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## **EXECUTIVE SUMMARY**

In the long process of conversion of outlays into outcomes there are several intermediate stages and complementary resources are also required for achieving intended outcomes. The “cause and effect” change is not always direct and several factors come into play - not just the earmarked outlays influencing the actual outcomes.

Outcomes are the end products and results of various Government initiatives and interventions, including those involving partnership with the State Governments, Public Sector Undertakings, Autonomous Bodies and the Community. The Ministry of Finance (Department of Expenditure) issued instructions that from 2007-08 onwards there would be a single document titled Outcome Budget, a tool to track not just the intermediate physical ‘outputs’ that are more readily measurable but also the ‘outcomes’, which are the end objectives of State interventions.

This document broadly indicates physical dimensions of the Financial Budget indicating the actual performance in **2013-14**, performance in the year of **2014-15** and targeted performance during **2015-16**, in physical terms. An attempt has been made to enumerate the activities and schemes of the Department, their financial outlays, projected physical ‘outputs’ and ‘outcomes’. To link financial outlays with the physical outputs and outcomes of various schemes requires a rigorous exercise. An attempt has been made to do so in this document.

The Department of Food and Public Distribution has been entrusted with the responsibilities of formulation and implementation of national policies of foodgrains (wheat, rice and coarsegrains) management, particularly ensuring food security to the vulnerable sections of the society, especially people living below the poverty line. The Department implements Targeted Public Distribution System in partnership with State & UT Governments to ensure supply of food grains to the poor and needy at subsidized prices. Sugar management and edible oils management are two other important activities of the Department.

This document broadly consists of the following chapters:

**Chapter I - Introduction:** - The chapter gives a brief introduction of the functions, organizational set up, list of major programmes / Schemes implemented by the Department, its mandate, goals and policy frame work.

The mandate of the Department is broadly: -

- Management of Foodgrains (Wheat , Rice and Coarsegrains)
- Management of Sugar
- Management of Edible Oils

The Department strives to realize the goal of food security to the common man by ensuring supply of foodgrains through Public Distribution System for the following categories of households: -

- Antyodaya Anna Yojna for the poorest of the poor,
- Below Poverty Line and
- Above Poverty Line ration cardholders
- National Food Security Act, 2013 has further expanded beneficiary coverage of very subsidized rates of foodgrains to about 67% of population of the country.

In addition, Department also caters to the foodgrain requirements at subsidized rates for the various welfare schemes, with food component, of various Ministries of Government of India.

The Department ensures development of sugar and sugarcane by advancing loans to the sugar industry from Sugar Development Fund for several schemes aimed at increasing productivity, sugar cane development, production of anhydrous alcohol or ethanol, and subsidy for payment of cane dues.

The Department is also having an effective edible oil management plan for quality control and ensuring availability of edible oil at reasonable prices.

**Chapter II- Financial Outlays 2015-16, projected Physical Outputs and Projected Outcomes:-** This Chapter gives the scheme wise details of financial outlays for 2015-16 and projected Physical outcomes. The objective is to establish a correspondence between the Financial Budget 2014-15 and Outcome Budget 2015-16. The importance of this Chapter lies in enumerating the physical outputs and projected outcomes vis-à-vis financial allocations.

The Department has been allocated net outlay of ₹125000.00 crores in 2015-16 for Non-Plan expenditure. Out of this outlay, an amount of ₹ 45000 crores has been earmarked under subsidy for foodgrains to FCI, ₹ 52000 crores for food subsidy to FCI after implementation of National Food Security Act, 2013, a sum of ₹ 10000 crores has been provided for subsidy to the State Governments for Decentralized Procurement [DCP] and distribution of foodgrains and ₹ 12919 crores for subsidy to the State Governments for decentralized procurement and distribution of foodgrains after implementation of National Food Security Act, 2013. The food subsidy routed through FCI and DCP modes constitute the major non plan spend of the Department in its efforts to run the Targeted Public Distribution System and have been mainly provided with the physical target of 549.35 lakh tones of foodgrain allocation.

For the purpose of storage, the Department has taken up construction of godowns in the states of North East Region, and in areas other than North East Region at a cost of ₹ 90.00 crores. This includes ₹ 5.00 crores to the State Governments of NE Region which will be released as Grants-in-Aid to the States. Construction of godowns in the North Eastern States Sikkim & Jammu & Kashmir will improve the availability of food grains in these states for the Public Distribution System.

Another initiative taken by Government to improve storage capacity in the country is the formulation of scheme for construction of godowns through private entrepreneurs under PPP mode as well as through CWC/SWCs. The scheme offers guaranteed storage charges to the partners for a fixed tenure ranging from 10 years, in lieu of investments by private entrepreneurs/CWC/SWCs. About 200 lakh MTs of additional storage space is to be created under this scheme.

**Chapter III- Reform Measures and Policy Initiatives:** This Chapter discusses the reform measures and policy initiatives taken by the Department to achieve the objectives of the Department. This chapter reflects the mission of the Department and the action plan to translate these into achievable goals. The Department is contemplating to introduce some innovative schemes to improve Public Distribution System, for improved delivery of foodgrains and making people aware of their entitlements.

**Chapter IV-Review of Past Performance:** This Chapter explains the scope and objectives of individual programmes and schemes. It also contains review of the past performance of the existing schemes in terms of financial outlays, physical targets and their achievements. The Department of Food & Public Distribution has been brought under modified cash management system. Consistent with this system, in 2013-14 the Department had incurred plan expenditure of ₹ 196.95 crores i.e. 98.48 % of Revised Estimates of ₹ 200.00 crores; and non-plan expenditure of ₹ 103404.58 crores i.e. 100 % of the Revised Estimates of ₹ 103406.17 crores.

**Chapter V-Financial Review:** - This Chapter covers overall trends in expenditure vis-à-vis Budget Estimates/Revised Estimates in the years 2012-13, 2013-14 and 2014-15. It provides the financial outlays vis-à-vis performance up to the Object Heads. It also contains a table on the status of Utilization Certificates and unspent balances, if any, with the implementing agencies. It may be seen from this Chapter that the expenditure budget has five major components: (i) Subsidy on foodgrains; (ii) Loans and subsidies to sugar industry; (iii) Construction of storage godowns; (iv) Computerization of the PDS operations and (v) Other schemes under Plan for ensuring food security. For 2015-16 an amount of ₹90.00 crores has been proposed to be allocated to this Department under the Plan Scheme for the construction of storage godowns and ₹80.00 crores have been earmarked for Computerization of PDS operations.

Plan Budget for 2013-14 was ₹ 259.00 crores which was reduced to ₹ 200.00 crores in the Revised Estimates for 2013-14, against which ₹ 196.95 crores was spent. Plan Budget for 2014-15 is ₹ 330.00 crores which was reduced to ₹ 150.00 crores in Revised Estimates. For 2015-16 an amount of ₹ 212.00 crores has been allocated to this Department. The plan scheme for strengthening of Targeted Public Distribution System (TPDS), which commenced in 2007-08, will continue during 2015-16. This scheme will provide for grants-in-aid to States and Union Territories to curb leakages and diversions of foodgrains meant for TPDS. Government plans to continue awareness generation campaign among beneficiaries of the TPDS about their entitlements and mechanism for redressing grievances. The Department will implement a scheme on computerization of TPDS, initially on pilot basis in four States for one year and thereafter to roll over in other States & UTs.

The Budget Estimate and Revised Estimate for the Non-Plan Expenditure for financial year 2013-14 was ₹ 101469.64 crores and ₹ 103406.17 crores, and the money finally spent was ₹ 103404.58 crores. For 2014-15,

the initial budgetary allotment for Non-Plan Expenditure was ₹ 125954.34 crores, which has been subsequently enhanced to ₹134326.54 crores in Revised Estimates 2014-15.

For financial year 2015-16, the Non-Plan ceiling fixed by the Ministry of Finance is ₹ 125000.00 crores on net basis (gross Budget Estimate of ₹ 136325.55 crores and Estimated Recoveries of ₹ 11325.55 crores). For financial year 2015-16, the Plan ceiling fixed by the Ministry of Finance is ₹ 212.00 crores.

**Chapter VI- Review of Performance of Public Sector Undertakings:** This Chapter contains review of performance of public sector undertakings under the administrative control of the Department, namely:

- (i) Food Corporation of India;
- (ii) Central Warehousing Corporation, and
- (iii) Hindustan Vegetable Oils Corporation.

**Monitoring Mechanism and Public Information System:** Another important feature of the Outcome Budget 2014-15 is the highlight of the mechanism put in place to monitor the implementation of various schemes and also a Public Information System to make information available on the performance of the Department to the public. Information in this regard has been given under respective schemes. Besides, the Department related information like Detailed Demands for Grants (DDG), Outcome Budget and other major activities of the Department are available on the Department Website <http://www.fcamin.nic.in>. The monthly flow of expenditure and other accounting information are also made available on the website on a regular basis. Department has set up a “Facilitation Centre” in Krishi Bhawan where public can obtain any information or approach the Central Public Information Officers, as envisaged under Right to Information Act. Department has appointed 35 Central Public Information Officers (CPIOs) under the Right to Information Act to provide information to the public. Department has also set up a ‘Public Grievance Cell’ which looks into the grievances of general public in respect of various activities undertaken by this Department.

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## **CHAPTER –I**

### **INTRODUCTION:**

**1.1** This chapter gives a brief introductory note on the functions of Department of Food and Public Distribution, its organizational set up, list of major programmes/schemes implemented by the Department, its mandate and goals.

**1.2** The Department comes under the Ministry of Consumer Affairs, Food and Public Distribution.

### **1.3 MANDATE:**

The mandate of the Department of Food & Public Distribution is primarily for: (i) management of foodgrains (wheat, rice and coarsegrains) (ii) Management of sugar and (iii) management of edible oils.

### **1.4 FUNCTIONS:**

The mandate of the Department of Food & Public Distribution is carried out through the following main functions:

- (i) Formulation and implementation of national policies relating to procurement, movement, storage and distribution of foodgrains;
- (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 foodgrains and promotion of scientific storage;
- (iv) Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of foodgrains;
- (v) Administration of food subsidies relating to rice, wheat and coarse grains;

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- (vi) Fixation of statutory minimum prices of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology), fixation of price of levy sugar and its supply for PDS, administration of sugar subsidy and regulation of supply of free sale sugar;
- (vii) Supporting industries, the control of which by the Union is declared by Parliament to be expedient in public interest, as far as these relate to Vanaspati, oilseeds, vegetable oils, cakes and fats; and
- (viii) Price control of, inter-state trade and commerce in, and supply and distribution of Vanaspati, oilseeds, vegetable oils, cakes and fats.

**1.5 ORGANIZATION:**

- i) The Department of Food and Public Distribution of the Ministry work under the overall guidance of Hon'ble Minister of Consumer Affairs, Food and Public Distribution. The Secretary (Food & Public Distribution) is the Head of the Department and the principal adviser to the Ministers on all matters of policy and administration within the Department of Food and Public Distribution. The Secretary is assisted by an Additional Secretary & Financial Adviser, six Joint Secretaries, one Chief Controller of Accounts, one Adviser (Cost), Directors, Deputy Secretaries, one Joint Director (Movement), one Joint Commissioner (Storage and Research), Chief Director, Directorate of Sugar & Vegetable Oils, and a number of other officers and supporting staff.
- ii) CMT Section nominates officers of all categories of the Department for training courses, workshop, seminars, conferences organized by various agencies viz., Institute of Secretariat Training and Management, Indian Institute of Public Administration, National Productivity Council etc. in India. These training programmes are instrumental towards improving the efficiency of the officials and also strengthen and upgrade the skills of the personnel. Training of officers depend on various factors like availability of slots, response from the officers, acceptance of nominations by the concerned training institutes, exigencies of official work etc.

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- iii) The Department is organized into 13 Divisions and has one attached offices, namely (i) Directorate of Sugar & Vegetable Oils headed by Chief Director. There is one subordinate office under Sugar Division namely National Sugar Institute, Kanpur and autonomous bodies namely Warehousing Development Regulatory Authority (WDRA).
- iv) The subordinate offices of the Department are the following:
  - (a) Indian Grain Storage Management and Research Institute (IGMRI), Hapur and its two field stations are located at Hyderabad and Ludhiana.
  - (b) Eight Quality Control Cells (QCCs) are located at New Delhi (Headquarter), Kolkata, Hyderabad, Bangalore, Bhopal, Bhubaneswar, Lucknow and Pune.
  - (c) Central Grain Analysis Laboratory (CGAL) at, New Delhi. (Headquarters)
- v) In addition, there are three Public Sector Undertakings under the administrative control of the Department, namely:
  - a) Food Corporation of India (FCI)
  - b) Central Warehousing Corporation (CWC) and
  - c) Hindustan Vegetable Oils Corporation Ltd. (HVOC)
- vi) Department has recently created a regulatory authority namely Warehouse Development and Regulatory Authority'.

**1.6 LIST OF MAJOR PROGRAMMES/SCHEMES:**

- (i) Construction of Food Storage Godown by FCI/State Government
- (ii) Computerization of TPDS operations

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- (iii) Strengthening of PDS and Capacity Building, Quality Control, Consultancy and research
  - 1. Strengthening of PDS and Capacity Building
  - 2. Consultancies, Training & Research
  - 3. Strengthening of Quality Control
  - 4. Financial Assistance to States/UTs Food Commission for non building assets
- (iv) Assistance to Warehousing Development & Regulatory Authority
- (v) Modernization of sugar mills, cane development, bagasse based co-generation power projects and projects for the production of anhydrous alcohol/ethanol.
- (vi) Subsidy for maintenance of Buffer Stocks of Sugar.
- (vii) Scheme for Extending Financial Assistance to Sugar Undertakings 2014.
- (viii) Targeted Public Distribution System (TPDS)
- (ix) Incentives on marketing and promotion services of raw sugar production.

**1.7 NATIONAL FOOD SECURITY ACT, 2013:**

Government of India enacted the National Food Security Act, 2013 on 10<sup>th</sup> 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 foodgrains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population. The eligible persons will be entitled to receive 5 Kg of foodgrains 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 foodgrains per household per month.

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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 foodgrains 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 in the Act for ensuring transparency and accountability. The Act also contains measures for reforms in TPDS, to be undertaken progressively by Central and State Governments. These reforms inter alia include doorstep delivery of foodgrains to the TPDS outlets, application of information and communication technology tools, diversification of commodities distributed under the Public Distribution System over a period of time etc.

### **1.8 COMPUTERIZATION OF PDS OPERATIONS:**

A Plan scheme on 'End-to-end Computerization of TPDS Operations' in all States/UTs had been formulated with estimated outlay of ₹ 4273.47 crore on 50:50 cost sharing basis with States/UTs except for the North Eastern States, where cost is to shared on 90:10 basis. In October, 2012, Government approved Component-I of the scheme with an outlay of ₹ 884.07 crore during the 12<sup>th</sup> Five Year Plan. 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 portal and grievance redressal mechanisms. The pilot non-plan scheme for 'Smart Card based delivery of Essential Commodities' (approved in 2008-09 to be implemented in UT of Chandigarh and Haryana) and the pilot plan scheme on Computerization of TPDS operations (to be implemented in four districts each of four pilot States, namely, Andhra Pradesh, Assam, Chhattisgarh and Delhi) have been subsumed in the above referred scheme. Under the above-referred scheme, the Central share of funds is ₹ 489.37 crore whereas States/UTs will provide funds of ₹ 394.70 crore. An amount of ₹ 41.69 crore had been sanctioned by the Government during 2012-13, ₹ 188.76

crore in 2013-14. Allocation for the financial year 2014-15 (R.E.) is ₹ 35 \*crore. Action has also been initiated for implementation of next phase of computerization i.e. FPS automation.

### **1.9 CAPACITY BUILDING:**

(i) **TPDS - Training** - The scheme aims at strengthening and upgrading the skills of personnel engaged in the functioning and implementation of Targeted Public Distribution System. Under the scheme, training programmes and seminar/workshops are conducted by the States/UTs for functionaries of State Food & Civil Supplies Department and State agencies like State Civil Supplies Corporation, Consumer Cooperatives, the district and block level officers engaged in the public distribution of essential commodities, members of Vigilance Committees at various level, members of Panchayati Raj Institutions (PRIs) and Urban Local Bodies and Fair Price Shop owners. As per the existing guidelines, financial assistance is provided to States/UTs for conducting training programmes @ ₹500/- per person per day. The maximum duration of the training programme may be of five working days and the maximum assistance per training programme would be ₹50,000/-. In the case of seminars/workshops, the duration is two days. The financial assistance for conducting seminars/workshops is also ₹500/- per person per day and the maximum assistance per Seminar/Workshop would be ₹50,000/-. In order to successfully implement NFSA, 2013, training programmes are also organised to sensitize and train key officials of the State/UT Governments, Master Trainers nominated by States/UTs, etc through FCI's Institute of Food Security, Gurgaon.

(ii) **PDS - Evaluation, Monitoring and Research** - Under the scheme, Evaluation Studies are got conducted from time to time by the Department through various agencies to assess the impact of TPDS on the target beneficiaries, to plug loopholes in implementation of TPDS and improve upon its functioning in the States/UTs. Presently, an evaluation study on functioning of TPDS in six select States i.e. Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal is being conducted by National Council of Applied Economic Research (NCAER). At present, survey in States is ongoing. The study is likely to be completed by February-March, 2015.

## **1.10 WAREHOUSE DEVELOPMENT AND REGULATORY AUTHORITY:**

### **THE WAREHOUSING (DEVELOPMENT & REGULATION) ACT, 2007**

For the growth and development of the warehousing sector, to bring reforms in the agricultural marketing and to increase credit flow in the farm sector, the Government of India has introduced a negotiable warehouse receipt system in the country. The Parliament has enacted the Warehousing (Development and Regulation) Act, 2007 (37 of 2007) which has come into force from the 25<sup>th</sup> October, 2010. The Warehousing Development and Regulatory Authority (WDRA) consisting of the Chairman and two members has been set up by the Central Government from the 26<sup>th</sup> October, 2010.

The main objectives of the Warehousing (Development and Regulation) Act, 2007 are to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a Warehousing Development and Regulatory Authority (WDRA) and related matters, to make them a prime tool of trade and to facilitate finance against it throughout the country. The Negotiable Warehouse Receipts (NWRs) issued by the warehouses registered under this Act would help farmers to seek loans from banks against NWRs to avoid distress sale of agricultural produce. It will also be beneficial for a number of other stakeholders such as banks, financial Institutions, insurance companies, trade, commodities exchanges as well as consumers.

## **1.11 MANAGEMENT OF SUGAR**

Management of the sugar industry and management of sugar for public distribution is done by the Department of Food and Public Distribution. Sugar Development Fund is the main instrument through which financial assistance is provided to the sugar industry for modernization and expansion of the existing mills, for bringing about varietal improvement and development in the cane grown in the area of the sugar factories, for projects of bagasse based cogeneration of power and for production of ethanol. The activities in relation to sugar broadly cover:

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- Regulation of the industry through the Directorate of Sugar;
- Fixation of statutory minimum/fair and remunerative prices of sugarcane payable by sugar factories;
- Development and regulation of sugar industry (including training in the field of sugar technology);
- Administration of subsidy on sugar;
- Administration of Sugar Development Fund; and
- Training and Research.

**1.12 LEVY SUGAR PRICE EQUALIZATION FUND:**

The Levy Sugar Price Equalization Fund Act, 1976 (as amended in 1984) has been enforced from 01.04.1976 to recover the excess realization (ER) on account of sale of levy sugar price at higher prices than notified, as per orders of the High Court/Supreme Court to various litigant sugar mills. Whenever the Judgment is in favor of U.O.I., the recovery of the Government dues is affected under the provisions of the LSPEF Act.

**1.13 MANAGEMENT OF EDIBLE OILS:**

The erstwhile Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) under the Department of Food & Public Distribution 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.

**1.14 FUNCTIONS:**

The erstwhile DVVO&F carries out the mandate of the Department through the following:-

- (1) Monitoring of domestic and international prices of edible oils on a day-to-day basis, preparing periodic estimates of domestic production, imports and availability of edible oils, and recommending corrective measures.
- (2) Implementing Regulatory Order “Vegetable Oil Products Production and Availability (Regulation) Order’2011” issued under the Essential Commodities Act, 1955.

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(i)	Subsidy payable to Food Corporation of India and others on foodgrains transactions	To meet the difference between the economic cost of foodgrains and their sales realization at subsidized prices (CIP) for TPDS and other welfare schemes.	45000	-	-	210 lakh tonnes of foodgrains	To ensure food security for the poorer sections of the society by sale of subsidized foodgrains	Food subsidy is released to FCI in every quarter and advance to the extent of 95% of subsidy due.	Offtake of foodgrains may vary based on consumer demand and Central Issue Price. The economic cost may also change depending on MSP, procurement incidentals and other elements of cost.
(ii)	Subsidy payable to Food Corporation of India and other on foodgrains transactions under National Food Security Act	To meet the difference between the economic cost of foodgrains and their sales realization at subsidized prices (CIP) for TPDS and other welfare schemes after	52000	-	-	316 lakh tonnes of foodgrains	To ensure food security for the poorer sections of the society by sale of subsidised foodgrains	Food subsidy is released to FCI in every quarter and advance to the extent of 95% of subsidy due.	Offtake of foodgrains may vary based on consumer demand and Central Issue Price. The economic cost may also change depending on

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		implementation of National Food Security Act (yet to be passed by the Parliament)							MSP, procurement incidentals and other elements of cost.
(iii)	Subsidy payable to State Governments on decentralized procurement of foodgrains	To meet the difference between the economic cost of foodgrains and their sales realization at subsidized prices (CIP) for TPDS and other welfare schemes.	10000	-	-	60 lakh tonnes of foodgrains	To ensure food security for the poorer sections of the society by sale of subsidised foodgrains	Food subsidy is released to DCP States in every quarter and advance to the extent of 90% of subsidy due.	Offtake of foodgrains may vary based on consumer demand and Central Issue Price. The economic cost may also change depending on MSP, procurement incidentals and other elements of cost.
(iv)	Subsidy payable to State Governments on decentralized procurement of	To meet the difference between the economic cost of foodgrains and	12919	-	-	78 lakh tonnes of foodgrains	To ensure food security for the poorer sections of the society by sale	Food subsidy is released to DCP States in every	Offtake of foodgrains may vary based on consumer demand and

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	foodgrains under National Food Security Act	their sales realization at subsidized prices (CIP) for TPDS and other welfare schemes after implementation of National Food Security Act (yet to be passed by the Parliament)					of subsidised foodgrains	quarter and advance to the extent of 90% of subsidy due.	Central Issue Price. The economic cost may also change depending on MSP, procurement incidentals and other elements of cost.
(v)	Release of subsidy to Food Corporation of India for losses incurred by State Govts/ Food Corporation of India in distributing levy sugar in States / Union Territories	The objective is to reimburse the difference between the uniform retail issue price of levy sugar under PDS and the actual cost incurred by States/ FCI in purchase of levy sugar from sugar mills and expenses incurred thereon i.e ex-factory price of	4500	NIL	NIL	NIL	NIL	NIL	The Central Government in April, 2013 has decontrolled the sugar sector partially by removing the levy obligation on sugar mills and doing away with the regulated release mechanism on open market sale of sugar.

