Whitefield, Bangalore	29,700 MT
2.	Shakurbasti, Delhi	19,330 MT
3.	Nishatpura, Bhopal	16,700 MT
4.	Sanathnagar, Hyderabad	13,225 MT
5.	Ghaziabad	12,200 MT
6.	Nasik Road	9,270 MT
7.	Alamnagar, Lucknow	15,500 MT
8.	Yamuna Bridge, Agra	18,200 MT
9.	Koodal Nagar, Madurai	12,000 MT
10.	Badnera, Amravati	17,000 MT
11.	Roza, Shahjahanpur	18,400 MT
12.	Kandla, Gujarat	32,200 MT
13.	Korrukupet, Chennai	30,292 MT
14.	Hatia, Ranchi	12,800 MT
15.	Saswad Road, Pune	18,700 MT
16.	Dehri-on-Sone, Bihar	11,700 MT
17.	Dankuni, Kolkata	13,750 MT
18.	Mysore, Karnataka	12,500 MT
19.	Jogeshwari, Mumbai	16,000 MT
	Total	3,29,467 MT

9.92 The development of RWCs at Jogeshwari (Mumbai) with 16,000 MT has been completed. The construction of a new RWC at Jogeshwari (Mumbai) with 16000 MT capacity has been completed and made operational from 11.01.2015. The riverside facility at Pandu Port with warehousing capacity of 7000 MT has been taken over from Inland Waterways Authority of India (IWAI) on lease basis w.e.f. October, 2014.

9.93 The Hon'ble Minister for Railways in his Budget speech (2014-15) has proposed to give a boost to rail movement of fruits and vegetables in partnership with CRWC by providing requisite facilities of temperature controlled storage at 10 additional locations on the Indian rail network. Besides, CRWC has also ventured into running Parcel Cargo Express Train from Chalakkudy to Moga on round trip basis effective 15.10.2014, the contract of which has been awarded by the Railways.

9.94 Upto December, 2014, CRWC handled 1,02,131 wagons.

Total Number of Wagon Handled

Year	Total Wagon Handled
2011-12	1,10,580
2012-13	1,23,015
2013-14	1,25,700
2014-15*	1,02,131

*Upto December, 2014

Total Installed Warehouse Capacity

Year	Installed Warehouse Capacity (in MT)
2011-12	3,00,967
2012-13	3,13,467
2013-14	3,13,467
2014-15*	3,29,467

*Upto December, 2014

9.95 The financial results of CRWC during the year under report as against the

preceding two years are given below:-

(` in Lakh)

Year	Income	Expenditure	Profit Before Tax	Profit After Tax
2011-12	7419.64	5487.83	1931.81	1330.93
2012-13	8392.21	5944.99	2447.22	1646.73
2013-14	9132.32	6338.28	2794.04	1764.12
2014-15*	10000.00	6600.00	3400.00	2400.00

*Provisional

9.96 In view of improved financial performance, CRWC paid interim dividend of ` 608.40 Lakh i.e. @ 15 % of the equity for the year 2013-14 as against 10 % for the year 2012-13.



MD, CRWC presenting the Dividend Cheque to MD, CWC

(C) HINDUSTAN VEGETABLE OILS CORPORATION LIMITED

9.97 HVOC, a fully-owned Govt. Company, was formed in 1984 with merger of two nationalized companies namely Ganesh Flour Mills and Amritsar Oils Works. The Company was engaged in the business of manufacturing of Vanaspati, refining & packing of imported edible oil for PDS and manufacturing of breakfast cereal. The Company was having its manufacturing and refining units at Delhi, Kanpur, Amritsar, Mumbai and Kolkata and packing units at Bangalore and Chennai. All the units except Breakfast Foods Unit (BFFU)

located in Delhi were closed in the year 2001. The liquidation of the company is presently being done exclusive of BFFU. The liquidator has so far disposed off the moveable assets of the units at Chennai, Mumbai, Amritsar and Bangalore. The disposal of such assets of the unit at Kanpur is in progress. The Breakfast Food Unit (BFFU) of HVOC, since it was not able to recover the incremental costs from the operation, to minimize the loss the production activities have been discontinued from June, 2011 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 103 employees on its roll.

9.98 None of the PSUs under this Ministry as well as Ordnance Factory Board (OFB) which considered taking over the HVOC initially, have come forward to take over HVOC/BFFU along with its employees. Therefore on the direction of Hon'ble High Court of Delhi for taking a final decision on the future of HVOC/BFFU, this Ministry has submitted to the Hon'ble Court a proposal (i) To offer Voluntary Separation Scheme (VSS) to the existing employees by giving all entitled benefits under the existing scheme of the Government, (ii) the landed assets of HVOC which are available in various cities will be disposed/utilized as per laid down procedure after obtaining the approval of Government and (iii) the moveable properties of BFFU are to be included under the ongoing liquidation proceedings of HVOC.

9.99 The Government has given approval to HVOC for offering VSS for the existing employees of BFFU/HVOC and accordingly a Modified Voluntary Separation Scheme has been offered on 28.10.2014 which is valid for a period of 3 months.

(D) WAREHOUSING DEVELOPMENT & REGULATORY AUTHORITY

9.100 The Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India on 26.10.2010 as per the provisions of the Warehousing (Development and Regulation) Act, 2007. The Authority has its office at New Delhi. Following is the composition of the Authority:-

- i. Chairman
- ii. Two other members

9.101 The responsibility of the Authority is to implement the provisions of the Act, Rules and Regulations and to regulate and promote orderly growth of the warehousing business in the country. The main activities of the Authority are listed below:-

- i Registration of Accreditation Agencies.
- ii Registration of Warehouses & Cold Storages.
- iii Implementation of Negotiable Warehousing Receipt System
- iv To specify the qualification, code of conduct and practical training for warehousemen and staff engaged in warehousing business.
- v To regulate process of pledge, creation of charges and enforcement thereof in respect of goods deposited with the warehouse.
- vi To promote efficiency in conduct of warehouse business.
- vii To promote scientific warehousing of goods.
- viii To promote professional organisations connected with the warehousing business.
- ix To regulate and develop electronic

system of holding and transfer credit balances of fungible goods deposited in the warehouses.

security arrangements.

vii Any other requirement prescribed by the Authority from time to time.

REGULATION OF WAREHOUSING BUSINESS

9.102 As per Section 3 of the Warehouses (Development and Regulations) Act, 2007, no person shall commence or carry on the business of warehousing for issuing negotiable warehouse receipts unless he has obtained a registration certificate from the WDRA after fulfilling the prescribed norms in respect of the concerned warehouse or warehouses.

REQUIREMENT FOR REGISTRATION OF WAREHOUSES

9.103 Details of requirements for registration of warehouses are as under:-

- 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 net worth 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

ACTIVITIES INITIATED BY THE AUTHORITY

9.104 The Authority initiated following activities during the year 2014-15:-

(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 14 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: The WDRA has registered 551 warehouses of CWC, SWCs, PACSs and private organisations.

(iv) Integration of PACs with NWR: The WDRA has taken initiative to integrate the Primary Agriculture Cooperative Societies (PACSs) warehouses under the negotiable warehouse receipt system so that the small and marginal farmers may get benefited from this scheme.

(v) Introduction of NWR System in cold storages: The WDRA in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB) has also introduced negotiable

warehouse receipt system in cold storages so that the growers/farmers producing horticulture produce may store these commodities in cold storages and may avail the benefits of loan on NWRs issued by the registered cold storages. 26 horticulture commodities such as Potato, Dehydrated Onion, Garlic, Ginger, Turmeric, Apple and Resins etc. have also been notified. The basic requirements for accreditation of cold storages have been finalized by a Committee appointed by Govt. of India under the chairmanship of MD, National Horticulture Board.