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		<p>levy sugar, transportation costs, margins allowed to wholesalers, retailers etc. Accordingly, the subsidy is released to FCI on the basis of pre-receipted bills submitted by FCI for the losses incurred by State Govts/ FCI in distributing levy sugar in States / UTs.</p>							<p>Prior to it, sugar mills were mandated to supply 10% of their production to meet the Public Distribution System (PDS) demand. Sugar mills are now free to sell their entire production as per their commercial prudence. However, under the new dispensation, to make sugar available in the PDS at the existing retail issue price of ₹13.50 per kg, the State Governments/</p>
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									UT administrations have been asked to procure it from the open market through a transparent system. The Central Government would reimburse the States/UT's @18.50 per kg, limited to the quantity based on their existing allocations.
3.	Transfer to / from Sugar Development Fund (Inter Account Transfer) (MH 2408)	To provide funds for payment from SDF to sugar factories on account of buffer subsidy, export subsidy, interest	500.00	-	-	-	-	The Cess collected is first gets credited in Consolidated Fund of India (CFI)	The Sugar Cess Act, 1982 empowers the Central Government to collect Cess for the purpose of

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		subvention for the loans to sugar factories against excise duty paid / payable, as well as for SDF loans.						and is transferred to SDF account as per the requirement of the Department of Food & PD with the prior approval of Parliament.	the Sugar Development Fund Act by the way of excise duty on all sugar products.
4.	Subsidy for Imported Edible oils for distribution through States / UTs Governments (MH 2408)	Stabilization of the Edible oil prices by providing a subsidy of ₹ 15/- per kg. to Central PSUs (CPSUs) importing edible oils which are handed over to States / UTs for distribution to ration card holders	0.00	-	-	The pending subsidy claims of the CPSUs to the tune of ₹717.01 crores were to be released during 2013-14 by way of seeking enhancement in	₹717.01 crores on account of pending subsidy claims of the CPSUs remained unpaid as on the close of FY 2013-14.	-	The scheme, concurred by the Ministry of Finance, envisaged an import up to 10 lakh tons of edible oils with a subsidy of ₹15/-per kg. of edible oils handed over to States by CPSUs for distribution.

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						budgetary allocation during 1st, 2nd, 3rd Supplement ary Demands for Grants, but budgetary grant could not be obtained, hence token sum of ₹ 1 lakh needs to be enhanced to ₹717.01 crores during BE 2014-15.			The Scheme ceased on 30/09/2013.
5.	Subsidy for maintenance of buffer stocks of sugar	Liquidation of cane price arrears, payable to the sugarcane	3.00			Claims of sugar mills for creating buffer stocks for	It would help sugar mills to pay cane price including cane price arrears to	As per the schemes.	Processing of buffer subsidy depends on furnishing of complete

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		growers.				the period 01.05.2007 to 30.04.2008 and 1.08.2007 to 1.08.2008 will be settled.	sugarcane farmers.		documents by sugar mills
6.	Re- imbursement of internal transport and freight charges to sugar factories on export shipment and payment of other permissible claims – Subsidies.	The objective of the scheme was to promote export of sugar and liquidate the surplus sugar stocks available with the sugar factories.	0.01	----	-----	Payment of approximate ly 17 Nos of claim	-	Continuous process till the settlement of pending valid and complete claims.	Claims can be settled only on submission of requisite information, proper documents and valid claims by the concerned sugar mills.
7.	Scheme for Extending Financial Assistance to	For providing financial assistance in the form of interest	800.00	--	--	As provided in clause-4 of the notification	It would help sugar mills to pay cane price arrears to	As per scheme	Processing of claims depends on furnishing of completes

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

	sugar undertakings 2014	free loans worth ₹6600 crore for additional working capital to sugar mills for clearance of cane price arrears				dated 03.01.2014 of SEFASU, 2014, DFPD will release the interest subvention amount on quarterly basis in advance to the nodal bank as appointed by DFS. The amount from 3 <sup>rd</sup> quarter onwards shall be released as advance subject to furnishing of disbursement particulars as well as interest earned by	sugar cane farmers		documents by the nodal Bank.
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

						the bank for the quarter preceding the last quarter to DFPD. The interest earned on the interest subvention advance shall be adjusted in the quarterly installment from 3 <sup>rd</sup> quarter onwards.			
8	Incentives on marketing and promotion services of raw sugar production	This is the new scheme notified on 28.0.2014 to provide incentive to sugar mills who have produced and exported raw sugar on or after	-	-	-	-	It is to ensure that sugar mills are in position to pay cane price arrears to the cane farmers.	Claims involving and incentive of ₹210 crores approximately received in the Deptt.	No budgetary allocation was made so far in regular budget and first batch of Supplementary Demands 2014-15.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

		28.02.2014							However, in the exclusive ceiling for entire expenditure to be met out from the SDF, MoF has agreed the demand in RE 2014-15.
<b>OTHER EXPENDITURE FOR DEVELOPMENT OF SUGAR INDUSTRY AND SUGAR DEVELOPMENT FUND [2408]</b>									
9.	Administration of Sugar Development Fund 2408.	To administer the Sugar Development Fund, disbursement of funds to sugar factories and recovery of SDF loans.	20.54	NIL	NIL	NIL	To provide assistance/ concessional loans for the development of Sugar industry and incidental matters and monitoring of the loans & recovery.	Continuous monitoring of Sugar Development Fund, submission of half yearly report on performance of the loanee mills	Recovery of Sugar Development dues will also depend of performance of the loanee mill and generation of sufficient surplus for payment of the dues.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

10. OTHER PROGRAMME – FOOD, STORAGE & WAREHOUSING									
(i)	Directorate of Sugar	General Administration	7.20	-	-	-	-	Continuous	
(ii)	Contribution to International Sugar Council [MH 2408]	Lump sum provisions for DCSI & Contribution towards India's membership of International Sugar Council	0.34	-	-	-	-	Continuous	
(iii)	Grant-in-aid for development of Sugar Industry	To promote research & development of any aspect of sugar industry aiming at increasing sugar cane production and Sugar Industry	2.00	-	-	Grants are given to Deptt. of Scientific and Industrial Research (DSIR) Research Institution/university/IC AR.	Qualifying physical output of Research is not feasible	Continuous	Utilization of budget depends upon-research proposal received in the prescribed format, approval of Expert committees/ Govt. and fulfillment of required documentation by concerned institutions

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

(iv)	National Sugar Institute, Kanpur (including Departmental Canteen)	General Administration	18.56	-	-	-	-	Continuous	
(v)	International Grain Council	Contribution towards membership of India	0.30	-	-	-	-	Continuous	
11.	<b>POST HARVEST OPERATION (Major Head 2408)</b>								
(i)	Indian Grain Storage Management & Research Institute	To carry out applied research and development activities on storage and preservation of foodgrains, besides, developing code of practices for foodgrain storage, monitoring foodgrain samples for physical quality parameters, pesticide residue, mycotoxin	4.12	-	NIL	1.LTTC/ST TC(No. of courses) 2. Analysis of food grains samples for physical quality parameters. 3. Monitoring of food grains	15 500 150 75	Yearly Yearly Yearly Yearly	-

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		contamination and Long Term Training Courses(LTTCs), Short Term Training Courses (STTCs) on scientific storage, preservation and inspection of foodgrains to the pest control operators and officials of the State Governments & their agencies engaged in procurement, storage and distribution of foodgrains.				samples for pesticide residue.  4. Monitoring of food grains samples for mycotoxin contamination.			
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

(ii)	Quality Control Cells	To monitor the quality of Central Pool foodgrains. To investigate the complaints received from State Governments, MPs, VIPs, Media, Consumers etc about quality of Central Pool foodgrains being procured, stored and distributed by the Government.	8.24	-	NIL	Inspection of Food Storage Depot	930	Yearly	
(iii)	Central Grain Analysis Laboratory (CGAL)	1.Laying down quality standards for procurement of Kharif and Rabi foodgrains for Central Pool before commencement of the respective season.  2.Classification of rice/paddy varieties received	0.02	-	NIL	-	-	-	

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

		<p>from State Government to Grade 'A' and Common for fixation of procurement and issue prices.</p> <p>3. Assessment of the quality of foodgrains that are imported or exported in relation to the contractual specifications.</p> <p>4. Analysis of foodgrain samples received from various sources.</p>				Number of samples to be analysed.	1700	Yearly	
12.	Ways and Means Advance payable to FCI [MH 6408]	Ways and Means Advance would be provided to FCI for the additional requirement and	10000.00	-	-	-	-	Continuous	This is being provided at average interest rate for 364 days T-Bills from

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

		be adjusted in the future instalment of Food Subsidy to FCI during the same financial year.							2010-11.
13.	Loan for modernization/ and rehabilitation of sugar mills.[6860]	For facilitating the rehabilitation, modernization and expansion of crushing capacity of sugar industry.	150.00	Nil	Nil	Increase in crushing capacity by 7750 tonnes crushed per day (TCD)	Increase in sugar production, improvement in sugar recovery and reduction in cost of production.	Receipt of applications and sanction of loan is a continuous process throughout the year. The applications are first scrutinized by the Sub Committee and thereafter by the Standing Committee. Recommendations of the Standing Committee	Achievement of targets is dependent on receipt of valid and complete applications from sugar factories for modernization, rehabilitation and expansion, which may vary from year to year.

Outcome Budget 2015-16, Department of Food & Public Distribution

								are placed before the Government and on its acceptance, the approval of the SDF loan is issued. The loan is disbursed (1) on signing of Tripartite Agreement between sugar factory, IFCI/NCDC and Government of India, (2) On furnishing of adequate security on SDF loan by the sugar	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								factory. The process time, therefore, cannot be envisaged.	
14.	Loan to sugar mills for cane development [6860].	Development of sugarcane in the area where sugar factory is situated	75.00	Nil	Nil	Increase in production by 39.945 lakh tonnes.	Increase in production of sugarcane and productivity as well as decrease in cost of production of cane.	Receipt of applications and sanction of loan is a continuous process throughout the year. The applications are first scrutinized by the Screening Committee and thereafter by the Standing Committee. Recommendations of the	Achievement of targets is dependent on receipt of valid and complete applications from sugar factories and concerned State Government for cane development, which may vary from year to year.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								Standing Committee are placed before the Government and on its acceptance, the approval of the SDF loan issued/given . The loan is disbursed (1) on signing of Tripartite Agreement between sugar factory, concerned State Government and Government of India, (2) On furnishing	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								of adequate security on SDF loan by the sugar factory. The process time, therefore, cannot be envisaged.	
15.	Loan to Sugar Mills for bagasse based cogeneration power projects [6860].	To improve the economic viability of sugar mill and efficiently utilized bagasse produced by the sugar mills.	200.00	Nil	Nil	NIL	Improvement in economic viability of sugar mills and utilization of by-product generated while producing sugar.	Receipt of applications and sanction of loan is a continuous process throughout the year. The applications are first scrutinized by the Sub Committee and thereafter by the Standing	Achievement of targets is dependent on receipt of valid and complete applications from sugar factories for bagasse based cogeneration power projects, which may vary from year to year.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								<p>Committee. Recommendations of the Standing Committee are placed before the Government and on its acceptance, the approval of the SDF loan is issued. The loan is disbursed (1) on signing of Tripartite Agreement between sugar factory, IFCI/NCDC and Government of India, (2) On</p>	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								furnishing of adequate security on SDF loan by the sugar factory. The process time, therefore, cannot be envisaged.	
16.	Loan for production of Anhydrous Alcohol/Ethanol [6860]	To improve the economic viability of sugar mills.	75.00	Nil		Increase in capacity for production is 200 Kilo liters per day (KLPD)	Improvement in economic viability of sugar mills and utilization of by-product generated while producing sugar.	Receipt of applications and sanction of loan is a continuous process throughout the year. The applications are first scrutinized by the Sub Committee and thereafter by	Achievement of targets is dependent on receipt of valid and complete applications from sugar factories for production of Anhydrous Alcohol / Ethanol which may vary from year to year.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								the Standing Committee. Recommendations of the Standing Committee are placed before the Government and on its acceptance , the approval of the SDF loan is issued. The loan is disbursed (1) on signing of Tripartite Agreement between sugar factory, IFCI/NCDC and Government of India, (2)	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								On furnishing of adequate security on SDF loan by the sugar factory. The process time, therefore, cannot be envisaged.	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

## PLAN

Sl. No.	Name Scheme/ Programme	Objective/ Outcome	Outlay 2015-16			Quantifiable /Deliverables /Physical Outputs	Projected Outcomes	Processes / Timeliness	Remarks / Risk Factor
			Non-Plan Budget (₹ In crores)	Plan Budget (₹ In crores)	Complimentary Extra-Budgetary Resources (₹ In crores)				
17.	Construction of Godowns (Major Head-4408)	Construction of storage godowns particularly in North Eastern States including Sikkim and J&K.	-	90.00	-	The physical targets to be achieved by FCI during the year is estimated to be 157510 MTs in the country particularly NE Region and new procurement States	Creation of additional storage capacity of 157510 MTs in the country particularly in NE Region including Sikkim and new procurement States	<ul style="list-style-type: none"> <li>• Acquisition of land through State Govt.</li> <li>• Const. agencies of Centre/State (PSUs)/through Public Tender</li> <li>• March 2016</li> </ul>	The physical and financial targets can be achieved provided the suitable land is made available by the respective State Government's timely, finalization of executing/constructing

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

									and Finalization of Railway siding by Railways agency
18.	Strengthening of Public Distribution System Computerization of TPDS Operations in States/Uts  (Major Heads 2552,3456,3601 and 3602)	Scheme aims at computerization of Targeted Public Distribution System operations in all States/UTs.	-	80.00	-	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 portal and grievance redressal	Digitization of beneficiary and other databases will ensure de-duplication of bogus ration cards and cleaning up of databases which will enable correct identification of beneficiaries and better targeting of food subsidy; computerization of supply-chain management would ensure timely availability of foodgrains to the beneficiaries at FPS level, check leakages/diversions,	Funds of ₹ 249.60 crore have already been released to the States/UTs as first installment of the Central share to meet the expenditure on implementation of Component-I of the scheme during	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

						mechanisms. etc; setting up of transparency portal, grievance redressal mechanisms, etc. will introduce transparency and public accountability in implementation of TPDS.	2012-13, 2013-14 and 2014-15. The work of digitization of ration cards/beneficiary database has been completed in 19 States/UTs. It is in progress in remaining States/UTs. Computerization of supply-chain has been completed in Chhattisgarh, Delhi, Karnataka and Tamil	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

								Nadu. Transparency portals have been created in 27 States/UTs. Online grievance redressal mechanism for registration and tracking of grievance has been established in 21 States/UTs.	
(i)	(Major Head 2552 & 3601) Generating Awareness amongst TPDS beneficiaries about their entitlement and	The objective of the Scheme are to create awareness amongst the TPDS Beneficiaries	-----	0.38	-----	An assessment of the publicity cum awareness campaign in tangible	ongoing	The utilization of funds under the Plan Scheme on publicity Cum-	

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

	redressal mechanism	And general Public on TPDS so that there is public pressure on the machinery for accountability in their working. This cannot, However, be assessed in tangible terms				terms is not possible as this scheme component is intended as an effective, subtle, sustained and intensive awareness campaign, impact of which could result in those beneficiaries claiming their due from the ration shops.		awareness Campaign is Dependent on Submission of Proposal by the States/UTs. Based on the proposals received from the States, an amount of Rs10 lakh has so far been released during 2014-15.	
(a)	(Major Head 3456) TPDS – Evaluation,	Evaluating the impact of the TPDS on the target beneficiaries and to plug loopholes in	-	0.90	-	Concurrent Evaluation study on Targeted Public	It will enable the Department and States/UTs to assess the areas where further streamlining	The amount will be used for conducting the	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

	Monitoring & Research.	its implementation.				Distribution System and the National Food Security Act, 2013.	and strengthening of TPDS may be necessary.	evaluation studies under the scheme within the prescribed time schedule as per terms & conditions.	
(b)	(Major Heads 3601 & 3602) Targeted Public Distribution System (TPDS) – Training.	The scheme aims at strengthening and upgrading the skills of personnel engaged in the functioning and implementation of Targeted Public Distribution System and National Food Security Act, 2013.	-	0.25	-	No. of persons/officials to be trained; seminars/conferences to be organized.	Financial assistance is released to the State/UT Governments to conduct training programmes/workshops/seminars/conferences for functionaries of the State Food & Civil Supplies Department and State Civil Supplies Corporations, Consumer Cooperatives, the	One week for training and 1-2 days for seminar, as per guidelines of the scheme. Besides, three days training programme is being conducted for officials and Master Trainers	The releases to State/UT Govts and FCI will be subject to appropriate proposals received from State/UT Govts. and FCI and timely submission of utilisation certificates

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

							District and Block level officers engaged in the Public Distribution of essential commodities, members of Vigilance Committees at various levels, members of Panchayati Raj Institutions (PRIs) and urban local bodies, Fair Price Shop Owners etc. To successfully implement the NFSA, 2013, training programmes are also conducted for Master Trainers and other officials of the States/UTs through Food Corporation of India (FCI)'s Institute of Food Security, Gurgaon.	nominated by the States/UTs etc. through IFS, Gurgaon.	for past releases.
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

19.	National Sugar Institute, Kanpur (MH 2408 and 4408)	Modernization and technology up gradation of the laboratory and office.	-	2.50	-	Civil and electrical works relating to the development of infrastructure capacities and augmenting R & D facilities.		Funds will be released on request from CPWD.	Major expenditure is on construction works to be executed through CPWD who have to follow their prescribed procedure such as tendering of financial bids for construction works etc.
20.	<b>Consultancy, Training and Research (MH 2408)</b>								
(a)	Technical Studies, Consultancies								

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

(i)	Consultancies for Research / Monitoring in Domestic / Global markets for foodgrains (2408)	To have market intelligence system regarding prices and availability of essential commodities such as foodgrains, sugar and edible oils crucial for policy decisions and import-export policy for foodgrains, sugar and edible oils.	-	0.25	-	Provision of regular market alerts and early warning on likely increase of prices of foodgrains which will help full in formulation of policy measures and interventions for management of food economy.	Formulation of policy measures and interventions for management of food policy.	Continuous	The tenure of contract for current consultants expires in March, 2015 after which the amount payable by the department will be re-negotiated on the basis of terms and conditions of the new contract.
(ii)	e-Governance	Transparency and efficiency in the working of the Department	-	0.60	-	13	More efficient working of the Department	-	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

21.	Warehousing Development and Regulatory Authority [MH 2408]	(i) To ensure higher returns to farmers by encouraging scientific warehousing of agricultural goods. (ii) Lowering the cost of financing, ensuring a shorter supply chain, enhancing rewards for grading and quality, providing for better price risk management.		30.00		<ol style="list-style-type: none"> <li>1. Appointment of accreditation agencies for accrediting warehouses before the registration of warehouses of starts.</li> <li>2. Registration of warehouses for NWRs.</li> <li>3. Conducting training for scientific warehouse development.</li> <li>4. Conducting awareness programmes for farmers.</li> <li>5. National and Regional conferences for awareness and development of scientific warehouses for NWRs.</li> <li>6. Inspection of warehouses.</li> </ol>	<p style="text-align: center;">15 (cumulative)</p> <p style="text-align: center;">1000 (cumulative)</p> <p style="text-align: center;">5</p> <p style="text-align: center;">100</p> <p style="text-align: center;">5</p> <p style="text-align: center;">100</p>	Continues	
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

22.	Strengthening of Quality Control Mechanism (MH 2408)	The objective of the Scheme is to strengthen quality control network independent of FCI, to monitor quality aspects of foodgrains during procurement, storage and distribution throughout the Country beside, upgradation of lab & training infrastructure at IGMRI, Hapur as also capacity building for skill upgradation of State Government officials engaged in foodgrain management.	-	5.00	-	<p>a) <b>Opening of new QCCs</b></p> <p>b) <b>Upgradation of laboratories at IGMRI Hapur</b>-The infrastructure of physico-chemical lab has been upgraded by renovating the building and procedure for purchase of physico chemical equipments through e-tender has been completed, besides, a consultant from National Institute of Plant Health Management, (NIPHM), Hyderabad has been engaged for developing pesticide and</p>	<p>-</p> <p>32</p> <p>1120</p>	<p>-</p> <p>Yearly</p> <p>Yearly</p>	Once the labs are upgraded /developed foodgrain samples at IGMRI Hapur will be analysed as per national & international standards.
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

						<p><b>mycotoxin</b> analysis lab at IGMRI, Hapur.</p> <p>c) <b>Capacity building programme-</b></p> <p>i) Training infrastructure will be developed</p> <p>ii) Two days training programme for State Govt officials by QCCs</p> <p>a. No. of trainings</p> <p>b. No. of trainees</p>			
23.	Assistance to States/UTs for non-building assets for State Food Commissions [2408, 2552, 3601, 3602]	Constitution of State Food Commissions in all States/UTs, as provided in the National Food Security Act, 2013, to monitor and evaluate the	-	2.00	-	Acquisition of non-building assets such as furniture, office equipment, computers etc.	To ensure monitoring and evaluation of implementation of National Food Security Act, 2013 by State Food	Utilization of funds is dependent on submission of proposals by the States/UTs.	Only those States/UTs will be eligible for financial assistance which have constituted the SFC, as

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		implementation of the Act.  Assistance to a State/UT for non-building assets for State Food Commission					Commissions.		per provisions of the NFSA, 2013 on an exclusive basis. Central assistance would be released based on cost estimates/proposals received from States/UTs.
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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

**IEBR SCHEMES**

S. No	Name of Scheme / Programme	Objective/ Outcome	Outlays 2015-16 (₹ in crore)			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timeline	Remarks/Risk Factor
			4 (i) Non Plan Budget	4 (ii) Plan Budget	4 (iii) Comple mentary Budget				
1	2	3	4	5	6	7	8	9	10
1	Construction of warehouses/ Godowns by CWC including cost of land	Augmentation of warehousing capacity.	-	-	155.28	Creation of storage capacity of 1.76 Lakh MT in the States of Haryana, Karnataka, MP, Odisha, Chhattisgarh, Bihar, Rajasthan, UP, West Bengal, Andhra Pd., Kerala, Punjab, and Gujarat	Increased Scientific Warehousing Capacity	31.03.2016	-

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### **CHAPTER-III**

#### **REFORM MEASURES AND POLICY INITIATIVES:**

**3.1** This chapter deals with the reform measures and policy initiatives taken by the Department and how they relate to the intermediate outputs and final outcomes. The Department regularly monitors implementation of its policies and introduces necessary reform measures towards achievement of its objectives. Some major recent initiatives are given below:

#### **FOOD MANAGEMENT:**

#### **3.2 National Food Security Act, 2013**

Government of India enacted the National Food Security Act, 2013 on 10<sup>th</sup> 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 foodgrains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population. The eligible persons will be entitled to receive 5 Kg of foodgrains 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 foodgrains per household per month.

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 foodgrains or meals, the beneficiaries will receive food security allowance.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

The Act also contains provisions for setting up of grievance redressal mechanism at the District and State levels. Separate provisions have also been made in the Act for ensuring transparency and accountability. The Act also contains measures for reforms in TPDS, to be undertaken progressively by Central and State Governments. These reforms inter alia include doorstep delivery of foodgrains to the TPDS outlets, application of information and communication technology tools, diversification of commodities distributed under the Public Distribution System over a period of time etc.

**3.3** In order to ensure adequate availability of wheat and rice in central pool, to keep a check on the open market prices, to augment the domestic availability of wheat and rice and to ensure food security, the Central Government has taken following steps for prudent management of foodgrains stocks:-

(a) Steps have been taken to achieve target based procurement of wheat and rice and MSP of wheat and paddy has been increased successively. The MSP of wheat for RMS 2014-15 was fixed at ₹1400/- per quintal and for RMS 2015-16, it has been fixed at ₹1450/- per quintal. For KMS 2014-15, MSP of Common paddy has been fixed at ₹ 1360/- per quintal & MSP of Grade 'A' paddy has been fixed at ₹1400/- per quintal.

(b) State Governments, particularly of Decentralized Procurement (DCP) States are encouraged to maximize procurement of wheat and rice by taking up procurement of wheat and paddy from farmers by State Agencies.

(c) Central Issue Prices (CIPs) of rice & wheat have not been revised since July, 2002.

(d) To enhance efficiency of procurement and public distribution and to extend the benefits of MSP to local farmers, the Decentralized Procurement Scheme (DCP) has been adopted by some State Governments. For paddy, it has been adopted by West Bengal, Madhya Pradesh, Chhattisgarh, Uttarakhand, Odisha, Tamil Nadu, Karnataka, Kerala, Bihar, Andhra Pradesh (6 districts only), Telangana (9 Districts only) and Andaman & Nicobar Islands. For wheat, Gujarat, Madhya Pradesh, Uttarakhand, Bihar and Rajasthan (only in Alwar) have adopted the DCP Scheme. Central Government is pursuing with all State Governments for adoption of DCP Scheme by them so that costs of distribution can be saved and outreach of price support mechanism to the farmers in hitherto weaker areas can be improved.

(e) To overcome the problem of gaps in the flow of information about procurement operations on day-to-day basis, an Online Procurement Monitoring System (OPMS) has been evolved for reporting and monitoring of procurement operations for wheat, paddy and coarsegrains in the country on a daily basis.

### **3.4 CONSTRUCTION OF SILOS PRIVATE ENTREPRENEURS GUARANTEE (PEG) SCHEME FOR CREATION OF ADDITIONAL STORAGE CAPACITY:**

#### **Private Entrepreneurs Guarantee (PEG) Scheme**

Higher MSP coupled with better outreach led to higher procurement in the past few years. As a result of higher procurement of foodgrains, the Central Pool stock had increased from 196.38 lakh MT as on 1.4.2008 to a peak level 823.17 lakh MT as on 1.6.2012. Hence, necessity was felt to augment the storage capacity for foodgrains.

The Department is implementing a scheme, namely Private Entrepreneurs Guarantee (PEG) Scheme, for augmenting the storage capacity in the form of covered godowns and to reduce the dependence on CAP storage.

Under the PEG Scheme, which was launched in 2008, godowns are constructed in PPP mode through private parties, as well as various agencies in Public Sector for guaranteed hiring by FCI.

Guarantee period for private parties is 10 years whereas for Public Sector agencies it is 9 years. In case of private parties, state wise tenders are invited by designated nodal agency under a 2 bid system. At the technical bid stage, sites are inspected and bids in respect of only those sites which are found suitable, are processed further. Tenders are allotted to the lowest bidders. Non railway siding based godowns are to be constructed in one year whereas godowns with railway siding are allowed two years construction period. This period can be extended by one year at the request of the investor. After completion of the godown, final inspection is carried by a joint committee of FCI and the Nodal agency and godowns completed in all respects and as per specifications are taken over on guarantee basis.

Locations for construction of godowns was identified by the FCI on the basis of recommendations of State Level Committees (SLCs) to meet the storage gaps. For consuming areas, the storage gap is assessed on the basis of 4

months requirement of PDS and OWS while for procuring states the storage gap has been assessed based on the highest stock levels in the last three years, and keeping in view the potential of procurement.

Accordingly, approximately 200 lakh MT capacity creation was planned with construction of godowns at various locations in 20 states. As on 31.12.2014, capacity of 121.81 lakh MT has been completed.

The Government has also approved construction of modern storage facilities in the form of silos of 20 lakh MT capacity within the overall approved capacity for PEG Scheme. Each silo will have capacity of 25,000 or 50,000 MT. FCI has identified the locations of silos in 10 States. Construction is being planned in the PPP in both Viability Gap Funding (VGF) and non-VGF modes. The status of various models of PPP for Silos is given below :

- **Non-VGF Mode (17.50 Lakh MT):** Tenders floated in November, 2013 did not get adequate response. Hence, Bid documents are being revised. Fresh Tenders are to be launched shortly.
- **VGF Mode (Planning Commission) (1.50 Lakh MT):** Bid documents under finalization. FCI is exploring the possibility of including sites within FCI godowns and having railway siding.
- **VGF Mode (DEA) (1.00 lakh MT):** 1.00 Lakh MT Capacity identified at locations Kaimur and Buxar (50,000 MT each) in Bihar. Bid documents are in final phase.

### **3.5 AUGMENTATION OF STORAGE CAPACITY UNDER PLAN SCHEME**

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

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In addition, DFPD 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.

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.

The following is the Plan outlay for XIIth Five Year Plan.

Sl	Head	Estimated Cost (₹ crore)	Unspent balance of 11th Plan (₹ crore)	Outlay in 12th Plan (₹ crore)
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
5	<b>Total</b>	<b>597.26</b>	<b>67.26</b>	<b>530.00</b>

Table 3.01

Physical and Financial Achievements by FCI during 2012-13 & 2013-14 are as below:-

Year	North East Region		Other States		Total (NE+Other States)	
	Physical (In MT)	Financial (₹ in crore)	Physical (In MT)	Financial (₹ in crore)	Physical (In MT)	Financial In ₹ Crore
2012-13	2,910	27.72	1,160	2.64	4,070	30.36
2013-14	2,500	30.94	20,000	11.02	22,500	41.96
<b>Total</b>	<b>5,410</b>	<b>58.66</b>	<b>21,160</b>	<b>13.66</b>	<b>26,570</b>	<b>72.32</b>

Table 3.02

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 30-06-2014, capacity of 33,220 MT has been completed.

### **3.6 USE OF INNOVATIONS/NEW TECHNOLOGIES FOR CURBING LEAKAGES/DIVERSION OF FOODGRAINS MEANT FOR TPDS:**

The following Scheme components are proposed to be continued during the 12<sup>th</sup> Five Year Plan.

#### **i) TPDS- Training**

In order to successfully implement the National Food Security Act, 2013 and the TPDS, training programmes are being conducted for officials and Master Trainers of the States/UTs through Food Corporation of India (FCI)'s Institution of Food Security, Gurgaon.

#### **ii) Concurrent Evaluation Study on TPDS**

To evaluate the impact of the TPDS on the target beneficiaries and to plug loopholes in implementation of TPDS, an evaluation study on functioning of TPDS in six select States i.e. Assam, Bihar, Chhattisgarh, Karnataka,

Uttar Pradesh and West Bengal is being conducted by National Council of Applied Economic Research (NCAER). The study is likely to be completed by February-March, 2015.

### **3.7 COMPUTERIZATION OF TPDS OPERATIONS:**

With a view to address certain shortcomings in functioning of TPDS and bring transparency in the TPDS, the Government has approved Component-I of Plan Scheme on End-to-end Computerization of TPDS Operations for implementation during 12<sup>th</sup> Five Year Plan period. 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 portal and grievance redressal mechanism. Besides bringing transparency in the TPDS, the scheme is expected to curb leakages and diversion of foodgrains. ₹248.90 crore have already been released to 25 States/UTs as first installment of the Central share to meet the expenditure on implementation of Component-I of the scheme during 2012-13, 2013-14 and 2014-15. The work of digitization of ration cards/beneficiary database has been completed in 19 States/UTs. Computerization of supply-chain has been completed in Chhattisgarh, Delhi, Karnataka and Tamil Nadu. Transparency portals have been created in 27 States/UTs. Online grievance redressal mechanism for registration and tracking of grievance has been established in 27 States/UTs. Implementation of aforesaid activities under Component-I is in progress in remaining States/UTs.

### **3.8 REVISION OF BUFFER NORMS:**

In order to review and recommend revised buffer norms, a Technical Group under the Chairmanship of Secretary (F&PD) was constituted on 7.6.2006. The Technical Group entrusted the matter to National Center for Agricultural Economics and Policy Research (NCAP), for suggesting revised buffer norms. NCAP initially submitted its report in June, 2008 but subsequently submitted a revised report in September, 2011 which was based on the then proposed National Food Security Bill (now Act). Based on the report of NCAP, the Technical Group held detailed discussions with various stakeholders and recommended revised buffer norms which was sent to CCEA for its approval vide a CCEA Note dated 10.12.2013.

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CCEA directed the matter to be examined by a Group of Ministers (GoM), GoM after discussion deferred it till the revision of procurement policy of foodgrains. However based on the discussions held with various Government Departments/ State Governments, no change in the procurement policy has been preferred by the Department. Subsequently the discussions were also held with an expert group and as per the recommendations of the expert group a revised draft CCEA note was circulated on 29.10.2014 for seeking comments of the concerned Government Departments. Now based on the comments received, a final note has been sent to Cabinet Secretariat on 24.12.2014 for consideration of the CCEA.

**3.9 VILLAGE GRAIN BANKS SCHEME:**

Village Grain Bank scheme (VGB) was being implemented by the Department of Food & Public Distribution since 24.11.2004.

The main objective of the scheme was to provide safeguard against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations in food scarce area like the drought prone areas hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like flood, etc. Such people in need of food grains could borrow foodgrains from Village Grain Bank. The grain banks were to be set up in food scarce areas like the drought prone areas, hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc.

In view of the poor response and non-furnishing of utilization certificate for past allocation from State Governments, the scheme was discontinued w.e.f. 01.01.2014.

**3.10 ACQUISITION AND DISTRIBUTION COST OF FOOD GRAINS:**

A study for recommending the principles for fixation of procurement incidentals/economic cost of foodgrains was entrusted to O/o Chief Adviser (Cost), M/o Finance which is the specialized body for conducting these types of studies. Recommendations of the CAC have been received. CAC has been given another study to recommend state wise

normative cost of procurement incidentals in respect of each State which will be treated as final. CAC has still not been able to complete the study owing to non-receipt of required data/information from State Governments.

### **3.11 REQUIREMENT FOR REGISTRATION OF WAREHOUSES:**

- i. The warehouses should be constructed as per Bureau of Indian Standards (BIS). Accreditation agencies have some discretion in relaxing the specifications without compromising storage worthiness of warehouses.
- ii. The warehouses should be storage worthy for different goods to be stored.
- iii. The warehouses should be equipped with all necessary equipment/instruments for weighing, handling, sampling, grading, fire fighting and insect-pest management.
- iv. The warehouses should have positive networth certified by a Chartered Accountant or credit worthiness certificate from a scheduled bank for individual warehouse or for its organization.
- v. The warehouses should have adequate trained staff with expertise and knowledge for the scientific storage of goods to be stored in the warehouses.
- vi. The warehouses should have adequate security arrangements.
- vii. Any other requirement prescribed by the Authority.

### **3.12 ADVANTAGES OF REGISTERED WAREHOUSES WITH THE AUTHORITY:**

- (a) May issue negotiable warehouse receipts on which farmers / depositors may be able to seek loan more easily from banks on better terms.
- (b) Will follow norms / requirements prescribed by the WDRA, which would encourage scientific storage.
- (c) Will have only trained warehousemen.
- (d) Will mention quality standards/grades of the commodities stored in their warehouses on the Negotiable Warehouse Receipt.

### **3.13 ACTIVITIES INITIATED BY THE WAREHOUSING DEVELOPMENT AND REGULATORY AUTHORITY (WDRA):**

- 1. 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.
- 2. Notification of Agricultural Commodities:** The Authority has 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 horticultural commodities have also been approved for issuance of NWRs by cold storages.
- 3. Registration of Warehouses:** 536 warehouses of CWC, SWCs, PACSs and private organizations have been registered with the Authority.
- 4. Integration of PACs with NWR:** The WDRA has taken initiative to integrate the Primary Agricultural Cooperative Societies (PACs) warehouses under the negotiable warehouse receipt system so that small and marginal farmers may get benefited from this scheme. Beginning has been made from Nizamabad district of Andhra Pradesh and about 163 warehouses of PACs in Andhra Pradesh, Tamilnadu and Karnataka have been registered. NABARD and its consultancy organization NABCONS are playing very important role in this field.
- 5. Introduction of NWR System in cold storages:** The WDRA in consultation with the National Horticulture Mission (NHM) and National Horticulture Board (NHB) has introduced negotiable warehouse receipt system in cold storages so that the growers/farmers producing horticultural 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 for issuing NWRs. 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.

## 6. Transformation Plan of the WDRA

The WDRA, in association with the Department of Food & Public Distribution, the Department of Economic Affairs and the National Institute of Public Finance & Policy (NIPFP), is undertaking a transformational plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers against negotiable warehouse receipts. The budget speech 2014-15 of the Finance Minister contains a para on the transformation plan of the WDRA, which is reproduced below:

‘Para 127.As part of strengthening the regulatory framework for commodity markets, the Warehouse Development and Regulatory Authority (WD&RA) has begun a transformation plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers against negotiable warehouse receipts. This plan will be implemented with vigor.’

7. Based on the features of the market, some of the problems observed in the present regime are:

- **Inadequate regulation of quality of warehousing:** There are no legally mandated requirements regarding performance standards, minimum networth, etc.
- **Lack of risk absorption capacity:** Market entities transacting in warehouse receipts are not certain of the ability of the warehousing service provider to indemnify against losses.
- **Low deterrence for offences:** Warehousing service providers do not face strict and credible enforcement action.

8. Building a large, high-quality, liquid market for NWRs will benefit all those directly involved in the agricultural sector. However, the role of an agency like WDRA that is working close to the ground must have a narrowly defined focus.

**9.** The transformation plan envisages a complete revamp of the WDRA's functioning. Key points of focus include the following:

- i. Re-writing the existing rules and regulations with a focus towards building NWRs as credible instruments of trade. This will require a shift towards risk-based regulation, lowering compliance costs, creation of a rating system for warehouses, the creation of information repositories and the electrification/dematerialisation of NWRs under the present WDRA Act;
- ii. Building organisational capability within WDRA to effectively regulate the NWR market. This will require strengthening the WDRA, creating IT-based internal processes and systems, creating monitoring and surveillance tools, and staff capacity building; and
- iii. Conducting market surveys and studies to generate information about the warehousing sector. These surveys and studies are proposed to be conducted annually by WDRA to enable evidence-based regulation, and to disseminate greater information relating to the warehousing sector.

**10.** The Government of India have approved a budget outlay of ₹44.9 crore for implementation of the transformation plan over the years 2014-15, 2015-16 and 2016-17.

### **3.14 Training and awareness programme**

**(a) Regional conferences:** Regional Conferences in association with FICCI, ASSOCHAM, PHD Chamber, CAIT and IFC have been organised by the WDRA at New Delhi, Bangalore, Thiruvananthapuram, Chandigarh, Mumbai, Bhopal, Kolkata, Nagpur, Gandhinagar, Lucknow and Chennai to create awareness about the negotiable warehouse receipt system in the country.

**(b) Training and awareness programme for farmers:** Awareness programmes for farmers are also being organized by the WDRA.

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

### **3.15 NEW PLAN SCHEME “STRENGTHENING OF QUALITY CONTROL MECHANISM” UNDER S&R DIVISION OF THE D/O FOOD & PD DURING 12<sup>TH</sup> FIVE YEAR PLAN:**

A new plan component “strengthening of quality control mechanism” during the 12<sup>th</sup> 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 advise of the Planning Commission. An amount of ₹23.30 crores has been approved for the new plan component “Strengthening of quality control mechanism” during 12<sup>th</sup> Five Year Plan. An amount of ₹ 5.00 crore in BE and ₹3.50 Crore in RE was earmarked for the financial year 2014-15. ₹5.00 crore has been proposed for 2015-16.

#### **Details of new scheme for strengthening quality control mechanism.**

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

**(A) Opening up of 7 new Quality Control Cells:** It is proposed under the Plan component to open following 7 new Quality Control Cells at Guwahati, Patna, Chandigarh, Jammu, Jaipur, Chennai and Ahmedabad. One QCC at Patna has been opened in 2013-14 and 3 QCCs each are proposed to be opened in 2014-14, however due to delay in filling up of vacant posts, new QCCs could not be opened and opening of new QCCs will depend upon filling up of vacant posts.

**(B) Upgradation of Laboratory at IGMRI, Hapur:** To ensure that the Central Pool foodgrains meet the quality specifications, it is imperative to regularly analyse the Central Pool stocks for prescribed uniform specifications and for the presence of pesticide residues, mycotoxin contamination, uric acid, etc. In order to strengthen the Laboratories at IGMRI Hapur, the infrastructure of physico- chemical lab has been upgraded by renovating the building and the

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procedure to purchase of physico chemical equipments through e-tender has been completed, besides, a consultant from National Institute of Plant Health Management, (NIPHM), Hyderabad has been engaged for developing pesticide and **mycotoxin** analysis lab at IGMRI, Hapur.

**(C) Capacity Building:** In view of the shortage of technically qualified staff with the State Government agencies engaged in procurement, storage and distribution of foodgrains and Government encouraging the decentralized procurement scheme under which State Governments and their agencies procure, store and distribute the foodgrains directly without involvement of FCI, the training requirements for the staff of the State Governments and their agencies is need of the hour. Quality Control Cells, existing as well as newly proposed will also impart short term trainings to the State Government officers / officials on scientific storage, inspection and quality control of foodgrains. Quality control cell have conducted 22 raining programmes during the current year 2014-15 for 770 trainees upto Nov. 2014. 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).

During FY 2014-15. A sum of ₹5.00 crores in BE has been allocated and ₹3.50 crore has been proposed in RE. The proposed out lay of Plan Scheme for 2015-16 is ₹5.00 crore.

## **SUGAR MANAGEMENT:**

### **3.16 GENERAL:**

Sugar is an essential commodity under the Essential Commodities Act, 1955 (herein referred to as the EC Act, 1955). The EC Act, 1955, as amended from time to time, has been enacted to provide for, in the interest of general public for the control of production, supply and distribution of and trade and commerce of essential commodities. Thus, being a controlled commodity, sugar sector activities including establishment of sugar mills as well as the procurement of basic raw material i.e. sugarcane are regulated, in one form or the other, through various control orders issued under the Essential Commodities Act, 1955.

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India is the second largest producer of sugar even though sugar production in India has been cyclic in nature. Every 2-3 years of high sugar production are followed by 2-3 years of low sugar production. From the sugar season 2010-11 onwards the country could consistently achieve sugar production more than the domestic requirements and could also generate surpluses for export, earning valuable foreign exchange in the process. Industry has also been encouraged to diversify its activity towards production of raw sugar targeted for export market. As such, it appears that the amplitude of year to year fluctuations in sugar production has diminished.

**3.17 PRODUCTION OF SUGAR:**

The sugar accounting is reckoned on the sugar season basis, which is in the time frame of October to September. Season- wise production of sugar, since 2009-10 is given below:-

(Qty. in lakh tons)	
Sugar Season	Production of Sugar
2009-10	188.00
2010-11	243.50
2011-12(P)	263.43
2012-13(P)	251.83*
2013-14(P)	245.54
2014-15(Estimates)	250.46

Table 3.03

(P) – Provisional

\* – Excludes 6.76 lakh tons of sugar produced from imported raw sugar.

**3.18 CONSUMPTION OF SUGAR:**

As per various estimates, the share of bulk consumers in the sugar consumption basket ranges from 60-65 %. The rest of the consumption is by individual households. The per-capita consumption is estimated at 18.7 Kg./annum

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for 2012-13 sugar season. On gross basis, the domestic consumption demand has been estimated to be in the range of 230 lac MT for the last sugar season 2012-13.

The basic parameter for estimating the domestic consumption was the quantum of levy and non-levy sugar released by the Government, periodically on a quota based system upto 2012-13 sugar season. Thereafter, on the recommendations of Dr. C. Rangarajan Committee, the sugar industry has been partially decontrolled and the levy obligation on sugar mills has been done away with for sugar produced after September,2012 and the regulatory release mechanism on open market sale of sugar has also been dispensed with. As such, estimated consumption would now be arrived on the basis of actual dispatches of sugar reported by the mills through on-line module. The details are as under:-

(Qty in Lakh Tons)

<b>Sugar Season</b>	<b>Consumption</b>
2012-13	230.00
2013-14	243.00
2014-15(Estimated)	248.00

Table 3.04

**3.19 CLOSING STOCK OF SUGAR:**

The estimated closing stocks at the end of each sugar season from 2009-10 to 2013-14 are as under:-

(Qty. in lakh tons)

<b>Sugar Season</b>	<b>Closing Stock at the end of the season</b>
2009-10	51.25
2010-11	58.19
2011-12	66.96
2012-13 (P)	91.09
2013-14(P)	72.13*

Table 3.05

(P) - Provisional

(\*) – Excludes 0.60 Lac Tons unmarketable BISS /Brown sugar

### 3.20 SUGARCANE PRICING POLICY:

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

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

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

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to farmers in all the years, irrespective of the fact whether the sugar mills generate profit or not and is not dependent on the performance of any individual sugar mill.

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

Accordingly, FRP for 2013-14 sugar season was determined at ₹210/- per quintal linked to a basic recovery rate of 9.5% subject to a premium of ₹2.21 per quintal for every 0.1 percentage point increase in recovery above that level. The FRP for 2014-15 sugar seasons has been fixed 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 SMP of sugarcane payable by sugar factories for each sugar season from 2001-02 to 2008-09 and FRP for 2009-10 to 2014-15 has been shown in the following table:-

<b>Sugar Season</b>	<b>SMP (₹ Per quintal)</b>	<b>Basic Recovery Level</b>
2001-02	62.05	8.50%
2002-03	69.50	8.50%
2003-04	73.00	8.50%
2004-05	74.50	8.50%
2005-06	79.50	9%
2006-07	80.25	9%
2007-08	81.18	9%
2008-09	81.18	9%
2009-10 (FRP)	129.84	9.5%
2010-11 (FRP)	139.12	9.5%
2011-12 (FRP)	145.00	9.5%
2012-13(FRP)	170.00	9.5%

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2013-14(FRP)	210.00	9.5%
2014-15(FRP)	220.00	9.5%

Table 3.06

**3.21 EXPORT OF SUGAR:**

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).