(vi) Training and awareness programme:

(a) National conferences: Regional conferences in association with FICCI, ASSOCHAM, PHD Chamber and CAIT have been organised by the WDR A 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. The WDR A 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 2014-15, upto 31.12.2014, 48 training and awareness programmes for 2400 farmers have been organized in different States with the help of various institutions.



Hon'ble Minister along with Secretary (F&PD) and Chairman, WDR A, during Foundation Day Function of WDR A

(c) Training for warehouse managers: Ten (5-day) training programmes for warehouse managers of CWC, SWCs and private warehouses have been organised at Jaipur, Hyderabad and Hapur.

e-GOVERNANCE INITIATIVE OF THE WDR A

9.105 The WDR A is undertaking transformation plan of WDR A in consultation with National Institute of Public Finance and Policy (NIPFP) which besides other objectives, envisages creation of information system relating to the Negotiable Warehouse Receipts (NWRs) market. It is proposed to put in place an enabling frame work for establishment of data base for storing and sharing of information related to warehouses, warehouse service providers and the issuance and trade of NWRs.





CHAPTER - **X**

RESULTS-FRAMEWORK DOCUMENT

Chapter-X

RESULTS-FRAMEWORK DOCUMENT

INTRODUCTION

10.1 Under the “Performance Monitoring and Evaluation System (PMES) for Government Departments”, each Ministry/Department is required to prepare a Results-Framework Document (RFD). An RFD provides a summary of the most important results that a Department/Ministry expects to achieve during the financial year. This document has two main purposes: (a) move the focus of the Ministry/Department from process-orientation to results-orientation, and (b) provide an objective and fair basis to evaluate Ministry's/Department's overall Performance at the end of the year.

FORMAT OF RESULTS-FRAMEWORK DOCUMENT

10.2 A Results-Framework Document (RFD) is essentially a record of understanding between a Minister representing the people's mandate, and the Secretary of a Department responsible for implementing this mandate. This document contains not only the agreed objectives, policies, programs and projects but also success indicators and targets to measure progress in implementing them. To ensure the successful implementation of agreed actions, RFD may also include necessary operational autonomy.

10.3 The RFD seeks to address three basic questions: (a) What are department's main objectives for the year? (b) What actions are proposed to achieve these objectives? (c) How would someone know at the end of the year the degree of progress made in implementing these actions? That is, what are the relevant success indicators and their targets?

10.4 The RFD contains the following six sections:-

Section 1 Ministry's Vision, Mission and Functions.

Section 2 Inter-se priorities among key objectives, success indicators and targets.

Section 3 Trend values of the success indicators.

Section 4 Description and definition of success indicators and proposed measurement methodology.

Section 5 Specific performance requirements from other departments.

Section 6 Outcome/Impact of activities of Department/Ministry.

RFD OF DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

10.5 The RFD 2013-14 has already been uploaded on the website of the Department (<http://www.dfpd.nic.in>) as well as on the website of the Performance Management Division (PMD) of the Cabinet Secretariat (<http://www.performance.gov.in>) through Results-Framework Management System (RFMS). The Performance Evaluation Report (provisional) for this Department is given at next page. The provisional score is 83.73.

10.6 Final Score approved by the High Power Committee (HPC) is yet to be received from the Cabinet Secretariat. However, it is expected to be higher than the provisional score, after factoring in the reasons for the shortfall in some success indicators. The expected final score is 98.11.

Performance Evaluation Report for Year 2013-2014

Objective	Weight	Action	Success Indicator	Unit	Weight	Target	Achievement	Score
1 Development of Warehousing Sector	20.00	[1.1] Investment in Warehousing Infrastructure	[1.1.1] Creation of additional warehousing infrastructure by CWC	Lakh MTs	3.00	2.20	2.21	100.0
			[1.1.2] Increase scientific storage under Private Entrepreneurs Guarantee (PEG) scheme in the country for stocking of foodgrains for PDS strategic requirements	Lakh MTs	8.00	65	50.11	70.22
			[1.1.3] Awareness Training Programme for farmers on NWRs System for WDRA	Nos.	2.00	25	47	100.0
		[1.2] adoption of new storage technologies	[1.2.1] Obtaining and finalizing design for development of Green Warehouse Complex of CWC/godowns of FCI	Date	2.00	31/01/2014	24/12/2013	100.0
			[1.2.2] Mechanization of godowns by FCI	Nos.	2.00	22	22	100.0
			[1.2.3] Preparation of project report on energy saving in warehouses	Date	1.00	16/12/2013	31/10/2013	100.0
		[1.3] Issue of negotiable warehouse receipts	[1.3.1] Value of underlying commodities against which NWRs issued.	Rs. in Cr.	2.00	1500	583.02	0.0
2 Improvements in Public Service System	4	[2.1] Updating of website	[2.1.1] Updation of FAQs and their answers on the website	Date	1.00	20/11/2013	20/11/2013	100.0
		[2.2] Quarterly Review of Performance of the Service Standards to be designed and complied with by Directorate of Sugar	[2.2.1] Review upto June 2013	Date	1.00	30/09/2013	20/09/2013	100.0
			[2.2.2] Review for July - September 2013	Date	1.00	31/12/2013	31/12/2013	100.0
			[2.2.3] Review Review for Oct.-Dec. 2013	Date	1.00	25/03/2014	25/03/2014	100.0
3 To Strengthen the Targeted Public Distribution System	12	[3.1] Ensure availability of wheat and rice to meet requirement of TPDS and of sugar for BPL families	[3.1.1] Issue of provisional allocations of wheat, & rice to States and UTs for the year 2014-15	Date	4.00	20/02/2014	17/02/2014	100.0
			[3.2] Issue of provisional allocations to Ministries under Mid-Day meal scheme and Wheat based Nutrition Programme (WBNP) for 2014-15	[3.2.1] Provisional allocations of foodgrains	Date	3.00	13/02/2014	04/02/2014
		[3.3] Quarterly review of offtake of foodgrains under TPDS and issue of Advisories to the State Govts	[3.3.1] Issue of advisory for quarter January to March 2013	Date	1.00	14/06/2013	26/06/2013	83.33
			[3.3.2] Issue of advisory for quarter April to June 2013	Date	1.00	16/09/2013	26/09/2013	88.0
			[3.3.3] Issue of advisory for quarter July to September 2013	Date	1.00	16/12/2013	16/12/2013	100.0
			[3.3.4] Issue of advisory for quarter October to December 2013	Date	1.00	10/02/2014	07/02/2014	100.0
		[3.4] Preparation of status papers on computerization.	[3.3.1] Circulation of status paper	Date	1.00	03/02/2014	30/01/2014	100.0

Objective	Weight	Action	Success Indicator	Unit	Weight	Target	Achievement	Score
4 To undertake price support operations through efficient Procurement of wheat, Paddy/rice and coarse grains	20	[4.1] Assessing and monitoring the procurement of wheat, rice and coarse grains	[4.1.1] Procurement of estimated quantity of wheat, rice and coarse grains between April 2013 to March, 2014	Lakh Mts	8.00	700	567.17	0.0
		[4.2] Expanding geographical coverage of procurement operations	[4.2.1] Increase in procurement from non-conventional States of Eastern India as compared to the previous year	%	2.00	20	-8.6	0.0
		[4.3] Timely supply of Jute & HDPE / PP bags to procurement agencies for Kharif Marketing Season (KMS) 2013-14	[4.3.1] Preparation of Jute bags supply plan for KMS 2013-14 & issue of relaxation orders for supply of HDPE/PP bags	Date	2.00	31/07/2013	02/05/2013	100.0
		[4.4] Timely supply of Jute & HDPE / PP bags to procurement agencies for Rabi Marketing Season (RMS) 2014-15	[4.4.1] Preparation of Jute bags supply plan for RMS 2014-15 & issue of relaxation orders for supply of HDPE/PP bags	Date	2.00	15/11/2013	15/11/2013	100.0
		[4.5] Laying down quality standards for procurement of paddy / rice and coarse grains in Kharif Marketing Season (KMS) 2013-14	[4.5.1] Communication of the uniform specifications for KMS 2013-14 to all concerned	Date	2.00	14/08/2013	20/08/2013	90.0
		[4.6] Liquidation of existing stocks to vacate the storage space for stocking of foodgrains to be procured in KMS 2013-14 & RMS 2014-15	[4.6.1] Liquidation of all old stocks of foodgrains for the period upto 2011-12	%	4.00	100	100	100.0
5 To create a legal framework for providing food security	10	[5.1] Examination of the recommendations of Standing Committee on CA, F&PD on National Food Security Bill 2011	[5.1.1] Moving the official amendments to National Food Security Bill 2011 in Parliament	Date	5.00	31/05/2013	20/03/2013	100.0
		[5.2] Preparation of draft Rules under the National Food Security Bill	[5.2.1] Draft Rules will be in place under the National Food Security Bill within time limit after passing of Bill by Parliament.	No. of months	5.00	5	4	100.0
6 Development /promotion of sugar industry	19	[6.1] Timely sanction and disbursement of SDF loans for modernization and expansion	[6.1.1] 100% Utilization of BE under SDF	%	2.00	100	100	100.0
			[6.1.2] All complete applications received to be submitted for consideration of sub-committee/screening committee within two months	%	2.00	100	100	100.0
			[6.1.3] All cases recommended by the sub-committee / screening committee to be considered by the Standing Committee within further two months	%	2.00	100	100	100.0
		[6.2] Formulation of New Sugar Policy	[6.2.1] Finalization of New Sugar Policy for Sugar to PDS	Date	3.00	01/10/2013	11/7/2013	100.0

Objective	Weight	Action	Success Indicator	Unit	Weight	Target	Achievement	Score
	3.00	[6.3] Fixation of fair and remunerative price (FRP)	[6.3.1] Fixation of FRP of sugarcane for the next sugar season	Date	3.00	28/02/2014	14/02/2014	100.0
		[6.4] Encouragement to set up projects for utilization of by-products for value addition (Cogeneration and Ethanol Projects)	[6.4.1] 100 % utilization of BE under Sugar Development Fund	%	2.00	100	100	100.0
			[6.4.2] All complete applications received to be submitted for consideration of sub-committee within two months	%	2.00	100	100	100.0
			[6.4.3] All cases recommended by the Sub-committee to be considered by the Standing Committee within further two months	%	2.00	100	100	100.0
			[6.4.4] Follow up action on study of impact of SDF conducted during 2012-13	Date	1.00	01/07/2013	01/07/2013	100.0
* Efficient Functioning of the RFD System	3	Timely submission of Draft RFD 2014-15 for Approval	On-time submission	Date	2.00	05/03/2014	05/03/2014	100.0
		Timely submission of Results for 2012-13	On-time submission	Date	1.00	01/05/2013	01/05/2013	100.0
* Transparency / Service delivery Ministry/Department	3	Independent Audit of implementation of Citizens'/Clients' Charter (CCC)	% of implementation	%	2.00	100	99	99.0
		Independent Audit of implementation of Public Grievance Redressal System	% of implementation	%	1.00	100	86.6	86.6
* Administrative Reforms	6	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	1.00	100	100	100.0
		Implement ISO 9001 as per the approved action plan	% of implementation	%	2.00	100	100	100.0
		Identify, design and Implement major innovations.	Timely submission of Action Plan for enabling innovation	Date	2.00	15/05/2014	15/05/2014	100.0
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	1.00	24/03/2014		N/A
* Improving Internal Efficiency/Responsiveness.	2	Update departmental strategy to align with 12th Plan priorities	Timely updation of the strategy	Date	2.00	10/09/2013	10/09/2013	100.0
* Ensuring compliance to the Financial Accountability Framework	1	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.	%	0.25	100	100	100.0
		Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRS submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	0.25	100	100	100.0
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2013.	Percentage of outstanding ATNs disposed off during the year.	%	0.25	100	31	0.0
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2013	Percentage of outstanding ATRS disposed off during the year.	%	0.25	100	100	100.0

* Mandatory Objective(s)

Total Composite Score: 83.73

Expected final score after factoring in reasons for shortfall in following Successor Indicators (S.I.):-

S.I. No.	Provisional Score	Expected Final Score
1.1.2	5.62	8.0
1.3.1	0.0	2.0
4.1.1	0.0	8.0
4.2.1	0.0	2.0

Expected Final Total Score = 98.11

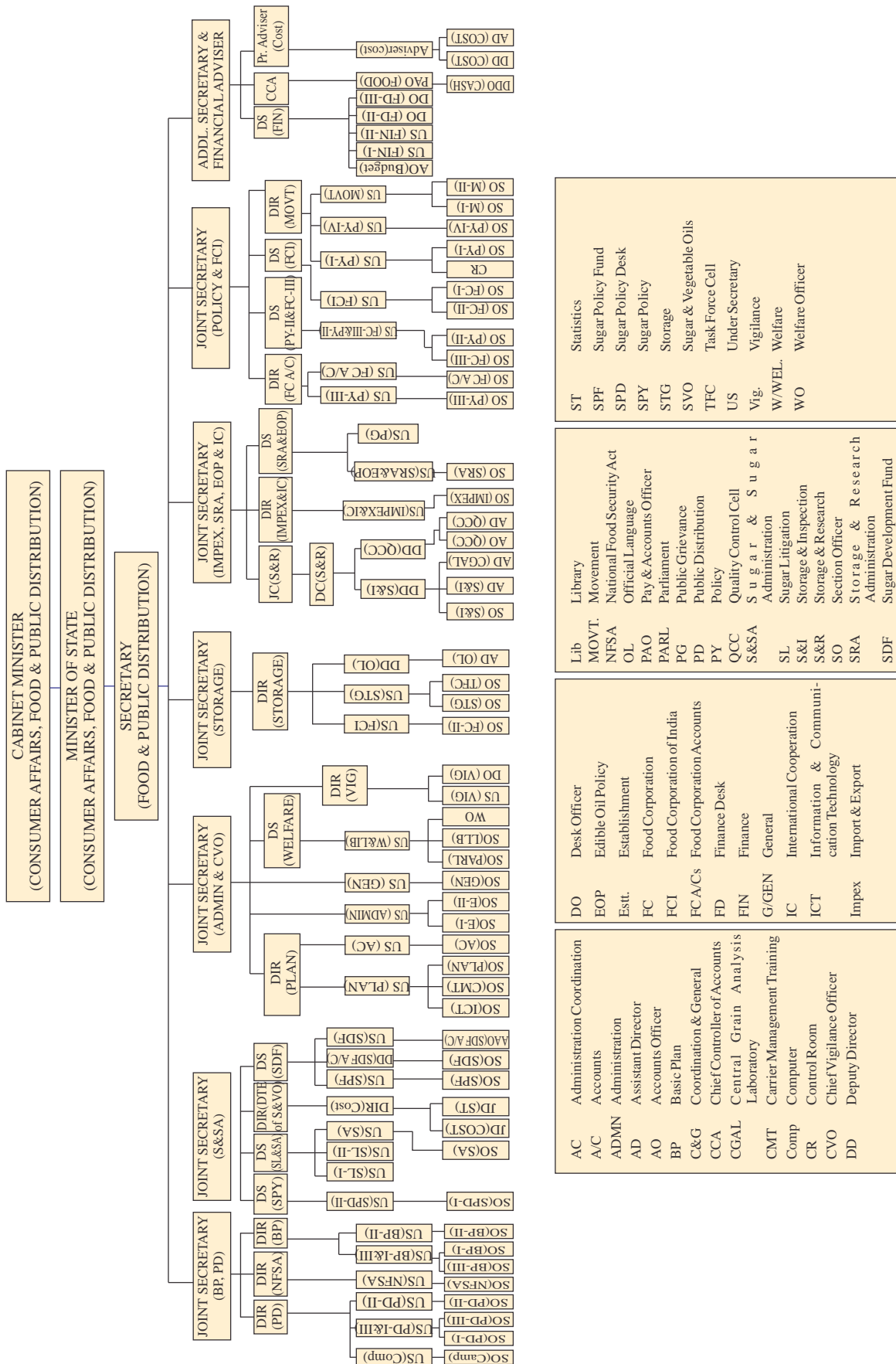




ANNEXURES

Annexure-I

ORGANISATIONAL STRUCTURE OF DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION



**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	17	53	186
'B'	258	15	17	35	30	19	374
'C'	237	11	57	34	28	235	602
Total	569*	35	93	83	75	307	1162

*Note: - Including sanctioned strength of CSS/CSSC/CSSS in Directorate of Sugar & Vegetable Oils. Further, due to restructuring of Indian Cost Account Service by Ministry of Finance, 7 more posts has been allocated to this Department resulting overall increase of sanctioned strength of Department from 562 in 2013-14 to 569 in 2014-15.