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

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.

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.

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).

As per information published by DGCIS, Kolkata, the export/import of sugar from sugar season 2005-06 to 2013-14 is given below :-

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**Export of Sugar**

<b>Sugar Season(Oct-Sept)</b>	<b>Quantity (In lakh M.Ts)</b>
2005-06	15.039
2006-07	24.90
2007-08	58.23
2008-09	2.165
2009-10	2.371
2010-11	28.14
2011-12	36.735
2012-13	12.02
2013-14(P)	26.85

Table 3.07

**3.22 EXPORT ASSISTANCE SCHEME:****A. Scheme for export of sugar made between 21-06-2002 and 18-08-2004.**

The Central Government vide its Notifications dated 21.6.2002 and 19.11.2003 decided to defray the expenditure on internal transport and freight charges and payment of neutralization of ocean freight charges and handling and marketing charges respectively to the sugar factories on export shipment of domestically manufactured sugar with a view to promoting sugar export and liquidating surplus sugar stocks available with the sugar factories. Defraying of expenditure on export shipment of the sugar was made effective for exports made with effect from 21.6.2002 up to exports made till 18.8.2004 in pursuance of release orders issued up to 20.6.2004 with validity of two months, and ocean freight and handling and marketing charges being given as below:-

- (i) Ocean freight Charges @ ₹ 350 per MT is admissible to those sugar factories who exported their sugar by sea on or after 14-02-2003 and up to 18-08-2004.

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(ii) Handling & Marketing charges @ ₹ 500 per MT is admissible to those sugar factories who exported their sugar by sea on or after 03-10-2003 and up to 18-08-2004.

**B. Scheme for export of sugar made between 19-04-2007 and 30-09-2008.**

In order to enable sugar mills to pay cane price to sugarcane farmers, the Government announced on 19-04-2007 a scheme for giving financial assistance to sugar factories for export of sugar made between 19-4-2007 to 18-04-2008, which was later extended to 30-09-2008 under Govt. Order dated 28-03-2008.

The new export assistance scheme covers payment of internal transport and freight charges including ocean freight and handling and marketing charges at a flat rate of ₹ 1350 per tonne for sugar mills located in coastal states and ₹ 1450 per tonne for sugar mills located in non-coastal states. Number of claims settled and assistance paid to the sugar mill under the above schemes of the Central Government since 2003-04 is given in the Annexure-I placed below.

The allocation and utilization of funds and number of claims settled under (i) re-imburement of internal transport and freight charges; (ii) payment of ocean freight charges; and (iii) handling and marketing charges under old scheme during and under new scheme for the relevant period from 2003-04 to 2014-15 (upto 15.01.2015) are given below:-

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Year	Sanctioned Budget (BE) (₹ in Crore)	Internal Transport and freight charges (Old Scheme)		Ocean freight and handling & marketing charges (Old Scheme)		Internal Transport & freight charges under Rule 20 A (New Scheme)		Total Expenditure (In Crore)	
		No. of claims settled	Actual Exp. (₹ in Crore)	No. of claims settled	Actual Exp. (₹ in Crore)	No. of claims settled	Actual Exp. (₹ in Crore)	No. of claims settled	Actual Exp. (₹ in Crore)
2003-04	50.00	418	31.86	---	---	---	---	418	31.86
2004-05	125.00	392	46.09	---	---	---	---	392	46.09
2005-06	90.00	44	5.88	270	31.56	---	---	314	37.44
2006-07	50.00	38	7.94	94	13.02	---	---	132	20.96
2007-08	150.00	26	3.40	60	7.00	124	69.92	210	80.32
2008-09	285.00	---	---	3	0.74	459	284.26	462	285.00
2009-10	285.00	---	---	2	0.60	441	284.40	443	285.00
2010-11	200.00 (RE 150 Crore)	---	---	---	---	268	146.81	268	146.81
2011-12	50 Crore (RE 15 Crore)	---	---	---	---	41	15	41	15
2012-13	25 Crore (RE 5 Crore)	---	---	1	0.57	10	4.21	11	4.78
2013-14	0.01 Crore	---	---	---	---	---	---	---	---
2014-15 (upto 15.01.15)	0.01 Crore	---	---	---	---	---	---	---	---
<b>Total</b>		<b>918</b>	<b>95.17</b>	<b>430</b>	<b>53.49</b>	<b>1343</b>	<b>804.6</b>	<b>2691</b>	<b>953.26</b>

Table 3.08

### **3.23 LEVY SUGAR PRICE EQUALIZATION FUND:**

The Levy Sugar Price Equalization Fund Act, 1976 (as amended in 1984) has been enforced from 1.4.1976 to recover the excess realization (ER) on account of sale of levy sugar price at higher prices than notified, as per orders of the High Court/Supreme Court to various litigant sugar mills. Whenever the Judgment is in favor of U.O.I, the recovery of the Government dues is effected under the provision of the LSPEF Act.

During the current financial year 2014-2015 (upto 15.01.2015) a sum of ₹ 3.21 Crore has been recovered from various sugar mills. This is against the budgeted target of ₹ 4 Crore. In the year 2013-2014, an amount of ₹ 6.36 Crore was recovered and remitted to the said Fund.

### **3.24 IMPORT OF SUGAR:**

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 tonne on imported sugar with effect from 28.4.1998. The basic custom duty was increased from 5% to 20% w.e.f. 14.1.1999 in addition to the countervailing duty. In the Union Budget for the year 1999-2000, duty on imported sugar was further increased from 20% to 25% with surcharge of 10%. The customs duty on imports of sugar was again increased to 40% on 30.12.1999 and 60% on 9.2.2000 along with continuance of countervailing duty of ₹950/- per ton ( w.e.f. 1.03.2008) plus 3% education cess.

Sugar production in the sugar season 2008-09 has been declined and in order to augment the domestic stock of sugar, the Central Government has allowed import of raw sugar under Advance Authorization Scheme by sugar mills at zero duty from 17.02.2009 upto 30-09-2009 and import of raw sugar at zero duty under Open General License (OGL) w.e.f.17.04.2009 which 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.

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**Import of Sugar**  
(in MT)

Sugar Season	Qty. imported**
2005-06	0.07
2006-07	0.005
2007-08	0.004
2008-09	24.47***
2009-10	41.80***
2010-11	3.65
2011-12	1.886
2012-13	17.12
2013-14(P)	10.788

Table 3.09

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

\*\*\* As reported by Department of Revenue.

(P) - provisional

**3.25 DE-REGULATION OF SUGAR SECTOR:**

The Central Government considered the recommendations of the Dr. C. Rangarajan Committee on de-regulation of sugar sector and decided to do away with levy obligation on sugar mills for sugar produced after September, 2012 and dispense with the regulated release mechanism on open market sale of sugar. The recommendations of the Committee relating to Cane Area Reservation, Minimum Distance Criteria and adoption of the Cane Price Formula have been left to the State Governments for adoption and implementation, as considered appropriate by them.

### **3.26 SUGAR SUBSIDY:**

As per the decision taken in a CCEA meeting on 04.04.2013, among other things, one key development has been the removal of levy obligation on the sugar mills from 2012-13 sugar season. The CCEA decisions were Notified by the Government vide Notification GSR 280 (E) to 283 (E)/Ess.Com./Sugar dated 02.05.2013. In order to implement these decisions, the department has notified orders on 2<sup>nd</sup> May, 2013 rescinding the concerned order dated 25<sup>th</sup> November, 2011 (removing levy obligation from 2012-13 sugar season).

The levy imposition in the past was for meeting the requirements of PDS. Under the new dispensation, the States/UTs have been advised to devise a transparent system of procurement of sugar from open market for meeting their PDS requirements. The Government of India would provide subsidy @ Rs . 18.50 per kg. to those States, which continue to have the Retail Issue Price of ₹ 13.50 per Kg. at FPS level and the reimbursement by the Central Government will be limited to the quantity based on the existing levels of allocations. In the process, total sugar subsidy burden on the government exchequer is estimated to about ₹ 5000 crores per annum.

The new system of open market procurement by States/UTs and seeking reimbursement from the Department has been adopted by 27 States/UTs. During the financial year 2014-15, an amount of ₹ 2603.76 crores (including ₹ 900 Crores to FCI) has been released to States/UTs upto 30.11.2014 against BE of ₹4500 Crore.

### **3.27 BUDGET ESTIMATES FOR FY 2015-16:**

Under the new subsidy scheme the States/ UTs are entitled for a fixed subsidy of ₹ 18.50 per kg limited to the quantity based on their existing allocation. The total annual quota of the States /UTs including festival quota in the country is 26,59,016 MT The annual requirement of sugar subsidy @ ₹ 18.50per kg works out to ₹ 4919.18 crores. Further, funds may also be required by FCI on account of deficit in the SPEF A/C as the States/UTs may claim the differential levy amount. The funds requirement by FCI for payments to State Govt. may be taken as ₹500 crores. The Total requirement of funds under BE for FY. 2015-16 is ₹ 5419.18 crores or say ₹ 5500crores.RE for the FY 2014-15 has been requested for ₹ 6500 crores.

### 3.28 PROFILE OF THE SUGAR INDUSTRY:

Sugar industry is an agro-based industry that impacts rural livelihoods of about 60 million sugarcane farmer and about 6 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 ₹90,000 crores.

There are 703 installed sugar factories in the country as on 30.11.2014, with sufficient crushing capacity to produce around 324 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and co-operative sector units. The capacity of Sugar Mills is, by and large, in the range of 2500 TCD- 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.	Private	335
2.	Public	43
3.	Co-operative	325
	<b>Total</b>	<b>703*</b>

Table 3.10

\*Includes closed sugar mills and refineries.

### 3.29 INSTALLED SUGAR MILLS IN THE COUNTRY:

There are 703 installed sugar factories in the country as on 30.11.2014, with sufficient crushing capacity to produce around 324 lakh MT of sugar. The capacity of sugar mills is, by and large, in the range of 2500 TCD-5000 TCD, 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	335
3.	Public	43
	<b>Total</b>	703*

Table 3.11

\*Includes each refinery in West Bengal & Gujarat.

### 3.30 ETHANOL BLENDED PETROL PROGRAMME (EBP PROGRAMME):

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. This would improve the reserve stream of the sugar mills.

It has been decided by the Government that 5% mandatory ethanol blending with petrol should be implemented across the country and procurement price of ethanol will be decided between Oil Marketing Companies and suppliers of ethanol. This is expected to generate revenue for sugar mills enabling them to avoid building up of cane price arrears. A

few policy for supply of ethanol for EBP has been introduced which offers a remunerative price and 6 months the entire ethanol supply chain.

### **3.31 DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY:**

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 12<sup>th</sup> 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 5<sup>th</sup> September, 2011 and was valid up to 4<sup>th</sup> 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.

2. 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 may also be disbanded.

(i) 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.

(ii) 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

### **3.32 SUGAR DEVELOPMENT FUND:**

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.

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).

During the period from 1982-83 to 2014-15 (upto 31.12.2014) Net Cess amount of ₹8228.90 crore have been collected. Of this, upto 31.12.2014, ₹6856 crore have been transferred to the Sugar Development Fund and as per approved appropriations ₹ 10593.58 crore were disbursed for the development of sugar industry upto 31.12.2014 as per provisions contained in Sugar Development Fund Act, 1982 as amended from time to time.

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.

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- d) Defraying expenditure on internal transport and freight charges on export shipment of sugar
- e) Making loans to any sugar factory to implement a project of bagasse-based co-generation of power.
- f) Making loans to a sugar factory for production of anhydrous alcohol or ethanol.
- g) Defraying expenditure for the purpose of building up and maintenance of buffer stock with a view to stabilizing price of sugar.
- h) Defraying expenditure for the purpose of financial assistance to sugar factories towards interest on loans given in terms of any scheme approved by the Central Government from time to time.
- i) Defraying any other expenditure for the purpose of the Act.

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

Upto 31.12.2014, the amount disbursed to various sugar mills for various schemes during financial year 2014-2015(upto 31.12.2014) is as follows: -

		(₹ in Crores)
Sl. No.	Name of Scheme	Amount disbursed
1.	Admn. of Sugar Development Fund	20.20
2.	Loan to sugar factories for modernization/ rehabilitation of plant and machinery, including expansion of crushing capacity	150.00
3.	Loans to sugar factories for sugar cane development	49.50
4.	Loans to sugar factories for bagasse based cogeneration power projects	0.00
5.	Loans to sugar factories for production of ethanol from anhydrous alcohol/alcohol from molasses	51.46
6.	Reimbursement of Internal Transport & freight to sugar factory on export shipment and payment of other permissible claim	0.00
7.	Subsidy maintenance of Buffer Stock of Sugar	3.30
8.	Scheme for Extending Financial Assistance to Sugar undertaking 2007	0.00
9.	Scheme for Extending Financial Assistance to Sugar undertaking 2014	100.00
10.	Grant-in-Aid for development of sugar industries	0.50
<b>Total</b>		<b>374.96</b>

Table 3.12

During the financial year 2014-2015 (upto 31.12.2014) an amount of ₹438.94 crore has been recovered from various sugar mills from the outstanding recoverable dues of SDF loans.

### **3.33 E-GOVERNANCE INITIATIVES:**

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.

### **3.34 NATIONAL SUGAR INSTITUTE, KANPUR:**

National Sugar Institute, Kanpur is a premier institute providing technical training in the disciplines of Sugar Technology, Sugar Engineering, Alcohol Technology and other allied branches. During academic session 2014-15, total nos. of 2014 students were admitted in various courses conducted by the Institute. The Institute undertakes research on problems of Sugar Industry, Alcohol and Allied industry, by product utilization etc. On the basis of findings of research work carried out by different divisions of Institute, 13 nos. research papers were presented/ published/ sent for publication by the faculty members of the Institute in India & International Sugar Journals during the year 2014-15 (for the period of 1<sup>st</sup> April, 2014 to 30<sup>th</sup> November, 2014).

The Institute's team of experts visited factories to investigate the problems referred and rendered technical advice on payment of prescribed fee. Side by side, technical assistance were also provided to the sugar factory, distilleries & other sugar related organizations on different technical matters against payment of scheduled charges. Institute also rendered technical assistance to the Central and various State Governments on different matters concerning sugar and

allied industry. During the period 1<sup>st</sup> April, to 30<sup>th</sup> November, 2014 technical consultancy was provided to thirty two Sugar & allied units.

### **3.35 THE NEW SYSTEM FOR DISTRIBUTION OF SUGAR IN THE PUBLIC DISTRIBUTION SYSTEM (PDS):**

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

### **3.36 EXCISE DUTY LOAN:**

The Government on 03.01.2014 has notified a Scheme viz. Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-14) for providing financial assistance in the form of interest free loans worth ₹ 6600 crores for additional working capital to sugar mills for clearance of cane price arrears. Interest burden estimated at ₹ 2750 crores over next five years would be borne by the Central Government through Sugar Development Fund. The loan will be utilized by the sugar mills for clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season relating to the Fair and Remunerative Price (FRP) fixed by the Central Government to the sugarcane farmers.

**C. MANAGMENT OF EDIBLE OILS:****3.37 IMPORT POLICY ON EDIBLE OILS:**

In order to harmonise the interests of farmers, processors and consumers and at the same time, regulate the import of edible oils to the extent possible, Government reviews the duty structure of edible oils from time to time. The custom duty on import of crude oils has been revised from 2.5% to 7.5% and import duty on refined oils has been revised from 10.0% to 15% w.e.f. 24-12-2014.

Export of major edible oils has been banned w.e.f. 17-03-2008. However, vide notifications dated 25.3.2013 and 18.6.2013, prohibition on export of edible oils has been extended till further orders with certain exemptions such as (a) Castor oil (b) Coconut oil for all EDI Ports and through Land Custom Stations (LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders (c) Edible oils produced out of minor forest produce and 10,000 MT of Organic edible oils per annum. Export of edible oils in branded consumer packs of upto 5 Kgs. is permitted with a Minimum Export Price of USD 900 per MT.

**3.38 PRICES OF EDIBLE OILS:**

Since there has been a continuous excess of demand over domestic supply of edible oils, import of edible oils has been allowed / facilitated for more than two decades to make the item of mass consumption easily available to consumers at reasonable prices. In order to maintain un-interrupted supply of edible oils at affordable prices to the consumers, particularly in the context of shortfall in domestic edible oilseed production, import duty structure of edible oils is reviewed from time to time.

Wholesale prices of edible oils, during the past one year i.e. 2013-14 (F.Y) showed a down ward trend throughout the year.

**3.39 INTERNATIONAL COOPERATION:**

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 in International Cooperation(IC) Section of the Department.

### **3.40 WORLD FOOD PROGRAMME:**

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 foodgrains (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 tonnes of foodgrains 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.

Deptt. of Agriculture & Cooperation reviews WFP's Annual Action Plans(AWPs). Department of Food and P.D. is one of the implementing partners for Component 1: Capacity Development for food Security. 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.

The sub-committee meeting for Component 1- Capacity Development for Food Security' was held on 21st August, 2014 between DFPD & 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. The establishment of the Central Price Monitoring Unit (PMU) in Department of Food and P.D. and funding modalities are under discussion.

### **3.41 SAARC FOOD BANK:**

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 the President of India on 17th April, 2007. As per this agreement, SAARC Food Bank shall have a reserve of foodgrains to be maintained by each member states consisting of either wheat or rice, or a combination of both as assessed share of the country.

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

India hosted the 7th SAARC Food Bank Board(SFB) on 10-11, November, 2014 in New Delhi, India. All SAARC Member States except Afghanistan have 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 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 Sixth SFB meeting
- b. Godowns /Storage Facilities in Member States

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- c. Designating *Central Grain Analysis Laboratory (CGAL)*, India as SAARC Foodgrain Testing Reference Laboratory and undertaking capacity building programme for concerned SAARC officials at Institute of
- 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 foodgrains.
- f. Formulation of working guidelines for operationalization of SAARC Food Bank.

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 foodgrains in India.

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. Participants from 5 member countries viz. Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka attended the meeting apart from four officers from the Indian side.

### **3.42 FOOD AND AGRICULTURAL ORGANISATION (FAO): - 41<sup>st</sup> session of Committee on world Food Security (CFS)**

Food and Agricultural Organisation (FAO) is one of the largest specialized agencies in the UN System founded in 1945 with a mandate to raise levels of nutrition and standard of living by improving agricultural productivity and living conditions of rural population. The Committee on World Food Security (CFS) serves as a forum in the United Nations System for review and follow-up of policies concerning world food security, including food production, physical and economic access to food. India is a member to both FAO and CFS. Committee on World Food Security (CFS) monitors the progress of implementation of the WFS Plan of Action. The 41st Session of the Committee on World Food Security(CFS) held at FAO Headquarters in Rome, Italy from 13th -18th October, 2014 has been attended by a Government of India delegation led by an officer at the level of Joint Secretary in this Department accompanied by

Director, National Food Security Act. Deliberation on the following issues have 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.

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.

### **3.43 G-20 MATTERS:**

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

### **3.44 INTERNATIONAL GRAINS COUNCIL (IGC):**

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

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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. India being a member of the International Grains Council, this Department pays the annual membership contribution to the Council.

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

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 9th -10th June, 2014 in London, U.K	Shri Sriprakash Kar, Executive Director(I/E), Food Corporation of India

Table 3.13

### 3.45 VISITS OF FOREIGN DIGNITARIES OF OTHER COUNTRIES:

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

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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, Hon'ble MoS(IC)CA,F&PD on 17th 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 inclusion of Canadian pulses in the Public Distribution System Scheme.
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.
Visit of H.E. Dr. João Cravinho, Ambassador of the European Union in New Delhi with Hon'ble Minister of 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.

Table 3.14

### 3.46 VISIT OF OFFICERS ABROAD TO ATTEND INTERNATIONAL PROGRAMMES/CONFERENCES/EVENTS ETC.

From time to time delegation comprising of officers of Department of Food & P.D., representatives of its PSUs' and State Govt. concerned visits abroad to strengthen bilateral relation with other countries. Representatives of this Department also participates in other International programmes/events/Conferences abroad concerning Food and allied sectors to gain first hand experiences of the global happenings in this sector to be utilized in managing their respective subjects in the country. During the year 2014, the following are details of participation by officers/delegation of this Department in the international events:-

Purpose of the visit	Represented by
39th Council Session and IGC Grains Conference, 2014 held on 9th -10th June, 2014 in London, U.K	Shri Sriprakash Kar, Executive Director(I/E), Food Corporation of India
To attend in the 41st Session of the Committee on World Food Security(CFS) held at FAO Headquarters in Rome, Italy from 13th -18th October, 2014	An Indian delegation led by Shri Deepak Kumar, Joint Secretary in the Department of Food & P.D. accompanied by Shri Nilambuj Sharan, Director looking after the National Food Security Act.
To attend in the Meeting of WTO Committee on Agriculture(CoA) held in Geneva, Switzerland on 20-21 March, 2014	Shri Neeraj Kumar Mouriya, Director(Policy & Movt.), Deptt. of Food & Public Distribution as part of an Indian delegation of Department of Commerce and Industry.

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To attend 44th MECAS/67th Administrative Committee/ 23rd seminar of ISO and International Sugar Council Session held in London, U.K. during 25th -28th November, 2014	A Government of India delegation comprising of Shri G.S. Sahu, Chief Director, Sugar. Shri Rajgopal Devra, Secretary, Cooperation, Government of Maharashtra and Shri Subhash Chand Sharma, Cane Commissioner, Government of Uttar Pradesh are also the other members of the delegation attending ISO meetings.
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Table 3.15

**3.47 BUDGETARY ALLOCATION AND UTILISATION:**

Two budgetary non-plan heads are being operated in IC Section i.e. 3451.47.01.12- Foreign Travel Expenses and 2408.02.00.32- Contribution to International Grains Council.

Regarding budgetary provision under Foreign Travel Head, a sum of ₹65.00 lakh under B.E.-2014-15 has been provided under this head which has since been reduced to ₹58.50 lakh after 10% mandatory cut due to austerity measure. However, in view of less number of foreign visits anticipated, a sum of ₹30.00 has surrendered leaving a balance of 28.50 lakh. A sum of ₹17.40 lakh has actually been spent as on date leaving a sum of ₹11.10 lakh to spend during the remaining period from December to March, 2014 of the F.Y.

Regarding budgetary provision on heads for contribution to IGC, provision of Rs. ₹30.00 lakh was made under B.E.2014-15. Out of ₹30.00 lakh, a sum of ₹27,64,117/- has actually been spent as on date for making full and final payment of India's membership contribution of GBP27417 for the current financial year. The unutilized sum of ₹2,35,883/- has been surrendered with budget.