BUDGET ESTIMATE, REVISED ESTIMATE AND EXPENDITURE STATEMENT

(Fig. in crore rupees)

Year	Department	Demand No.	Plan	Budget Estimates		Revised Estimates		Actual Expenditure		
				Non Plan	Total	Non Plan	Total	Plan	Non Plan	Total
2010-11	Food & PD	17	100.00	67524.81	67624.81	66.11	84480.61	64.75	87193.65	87258.40
2011-12	Food & PD	17	120.00	72211.32	72331.32	93.48	84393.93	91.17	84332.14	84423.31
2012-13	Food & PD	17	126.00	86835.66	86961.66	85.00	96790.72	83.39	96782.02	96865.41
2013-14	Food & PD	17	259.00	101469.64	101728.64	200.00	103406.17	194.08	103404.15	103598.23
2014-15	Food & PD	17	330.00	125954.34	126284.34	150.00	134326.54	90.09*	109659.76*	109749.85*
2015-16	Food & PD	18	212.00	136325.55	136537.55					

* Expenditure upto December, 2014

POSITION OF PENDING AUDIT PARAS

Year (C&AG Report)	No. of Paras/PAC reports on which ATNs have been submitted to PAC/COPU after vetting by Audit during 2014-15	Details of Paras/PAC reports on which ATNs are pending			
		No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and awaiting their resubmission by the Ministry	No. of ATNs sent to Audit for vetting	No. of ATNs which have been finally vetted by audit but have not been submitted by the Ministry to PAC/COPU
Prior to 2009-10			8	2	
2009-10			5		1
2010-11			1		
2011-12			3		
2012-13	6	1	4	1	
2013-14	16	1			
2014-15	5				
Total	27	2	21	3	1

SUMMARY OF IMPORTANT AUDIT OBSERVATIONS

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

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

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

Action Taken by the Department

The vetting remarks of C&AG on the ATN furnished by this Department were sent to CWC on 13.11.2014. The comments of CWC are awaited.

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

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

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

Action Taken by the Department

Review ATN on the basis of the reply received from FCI sent to C&AG on 2.1.2014. Vetting remarks received from the office of the C&AG has been sent to FCI for comments on 26.2.2014. FCI has furnished their comments. Further, information has been sought from FCI. Reply received from FCI on 25.09.2014. Revised ATN is being prepared.

Para No. 6.3: Loss due to Interest Rate Swap transactions

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

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

Action Taken by the Department

C&AG vetting remarks dated 12.2.2013 sent to FCI on 28.2.2013 for reply/ATN. FCI reply dated 12th August, 2013 has been received and sent to C & AG

on 30.08.2013. Further, C&AG vetting remarks dated 11.10.2013 sent to FCI on 21.10.2013 for reply/ATN. FCI's reply dated 10.12.2013 received. A meeting has been held with officials from FCI on the audit para. Revised ATN is being prepared.

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

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

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

Action Taken by the Department

Since the draft para has been converted into audit para, it was forwarded to FCI for their comments on 05.09.2013, so that an ATN could be sent to audit. Reply has been received from FCI and revised ATN has been sent to Audit on 7th February, 2014. Further vetting remarks of Audit has been received on 13.3.2014. The same has been sent to FCI for their comments on 14.3.2014. Revised reply in annotated form has been obtained from FCI. ATN sent to Audit on 19.08.2014. Reply of the audit has been received on 28.10.2014 and sent to FCI for comments. Comments of FCI is awaited.

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

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

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

Action Taken by the Department

Since the draft para has been converted into audit para, it was forwarded to FCI for their comments on 05.09.2013 followed by a reminder dt.18.10.2013 and

2.12.2013 so that an ATN may be sent to audit. Reply dated 05.12.2013 has been received from FCI and ATN is sent to Audit on 7.2.2014. Further, vetting remarks received from Audit on 13.03.2014. Based on FCI's reply on the vetting remarks, revised ATN was sent to Audit on 19.9.2014.

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

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

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

Action Taken by the Department

The Audit Para from C&AG received on 22.08.2013. FCI has intimated vide their letter dated 23.06.2014 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. The letter sent from the party is being examined by FCI offices. 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.

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 is being prepared.

Annexure-V

BUFFER STOCKS VIS-À-VIS BUFFER NORM OF WHEAT & RICE

(In lakh MT)

As on	Wheat		Rice		Total	
	Minimum buffer norms	Actual stock	Minimum buffer norms	Actual stock	Minimum buffer norms	Actual stock
01.04.2009	70.00	134.29	142.00	216.04	212.00	350.33
01.07.2009	201.00	329.22	118.00	196.16	319.00	525.38
01.10.2009	140.00	271.55	72.00	144.60	212.00	416.15
01.01.2010	112.00	230.92	138.00	243.53	250.00	474.45
01.04.2010	70.00	161.25	142.00	267.13	212.00	428.38
01.07.2010	201.00	335.84	118.00	242.66	319.00	578.50
01.10.2010	140.00	277.77	72.00	184.44	212.00	462.21
01.01.2011	112.00	215.40	138.00	255.80	250.00	471.20
01.04.2011	70.00	153.64	142.00	288.20	212.00	441.84
01.07.2011	201.00	371.49	118.00	268.57	319.00	640.06
01.10.2011	140.00	314.26	72.00	203.59	212.00	517.85
01.01.2012	112.00	256.76	138.00	297.18	250.00	553.94
01.04.2012	70.00	199.52	142.00	333.50	212.00	533.02
01.07.2012	201.00	498.08	118.00	307.08	319.00	805.16
01.10.2012	140.00	431.53	72.00	233.72	212.00	665.26
01.01.2013	112.00	343.83	138.00	322.21	250.00	666.04
01.04.2013	70.00	242.07	142.00	354.68	212.00	596.75
01.07.2013	201.00	423.97	118.00	315.08	319.00	739.05
01.10.2013	140.00	361.00	72.00	190.33	212.00	551.33
01.01.2014	112.00	280.47	138.00	146.98	250.00	427.45
01.04.2014	70.00	178.34	142.00	202.78	212.00	381.12
01.07.2014	201.00	398.01	118.00	212.36	319.00	610.37
01.10.2014	140.00	328.51	72.00	150.81	212.00	479.32
01.01.2015	138.00*	251.13	76.10*	117.43#	214.10	368.56

* New buffer norms with effect from 22nd January, 2015. The norms also include strategic reserve of 30 lakh MT of wheat and 20 lakh MT of rice.

Rice does not include unmilled paddy with FCI/State Agencies in terms of rice. Total quantity of unmilled paddy with FCI and State Agencies = 169.96 LMT (FCI: 0.66 LMT; State Agencies 169.30 LMT). CMR that could be derived taking out-turn ratio as 67% = 113.87 LMT.

Annexure-VI

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TOTAL STOCKS OF FOODGRAINS IN CENTRAL POOL

(As on 01.01.2015)

Region	vktM\$ yk [k ehfv'd Vu ea (Figs. In lakh MT)								
	Hkk- [kk- fu- dk LVkkt STOCK WITH FCI			jkt; , stfl ; ka dk LVkkt STOCK WITH STATE AGENCIES			dflnz; i ny ea dny [kkn; ku TOTAL CENTRAL POOL STOCK		
	pky RICE	xgll WHEAT	; ks TOTAL	pky RICE	xgll WHEAT	; ks TOTAL	pky RICE	xgll WHEAT	; ks TOTAL
fcgkj Bihar	1.22	2.05	3.27	0.00	0.00	0.00	1.22	2.05	3.27
>kj [k. M Jharkhand	0.97	0.00	0.97	0.00	0.00	0.00	0.97	0.00	0.97
vktM'kk Odisha	1.09	2.02	3.11	0.00	0.00	0.00	1.09	2.02	3.11
if'pe caky West Bengal	0.46	4.19	4.65	2.99	0.00	2.99	3.45	4.19	7.64
i d' vpy dk ; ks Zonal Total	3.74	8.26	12.00	2.99	0.00	2.99	6.73	8.26	14.99
vl e Assam	1.35	0.54	1.89	0.00	0.00	0.00	1.35	0.54	1.89
v# .kpy i nsk Arunachal Pr.	0.07	0.01	0.08	0.00	0.00	0.00	0.07	0.01	0.08
f=i kj Tripura	0.31	0.02	0.33	0.00	0.00	0.00	0.31	0.02	0.33
fetlje Mizoram	0.24	0.01	0.25	0.00	0.00	0.00	0.24	0.01	0.25
e\$ky; Meghalaya	0.30	0.05	0.35	0.00	0.00	0.00	0.30	0.05	0.35
ef.kij Manipur	0.25	0.01	0.26	0.00	0.00	0.00	0.25	0.01	0.26
ukxyM Nagaland	0.27	0.00	0.27	0.00	0.00	0.00	0.27	0.00	0.27
i d' Rrj dk dny ; ks Zonal Total	2.79	0.64	3.43	0.00	0.00	0.00	2.79	0.64	3.43
fnYyh Delhi	0.07	1.60	1.67	0.00	0.00	0.00	0.07	1.60	1.67
gfj; k.k Haryana	5.12	28.97	34.09	0.00	13.69	13.69	5.12	42.66	47.78
fgeky i nsk Himachal Pr.	0.05	0.17	0.22	0.00	0.00	0.00	0.05	0.17	0.22
tEewv\$ d'ehj J&K	0.92	0.53	1.45	0.00	0.00	0.00	0.92	0.53	1.45
i atk Punjab	33.86	24.70	58.56	0.00	70.67	70.67	33.86	95.37	129.23
jktLFku Rajasthan	0.21	17.67	17.88	0.00	0.06	0.06	0.21	17.73	17.94
mRrj i nsk Uttar Pr.	8.38	16.58	24.96	0.00	0.00	0.00	8.38	16.58	24.96
mRrj [k. M Uttrakhand	0.53	0.56	1.09	0.73	0.00	0.73	1.26	0.56	1.82
mRrj vpy dk ; ks Zonal Total	49.14	90.78	139.92	0.73	84.42	85.15	49.87	175.20	225.07
vktM/ i nsk Andhra Pr.	4.92	0.73	5.65	0.93	0.00	0.93	5.85	0.73	6.58
duw/d Karnataka	3.41	2.07	5.48	0.00	0.00	0.00	3.41	2.07	5.48
djy Kerala	2.33	0.54	2.87	0.40	0.00	0.40	2.73	0.54	3.27
rfeyuMq Tamil Nadu	4.64	2.28	6.92	4.17	0.00	4.17	8.81	2.28	11.09
ryxkuk Telangana	5.59	0.50	6.09	8.16	0.00	8.16	13.75	0.50	14.25
nf {k. k vpy dk ; ks Zonal Total	20.89	6.12	27.01	13.66	0.00	13.66	34.55	6.12	40.67
xgtjkr Gujarat	0.88	5.15	6.03	0.00	0.00	0.00	0.88	5.15	6.03
egkjKV Maharashtra	5.70	7.49	13.19	0.00	0.00	0.00	5.70	7.49	13.19
e/; i nsk Madhya Pr.	0.11	1.93	2.04	2.10	43.09	45.19	2.21	45.02	47.23
NRrhl x< Chhattisgarh	3.12	0.32	3.44	7.19	0.00	7.19	10.31	0.32	10.63
if'pe vpy dk ; ks Zonal Total	9.81	14.89	24.70	9.29	43.09	52.38	19.10	57.98	77.08
; ks Total	86.37	120.69	207.06	26.67	127.51	154.18	113.04	248.20	361.24
(*)ef. M; ka ea xgll Wheat lying in mandies	0.00	0.00	0.00	0.00	0.12	0.12	0.00	0.12	0.12
ifj pkyu ea LVkkt Stock in Transit	4.39	2.81	7.20	0.00	0.00	0.00	4.39	2.81	7.20
egk; ks Total (All India)	90.76	123.50	214.26	26.67	127.63	154.30	117.43	251.13	368.56

NOTE:

- (*) Haryana (FCI-0.00 LMT; St.Govt. - 0.12 LMT)
- Rice does not include unmilled paddy with FCI/State Agencies in terms of rice.
 - Total quantity of unmilled paddy with FCI and State Agencies = 169.96 LMT (FCI: 0.66 LMT; State Agencies: 169.30 LMT). CMR that could be derived taking out-turn ratio as 67% = 113.87 LMT.
 - 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.

BUFFER NORMS

(In lakh MT)

As on	Buffer Norms			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1 st April	115.8	44.6	160.4	20.0	30.0	210.4
1 st July	115.4	245.8	361.2	20.0	30.0	411.2
1 st October	82.5	175.2	257.7	20.0	30.0	307.7
1 st January	56.1	108.0	164.1	20.0	30.0	214.1

w.e.f. 22.01.2015

Annexure-VII

OVERALL MOVEMENT IN 2014-15

(Provisional) (Fig. in Lakh MT)

Period	2014-15											
	All India movement						Movement Ex. North					
	Rail & Road			Inter & Intra			Rail & Road			Inter & Intra		
	Rail	Road	Total	Inter	Intra	Total	Rail	Road	Total	Inter	Intra	Total
April, 14 to December, 14 (Actual)	303.07	41.58	344.65	302.79	41.86	344.65	219.73	22.00	241.73	230.95	10.78	241.73
January, 15 to March, 15 (Projected)	110.87	15.95	126.82	108.47	18.35	126.82	81.09	9.57	90.66	86.34	4.32	90.66
Total	413.94	57.53	471.47	411.26	60.21	471.47	300.82	31.57	332.39	317.29	15.10	332.39

OVERALL MOVEMENT IN 2013-14

2013-14

(Fig. in Lakh MT)

Period	All India movement						Movement Ex. North					
	Rail & Road			Inter & Intra			Rail & Road			Inter & Intra		
	Rail	Road	Total	Inter	Intra	Total	Rail	Road	Total	Inter	Intra	Total
April, 13 to Dec, 13 (Actual)	284.52	36.73	321.22	285.28	35.94	321.22	206.73	20.97	227.72	22.94	4.76	227.7
January, 14 to March, 14 (Actual)*	111.68	14.91	126.59	109.44	17.15	126.59	75.79	8.95	84.74	80.7	4.04	84.74
Total	396.2	51.61	447.81	394.72	53.09	447.81	282.52	29.92	312.44	303.64	8.80	312.44

*Including export position

Annexure-VIII

STATEMENT SHOWING THE DETAILS OF HTS CLAIMS OF STATES/UTs

Position compiled on : 20.01.2015

(Amount in Rupees Lakh)