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## **CHAPTER- IV**

### **REVIEW OF PAST PERFORMANCE:**

**4.1** This Chapter deals with the review of past performance in terms of targets. The analysis gives scheme-wise physical performance with reasons for variations. Scope and objectives of individual programmes and schemes have been given along with their targets and achievement under the sub-headings 'Food Management', 'Management of Sugar' and 'Management of Edible Oil's.

### **4.2 FOOD MANAGEMENT:**

Government undertakes to purchase all wheat and paddy of prescribed specifications offered on sale by the farmers at the notified Minimum Support Price, thereby ensuring them a stable market for their produce. Non Basmati rice is procured for the Central Pool under the statutory levy system imposed by the State Government in exercise of powers conferred on them under the Essential Commodities Act, 1955. Department of Food & Public Distribution (DFPD) have decided to limit the percentage of levy to be imposed for procurement of rice by the State Governments to a maximum of 25% as direct purchase of paddy from the Farmers through the purchase centres opened by the Government Agencies is more beneficial to the farmers and it prevents the chances of malpractices etc. by the millers. Certain State Governments, which were procuring surplus foodgrains than their requirement for Targeted Public Distribution System (TPDS) have been also 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 that in case, a surplus DCP State declares bonus for wheat or paddy from KMS 2014-15 and RMS 2015-16 onwards, the Central Government will limit the procurement for Central pool to the extent of requirement of foodgrains for TPDS/OWS allocations of that State and will provide acquisition and distribution subsidy to the State Government accordingly. The State Government will be responsible for the disposal of any surplus quantity procured in the State over and above this quantity and bear the financial burden in that regard. For

non-DCP States, it has been decided that if a State announces bonus over and above MSP, the FCI will not take part in MSP operations in the State concerned and State agencies will have to mobilize resources and take care of entire MSP operations in the State on their own including the arrangements to be made for storage of procured foodgrains. With respect to such States, FCI in consultation with the Department of Food and Public Distribution will decide as to how much stock of wheat or rice it should acquire from the concerned State in a particular season and will restrict its Central Pool procurement to that extent leaving rest of the surplus stocks to be disposed off by the State Government concerned at its own risk and cost. This decision has successfully led to dropping of practice of giving bonus over and above MSP for paddy in Chhattisgarh and Madhya Pradesh in KMS 2014-15 and it is expected that the State Governments of Madhya Pradesh and Rajasthan will avoid giving bonus for wheat also in RMS 2015-16 in view of this policy. The experience of KMS 2014-15 is so far 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.

#### **4.3 DECENTRALIZED PROCUREMENT OF FOODGRAINS SCHEME:**

The scheme of Decentralized Procurement of foodgrains was introduced by the Government in 1997-98 with a view to effecting savings in the form of reduction in the outgo of food subsidy, enhancing the efficiency of procurement and PDS and encouraging local procurement to the maximum extent thereby extending the benefits of MSP to local farmers. Under the decentralized procurement scheme, the State Government itself undertakes direct purchase of paddy and wheat including procurement of levy rice on behalf of Government of India. Purchase centres are opened by the State Governments and their agencies as per their requirements.

**4.4** The Central Government undertakes to meet the entire expenditure incurred by the State Governments on the procurement operations as per the approved costing. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried out smoothly. The State Governments/UTs undertaking Decentralized Procurement Scheme are as under:-

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S.No.	Name of the State	Procurement of foodgrains
1.	West Bengal	Rice/Wheat
2.	Madhya Pradesh	Wheat/Rice
3.	Chhattisgarh	Rice/Wheat
4.	Uttarakhand	Rice/Wheat
5.	Andaman & Nicobar Islands	Rice
6.	Odisha	Rice
7.	Tamil Nadu	Rice
8.	Gujarat	Wheat
9.	Karnataka	Rice
10.	Kerala	Rice
11.	Andhra Pradesh(6 Districts)	Rice
12.	Bihar	Rice/Wheat
13.	Rajasthan ( Alwar only)	Wheat
14.	Telangana (9 Districts)	Rice
15.	Punjab (for NFSA obligations)	wheat

Table 4.01

**4.5** The procurement of wheat and rice in the States which have adopted decentralized procurement during the last sixyears has been as under:-

Marketing Year	Wheat	Rice
2007-08	6.05	107.91
2008-09	60.47	135.41
2009-10	60.70	122.12
2010-11	36.34	104.45
2011-12	51.12	117.28**
2012-13	87.89*	73.65 ***

Table 4.02

\* Procurement of Wheat 2012-13 from FCI figures of 2.8.2012

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\*\* Procurement of Rice 2011-12 from FCI figures of 6.2.2013

\*\*\* Procurement of Rice 2012-13 from FCI figures of 6.2.2013

The State Government of UP has withdrawn from DCP States of Wheat for RMS 2010-11.

#### 4.6 PROCUREMENT OF RICE:

The procurement of **wheat and rice** in the States which have **adopted decentralized procurement** during the last five years has been as under:-

(in lakh tonnes)

Marketing Year	Wheat	Rice
2007-08	6.05	107.91
2008-09	60.47	135.41
2009-10	60.70	122.12
2010-11	36.34	104.45
2011-12	51.12	199.11
2012-13	87.89	188.46
2013-14	76.31	200.28
2014-15	92.54*	45.54**

Table 4.03

\* As on 17.12.2014

\*\* As on 01.01.2015

The State Government of UP has withdrawn from DCP mode from RMS 2010-11.

**Procurement of Rice**

4.7 The procurement of rice for Central Pool (including paddy in terms of rice) is given below:-

**Procurement of Rice for Central Pool**

( Kharif Marketing Season: October-September)

(Figures in lakh tonnes)

Year	Procurement		
	FCI	State Agencies	Total
2008-09	131.78	209.26	341.04
2009-10	101.73	218.61	320.34
2010-11	119.70	222.09	341.79
2011-12	91.10	259.31	350.60
2012-13	70.33	270.11	340.44
2013-14 *	60.62	257.77	318.40
2014-15**	3.31	145.87	149.18

Table 4.04

\*Position as on 01.01.2015.

\*\* Position as on 01.01.2015

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**4.8** For the year 2014-15, procurement of rice is in progress and is estimated to be 300.50 lakh tonnes. The State-wise percentage of the procurement of rice to the Central Pool during 2013-14 and 2014-15 is given below:

PROCUREMENT OF RICE(INCLUDING PADDY IN TERMS OF RICE) DURING KMS 2014-15 AND CORRESPONDING POSITION DURING KMS 2013-14 FOR THE CENTRAL POOL			
Total Procurement During KMS 2014-15= 149.18 LAKH TONNES(as on 01.01.2015)			
Total Procurement During KMS 2013-14= 158.14 LAKH TONNES(as on 01.01.2014)			
State	KMS 2014-15		KMS 2013-14
	Quantity procured (in lakh tonnes)	% of Quantity procured to total procurement	Quantity procured (in lakh tonnes)
Kerala	0.95	0.64	0.86
Madhya Pradesh	4.85	3.25	6.09
Odisha	3.07	2.06	1.54
Tamil Nadu	0.04	0.02	0.55
Uttarakhand	1.51	1.01	1.18
Andhra Pradesh	4.15	2.78	13.74
Telangana	12.07	8.09	0.00
Chandigarh	0.10	0.06	0.11
Haryana	19.95	13.36	23.95
Maharashtra	0.60	0.40	0.53
Punjab	77.81	52.15	81.03
Uttar Pradesh	5.16	3.45	3.08
Chhattisgarh	15.67	10.50	23.74
West Bengal	3.19	2.14	1.66
Others	0.06	0.40	0.08
<b>Total</b>	<b>149.18</b>	<b>100</b>	<b>158.14</b>

Table 4.05

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**4.9** The State-wise procurement of wheat during the Rabi Marketing Season during the last 5 years is given below:

(In Lakh Tonnes)

State	2010-11	2011-12	2012-13	2013-14	2014-15
Haryana	63.48	68.28	86.65	58.73	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.	16.45	34.61	50.63	06.83	6.28
Others	2.97	7.19	11.29	0.16	0.06
All India	225.14	283.34	381.48	250.92	280.23

Table 4.06

**4.10** The State-wise procurement of wheat during 2014-15 is given below:

*Procurement of Wheat during 2014-15 Rabi Marketing Season*

State	Quantity Procured (In Lakh Tonnes)		
	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

Table 4.07

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**4.11** 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 Rabi Marketing Season 2014-15 and for 2015-16, MSP has been fixed at ₹1450/- per quintal. The comparative MSP of wheat and paddy since 2007-08 to 2015-16 (marketing seasons) is given below:-

(₹ per quintal)

Year	Wheat (MSP+Bonus)	Paddy Table	
		Common+Bonus	Grade A+Bonus
2007-08	750\$(+100)=850	645%(+100)=745	675%
2008-09	1000	850* (+50)= 900	880*
2009-10	1080	950**(+50)=1000	980**(+50)=1030
2010-11	1100	1000	1030
2011-12	1170^ (1120+50)	1080	1110
2012-13	1285	1250	1280
2013-14	1350	1310	1345
2014-15	1400	1360	1400
2015-16	1450		

Table 4.08

\$ An incentive bonus of ₹100 per quintal over and above the MSP was also given during the entire RMS 2007-08.

% An incentive bonus of ₹100 per quintal over and above the MSP was also given during the entire KMS 2007-08. In KMS 2007-08, MSP was further increased to ₹850 and ₹880 per quintal for Common and Grade 'A' varieties paddy w.e.f. 24.6.2008.

\*An incentive bonus of ₹50 per quintal over and above the MSP was also given during the entire KMS 2008-09.

\*\* An incentive bonus of ₹50 per quintal over and above the MSP was given during entire KMS 2009-10.

^ An incentive bonus of ₹50 per quintal including the MSP was given during entire RMS 2011-12.

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**4.12 DISTRIBUTION OF FOODGRAINS:**

The following table shows the offtake of rice and wheat under TPDS during the financial years 2011-12 to 2014-15 (upto October, 2014).

Schemes	Off take of Foodgrains (Rice + Wheat) from Central Pool			
	(In lakh tons)			
	2011-12	2012-13	2013-14	2014-15 (upto Oct., 14)
TPDS of which*	431.020	448.757	445.269	278.639
BPL*	173.030	179.615	162.065	60.570
APL*	160.900	168.987	156.393	65.718
Antyodaya (AAY)*	97.090	100.155	126.810	37.284
AAY/ Priority	---	---	---	111.646
Tide Over	---	---	---	3.421
Special Adhoc	72.080	44.012	16.835	12.859
150/174 Poorest District	6.470	21.779	0.033	---
Offtake against allocation made at Eco. Cost/ MSP rate	---	---	5.173	6.094
Welfare Schemes	41.183	43.525	43.891	22.371
Open Market Sale	12.030	69.681	62.839	5.837
Export	0.986	30.709	24.289	0.395
Total	563.769	658.463	598.328	326.196

Table 4.09

Note:- the above offtake figures are as per the report prepared by FCI.

\*Revised by FCI for 2013-14

**4.13 ALLOCATION OF FOOD GRAINS UNDER TPDS:**

Government has been making allocation of foodgrains under TPDS @ 35/kg/family/ month for AAY and BPL families and @ 15-35/kg/family/ month for APL families as per the March 2000 population estimates of RGI and 1993-

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94 poverty estimates of Planning Commission. Government has enacted the National Food Security Act, 2013, w.e.f.5.7.2013 which provides for coverage of upto 75% of the rural population and upto 50% of the urban population for receiving subsidized foodgrains under Targeted Public Distribution System (TPDS), thus covering about two-third of the population. The eligible persons identified by the States/UTs will be entitled to receive 5 kgs of foodgrains per person per month at subsidized prices of ₹ 3/2/1 per kg for rice/wheat/coarsegrains. The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 kgs of foodgrains per household per month.

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 4.7.2014, which has now been extended upto 4.4.2015

So far only 11 State Governments i.e Rajasthan, Haryana, Himachal Pradesh, Bihar, Chattisgarh, Karnatka, Madhya Pradesh, Maharashtra, Punjab, Chandigarh and NCT of Delhi have implemented NFSA and revised monthly allocation of foodgrains under NFSA has been made to these States/UTs. Rest of the 25 States/UTs continue to get foodgrains 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.

Under TPDS, the Government has so far made a provisional allocation of 218.66 lakh tons to 11 States/UTs who have implemented NFSA and 264.85 lakh tons of foodgrains to the remaining 25 States/UTs during the current year. Further, an additional quantity of 66.45 lakh tons of foodgrains have also been allocated (including 50 lakh tons of rice allocated on 7.7.2014) 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 tons of foodgrains have been allocated to the States for festival, calamities and additional TPDS requirement etc, and 50 lakh tons have been allocated under Other Welfare Schemes (OWS) for 2014-15 so far.

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Thus, during the current, year, Government has so far made a provisional allocation of 612.80 lakh tons for TPDS, OWS, festivals relief etc, which is higher than the allocation of 566 lakh tons released during 2013-14 for the same purpose.

**4.14 BUFFER STOCKING POLICY OF FOODGRAINS:**

The objectives of the Buffer Stocking Policy are :-

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

EXISTING BUFFER NORMS (from April, 2005)			
	Wheat	Rice	(In lakh tons)
1 <sup>st</sup> April	70	142	212
1 <sup>st</sup> July	201	118	319
1 <sup>st</sup> October	140	72	212
1 <sup>st</sup> January	112	138	250

Table 4.10

Includes Food Security Reserve of 30 lakh tons of wheat from 1.7.2008 onwards and 20 lakh tons of rice from 1.1.2009 onwards.

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**4.15 STOCK POSITION IN THE CENTRAL POOL:**

The stock of foodgrains in the Central Pool as on 16.11.2014 was 407.02 lakh tons which comprised of 113.64 lakh tons of Rice and 292.26 lakh tons of Wheat and 1.12 lakh tons of coarsegrains. The total stock of foodgrains in the Central Pool vis-à-vis buffer norms since 1.4.2010 was as follows :

(In lakh tons)

AS ON	W H E A T		R I C E		T O T A L	
	Actual stock	Minimum buffer norms	Actual stock	Minimum buffer norms	Actual stock	Minimum buffer norms
1.4.2010	161.25	70	267.13	142	428.38	212
1.7.2010	335.84	201	242.66	118	578.50	319
1.10.2010	277.77	140	184.44	72	462.21	212
1.1.2011	215.40	112	255.80	138	471.20	250
1.4.2011	153.64	70	288.20	142	441.84	212
1.7.2011	371.79	201	268.57	118	640.06	319
1.10.2011	314.26	140	203.59	72	517.85	212
1.1.2012	256.76	112	297.18	138	553.94	250
1.4.2012	199.52	70	333.50	142	533.02	212
1.7.2012	498.08	201	307.08	118	805.16	319
1.10.2012	431.53	140	233.73	72	665.26	212
1.1.2013	343.83	112	322.21	138	666.04	250
1.4.2013	242.07	70	354.68	142	596.75	212
1.7.2013	423.97	201	315.08	118	739.05	319
1.10.2013	361.00	140	190.33	72	551.33	212
1.1.2014	280.47	112	146.98	138	427.45	250
1.4.2014	178.34	70	202.78	142	381.12	212

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1.7.2014	398.01	201	212.36	118	610.37	319
1.10.2014	322.63	140	154.22	72	476.85	212

Table 4.11

Buffer Norms includes Food Security Reserve of 30 lakh tons of wheat from 1.7.2008 onwards and 20 lakh tons of rice from 1.1.2009 onwards.

**4.16** The Government reviews on monthly basis, the position of foodgrain stocks held in the Central Pool by FCI and the State Governments and their agencies. The stock of rice and wheat in the Central Pool is sufficient to meet the requirement under Targeted Public Distribution System (TPDS) and Welfare Schemes during 2014-15.

#### **4.17 REVISION OF BUFFER NORMS:**

In order to review and recommend revised buffer norms, a Technical Group under the Chairmanship of Secretary (F&PD) was constituted on 7.6.2006. The Technical Group entrusted the matter to National Center for Agricultural Economics and Policy Research (NCAP), for suggesting revised buffer norms. NCAP initially submitted its report in June, 2008 but subsequently submitted a revised report in September, 2011 which was based on the then proposed National Food Security Bill (now Act). Based on the report of NCAP, the Technical Group held detailed discussions with various stakeholders and recommended revised buffer norms which was sent to CCEA for its approval vide a CCEA Note dated 10.12.2013.

But CCEA directed the matter to be examined by the Group of Ministers (GoM). GoM after discussion deferred it till the revision of procurement policy of foodgrains. However, based on the discussions held with various Government Departments/ State Governments, no change in the procurement policy has been preferred by the Department. Subsequently the discussions were also held with an expert group and as per recommendations of the expert group a revised draft CCEA note was circulated on 29.10.2014 for seeking comments of the concerned

Government Departments, Now based on the comments received, a final note has been sent to Cabinet Secretariat on 24.12.2014 for consideration of the CCEA.

#### **4.18 PUBLICITY-CUM-AWARENESS:**

A publicity-cum-awareness campaign has been undertaken amongst the TPDs beneficiaries, functionaries of the State Government and the general public for increasing their awareness/sensitivity about functioning of TPDS. An amount of ₹56 lakh under Plan was provided in the budget of the Department of Food and Public Distribution for 2014-15 has been for publicity-cum-awareness campaign. Based on the proposal received so far, ₹10 lakh have been sanctioned to the States.

#### **4.19 FOOD SUBSIDY:**

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.

2. 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. The subsidy is provided to FCI, which is the main instrument of the Government of India for procurement and distribution of wheat and rice under TPDS and other welfare schemes and for maintaining the buffer stock of foodgrains as a measure of food subsidy.

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This apart, 15 States/UTS, namely, Andhra Pradesh, A&N Islands, Bihar, Chhattisgarh, Gujarat, Kerala, Karnataka, Madhya Pradesh, Punjab, Odisha, Rajasthan, Telangana, Tamil Nadu, Uttarakhand, West Bengal have adopted the DCP Scheme and have undertaken the responsibility of not only procuring food grains from within the State but also distributing the same to the targeted population under TPDS and other welfare schemes. Under this 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 as Food Subsidy.

The year-wise break-up of subsidy released on foodgrains during the last five years and current financial year to FCI and the States operating the Decentralized Procurement Scheme is as under:

(₹ in crore)

Year	Subsidy Released		
	FCI	States	Total
2004-05	23280	2466	25746
2005-06	19871	3200	23071
2006-07	20786	3042	23828
2007-08	27760	3500	31260
2008-09	36744	6924	43668
2009-10	46867	11375	58242
2010-11	50729	12200	62929
2011-12	59525	12845	72370
2012-13	71980	12574	84554
2013-14	75500	14240	89740
2014-15 *	91995	15828	107823

Table – 4.12

\* As on 14.01.2015

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**4.20 ECONOMIC COST OF RICE AND WHEAT:**

The FCI and state agencies are reimbursed the difference between the economic cost of foodgrains and the issue price. The economic cost of foodgrains is directly related to MSP and bonus, incidence of taxation and levies, incidental expenses on acquisition and distribution of foodgrains.

	(₹ per quintal)											
Year	03-04	04-05	05-06	06-07	07-08	08-09	09-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Rice</b>												
Procurement Incidentals	30.68	58.48	39.12	193.66	214.91	226.87	288.60	313.09	350.00	383.76	464.84	474.87
Distribution Cost	214.52	256.51	272.37	289.58	297.82	280.76	184.92	223.49	260.74	287.28	378.22	345.75
Economic Cost \$	1236.09	1303.59	1339.69	1391.18	1549.86	1740.73	1820.07	1983.11	2122.94	2304.87	2648.54	2755.77
<b>Wheat</b>												
Procurement Incidentals	138.20	182.74	171.20	180.15	164.02	179.62	206.88	212.38	235.68	263.35	334.68	348.50
Distribution Cost	169.69	222.80	234.54	269.36	244.43	245.87	200.37	217.65	240.39	269.81	316.06	291.95
Economic Cost	918.69	1019.01	1041.85	1177.78	1311.75	1380.58	1424.61	1494.35	1595.25	1752.57	1932.49	1993.70

Table – 4.13

*\$ Weighted average of Common and Grade' A' rice taken together*

#### 4.21 CONSTRUCTION OF STORAGE GODOWNS BY FCI:

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

In addition, DFPD 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.

**4.22** 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.

The following is the Plan outlay for XIIth Five Year Plan.

Sl	Head	Estimated Cost (₹ crore)	Unspent balance of 11th Plan (₹ crore)	Outlay in 12th Plan (₹ crore)
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

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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
5	Total	597.26	67.26	530.00

Table – 4.14

Physical and Financial Achievements by FCI during 2012-13 & 2013-14 are as below:-

Year	North East Region		Other States		Total (NE+Other States)	
	Physical (In MT)	Financial (₹ in crore)	Physical (In MT)	Financial (₹ in crore)	Physical (In MT)	Financial In Rs Crore
2012-13	2,910	27.72	1,160	2.64	4,070	30.36
2013-14	2,500	30.94	20,000	11.02	22,500	41.96
Total	5,410	58.66	21,160	13.66	26,570	72.32

Table – 4.15

Total 75 projects of capacity 78,055 MT were sanctioned for construction of intermediate storage godowns using Grants-in-Aid in the North Eastern States and Jammu & Kashmir. As on 31-12-2014, capacity of 33,220 MT has been completed.

#### 4.23 COMPUTERIZATION OF TPDS OPERATIONS:

In October, 2012, Government approved Component –I of the Plan Scheme of End-to-end Computerization of TPDS Operations comprising activities, namely, digitization of ration cards/beneficiary and other databases,

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computerization of supply-chain management, setting up of transparency portal and grievance redressal mechanisms for implementation in all States/UTs during 12<sup>th</sup> Five Year Plan (2012-17) on cost-sharing basis with a total outlay of ₹ 884.07 crore out of which, Government of India's share is ₹ 489.37 crore and the States/UTs share is Rs 394.70 crore. National Informatics Centre (NIC) is the technical partner in this project. Under the scheme, ₹ 41.69 crore were released in 2012-13, ₹ 187.05 crore were released in 2013-14 and ₹ 28.27 crore have been released during 2014-15 (upto 30.11.2014). Chhattisgarh, Delhi, Gujarat and Karnataka are nearing completion of Component-I of the scheme whereas Bihar, Goa and Puducherry also have made significant progress in this direction. Implementation in other States/UTs is slow and uneven due to late finalization of their action plans, delay in sending proposals for financial assistance, other practical problems faced by States/UTs during implementation, etc. Efforts are being made by the Department to expedite the implementation of the project by holding regular meetings, workshops, video-conferences, etc. with States/UTs.