State/UT	Year	Amount claimed	Amount reimbursed	Amount disallowed	Bills returned	Amount pending	Reasons for pendency
Mizoram	2011-12	152.07	71.87	5.1	75.1	0	
	2012-13	0	0	0	0	0	Bills not received
	2013-14	0	0	0	0	0	Bills not received
	2014-15	0	0	0	0	0	Bills not received
	Total	152.07	71.87	5.1	75.1	0	
Tripura	2011-12	54.63	34.87	8.12	11.64	0	Under process
	2012-13	39.39	21.61	2.39	0.46	14.93	Under process
	2013-14	17.98	6.17	0.69	0	11.12	
	2014-15	0	0	0	0	0	Bills not received
	Total	112	62.65	11.2	12.1	26.05	
Meghalaya	2011-12 to 2014-15	0	0	0	0	0	There are no claims from Meghalaya
Manipur	2011-12 to 2014-15	0	0	0	0	0	There are no claims from Manipur
Nagaland	2011-12	4.72	0	0	4.72	0	Bills were deficient and have been returned
	2012-13	0	0	0	0	0	Bills not received.
	2013-14	0	0	0	0	0	Bills not received.
	2014-15	0	0	0	0	0	Bills not received.
	Total	4.72	0	0	4.72	0	
Arunachal Pradesh	2011-12	424.3	0	0	424.3	0	Bills were deficient and have been returned
	2012-13	1647.91	0	0	1647.91	0	Bills were deficient and have been returned

	2013-14	293.79	0	0	293.79	0	Bills were deficient and have been returned
	2014-15	0	0	0	0	0	Bills not received
	Total	2366	0	0	2366	0	
Himachal Pradesh	2011-12	639.05	443.55	4.29	34.41	156.8	Under process
	2012-13	678.42	165.89	1.96	0	510.57	Under process
	2013-14	417.21	67.45	0.01	0	349.75	Under process
	2014-15	41.84	0	0	0	41.84	
	Total	1776.52	676.89	6.26	34.41	1058.96	
Jammu and Kashmir	2011-12	299.79	0	0	299.79	0	Bills returned for want of requisite documents.
	2012-13	0	0	0	0	0	Bills not received
	2013-14	0	0	0	0	0	Bills not received
	2014-15	0	0	0	0	0	Bills not received
	Total	299.79	0	0	299.79	0	
Sikkim	2011-12	168.57	119.92	26.04	0	22.61	Under process.
	2012-13	165	121.92	41.92	1.16	0	
	2013-14	173.31	76.38	50.7	0	46.23	Under process.
	2014-15	102.76	0	0	0	102.76	Bills received on 24.11.14 and 16.12.14 and are under scrutiny.
	Total	609.64	318.22	118.66	1.16	171.6	
Lakshadweep	2011-12	16.86	14.77	2.09	0	0	
	2012-13	15.69	14.72	0.97	0	0	
	2013-14	14.95	0	2.36	0	12.59	Amount is pending for want of supporting document of proof of payment made.
	2014-15	0	0	0	0	0	Bills not received
	Total	47.5	29.49	5.42	0	12.59	
A&N Islands	There are no claims of HTS as FCI is directly delivering wheat and rice under PDCs through a private liner.						
Grand Total		5368.24	1159.12	146.64	2793.28	1269.2	

Annexure-IX

STATEMENT ON STATUS OF END-TO-END COMPUTERIZATION OF TPDS OPERATIONS

(As on 31.01.2015)

	Data Digitisation			Online allocation	Supply-chain	Transpa- rency Portal	Online grievance	Toll free number
	FPS Data*	Godowns data*	Ration Card Data*					
A & N Islands	100%	-	100%	In Progress	In Progress	Yes	Yes	Yes
Andhra Pradesh	100%	100%	100%	Yes	-	Yes	Yes	Yes
Arunachal Pradesh	100%	64%	76%	Few locations	-	Yes	-	Yes
Assam	100%	100%	54%	-	-	-	-	Yes
Bihar	100%	100%	100%	In progress	In progress	Yes	Yes	Yes
Chandigarh	100%	100%	100%	Not operational	-	Yes	Yes	Yes
Chhattisgarh	100%	100%	100%	Implemented	Implemented	Yes	Yes	Yes
D & N Haveli	100%	100%	100%	-	-	Yes	-	Yes
Daman and Diu	100%	100%	100%	-	-	Yes	-	-
Delhi	100%	n/a	100%	Implemented	Implemented	Yes	Yes	Yes
Goa	89%	100%	96%	In Progress	In Progress	Yes	Yes	Yes
Gujarat	100%	100%	100%	Implemented	In Progress	Yes	Yes	Yes
Haryana	100%	100%	100%	Only 4 blocks	-	Yes	Yes	Yes
Himachal Pradesh	100%	100%	86%	-	-	Yes	Yes	Yes
J & K	100%	100%	87%	-	-	-	-	Yes
Jharkhand	100%	100%	100%	3 Districts	-	Yes	Yes	-
Karnataka	100%	100%	100%	Implemented	Implemented	Yes	-	Yes
Kerala	100%	100%	100%	-	-	Yes	-	Yes
Lakshadweep	100%	100%	100%	-	-	-	-	-
Madhya Pradesh	100%	100%	100%	Yes	In progress	Yes	Yes	Yes
Maharashtra	100%	100%	100%	Implemented	-	Yes	Yes	Yes
Manipur	100%	100%	54%	-	-	-	-	Yes
Meghalaya	97%	100%	-	In Progress	-	Yes	Yes	Yes
Mizoram	100%	100%	84%	In Progress	-	-	Yes	Yes
Nagaland	100%	100%	2%	In Progress	-	Yes	-	Yes
Odisha	100%	100%	2%	Yes	Partially	Yes	Yes	Yes
Puducherry	100%	n/a	100%	2 divisions	2 divisions	Yes	Yes	-
Punjab	100%	100%	85%	-	-	Yes	-	-
Rajasthan	84%	100%	90%	-	-	-	Yes	Yes
Sikkim	100%	100%	100%	-	-	Yes	-	Yes
Tamil Nadu	100%	100%	100%	Yes	Yes	-	Yes	-
Telangana	100%	100%	100%	Yes	-	-	-	Yes
Tripura	100%	100%	97%	-	-	-	-	-
Uttar Pradesh	100%	100%	48%	-	-	Yes	Yes	Yes
Uttarakhand	100%	100%	10%	-	-	Yes	-	-
West Bengal	100%	100%	80%	In 3 districts	-	Yes	Yes	Yes

* Data in most states is in the process of being verified. Some states are to push data in standard format.

Annexure-X

STORAGE CAPACITY WITH FCI & STATE AGENCIES (As on 01.01.2015)

(Fig. in Lakh MT)

State	Total Storage Capacity with FCI (Owned/Hired)						Total Storage Capacity with State Agencies			Grand Total	
	Covered		CAP		Total		State Agencies		Covered	CAP	
	Owned	Hired	Owned	Hired	Owned	Hired	Covered	CAP			
Bihar	3.66	2.43	1.00	0.00	6.09	1.00	6.90	12.99	1.00		
Jharkhand	0.67	1.31	0.05	0.00	1.98	0.05	0.76	2.74	0.05		
Odisha	3.12	2.48	0.00	0.00	5.60	-	8.07	13.67	-		
West Bengal	8.50	1.18	0.51	0.00	9.68	0.51	4.52	14.20	0.51		
Assam	2.12	1.22	0.00	0.00	3.34	-	2.50	5.84	-		
Arunachal Pd.	0.18	0.05	0.00	0.00	0.23	-	0.05	0.28	-		
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	0.10	0.00	0.00	0.39	-	0.24	0.63	-		
Manipur	0.28	0.04	0.00	0.00	0.32	-	-	0.32	-		
Nagaland	0.20	0.13	0.00	0.00	0.33	-	0.38	0.71	-		
Delhi	3.36	0.00	0.31	0.00	3.36	0.31	-	3.36	0.31		
Haryana	7.68	40.58	3.33	0.00	48.26	3.33	26.96	75.22	37.71		
Himachal Pd.	0.19	0.15	0.00	0.00	0.34	-	-	0.34	-		
J & K	1.03	0.28	0.10	0.00	1.31	0.10	-	1.31	0.10		
Punjab	22.24	87.30	7.31	1.94	109.54	9.25	33.94	143.48	101.92		
Rajasthan	7.06	14.05	1.85	0.00	21.11	1.85	2.29	23.40	2.19		
Uttar Pradesh	14.95	22.76	5.19	0.00	37.71	5.19	14.12	51.83	5.19		
Uttarakhand	0.66	1.01	0.21	0.00	1.67	0.21	1.79	3.46	0.21		
Andhra Pradesh	7.36	9.10	1.60	0.00	16.46	1.60	12.15	40.85	2.62		
Telangana	5.37	6.87	1.02	0.00	12.24	1.02	-	-	-		
Kerala	5.29	0.05	0.21	0.00	5.34	0.21	0.34	5.68	0.21		
Karnataka	3.81	3.43	1.36	0.00	7.24	1.36	20.36	27.60	1.77		
Tamil Nadu	6.24	4.92	0.67	0.00	11.16	0.67	5.71	16.87	0.67		
Gujarat	5.00	2.38	0.27	0.00	7.38	0.27	2.24	9.62	0.27		
Maharashtra	10.73	10.77	1.02	0.00	21.50	1.02	9.89	31.59	1.02		
Goa	0.15	0.05	0.00	0.00	0.20	-	-	-	-		
Madhya Pradesh	3.37	1.17	0.36	0.00	4.54	0.36	53.30	57.84	1.34		
Chhattisgarh	5.12	2.52	0.01	0.00	7.64	0.01	15.41	23.05	0.01		
Total	129.02	216.47	26.38	1.94	345.49	28.32	222.34	567.83	157.10		
	345.49		28.32		373.81		351.12	724.93			

Annexure-XI

STATE-WISE STATUS REPORT OF PEG SCHEME

(Fig. in MT) / (As on 31.12.2014)

Sl. No.	State	Capacity sanctioned/ allotted	Capacity under construction	Capacity for which construction work is yet to start	Capacity completed	Capacity taken over
1	Andhra Pradesh	1,32,000	25,000	19,200	87,800	87,800
2	Bihar	6,25,000	1,80,000	3,65,000	80,000	80,000
3	Chhattisgarh	5,40,800	87,400	18,200	4,35,200	3,96,400
4	Gujarat	50,000	0	200	49,800	49,800
5	Haryana	36,01,935	3,05,414	1,24,567	31,71,954	28,46,618
6	Himachal Pradesh	24,170	0	0	24,170	19,170
7	Jammu & Kashmir	2,84,010	1,22,340	69,170	92,500	70,000
8	Jharkhand	1,88,000	98,000	5,000	85,000	85,000
9	Karnataka	2,41,440	36,670	0	2,04,770	1,89,770
10	Kerala	5,000	0	0	5,000	5,000
11	Madhya Pradesh	17,91,770	4,68,550	2,44,080	10,79,140	3,48,950
12	Maharashtra	5,83,167	7,500	0	5,75,667	5,40,667
13	Odisha	3,20,000	30,000	40,500	2,49,500	2,44,500
14	Punjab	45,28,858	2,52,527	44,093	42,32,238	38,92,537
15	Rajasthan	2,50,000	12,000	15,000	2,23,000	1,75,000
16	Tamilnadu	2,95,000	40,000	1,00,000	1,55,000	1,20,000
17	Telangana	2,69,000	0	0	2,69,000	2,38,000
18	Uttarakhand	0	0	0	0	0
19	Uttar Pradesh	13,20,700	2,27,000	0	10,93,700	10,05,700
20	West Bengal	1,75,180	52,780	55,400	67,000	67,000
	Total	1,52,26,030	19,45,181	11,00,410	1,21,80,439	1,04,61,912

Annexure-XII

STATE-WISE STATUS OF TARGETED CAPACITY CREATION VIS-À-VIS ACHIEVEMENTS

(Fig. in Lakh MT)

	State	Target during 2014-15	Target Achieved (Upto 31.12.2014)
1	Andhra Pradesh	0.25	0.00
2	Bihar	3.50	0.00
3	Chhattisgarh	1.16	0.17
4	Gujarat	0.00	0.00
5	Haryana	5.25	1.65
6	Himachal Pradesh	0.07	0.00
7	Jammu & Kashmir	1.00	0.16
8	Jharkhand	1.00	0.05
9	Karnataka	0.52	0.15
10	Kerala	0.00	0.00
11	Madhya Pradesh	6.80	0.03
12	Maharashtra	0.00	0.00
13	Odisha	0.50	0.00
14	Punjab	1.80	0.51
15	Rajasthan	0.15	0.03
16	Tamil Nadu	1.00	0.00
17	Uttar Pradesh	2.50	0.27
18	Uttarakhand	0.00	0.00
19	West Bengal	1.50	0.07
	Total	27.00	3.09

Annexure-XIII

DETAILS OF APPROVED LOCATIONS FOR CONSTRUCTION OF SILOS

	State	Silo capacity	Approved Locations
1.	Bihar	2,00,000	Mohania*, Buxar*, Bhagalpur, Bettiah. (50,000 MT each)
2.	Haryana	3,00,000	Bhattu, Jind, Karnal, Palwal, Rohtak, Sonapat. (50,000 MT each)
3.	M.P.	3,50,000	Sehore, Jabalpur, Raisen, Vidisha, Guna, Hoshangabad, Ujjain (50,000 MT each)
4.	Punjab	4,00,000	Barnala, Chhehreatta, Patiala, Jalalabad, Kilaraipur**, Sangrur, Dhuri, Batala. (50,000 MT each).
5.	West Bengal	2,00,000	Rangapani, Malda, Dankuni, Mecheda. (50,000 MT each)
6.	Assam	50,000	Guwahati (Changsari)**(50,000 MT)
7.	Kerala	50,000	Eranakulam and Calicut. (25,000 MT each)
8.	Maharashtra	1,00,000	Pune**, Nagpur (50,000 MT each)
9.	U.P.	3,00,000	Jaunpur, Kannauj, Faizabad, Fatehpur, Basti, Deoria (50,000)
10.	Gujarat	50,000	Between Palanpur (Banaskantha) and Siddhapur (Patan)
	Total	20,00,000	

* DEA (VGF Mode) ** VGF Mode (Planning Commission)

Annexure-XIV

PLAN SCHEME FOR CONSTRUCTION OF STORAGE GODOWNS

Plan Outlay for XIIth Five Year Plan

(Fig. in crore rupees)

	Head	Estimated Cost	Unspent balance of 11 th FYP	Outlay in 12 th FYP
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
	Total	597.26	67.26	530.00

Physical and Financial Achievements during 2012-13 & 2013-14

Year	North East Region		Other States		Total	
	Physical*	Financial#	Physical*	Financial#	Physical*	Financial#
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
Total	5,410	58.66	21,160	13.66	26,570	72.32

* Fig. in MT # Fig. in crore rupees

Annexure-XV

STORAGE CAPACITY AVAILABLE WITH FCI AND THE PERCENTAGE UTILIZATION DURING LAST FIVE YEARS

(Fig. in Lakh MT)

Position as on	Covered			CAP			Grand Total	%age utilization
	Owned	Hired	Total	Owned	Hired	Total		
30.06.2010	129.69	144.3	273.99	26.12	6.33	32.45	306.44	91%
30.06.2011	129.91	167.75	297.66	26.36	8.50	34.86	332.52	91%
30.06.2012	130.03	195.64	325.67	26.36	12.35	38.71	364.38	97%
30.06.2013	129.96	225.23	355.19	26.37	10.23	36.60	391.79	84%
30.06.2014	130.09	224.03	354.12	26.38	6.90	33.28	387.40	82%