#### **4.24 STRENGTHENING OF PDS & CAPACITY BUILDING:**

##### **(a) TPDS - Training**

In the 11<sup>th</sup> Five Year Plan (2007-12), against an outlay of ₹ 2.50 crore, an expenditure of ₹ 2.50 crore had been incurred. 24 States & UTs, namely, Mizoram, Rajasthan, Orissa, Madhya Pradesh, Manipur, Goa, Haryana, Andhra Pradesh, Tripura, Sikkim, Kerala, Bihar, Tamil Nadu, Himachal Pradesh, Maharashtra, West Bengal, Punjab, J&K, A&N Islands, Gujarat, Assam, Karnataka, Uttar Pradesh and Meghalaya have availed of funding under this component. Under the scheme, around 449 training programmes were organized wherein approximately 26640 persons have been trained during the 11<sup>th</sup> Five Year Plan.

In 12<sup>th</sup> Five Year Plan (2012-2017), the status of expenditure incurred under the Scheme from 2012-13 to 2014-15 (up to 30<sup>th</sup> November, 2014) is as under:

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**(Figures in crore)**

Financial Year	B.E.	R.E.	Actual Expenditure	Name of agency/State/UT to whom fund released
2012-13	0.50	0.50	0.50	State Govt. of Tamil Nadu and Chhattisgarh
2013-14	0.62	0.4203	0.3846	State Govt. of Gujarat, Nagaland, Chhattisgarh and Food Corporation of India (FCI).
2014-15 (up to 30 <sup>th</sup> November,2014)	0.87	0.51	0.13635	State Govt. of Mizoram, Puducherry and Food Corporation of India (FCI).

Table – 4.16

From 2012-13 to 2014-15 (upto 30<sup>th</sup> November, 2014), 298 training programmes/workshops have been conducted and wherein approximately 5600 officials have been trained.

**(b) Evaluation, Monitoring & Research**

Concurrent evaluation study on TPDS was conducted in 26 States/UTs by National Council of Applied Economic Research (NCAER) (2006-09) and Indian Institute of Public Administration (IIPA) (2007-11). NCAER and IIPA submitted final reports of the study carried out by them in twelve States and fourteen States respectively, which have been accepted by the Government. Copies of the reports have been sent to the State/UT Governments concerned for taking necessary remedial measures to remove the deficiencies noticed in the functioning of TPDS, including leakages and diversion of foodgrains, inclusion/exclusion errors, and so on.

In the 12<sup>th</sup> Five Year Plan, 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 National Council of Applied Economic Research (NCAER) in March, 2014 with a total cost of ₹ 93,03,408/-.

In 12<sup>th</sup> Five Year Plan (2012-2017), the status of expenditure incurred under the Scheme from 2012-13 to 2014-15 (up to 30<sup>th</sup> November, 2014) is as under:

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(Figures in crore)

Financial Year	B.E.	R.E.	Actual Expenditure	Name of agency to whom fund released
2012-13	0.40	0.00	0.00	Agency could not be finalized
2013-14	0.62	0.31	0.31	National Council of Applied Economic Research (NCAER)
2014-15 (upto 30 <sup>th</sup> November,2014)	0.63	0.4343	0.06212	National Council of Applied Economic Research (NCAER)

Table – 4.17

The ongoing study being conducted by NCAER is likely to be completed by February-March, 2015.

**4.25 POST HARVEST OPERATION:****1. Indian Grain Storage Management & Research Institute (IGMRI)**

The Indian Grain Storage Management & Research Institute (IGMRI), functioning under the direct control of Department of Food & Public Distribution is engaged in Research & Development activities on storage and preservation of foodgrains. IGMRI is located at Hapur (UP) with its two field stations at Hyderabad (AP) and Ludhiana (Pb).

The targets and achievements of IGMRI during 2013-14, 2014-15 and proposed for 2015-16 are as under:-

Item of Work	2013-2014		2014-15		2015-16
	Target	Achievement	Target	Achievement (upto Nov. 2014)	Proposed Target
Continuing Scheme					

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Item of Work		2013-2014		2014-15		2015-16
Continuing Scheme		Target	Achievement	Target	Achievement (upto Nov. 2014)	Proposed Target
Training	LTTC/STTC (No. of courses)	15	15	15	10	15
Other activities	a. Analysis of food grains samples for physical quality parameters.	1200	1215	500	337	500
	b. Monitoring of food grains samples for pesticide residue.	350	353	150	101	150
	c. Monitoring of food grains samples for mycotoxin contamination.	220	220	75	56	75

Table 4.18

**A training programme on “ Foodgrain testing, Quality Control and scientific storage” for the officers of SAARC member countries with a participants from Bangladesh, Bhutan, Nepal, Maldives, Sri Lanka & India w.e.f. 17<sup>th</sup> to 25<sup>th</sup> Nov. 2014 has been organized at IGMRI Hapur.**

## **2. Quality Control Cells (QCC):**

The Quality Control Cells situated at New Delhi, Kolkata, Hyderabad, Bangalore, Bhopal, Bhubneswer, Lucknow and Pune are monitoring the quality of foodgrains at the time of procurement, storage and distribution. These cells are also ensyrethat guidelines / instructions issued by the Government from time to time about scientific storage and preservation of foodgrains are followed by FCI, CWC, SWC and State agencies.

The targets and achievements of the Quality Control Cells during 2013-14, 2014-15 and target proposed for 2015-16 are as under: -

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S.No.	Item of work	2013-14		2014-15		2015-16 (Proposed)
		Tar.	Ach.	Tar.	Ach.(up to Nov. 2014)	Tar
1.	Inspection of Food Storage Depots	960	767	930	616	930
2.	Training programmes under Plan scheme	16	14	32	22	32

Table 4.19

### 3. Central Grain Analysis Laboratory (CGAL)

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

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 analyses of foodgrain under SAARC Food Bank of the member countries is under consideration. A number of 915 foodgrain samples for physical parameter, 190 for protein determination and 660 for hardness index in wheat have been analysed in CGAL during 2014-15 (upto November, 2014).

**4.26 MANAGEMENT OF SUGAR****PAYMENT FROM SUGAR DEVELOPMENT FUND**

(i) Subsidy for Maintenance of Buffer Stock of Sugar:

**The objective of the scheme is to give subsidy to the sugar mill to enable them to liquidate the sugarcane price arrears. The table below indicates the performance for 2013-14 and 2014-15 (upto 31.12.2014).**

Performance in 2013-2014				Performance in 2014-15 (upto 31.12.2014)			
Target		Target		Target		Achievement	
Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
18 cases	5 Crore	20 cases	7.50 Crore	22 cases	5 Crore	13 cases	3.30 Crore

Table – 4.20

**i) Payment of internal transport and freight charges, ocean freight and handling & marketing charges on export shipment of sugar:-**

The Central Government vide its Notifications dated 21.6.2002 and 19.11.2003 decided to defray the expenditure on internal transport and freight charges and payment of neutralization of ocean freight charges and handling and marketing charges respectively to the sugar factories on export shipment of domestically manufactured sugar with a view to promoting sugar export and liquidating surplus sugar stocks available with the sugar factories. Defraying of expenditure on export shipment of the sugar was made effective for exports made with effect from 21.6.2002 upto exports made till 18.8.2004 in pursuance of release orders issued upto 20.6.2004 with validity of two months.

**4.27** The Government has announced new export assistance on export of sugar by sugar mills for exports made on or after 19.4.2007 for one year. which was later extended to 30-09-2008 under Govt. order dated 28-03-2008..The new

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export assistance cover payment of internal transport and freight charges including ocean freight and handling and marketing charges at a flat rate of ₹1350 per tonne for sugar mills located in coastal states and ₹1450 per tonne for sugar mills located in non-coastal states. The procedural details etc. for new export incentives have been notified on 7<sup>th</sup> November,2007 by amending SDF Rules with insertion of rule 20 A therein.

**The past performance and physical target & achievement during the financial year 2008-09, 2009-2010, 2010-2011, 2011-12, 2012-13, 2013-14 and 2014-15(upto 31.12.2014) are given below:-**

(₹ in Crore)					
Year	Target		Achievement		Reason for variation
	Physical	Financial	Physical	Financial	
2008-09	700 Nos. of claim	285	462 Nos. of claim	285	Target has been Achieved.
2009-10	700 Nos. of claim	285	443 Nos. of claim	285	Target has been Achieved.
2010-11	300 Nos. of claim	150	268 Nos. of claim	146.81	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills.
2011-12	50 Nos. of claim	15	41 Nos. of claim	15	Target has been Achieved
2012-13	20 Nos. of claim	10	10 Nos. of claim	4.78	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills.
2013-14	NIL Nos. of claim	.01	NIL	NIL	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills.
2014-15 (upto 15.01.15)	NIL	NIL	NIL	NIL	Budget not available

Table – 4.21

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Review of past performance/their scope/objective/physical target and achievement:-

**(Non- Plan)****(₹ in Crore)**

Sl. No	Name of the Scheme	Objective/ Outcome	Performance 2013-2014				Performance 2014-2015 (upto 15.01.2015)				Reasons for variation
			Target		Achievement		Target		Achievement upto 15.01.15		
			Physi cal	Financ ial	Physi cal	Finan cial	Physic al	Financ ial	Physica l	Financi al	
1.	Re-imburement of internal transport and freight charges to sugar factories on export shipment and payment of other permissible claims – Subsidies.	The objective of the scheme was to promote export of sugar and liquidate the surplus sugar stocks available with the sugar factories.	0.00	0.01	NIL	NIL*	NIL	NIL	NIL	NIL	* Target could not be achieved due to non-receipt of requisite information **Budget not available.
2.	Settlement of re-fixation of ex-factory prices of levy sugar for 1974-75 (w.e.f. 12.7.75) to 1979-80 sugar seasons – Subsidies payable to the sugar factories.	The objective of the scheme was to settlement of claims on account of re-fixation of ex-factory prices for 1974-75 (w.e.f. 12.7.75) to 1979-80 sugar seasons for dispatches made to FCI/State Govt. nominees, Army Purchase Organization (APO) and export of levy sugar in terms of the Supreme Court Judgement (Malaprabha Case).	1	0.01	NIL	NIL*	1	NIL	Nil	Nil**	* Target could not be achieved due to non-receipt of requisite information **Budget not available.

Table 4.22

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**ii) Scheme for extending financial assistance to sugar undertakings, 2007:**

Performance in 2011-12	Performance in 2012-13	Performance in 2013-14	Performance in 2014-15 (upto 31.12.2014)
₹46.74 crore has been disbursed to Nodal Banks i.e. Punjab National Bank, State Bank of India, Bank of Baroda, Indian Bank, Canara Bank and National Bank for Agriculture and Rural Development ( NABARD), towards reimbursement of interest subvention amount to Nodal Banks / lending banks under their respective controls on loans disbursed by such banks to sugar mills.	₹ 30.18 crore	90 crore (*)	NIL

Table

4.23

**iii) Scheme for extending financial assistance to sugar undertakings, 2014:**

Performance in 2014-15 (upto 31.12.2014)	Remarks
100 crore	The Government on 03.01.2014 has notified a Scheme viz. Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-14) for providing financial assistance in the form of interest free loans worth ₹ 6600 crores for additional working capital to sugar mills for clearance of cane price arrears. Interest burden estimated at ₹ 2750 crores over next five years would be borne by the Central Government through Sugar Development Fund. The loan will be utilized by the sugar mills for clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of current sugar season relating to the Fair and Remunerative Price (FRP) fixed by the Central Government to the sugarcane farmers.

Table 4.24

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**The past performance and physical target & achievement during the financial year 2008-2009, 2009-10, 2010-11, 2011-2012 & 2012-13, 2013-14, 2014-15(upto 31.12.2014) are given below:-**

Year	Target		Achievement		Reason for variation
	Physical	Financial (In crore)	Physical	Financial (In crore)	
2008-09	700 Nos. of claim	285	462 Nos. of claim	285	Target has been Achieved.
2009-10	700 Nos. of claim	285	443 Nos. of claim	285	Target has been Achieved.
2010-11	300 Nos. of claim	150	268 Nos. of claim	146.81	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills.
2011-12	50 Nos. of claim	15	41 Nos. of claim	15	Target has been Achieved
2012-13	20 Nos. of claim	10	10 Nos. of claim	4.78	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills.
2013-14	Nos. of claims NIL	.01	NIL	NIL	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills..
2014-15 (upto 15.01.2015)	Nos. of claims NIL	-	NIL	NIL	Budget not available

Table 4.25

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**iii) Loans for rehabilitation/ modernization of sugar Industry:**

The object of the scheme is to facilitate the rehabilitation, modernization and expansion of crushing capacity of sugar industries.

The table below indicates the performance for 2013-14 and 2014-2015 (upto 31.12.2014):

(₹ in crore)

Performance 2013-14				Performance 2014-2015					
Targets		Achievements		Reasons for variation	Targets		Achievements (upto 31.12.2014)		Reasons for variation
Physical	Financial	Physical	Financial		Physical	Financial	Physical	Financial	
-	110	Increased crushing capacity by 14500 tonnes.	110	Target achieved.	-	200.00	Increased crushing capacity by 7750 tonnes.	150.00	Target likely to be achieved upto 31.03.2015

Table 4.26

**iv) Loans to Sugar Mills for Cane Development:**

The objective of the scheme is to development of sugarcane in the area where sugar factory is situated. The table below indicates the performance for 2013-14 and 2014-2015 (upto 31.12.2014):

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(₹ in crores)

Performance 2013-14					Performance 2014-2015				
Targets		Achievements		Reasons for variation	Targets		Achievements (upto 31.12.2014)		Reasons for variation
Physical	Financial	Physical	Financial		Physical	Financial	Physical	Financial	
-	82.50	Increased production by 42.05 lakh tonnes	82.50	-	-	75.00	Increased production by 39.945 lakh tonnes	49.50	Target likely to be achieved upto 31.03.2015

Table 4.27

v) **Loans to sugar factories for bagasse based cogeneration power project**

The objective of the scheme is to improve the economic viability of sugar mill and efficiently utilized bagasse produced by the sugar mills. The table below indicates the performance for 2013-14 and 2014-2015 (upto 31.12.2014):

(₹ in crores)

Performance 2013-2014					Performance 2014-2016				
Targets		Achievements		Reasons for variation	Targets		Achievements (upto 31.12.2014)		Reasons for variation
Physical	Financial	Physical	Financial		Physical	Financial	Physical	Financial	
-	329.46	Increased by 332.00 Mega Watt (MW) of electricity generation	329.46		-	46.45	NIL	NIL	Target likely to be achieved upto 31.03.2015

Table 4.28

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**vi) Loans to sugar factories for production of anhydrous alcohol or ethanol from alcohol.**

The objective of the scheme is to improve the economic viability of sugar mills. The table below indicates the performance for 2013-14 and 2014-2015 (upto 31.12.2014):

(₹ in crores)

2013-2014					Performance 2014-15				
Targets		Achievements		Reasons for variation	Targets		Achievements (upto 31.12.2014)		Reasons for variation
Physical	Financial	Physical	Financial		Physical	Financial	Physical	Financial	
-	78.03	Increased by for production is 270 Kilolitres per day(KLPD)	78.03	Target achieved	-	75.00	Increased by for production is 200 Kilolitres per day(KLPD)	51.46	Target likely to be achieved upto 31.03.2015.

Table 4.29

**vii) Sugar subsidy through Levy Sugar Price Equalization Fund: -**

During the current financial year 2014-15 (upto 15.01.2015) a sum of ₹3.21 Crore consisting of Excess Realization (Price) and interest thereon has been recovered from various sugar mills and the same has been credited to Levy Sugar Price Equalization Fund. This is against a budgeted target of ₹4 crore fixed for the financial year 2014-2015.

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Years	Target Amount (In crore)	Achievement Amount (In crore)
2005-2006	₹ 5.00	₹ 6.84
2006-2007	₹ .5.00	₹ 6.38
2007-2008	₹ .5.00	₹ 9.04
2008-2009	₹2.00	₹ 2.96
2009-2010	₹ 6.00	₹ 12.64
2010-2011	₹ 10.00	₹ 4.97
2011-2012	₹ 7.00	₹ 15.62
2012-2013	₹ 6.00	₹ 9.26
2013-2014	₹ 6.00	₹ 6.36
2014-15 (upto 15.01.15)	₹ 4.00	₹ 3.21

Table No. 4.30

**viii) Payment from Levy Sugar Price Equalization Fund (Non-Statutory):**

**Release of subsidy to Food Corporation of India for losses incurred by State Govts/ Food Corporation of India in distributing levy sugar in States / Union Territories.**

Performance in 2011-12	Performance in 2012-13	Performance in 2013-14	Performance in 2014-15 ( till 31.12.2014)
₹446 crore was released to FCI.	₹446 crore released to the FCI.	₹1400 crore released to the FCI.	₹900 crore released to the FCI.

Table No. 4.31

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**ix) Settlement of re-fixation of ex-factory prices of levy sugar for 1974-75 (w.e.f. 12.7.75) to 1979-80 sugar seasons – subsidies payable to the sugar factories:-**

Ministry of Consumer Affairs, Food and Public Distribution had approved payment of differential claims on account of re-fixation of levy sugar price based on Notifications dated 22.02.1995 and 13.04.1999 for 1974-1975 (w.e.f. 12.07.1975) to 1979-1980 sugar seasons for sugar dispatches made to FCI/State Govt. nominees, Army Purchase Organization (APO) and export of levy sugar.

Objective of Schemes: The objective of the scheme is settlement of claims on account of re-fixation of ex-factory prices for 1974-75 (w.e.f 12.07.1975) to 1979-80 sugar season for dispatches made to FCI/State Govt. nominees, Army Purchase Organization (APO) and export of levy sugar in terms of the Supreme Court Judgment Dt. 22.09.1993 (Malaprabha Case).

**The past performance and physical target & achievement during the financial year 2009-10, 2010-2011, 2011-12, 2012-13 and 2013-14, 2014-15 (upto 15.01.2015) are given below:-**

(₹ in crore)

Year	Target		Achievement		Reasons for variation
	Physical	Financial (In crores)	Physical	Financial (In crores)	
2009-10	10 Nos. of claims	1	--	--	Target could not be achieved due to non-furnishing of requisite information/proper documents by the concerned sugar mills.
2010-11	10 Nos. of claims	1	--	--	

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2011-12	10 Nos. of claims	1	-	-	
2012-13	5 Nos. of claims	0.35	--	--	
2013-14	1 No. of claim	.01	--	--	
2014-15	1 No. of claim	-	-	-	Budget not available

Table 4.32

**4.28 SUBSIDY FOR SUGAR MILLS DENOTIFIED UNDER SU (TOM) ACT, 1978:**

Performance in 2010-11	Performance in 2011-12	Performance in 2012-13	Performance in 2013-14	Performance in 2014-15 ( till 31.12.2014)
₹5.00 crore was released as payment of interest subsidy by way of book adjustment in respect of M/s. RBNS Sugar Mills Ltd and Babhnan Sugar Mills.	Rs.5.1705224 crore in expenditure	Nil.	Nil	NIL

Table 4.33

**4.29 TRAINING AND RESEARCH INSTITUTE - NSI, KANPUR**

The National Sugar Institute, Kanpur is a subordinate establishment of the Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, Government of India, engaged in providing technical education in various branches of Sugar Technology, Sugar Engineering, Alcohol technology and other allied branches.

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The Institute has a Farm & an Experimental Sugar Factory for training of the students of various courses. The overview of budget provisions of National Sugar Institute, Kanpur is as under:

(₹ in Lakhs)	<b>BE 2013-14</b>	<b>RE 2013-14</b>	<b>BE 2014-15</b>	<b>RE 2014-15</b>	<b>BE 2015-16</b>
<b>PLAN</b>	87.80	87.80	250.00	250.00	160.00
<b>NON-PLAN</b>	1648.00	1491.92	1726.00	1714.50	2066.90

**Table 4.34**

The Non-Plan Expenditure is meant for meeting Administrative Expenses of the Institute & Hostels. Expenditure related to Experimental Sugar Factory & Farms is also met from this budget.

Plan provision is intended to meet the expenditure mainly on civil & electrical works relating to the development of infrastructure capacities & augmenting of R & D facilities; such as renovation of research laboratories & procurement of additional equipments for laboratories etc.

The brief particulars regarding number of research schemes undertaken, number of students trained etc. during the period from 2012-13 onwards are given below:

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>RESEARCH SCHEMES</b> (in Hand)	Nil *	Nil *	Nil *
<b>NO. OF STUDENTS TRAINED</b>	177	197	214

**Table 4.35**

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\* No research scheme has been taken up as a Project; however work on applied research on different topics has been carried-out in different divisions either through the Research Scholars or the by staff.

a) Expenditure on establishment of the Institute includes experimental sugar factory and farm. The present staff position (as on 1<sup>st</sup> Dec, 2014) is as under:

	<b>SANCTIONED STRENGTH</b>	<b>AVAILABLE STRENGTH</b>
<b>GROUP - A</b>	53	28
<b>GROUP - B (Gazetted)</b>	06	03
<b>GROUP - B (Non-Gazetted)</b>	13	06
<b>GROUP - C (Min. &amp; Non Min.)</b>	123	68
<b>GROUP - C (MTS)</b>	112	82
<b><u>.TOTAL</u></b>	<b><u>307</u></b>	<b><u>187</u></b>

Table 4.36

- b). Expenditure on hiring of professionals for academic purposes and engagement of contractual manpower.
- c). Purchase of laboratory equipments (Glass-ware & chemicals etc.),
- d). Operational expenses for Experimental Sugar Factory,
- e). Expenditure on cultivation of Sugarcane and other crops at Agricultural Farm.
- f). Expenditure on research work & organizing various other technical activities e.g. Seminars, Refresher Courses etc.
- g). Expenditure on maintenance and repairs of administrative, residential and non-residential building.
- h). Misc. office expenditure e.g. payment of telephone /electricity bills, office stationery, furniture & fixtures etc.

### **4.30 MANAGEMENT OF EDIBLE OILS**

Edible oils and fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. This (The erstwhile DVVO&F) assists the Department to coordinate in the management of edible oils in the country through a multi-pronged strategy, namely, (i) making up the shortfall in the demand of edible oils by facilitating imports so as to maintain their prices at reasonable levels; (ii) close monitoring of the prices and availability of edible oils both in the domestic and in the international market, and (iii) initiating policy changes necessary to ensure adequate availability of edible oils at reasonable prices.

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

The Regulatory Functions such as registration of industrial units engaged in production of Vegetable Oils, Vanaspati, Solvent Extracted Oils, De-Oiled Meal and to maintain records of production of vegetable oils. Regulatory Functions are performed basically through the “Vegetable Oil Products Production and Availability (Regulation) Order,2011”.

An amount of `71952.90 lakhs has been requested for in RE 2014-15 under non-plan items which comprises of `249.90 lakhs for Establishment + `2 lakh for Information Technology and `71701/- lakhs for payment of pending subsidy claims, in respect of the erstwhile Dte. of Vanaspati, Vegetable Oils & Fats. It is estimated that the whole amount provided in RE 2014-15 will be utilized upto 31/03/2015 (closing of FY 2014-15).