Annexure-XVI

PRODUCTION, CONSUMPTION AND STOCKS OF SUGAR

(Qty. in lakh MT)

S. N.	Particulars	2009-10	2010-11	2011-12	2012-13 (P)	2013-14 (P)
1.	Carry-over stocks with sugar mills from Previous season	35.83	51.25	62.96	66.96	91.09
1.a	Less –Adjusted 5%	-	2.56	-	0.95	-
2.	Export quantity from 2010-11 stock against OGL-3 (allowed but exported after September, 2011)	-	-	4.42	-	-
3.	Net opening stock	35.83	48.69	58.54	66.01	91.09
4.	Production of Sugar	188.00	243.50	263.43	258.58#	245.54
5.	Imports	41.80**	-	-	6.76	1.05
6.	Estimated Total availability	265.63	292.19	321.97	324.59	337.68
7.	Estimated releases / dispatches for Internal consumption	208.78+ 3.2***	208	227.25	230.00	243.00
8.	Exports against ALS/AAS obligation and OGL	2.4*	26	27.76	3.5	22.00
9.	Total Estimated releases (7+8)	214.38	234	255.01	233.50	265.00
10.	Estimated Closing stocks with sugar mills at the end of season	51.25	58.19	66.96	91.09	72.13\$

P-Provisional

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

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

*As per the data of DGCIS Kolkata.

** As per Department of Revenue

*** Direct import consumption by bulk consumers

\$ Excludes about 0.60 lakh MT of unmarketable BISS/brown sugar.

Annexure-XVII

RECOVERY OF AMOUNT IN RESPECT OF LSPEF (As on 27.01.2015)

Year	Credits (Rs.)	Transfer to FCI (Rs.)	Progressive Total (Rs.)
1976-1977	19421813.15	0	19421813.15
1977-1978	19471945.87	0	38893759.02
1978-1979	11872622.14	0	50766381.16
1979-1980	8423366.51	0	59189747.67
1980-1981	3484097.4	0	62673845.07
1981-1982	3950185.11	0	66624030.18
1982-1983	853756.3	0	67477786.48
1983-1984	1354444.52	0	68832231
1983-1984	0	(-)22400000	46432231
1984-1985	12785849.19	0	59218080.19
1985-1986	25029726.56	0	84247806.75
1986-1987	19440067.71	0	103687874.46
1987-1988	4279968.68	0	107967843.14
1988-1989	8835326.85	0	116803169.99
1989-1990	1393717.62	0	118196887.61
1990-1991	16103954.69	0	134300842.30
1991-1992	17954291.68	0	152255133.98
1992-1993	21837080.81	0	174092214.79
1993-1994	5363892.95	0	179456107.74
1994-1995	1560154.79	0	181016262.53
1995-1996	248127.05	0	181264389.58
1996-1997	7333019.62	0	188597409.20
1997-1998	4080806.42	0	192678215.62
1998-1999	45340758.88	0	238018974.50
1999-2000	26459302.53	0	264478277.03
2000-2001	58490922.69	0	322969199.72
2001-2002	54378084.65	0	377347284.37
2002-2003	95601869.49	0	472949153.86
2003-2004	62602032	0	535551185.86
2004-2005	13154985.57	0	548706171.43
2005-2006	58306196.7	0	607012368.13
2006-2007	63827854.76	0	670840222.89
2007-2008	90394805.86	0	761235028.75
2008-2009	37859404.00	0	799094432.75
2009-2010	126462637.00	0	925557069.75
2010-2011	50752539.74	0	976309609.49
2011-2012	156279443.60	0	1132589053.09
2012-2013	92600848.30	0	1225189901.39
2013-14	63558586.94	0	1288748488.33
2014-15	32083150.28	0	1320831638.61
Total	1343231638.61		

Annexure-XVIII

BRIEF REGARDING LOANS GRANTED FROM SUGAR DEVELOPMENT FUND

Scheme	Modernisation/ Expansion	Cane Development	Cogeneration	Ethanol
Purpose	For carrying out modernization and expansion of sugarfactory	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 Rs.5.40 crores (as per the scheme)	40% of the project cost (20% in case of green field projects) or as per normative cost whichever is lower	40% of the project cost (20% in case of green field projects)
Rate of interest	2% per annum below the Bank Rate prevailing on the date of release (It is 6.75% w.e.f. 16.01.2015)			
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 31.12.14)	₹ 2824.87 Crores	₹ 1013.62 Crores	₹ 2399.69 Crores	₹ 589.84 Crores
Loan disbursed during the year 2014-15 (Upto 31.12.14)	₹ 150 Crore (₹ 200 Crore)	₹ 49.50 Crore (₹ 75 crore)	NIL (₹ 46.45 Crore)	₹ 51.46 Crore (₹ 75 Crore)

Annexure-XIX

**ESTIMATED DOMESTIC PRODUCTION, IMPORT AND TOTAL
AVAILABILITY OF EDIBLE OILS (OILS-WISE)
(November to October)**

(Quantity in lakh MT)

Name of Oilseed	2010-11		2011-12		2012-13*				2013-14**				
	Oilseed	Oil	Oilseed	Oil	Oilseed				Oilseed				
					Kharif	Rabi	Total	Oil	Kharif	Rabi	Total	Oil	
A. Primary Source													
Rapeseed/Mustard	81.79	25.35	66.04	20.47	-	80.29	80.29	24.89	-	79.60	79.60	24.68	
Soyabean	127.36	20.38	122.14	19.54	146.66	-	146.66	23.47	119.89	-	119.89	19.19	
Groundnut	82.65	19.01	69.64	16.02	31.87	15.08	46.95	10.80	78.13	18.60	96.73	22.25	
Sunflower	6.51	2.15	5.16	1.70	1.87	3.57	5.44	1.80	1.53	3.94	5.47	1.80	
Sesame	8.93	2.77	8.10	2.51	6.85	-	6.85	2.12	6.75	-	6.75	2.09	
Niger Seed	1.08	0.32	0.98	0.29	1.02	-	1.02	0.31	0.89	-	0.89	0.26	
Safflower Seed	1.50	0.45	1.45	0.44	-	1.09	1.09	0.33	-	1.14	1.14	0.34	
Castor	13.50	5.40	22.95	9.18	19.64	-	19.64	7.86	16.89	-	16.89	6.76	
Linseed	1.47	0.44	1.52	0.46	-	1.49	1.49	0.45	-	1.43	1.43	0.43	
Sub Total	324.79	76.27	297.98	70.61	207.91	101.52	309.43	72.03	224.08	104.71	328.79	77.80	
B. Secondary Source													
Coconut	4.00			4.00	-	-	-	3.90	-	-	-	4.3	
Cottonseed	10.89			11.62	-	-	-	11.57	-	-	-	12.40	
Rice Bran	7.20			7.50	-	-	-	7.8	-	-	-	8.1	
Solvent Extracted Oils	4.20			4.10	-	-	-	4.1	-	-	-	4.1	
Tree & Forest Origin	1.20			1.20	-	-	-	1.2	-	-	-	1.2	
Sub Total	27.49			28.42	-	-	-	28.57	-	-	-	30.10	
Total (A+B)	103.76			99.03	-	-	-	100.60	-	-	-	107.90	
C. Less: Export & Industrial Use	5.94			9.46	-	-	-	8.41	-	-	-	7.10	
D. Net Domestic Availability	97.82			89.57	-	-	-	92.19	-	-	-	100.80	
E. Import of Edible Oils \$	72.42			99.43	-	-	-	106.05	-	-	-	109.76	
F. Total Availability/Consumption	170.24			189.00	-	-	-	198.24	-	-	-	210.56	

* Based on Final Estimates (declared by Ministry of Agriculture on 14.02.2014).

** Based on 4th Advance Estimates (declared by Ministry of Agriculture on 14.08.2014).

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



Hon'ble Prime Minister along with Hon'ble Minister for CA,F&PD receiving report of the High Level Committee on restructuring of FCI



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