The erstwhile Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) was operating a plan scheme on “Research and Development and Modernization of the Laboratory of the Directorate of VVO&F”. The said scheme

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

was basically aimed at improving recovery of oils and products, both quantitatively and qualitatively from oil-bearing materials. The total outlay for the plan scheme for the 12th plan period (2012-2017) is ₹ 50 lakhs. During the Financial Year 2013-14, the revised estimate of ₹ 14.30 lakhs have been fully utilized for funding of 3rd and the final installments of the four on-going R&D Projects. The Research Institutions will be asked for submission of Utilization Certificates (UCs) on the completion of their projects, due for completion by 31/03/2015 of FY 2014-15.

#### **4.31 INTERNATIONAL COOPERATION**

##### **Contribution to International Grain Council:**

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. India being a member of the International Grains Council, this Department pays the annual membership contribution to the Council.

**4.32** India being a member of the International Grains Council, this Department pays the annual membership contribution to International Grains Council. For the fiscal year 2015-16, a sum of ₹ **30.00 lakhs** has been paid towards India's membership contribution to IGC.

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## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

(₹ in crore)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(c) Village Grain Bank Scheme for NE States including Sikkim (Other Charges)	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Evaluation, Monitoring and Research (Pro. Services)	0.62	-	0.31	-	0.31	-	0.63	-	0.43	-	0.25	-	0.90	-
(e) Consultancy relating to strengthening of PDS (Pro. Services)	6.50	-	4.50	-	1.39	-	5.00	-	3.00	-	0.46	-	3.43	-
(f) Management & Strengthening of PDS (Training) (Grants-in-aid-General)	0.62	-	0.42	-	0.38	-	0.87	-	0.51	-	0.26	-	0.25	-
(g) Financial Assistance to States /UTs for computerization of TPDS operation (Grants-in-Aid-General)	173.50	-	157.82	-	157.82	-	105.52	-	19.14	-	15.08	-	65.07	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

(₹ in crore)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(h) Financial Assistance to States/ UTs to curb leakage/diversion of foodgrains meant for TPDS (Grants-in-Aid-General)	0.46	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Financial Assistance to States/ UTs for generating awareness amongst TPDS beneficiaries about their entitlement and redressal mechanism (Grants-in-Aid-General)	0.28	-	0.28	-	0.20	-	0.85	-	0.44	-	0.10	-	0.33	-
(j) Financial Assistance to States and UTs for computerization of TPDS operation in NE Region (Grants-in-Aid-General)	20.00	-	25.00	-	25.00	-	16.98	-	11.86	-	9.86	-	10.00	-
(k) Financial Assistance to States and UTs for generating awareness amongst TPDS beneficiaries about their entitlement and redressal mechanism in NE Region (Grants-in-Aid-General)	0.12	-	0.12	-	0.05	-	0.15	-	0.06	-	-	-	0.05	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Consultancy, Training and Research (Other Charges)	0.50	-	0.16	-	0.16	-	1.50	-	1.65	-	1.03	-	0.85	-
Assistance to Warehousing Development and Regulation Authority (i) (Grants-in-aid-General)	3.77	-	2.09	-	1.00	-	4.21	-	11.11	-	3.58	-	27.00	-
(ii) (Grants-in-aid-Salaries)	2.55	-	2.55	-	2.55	-	3.79	-	2.70	-	2.68	-	3.00	-
Strengthening of Quality Control Mechanism 01 Establishment (Other Charges)	2.00	-	1.43	-	1.27	-	5.00	-	3.50	-	1.79	-	5.00	-
<b>Strengthening of PDS &amp; capacity building, Quality Control, Consultancies and Research</b>														
(i) Expenditure by UTs without Legislature on non-building assets for State Food Commission (Office Expenses)	-	-	-	-	-	-	0.14	-	-	-	-	-	0.28	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(ii) Assistance to NE States including Sikkim for providing non-building assets to State Food Commission (Grants-in-aid-General)	-	-	-	-	-	-	0.22	-	-	-	-	-	0.44	-
(iii) Assistance to States other than NE States and Sikkim for providing non-building assets to State Food Commission (Grants-in-aid-General)	-	-	-	-	-	-	0.58	-	0.20	-	-	-	1.16	-
(iv) Assistance to UTs Governments for providing non-building assets to State Food Commission (Grants-in-aid-General)	-	-	-	-	-	-	0.06	-	-	-	-	-	0.12	-
<b>Consumer Welfare Fund</b> End-to-end Computerization of TPDS operations through UTs without Legislature (Office Expenses)	-	-	1.44	-	-	-	1.00	-	1.00	-	-	-	1.50	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Generating Awareness amongst TPDS beneficiaries about their entitlement and redressal mechanism (Advertising and Publicity)	-	-	-	-	-	-	-	-	0.06	-	-	-	0.12	-
<b>Construction of Food Storage godowns in NE Region by</b>														
By State Governments	4.00	-	-	-	-	-	5.00	-	5.00	-	5.00	-	5.00	-
By J & K	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Procurement and Supply (Lump-Sum-Provision)	-	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to International Grain Council	-	0.30	-	0.27	-	0.27	-	0.30	-	0.28	-	0.28	-	0.30
<b>Food Corporation of India</b>														
a) Construction of Storage Godowns by FCI (Investment)	3.00	-	3.00	-	3.00	-	26.00	-	15.00	-	-	-	10.00	-
b) Construction of Food storage go down in NE Region by FCI (Investment)	38.00	-	-	-	-	-	150.00	-	71.84	-	50.00	-	75.00	-
<b>2.Management of Sugar</b>														
Directorate of Sugar	-	4.86	-	4.42	-	4.32	-	4.90	-	4.80	-	3.76	-	7.20



## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
vii) Scheme for Extending Financial Assistance to Sugar Undertakings, 2014	-	-	-	-	-	-	-	100.00	-	703.77	-	100.00	-	800.00
viii) Incentive on Marketing and Promotion Services for Raw Sugar Production	-	-	-	-	-	-	-	-	-	200.00	-	-	-	-
ix) Loans for rehabilitation/modernization of sugar Industry	-	100.00	-	110.00	-	110.00	-	150.00	-	200.00	-	150.00	-	150.00
x) Loans to sugar mills for Cane Development	-	75.00	-	82.50	-	82.50	-	75.00	-	75.00	-	49.50	-	75.00
xi) Loans to sugar factories for bagasse based cogeneration power project	-	350.00	-	332.50	-	329.46	-	200.00	-	46.45	-	-	-	200.00
(xii) Loans to sugar factories for production of anhydrous alcohol or ethanol from alcohol	-	75.00	-	75.00	-	78.04	-	75.00	-	75.00	-	51.46	-	75.00
<b>Loans and Advances payable to FCI</b>														
Ways and Means Advance payable to FCI	-	10000.00	-	10000.00	-	10000.00	-	10000.00	-	10000.00	-	10000.00	-	10000.00
Re- imbursement of shortage in handing of imported fertilizers by FCI.	-	50.73	-	42.75	-	42.75	-	-	-	-	-	-	-	-

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Training and Others</b>														
NSI, Kanpur	0.88	16.48	0.88	14.92	0.80	14.21	2.50	17.26	2.50	16.78	-	11.28	2.50	18.56
<b>International Cooperation</b>														
Contribution to International Sugar Council	-	0.27	-	0.32	-	0.32	-	0.32	-	0.32	-	-	-	0.34
<b>3. Management of Edible Oils</b>														
i) Directorate of Vanaspati Vegetable Oils and Fats	-	2.49	-	1.98	-	1.92	-	2.22	-	2.29	-	1.70	-	-
ii) Research and Development & Modernization of Laboratory of VVOF Directorate (Other Charges)	0.20	-	-	-	0.14	-	-	-	-	-	-	-	-	-
iii) Reimbursement of losses to STC in its trading operating on Government account (Grant-in-aid General)	-	0.01	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Grant</b>	<b>259.00</b>	<b>101469.64</b>	<b>200.00</b>	<b>103406.17</b>	<b>194.07</b>	<b>103404.16</b>	<b>330.00</b>	<b>125954.34</b>	<b>150.00</b>	<b>134326.54</b>	<b>90.09</b>	<b>109659.76</b>	<b>212.00</b>	<b>136325.55</b>
<b>Deduct Recovery</b>	<b>-</b>	<b>694.09</b>	<b>-</b>	<b>679.17</b>	<b>2.65</b>	<b>679.16</b>	<b>-</b>	<b>627.50</b>	<b>-</b>	<b>1326.54</b>	<b>1.27</b>	<b>286.61</b>	<b>-</b>	<b>1325.55</b>
<b>Less Repayment (Ways &amp; Means advance)</b>	<b>-</b>	<b>10000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10000.00</b>								
<b>Net</b>	<b>259.00</b>	<b>90775.55</b>	<b>200.00</b>	<b>92727.00</b>	<b>191.42</b>	<b>92725.00</b>	<b>330.00</b>	<b>115326.84</b>	<b>150.00</b>	<b>123000.00</b>	<b>88.82</b>	<b>109373.15</b>	<b>212.00</b>	<b>125000.00</b>

\* Actual Expenditure as on 31.12.2014 show above does not includes, authorization issued till then

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

FINANCIAL REVIEW														
(₹ in crore)														
	BE 2013-14		RE 2013-14		Actual Expenditure 2013-14		BE 2014-15		RE 2014-15		Actual Exp. upto (31.12.2014)*		BE 2015-16	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>B. OBJECT-WISE CLASSIFICATION</b>														
01 Salaries	-	57.33	-	52.73	-	51.18	-	58.43	-	56.21	-	45.19	-	61.83
02 Wages	-	1.04	-	1.16	-	1.12	-	1.25	-	1.27	-	0.84	-	1.39
03 Overtime Allowance	-	0.35	-	0.20	-	0.18	-	0.23	-	0.22	-	0.10	-	0.23
06 Medical Treatment	-	1.36	-	1.21	-	1.10	-	1.34	-	1.42	-	0.71	-	1.46
11 Domestic Travel Expenses	-	1.77	-	1.43	-	1.34	-	1.73	-	1.45	-	0.88	-	1.73
12 Foreign Travel Expenses	-	0.66	-	0.59	-	0.57	-	0.65	-	0.35	-	0.19	-	0.42
13 Office Expenses	-	8.93	1.45	6.87	-	6.85	1.14	7.49	1.00	7.69	-	4.98	1.78	7.60
14 Rent, Rates and Taxes	-	0.65	-	0.40	-	0.40	-	0.65	-	0.65	-	0.50	-	0.71
16 Publication	-	0.35	-	0.22	-	0.21	-	0.33	-	0.20	-	0.17	-	0.34
20 Other Administrative Expenses	-	0.95	-	1.10	-	1.06	-	1.06	-	1.10	-	0.75	-	1.30
21 Supplies & Material	-	0.51	-	0.47	-	0.47	-	0.51	-	0.46	-	0.27	-	0.51

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
26 Advertising & Publicity Expenses	-	0.13	-	0.22	-	0.22	-	0.20	0.06	0.20	-	0.12	0.12	0.20
27 Minor Works	-	2.33	-	1.66	-	1.57	-	2.28	-	2.32	-	0.34	-	2.55
28 Pro. Services	7.12	0.58	4.81	0.25	1.70	0.23	5.63	0.34	3.43	0.34	0.71	0.20	4.33	0.37
31 Grants-in-aid General	198.75	1.01	185.72	0.75	184.45	0.75	129.44	2.00	43.32	0.84	28.88	0.50	104.42	2.00
32 Contribution	-	0.57	-	0.59	-	0.59	-	0.62	-	0.60	-	0.28	-	0.64
33 Subsidies	-	90520.70	-	92468.19	-	92468.19	-	115105.00	-	123584.58	-	99082.85	-	125222.01
34Scholarship/stipend	-	0.10	-	0.01	-	0.01	-	0.06	-	0.03	-	0.01	-	0.03
35 Grants for creation of capital assets	4.00	-	-	-	-	-	5.00	-	5.00	-	5.00	-	5.00	-
36 Grants-in-aid-Salaries	2.55	-	2.55	-	2.55	-	3.79	-	2.70	-	2.67	-	3.00	-
42 Lump Sum Provision	-	0.11	-	-	-	-	-	-	-	-	-	-	-	-
50 Other Charges	5.05	20.21	1.94	18.12	1.88	18.12	6.75	20.17	5.40	20.16	2.83	19.92	6.10	20.23
52 Machinery & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53 Major Works	0.53	-	0.53	-	0.49	-	2.25	-	2.25	-	-	-	2.25	-
54 Investments	41.00	-	3.00	-	3.00	-	176.00	-	86.84	-	50.00	-	85.00	-
55 Loans and Advances	-	10600.00	-	10600.00	-	10600.00	-	10500.00	-	10396.45	-	10250.96	-	10500.00
60 Other Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63 Inter Accounts Transfers	-	250.00	-	250.00	-	250.00	-	250.00	-	250.00	-	250.00	-	500.00
64 Write-off losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>259.00</b>	<b>101469.64</b>	<b>200.00</b>	<b>103406.17</b>	<b>194.07</b>	<b>103404.16</b>	<b>330.00</b>	<b>125954.34</b>	<b>150.00</b>	<b>134326.54</b>	<b>90.09</b>	<b>109659.76</b>	<b>212.00</b>	<b>136325.55</b>

\* Actual Expenditure as on 31.12.2014 show above does not includes, authorization issued till then.

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

FINANCIAL REVIEW										
(₹ in crore)										
	BE		RE		Actual Expenditure		Percentage expenditure with reference to BE		Percentage expenditure with reference to RE	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1	2	3	4	5	6	7	8	9	10	11
<b>C. YEAR-WISE Expenditure Trends</b>										
<b>2012-13</b>	126.00	86835.66	85.00	96790.72	83.39	96782.02	66.18	111.45	98.10	99.99
<b>2013-14</b>	259.00	101469.64	200.00	103406.17	194.07	103404.16	74.93	101.90	97.03	100.00
<b>2014-15</b>	330.00	125954.34	150.00	134326.54	90.09*	109659.76*	27.3	87.06	60.06	81.63
<b>2015-16</b>	212.00	136325.55								

\* Expenditure upto 31<sup>st</sup> Dec, 2014

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

**Review of the position of unspent balances and position regarding liquidation of pending utilization certificates  
for the month ending 31st January 2015**

**Department of Food & Public Distribution**

(Rs. in crore)

Sl. No.	Name of the Scheme	Unspent balances as on 01.04.2013	Unspent balances as on 01.04.2014	Unspent balances as on 31.01.2015	Amount of UCs pending as on 01.04.2013	Amount of UCs pending as on 01.04.2014	Amount of UCs pending as on 31.01.2015
1	2	3	4	5	6	7	8
1	Strengthening of PDS and Capacity Buildings (Financial Assistance to States for curbing leakages diversion, Evaluation, Monitoring and research and Training) <b>(Plan)</b>	3.33	2.08	1.79	3.33	2.08	1.79
2	'Constructions of Godowns' and "Purchase of Vans/Trucks". <b>(Plan)</b>	18.24	16.48	10.79	18.24	16.48	10.79
3	Computerization of TPDS operations. <b>(Plan)</b>	20.73	40.44	40.44	20.74	40.44	40.44
4	Village Grain Bank Scheme <b>(Plan)</b>	23.24	22.35	22.57	23.24	22.35	20.57
5	Strengthening of PDS operations <b>(Plan)</b>	1.51	1.65	1.48	1.51	1.65	1.48
6	Assistance to WDRA <b>(Plan)</b>	2.31	0.79	2.31	2.31	0.79	2.69
7	Strengthening of godowns <b>(Plan)</b>	87.24	24.96	79.96	24.96	24.96	79.96
8	Integrated Information System for Foodgrains Management <b>(Plan)</b>	9.07	7.96	7.96	9.07	7.96	7.96
9	Smart Card based delivery of TPDS Commodities. <b>(Non Plan)</b>	26.10	26.10	26.10	26.10	26.10	26.10
10	Sugar Development Fund <b>(Non Plan)</b>	329.23	187.47	113.92	16.15	15.04	20.50
	<b>TOTAL Plan</b>	<b>165.67</b>	<b>116.71</b>	<b>167.30</b>	<b>103.40</b>	<b>116.71</b>	<b>165.68</b>
	<b>TOTAL Non Plan</b>	<b>355.33</b>	<b>213.57</b>	<b>140.02</b>	<b>42.25</b>	<b>41.14</b>	<b>46.60</b>
	<b>GRAND TOTAL</b>	<b>521.00</b>	<b>330.28</b>	<b>307.32</b>	<b>145.65</b>	<b>157.85</b>	<b>212.28</b>

## CHAPTER-VI

### 6.1 REVIEW OF PUBLIC SECTOR UNDERTAKINGS:

This chapter deals with the review of performance of the following three public sector undertakings under the administrative control of the Department of Food and Public Distribution: -

1. Food Corporation of India
2. Central Warehousing Corporation
3. Hindustan Vegetable Oil Corporation Ltd.

### 6.2 FOOD CORPORATION OF INDIA:

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.

### 6.3 ORGANIZATIONAL SET-UP:

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 political State of Manipur, 1 Port office at Kandla and 169 District Offices.

### 6.4 STAFF IN POSITION:

The Category-wise staff position for the quarter ending 30.09.2014 is as under:

Category	Sanctioned Strength	Men in Position
Category-I	1012	779
Category-II	6292	4249
Category-III	26831	14304
Category-IV	2380	4516
<b>Total</b>	<b>36515</b>	<b>23848</b>

Table 6.01

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

Note: Men-in-position (MIP) includes employees working against Engineering, Hindi and Security posts for which sanctioned strength is under review.

## 6.5 CAPITAL STRUCTURE:

The authorized/subscribed capital of FCI is as under:

(₹ Crores)

	As on 31.3.2012	As on 31.3.2013	As on 31.3.2014	As on 31.12.2014
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
IISFM Project	96.74	96.74	96.74	96.74
(iv) Others	13.90	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

Table 6.02

## 6.6 AUDIT & ACCOUNTS:

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 & accepted by the Board on 19.12.2014 and C&AG have started audit from 22.12.2014.

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

(₹ Crores)

Year	Purchases	Sales	Subsidy on Food Grains	Total
2007-08	38595.76	18195.86	30051.50	86843.12
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

Table 6.03

## 6.7 PROCUREMENT:

### Wheat Procurement

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

### Paddy/ Rice Procurement

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

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The total procurement of rice during KMS 2013-14 for central pool was 318.40 lakh tonnes as against 340.44 lakh tonnes of rice (including paddy in terms of rice) during KMS 2012-13. KMS 2014-15 has commenced from 01.10.2014. Upto 31.12.2014, 149.17 lakh tonnes rice (including paddy in terms of rice) has been procured by Govt. agencies including FCI.

**Procurement of Levy Rice**

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

**Paddy/ Rice Procurement in KMS 2013-14**

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

(Quantity in Lakh Tonnes)

S.No.	States/ UTs	Paddy	Levy	CMR	Total Rice Received
1	A.P.	0.72	36.90	0.45	37.35
2	Telangana	24.54	27.09	16.22	43.31
3	Assam	0.00	0.00	0.00	0.00
4	Bihar	14.07	0.00	7.63	7.63
5	Chandigarh	0.17	0.00	0.12	0.12
6	Chhattisgarh	63.96	0.05	41.97	42.02
7	Haryana	35.87	0.02	23.42	23.44
8	Jharkhand	0.00	0.00	0.00	0.00
9	J&K	0.00	0.00	0.00	0.00

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10	Karnataka	0.00	0.00	0.00	0.00
11	Kerala	5.36	0.00	3.64	3.64
12	M.P.	15.52	0.00	6.00	6.00
13	Maharashtra	2.40	0.00	1.32	1.32
14	Odisha	41.75	0.03	26.08	26.11
15	Puducherry	0.00	0.00	0.00	0.00
16	Punjab	120.98	0.00	80.65	80.65
17	Rajasthan	0.00	0.00	0.00	0.00
18	Tamil Nadu	10.21	0.00	6.75	6.75
19	U.P.	9.07	5.19	5.88	11.07
20	Uttarakhand	0.47	4.31	0.32	4.63
21	West Bengal	10.62	6.48	6.95	13.43
<b>Total</b>		<b>355.71</b>	<b>80.07</b>	<b>227.40</b>	<b>307.47</b>

Table 6.04

**Paddy/ Rice Procurement in KMS 2012-13**

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

(Quantity in Lakh Tonnes)

S.No	States/ UTs	Paddy	Levy	CMR	Total Rice
1	A.P.	5.71	0.32	0.96	1.28
2	Telangana	10.04	5.35	1.20	6.55
3	Assam	0	0	0	0
4	Bihar	0.06	0	0	0

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5	Chandigarh	0.15	0	0.09	0.09
6	Chhattisgarh	23.39	0	2.16	2.16
7	Haryana	29.78	0	7.67	7.67
8	Jharkhand	0	0	0	0
9	J&K	0	0	0	0
10	Karnataka	0	0	0	0
11	Kerala	1.42	0	0.57	0.57
12	M.P.	7.24	0	0	0
13	Maharashtra	0.90	0	0	0
14	Odisha	4.59	0	0.43	0.43
15	Puducherry	0	0	0	0
16	Punjab	116.14	0	19.14	19.14
17	Rajasthan	0	0	0	0
18	Tamil Nadu	0.07	0	0	0
19	U.P.	6.64	0.71	3.33	4.04
20	Uttarakhand	2.16	0.06	0.85	0.91
21	West Bengal	2.46	1.54	0.51	2.05
<b>Total</b>		<b>210.75</b>	<b>7.98</b>	<b>36.91</b>	<b>44.89</b>

Table 6.05

**Procurement of Coarse Grains**

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:

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(Quantity in Tonnes)

Region	2012-13				2013-14			
	Jowar	Bajra	Maize	Ragi	Jowar	Bajra	Maize	Ragi
Maharashtra	63843	-	9	-	85	-	95555	-
Chhattisgarh	-	-	-	-	-	-	2587	-
M.P.	5740	-	2234	-	2	-	86573	-
A.P.	-	-	-	-	-	-	27918	-
Telangana					-		288904	
Karnataka	-	-	-	-	4	-	713807	14788
Bihar	-	-	-	-	-	-	722	-
Total	69583	-	2243	-	91	-	1216066	14788

Table 6.06

**6.8 STOCK MANAGEMENT**

The stock holding under central pool as on 01.01.2015 is 368.56 lakh tonnes (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 tonnes. The Crop Year-wise percentage of issuable stock in central pool as on 31.12.2014 is as under

Crop Year	Wheat	Rice (excluding unmilled paddy)
	% age of stocks	% age of stocks
2014-15	86.73	40.93
2013-14	12.93	58.89
2012-13	0.34	0.18
Total	100	100

Table 6.07

**6.9 PROCUREMENT OF COARSEGRAINS:**

In the States of Haryana, Maharashtra, Karnataka, Madhya Pradesh, Chhattisgarh and Rajasthan, the State Government and their agencies undertook the procurement of coarsegrains. The State wise details of procurement of coarsegrains during last two Marketing Seasons and current marketing season are as under:

**KHARIF MARKETING SEASON 2013-14**

(Figures in tones)

<b>STATE</b>	<b>JOWAR</b>	<b>BAJRA</b>	<b>MAIZE</b>	<b>RAGI</b>	<b>TOTAL</b>
Andhra Pradesh	0	0	27918	0	27918
Telangana	0	0	288904	0	288904
Bihar	0	0	722	0	722
Chhattisgarh	0	0	2587	0	2587
Delhi	0	0	0	0	0
Haryana	0	0	0	0	0
Maharashtra	85	0	95555	0	95640
Madhya Pradesh	2	0	86573	0	86575
Karnataka	4	0	713807	14788	728599
Punjab	0	0	0	0	0
<b>Total</b>	<b>91</b>	<b>0</b>	<b>1216066</b>	<b>14788</b>	<b>1230945</b>

Table 6.08

**KHARIF MARKETING SEASON 2014-15**

<b>STATE</b>	<b>JOWAR</b>	<b>BAJRA</b>	<b>MAIZE</b>	<b>RAGI</b>	<b>TOTAL</b>
Andhra Pradesh	0	0	18540	0	18540
Telangana	0	0	177437	0	177437

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Chandigarh	0	0	0	0	0
Delhi	0	0	0	0	0
Haryana	0	0	0	0	0
Madhya Pradesh	841	0	59713	0	60554
Maharashtra	46	0	0	0	46
Karnataka	0	0	0	0	0
Punjab	0	0	0	0	0
<b>Total</b>	<b>887</b>	<b>0</b>	<b>255690</b>	<b>0</b>	<b>256577</b>

Table 6.09

**6.10 TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS):**

(i) 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.

(ii) The off take of wheat and rice under TPDS, additional allocations and welfare schemes of the Government of India during the year 2014-15 (upto31.12.2014) is as follows:

(Figs. In Lakh Tonnes)/(Provisional)

Name of scheme	Category	2014-2015(Upto 31.12.2014)		
		Wheat	Rice	Total
(a)TPDS	APL	36.88	30.57	67.45

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	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
	<b>Total TPDS</b>	<b>159.44</b>	<b>222.84</b>	<b>382.28</b>
	(b) Addl. Allocations for relief/flood & Festivals etc.	3.85	2.47	6.32
	(c) OTHER WELFARE SCHEMES (OWS)	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
	<b>GRAND TOTAL</b>	<b>189.88</b>	<b>246.19</b>	<b>436.07</b>

Table 6.10

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

(Figs. in Lakh Tonnes)/(Provisional)

Name of scheme	Category	2014-2015 (01.01.2015 to 31.3.2015)		
		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

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	Antyodaya	3.46	12.70	16.16
	NFSA	28.03	21.17	49.20
	Other than NFSA	0.99	0.38	1.37
	<b>Total TPDS</b>	<b>53.15</b>	<b>74.29</b>	<b>127.44</b>
(b)	Addl. Allocations for relief/flood & Festivals etc.	1.28	0.82	2.10
(c)	OTHER WELFARE SCHEMES (OWS)	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
	<b>GRAND TOTAL</b>	<b>85.23</b>	<b>82.08</b>	<b>167.31</b>

Table 6.11

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.

(iii) 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 in the Region etc. FCI is taking all possible steps to induct as much stocks as possible with a view to meet the

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monthly allocations in North Eastern States. Besides, the law and order problems, the constraints of the Railways to carry the required number of rakes on daily basis for the North Eastern States is also another limiting factor.

(iv) 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:

(Figures in Lakh Tonnes)

State	Wheat				Rice			
	Actual	Actual	Estimated	Total	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 31.3.15	2013-14 upto 31.12.13	2014-15 upto 31.12.14	2014-15 (1.1.15 to 31.3.15)	2014-15 upto 31.3.15
Assam	4.31	3.82	1.27	5.09	10.89	13.95	4.65	18.60
Arunachal	0.07	0.00	0.00	0.0	0.73	0.90	0.30	1.20
Tripura	0.24	0.23	0.08	0.31	2.48	2.69	0.90	3.59
Manipur	0.24	0.18	0.06	0.24	1.09	1.56	0.52	2.08
Nagaland	0.24	0.23	0.08	0.31	0.99	1.22	0.41	1.63
Mizoram	0.08	0.08	0.03	0.11	1.21	1.07	0.36	1.43
Meghalaya	0.21	0.17	0.06	0.23	1.39	1.61	0.54	2.15
<b>Total</b>	<b>5.39</b>	<b>4.71</b>	<b>1.58</b>	<b>6.29</b>	<b>18.78</b>	<b>23.00</b>	<b>7.68</b>	<b>30.68</b>

Table 6.12

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

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

(Figures in Lakh Tonnes)

<b>As on</b>	<b>Wheat</b>	<b>Rice</b>	<b>Total</b>
01.01.2014	0.45	2.88	3.33
01.01.2015	0.64	2.79	3.43

Table 6.13

The stocks as on 01.01.2015 in respect of wheat has increased by 0.19 lakh tonnes and rice has decreased by 0.09 lakh tonnes 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.

- (vi) Further, the month-wise estimated offtake of foodgrains in respect of NE Region for the remaining period of 2014-15 is as under:

(Figures in Lakh Tonnes)

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

Table 6.14

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

The offtake of wheat and rice under TPDS and all other welfare schemes of Government of India during the year 2014-15 (Upto October, 2014) was as under:

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Name of scheme	Category	In Lakh tons		
		2014-15 (upto October, 2014)		
		Wheat	Rice	Total
TPDS	APL	33.06	32.66	65.72
	BPL	14.53	46.04	60.57
	ANTYODAYA	7.80	29.48	37.28
	AAY/ Priority	63.61	48.03	111.65
	Tide Over	2.50	0.92	3.42
	TOTAL	121.51	157.13	278.64
SPECIAL ADHOC		1.72	11.14	12.86
Offtake against allocation made at Eco. Cost/ MSP rate		3.76	2.34	6.09
ALL OTHER SCHEMES*		13.65	14.96	28.61
GRAND TOTAL		140.64	185.56	326.20
(*) All other welfare schemes included Mid Day Meal, Nutrition Programme, Welfare Institutions and Hostels, Relief Works, Annapurna, WFP, NPAG, Village Grain Bank, Emergency Feeding Programme, Open Market sale, Exports etc.				

Table 6.15

**6.11 IMPORT**

There has been no import of foodgrains by FCI on Government account during 2014-15(upto November, 2014). However, Department is in the process of importing one lakh tons of rice from Myanmar for meeting/supplementing the PDS and OWSs requirement of North-eastern states specially Manipur and Mizoram, in view of the impending Maga Block by Railways because of the ongoing conversion of meter gauge from Lumding onwards.

**6.12 EXPORT:**

In view of comfortable stock position of foodgrains(wheat and rice) in Central Pool, the Government on 08.08.2013 approved export of a quantity of 20 lakh tons of wheat from Central Pool Stocks through CPSUs viz. STC, MMTC and PEC during 2013-14, which was later on extended upto 30.06.2014. Keeping in mind the price situation of wheat in international market, the base price for the export was fixed at US\$ 260 per ton revising the earlier price of US\$ 300 per ton. A quantity of 15.57 lakh tons has been exported till 30.06.2014 at a weighted average price of US\$ 283 per ton.

The Quality Control (QC) wing of FCI manned by qualified and trained personnel is entrusted with enormous task of procurement & preservation of foodgrains. The foodgrains are procured as per laid down specifications of Govt. of India and inspected regularly during storage to monitor the quality. Representative samples of the stocks are drawn for physical and chemical analysis to ensure whether the quality standard meets the parameters of laid down Specifications of Govt. of India and Food Safety & Standard Authority of India (FSSAI). This is done through a network of about 1850 laboratories throughout the Country. The laboratories at Zonal & Regional levels are equipped to carry out physical & chemical analysis of the foodgrains. The district and depots 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.

The senior Q.C. Officers undertake frequent visits to the procurement & storage points to inspect the quality of foodgrain stocks and advise QC staff on the spot to ensure procurement of foodgrains conforming to specifications and its maintenance during storage at all levels. Appropriate action is also initiated against defaulters, if any, in order to tighten the supervisory arrangement and fixing responsibilities on all found responsible for procurement of stocks beyond laid down parameters. Long terms/short term training is held for QC staffs on procurement and preservation of foodgrain management.

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

Non-Issuable (Damaged) Foodgrains and its Disposal: 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.

**6.13 STORAGE CAPACITY AUGMENTATION AND CONSTRAINTS:**

Procurement, in the last few years, touched new heights given remunerative MSPs coupled with better operational outreach. As a result, central pool stocks increased from 196.38 lakh tonnes on 01.04.2008 to a peak level of 823.17 lakh tonnes on 01.06.2012. The stock position in the central pool as on 01.06.2014 was 622.31 lakh tonnes. To meet the short-term peak requirements of storage capacity, FCI resorts to short-term hiring of covered godowns as well as storage of foodgrains under Cover & Plinth (CAP). CAP is also a scientific method for storage of foodgrains.

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Total storage capacity available with Food Corporation of Indiaas on 01.01.2015 is 373.81 lakh tonnes. Storage capacity of 351.12 lakh tonnes is available with State agencies for holding central pool stocks. As a result, total storage capacity of about 725 lakh tonnes is available for storage of central pool stock as given below:

(Figures in Lakh Tonnes)

State	Total Storage Capacity with FCI (Owned/Hired )						Total Storage Capacity with State Agencies		Grand Total	
	Covered		CAP		Total		State Agencies			
	Owned	Hired	Owned	Hired	Covered	CAP	Covered	CAP	Covered	CAP
Bihar	3.66	2.43	1	0	6.09	1	6.9	-	12.99	1
Jharkhand	0.67	1.31	0.05	0	1.98	0.05	0.76	-	2.74	0.05
Orissa	3.12	2.48	0	0	5.6	-	8.07	-	13.67	-
West Bengal	8.5	1.18	0.51	0	9.68	0.51	4.52	-	14.2	0.51
Assam	2.12	1.22	0	0	3.34	-	2.5	-	5.84	-
Arunachal Pd	0.18	0.05	0	0	0.23	-	0.05	-	0.28	-
Meghalaya	0.14	0.14	0	0	0.28	-	-	-	0.28	-
Mizoram	0.25	0	0	0	0.25	-	0.42	-	0.67	-
Tripura	0.29	0.1	0	0	0.39	-	0.24	-	0.63	-
Manipur	0.28	0.04	0	0	0.32	-	-	-	0.32	-
Nagaland	0.2	0.13	0	0	0.33	-	0.38	-	0.71	-
Delhi	3.36	0	0.31	0	3.36	0.31	-	-	3.36	0.31
Haryana	7.68	40.58	3.33	0	48.26	3.33	26.96	34.38	75.22	37.71
Himachal Pd.	0.19	0.15	0	0	0.34	-	-	-	0.34	-
J & K	1.03	0.28	0.1	0	1.31	0.1	-	-	1.31	0.1
Punjab	22.24	87.3	7.31	1.94	109.54	9.25	33.94	92.67	143.48	101.92
Rajasthan	7.06	14.05	1.85	0	21.11	1.85	2.29	0.34	23.4	2.19
Uttar Pradesh	14.95	22.76	5.19	0	37.71	5.19	14.12	-	51.83	5.19
Uttarakhand	0.66	1.01	0.21	0	1.67	0.21	1.79	-	3.46	0.21
Andhra Pradesh	7.36	9.1	1.6	0	16.46	1.6	12.15	-	40.85	2.62
Telangana	5.37	6.87	1.02	0	12.24	1.02				

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Kerala	5.29	0.05	0.21	0	5.34	0.21	0.34	-	5.68	0.21
Karnataka	3.81	3.43	1.36	0	7.24	1.36	20.36	0.41	27.6	1.77
Tamilnadu	6.24	4.92	0.67	0	11.16	0.67	5.71	-	16.87	0.67
Gujarat	5	2.38	0.27	0	7.38	0.27	2.24	-	9.62	0.27
Maharashtra	10.73	10.77	1.02	0	21.5	1.02	9.89	-	31.59	1.02
Goa	0.15	0.05	0	0	0.2	-				
Madhya Pradesh	3.37	1.17	0.36	0	4.54	0.36	53.3	0.98	57.84	1.34
Chhattisgarh	5.12	2.52	0.01	0	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	128.78	567.83	157.1
	345.49		28.32		373.81		351.12		724.93	

Table 6.16

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. As stated above, 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, Orissa, 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.

With a view to overcome storage crunch and ensure safe storage of foodgrains across the country, Government is implementing the Private Entrepreneurs Guarantee (PEG) Scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Assessment of additional storage space needs under the scheme is based on the overall procurement/consumption and the storage space already available. Capacity augmentation through PEG and Plan Scheme is given utmost importance by Ministry of Consumer Affairs, Food & Public Distribution.

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Under the PEG scheme, FCI gives a guarantee of 10 years to private investors and 9 years to CWC/SWCs/State Agencies. As on 01.01.2015, a capacity of 202.22 lakh tonnes has been approved for construction of godowns in 20 States, out of which a capacity of 152.26 lakh tonnes has been sanctioned for construction. A capacity of 121.80 lakh tonnes has been completed and a capacity of 19.45 lakh tonnes is under construction. The State-wise details are as under:

(Figures in Tonnes) (As on 31.12.2014)

Sl. No.	State	Capacity approved by HLC	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	1,32,000	25,000	19,200	87,800	87,800
2	Bihar	9,40,000	6,25,000	1,80,000	3,65,000	80,000	80,000
3	Chhattisgarh	5,42,600	5,40,800	87,400	18,200	4,35,200	3,96,400
4	Gujarat	1,00,000	50,000	0	200	49,800	49,800
5	Haryana	39,30,590	36,01,935	3,05,414	1,24,567	31,71,954	28,46,618
6	Himachal Pradesh	1,42,550	24,170	0	0	24,170	19,170
7	Jammu & Kashmir	3,61,020	2,84,010	1,22,340	69,170	92,500	70,000
8	Jharkhand	4,75,000	1,88,000	98,000	5,000	85,000	85,000
9	Karnataka	2,41,700	2,41,440	36,670	0	2,04,770	1,89,770
2	Kerala	55,000	5,000	0	0	5,000	5,000
11	Madhya Pradesh	23,66,600	17,91,770	4,68,550	2,44,080	10,79,140	3,48,950
12	Maharashtra	6,83,167	5,83,167	7,500	0	5,75,667	5,40,667
13	Odisha	3,75,000	3,20,000	30,000	40,500	2,49,500	2,44,500
14	Punjab	49,99,000	45,28,858	2,52,527	44,093	42,32,238	38,92,537

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15	Rajasthan	2,50,000	2,50,000	12,000	15,000	2,23,000	1,75,000
16	Tamilnadu	3,45,000	2,95,000	40,000	1,00,000	1,55,000	1,20,000
17	Telangana	3,19,000	2,69,000	0	0	2,69,000	2,38,000
18	Uttarakhand	25,000	0	0	0	0	0
19	Uttar Pradesh	32,95,500	13,20,700	2,27,000	0	10,93,700	10,05,700
20	West Bengal	6,43,600	1,75,180	52,780	55,400	67,000	67,000
	<b>Total</b>	<b>2,02,22,327</b>	<b>1,52,26,030</b>	<b>19,45,181</b>	<b>11,00,410</b>	<b>1,21,80,439</b>	<b>1,04,61,912</b>

Table 6.17

During 2014-15, the target for capacity construction under PEG scheme is 27.00 Lakh tonnes. Out of this, a capacity of 3.09 lakh tonnes has been completed upto 31.12.2014 and remaining capacity is likely to be completed upto March 2015. The State-wise status of targeted capacity creation vis-à-vis achievements upto 31.12.2014 is as under:

(Figures in Lakh Tonnes)

Sl. No.	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

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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
	<b>Total</b>	<b>27.00</b>	<b>3.09</b>

Table 6.18

For ensuring long term scientific storage, the Government has also approved construction of 20 lakh tonnes of storage capacity in the form of silos within the overall sanctioned capacity of the aforesaid PEG Scheme. The locations of approved silos are as under:

Sl. No	State	Silo capacity in Tonnes	Approved Locations
1.	Bihar	2,00,000	<b>Mohania*</b> , <b>Buxar*</b> , Bhagalpur, Bettiah. (50,000 Tonnes each)
2.	Haryana	3,00,000	Bhattu, Jind, Karnal, Palwal, Rohtak, Sonapat. (50,000 Tonnes each)
3.	M.P.	3,50,000	Sehore, Jabalpur, Raisen, Vidisha, Guna, Hoshangabad, Ujjain (50,000 Tonnes each)
4.	Punjab	4,00,000	Barnala, Chhehreatta, Patiala, Jalalabad, <b>Kilaraipur**</b> , Sangrur, Dhuri, Batala. (50,000 Tonnes each).

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5.	West Bengal	2,00,000	Rangapani, Malda, Dankuni, Mecheda. (50,000 Tonnes each)
6.	Assam	50,000	<b>Guwahati (Changsari)**</b> (50,000 Tonnes)
7.	Kerala	50,000	Eranakulam and Calicut. (25,000 Tonnes each)
8.	Maharashtra	1,00,000	<b>Pune**</b> , Nagpur (50,000 Tonnes each)
9.	U.P.	3,00,000	Jaunpur, Kannauj, Faizabad, Fatehpur, Basti, Deoria (50,000 Tonnes each)
10.	Gujarat	50,000	Between Palanpur (Banaskantha) and Siddhapur (Patan)
<b>Total</b>		<b>20,00,000</b>	

Table 6.19

\*DEA (VGF Mode)

\*\* VGF Mode (Planning Commission)

#### 6.14 VGF Route (Planning Commission)

Storage capacity of 1.5 lakh tonnes at Kilaraipur, Pune and Changsari (50,000 tonnes 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.

#### 6.15 VGF Route (DEA)

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Storage capacity of 1 lakh tonnes has been identified at Kaimur and Buxar (50000 tonnes each) in Bihar. Bid documents are in final phase.

### 6.16 Non- VGF Route

Bid documents for non-VGF Model are being modified in line with Planning Commission approved Model concession Agreement (MCA). It was decided in the meeting held on 20.10.2014 in the Railway Board that construction of Silos may be explored at Private Freight Terminal (PFT) locations.

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 utilisation during last five years is as under:

(Figures in Lakh Tonnes)

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%

Table 6.20

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:

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	<b>Net Capacity hired/dehired (in Lakh MT)</b>
Net Hiring (10-11)	26.44
Net Hiring (11-12)	19.61
Net Hiring (12-13)	41.38
Net Hiring (13-14)	-8.53
Net Hiring (14-15) (upto December 2014)	5.92

Table 6.21

Note: Negative figures indicate de-hiring of capacity.

## **6.17 VIGILANCE & SECURITY:**

### **Vigilance**

Food Corporation of India has Vigilance Division at Headquarters which is headed by CVO/Executive Director (Vigilance) who assists the Chairman & Managing Director of the Corporation in vigilance matters. Vigilance wings at Zonal level are headed by General Manager (Vigilance) and at Regional levels these wings are headed by Deputy General Manager (Vigilance) /Assistant General Manager (Vigilance) depending on work load in the Region. Department Inquiry cases relating to issues having vigilance angle are also handled by Vigilance Division of the Corporation.

Though the emphasis is primarily on surveillance and Preventive Vigilance, Punitive Vigilance has its own importance. During the period from 1st April, 2014 to 31<sup>st</sup> December 2014, 707 vigilance cases were initiated and 888 vigilance cases were disposed of.

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Vigilance Division has developed Surveillance & Monitoring Tools and skills for the same have been imparted to the field level managerial staff through workshops and training sessions. In addition, Vigilance Advisories are issued from time to time. In order to minimize the storage and transit losses and to ensure the quality of food-grains, 6592 regular and 4906 surprise inspections were conducted by various vigilance units of FCI during 2014-15 (April to November, 2014).

Regular training programmes/courses for Vigilance Officers have been conducted at Regional /Zonal levels. In addition, an interactive session was organized at Headquarters for senior officers from all the Zonal/Regional Offices with guest speakers of ESIC and EPFO to clear the ambiguity in the application of provisions of the EPF Act 1952 and the ESIC Act 1948.

Salient features of vigilance administration during 2014-15 are as under:

- (i) Vigilance advisories have been circulated for a) Vigilance Squads, b) Senior supervisory Officers, C) Surveillance and preventive Vigilance in order to detect the cases of theft/pilferage/misappropriation of stocks at an early stage.
- (ii) Format for Depot Inspection Report has been revised for objective and holistic reporting, covering thereby all the aspects of operational importance and it has been circulated for compliance.
- (iii) A Brief Vigilance Note touching upon the issue of response to higher SL and TL has been circulated for reference while inspecting Depots with high SL/ TL. A Standard Operating Procedure has also been prepared and circulated by Stock Division in this regard.
- (iv) ED (Stocks) has been advised to circulate copy of guidelines regarding writing off PV losses, misappropriation, theft /pilferage and manner in which these losses may be depicted in SLS. Policy decision to permit regularization of old cases of SL /TL even when records are not available has been requested from the management.
- (v) On the initiative of Vigilance Division, concerned Division has requested the Ministry for exemption to engage contract labour at Depot for ancillary works.

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(vi) A presentation on Business Process Re-engineering has been made to the management in order to increase the efficiency and enhanced transparency for the satisfaction of stakeholders.

### Security

Security of FCI's men and material is managed through its own Watch & Ward as well as outsourcing through Ex-Servicemen, Security, State Home Guards, Police Force. At certain vulnerable depots, the security of food grains is manned by the State Armed Police.

Security surveillance through installation of **CCTV Cameras** has been completed at 58 FCI designated depots in the financial year 2014-15 for effective security surveillance to minimize theft, pilferage etc.

Besides, General Manager (Region) /Executive Director(Zones) have been advised to install CCTV Cameras at weighbridges of 218 depots and engage SAP/CISF in 18 vulnerable locations to ensure proper security and safety of stocks.

In order to prevent occurrence of fire, the depot/ office are provided with adequate fire-fighting equipment and all the ZOs/ ROs have certified the proper functioning of fire-fighting equipment.

13.10 A total of 284 security inspections at various levels were conducted from January 2014 to December 2014 as under:

#### Security Inspections from 01.01.2014 to 31.12.2014

Sl.No.	Name of the Region	Security Inspection
1.	Headquarters	03
2.	Zonal Office(N)	00
3.	Delhi	08
4.	Punjab	50
5.	Haryana	12
6.	Uttar Pradesh	24

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7.	Uttaranchal (Utrakhand)	02
8.	Jammu	00
9.	Himachal Pradesh	00
10.	Rajasthan	61
11.	Zonal Office(E)	01
12.	West Bengal	00
13.	Patna(Bihar)	00
14.	Orissa (Bubneshwar)	43
15.	Jharkhand	03
16.	Zonal Office(S)	01
17.	Tamil Nadu(Chennai)	00
18.	Karnataka (Bengalore)	00
19.	Kerala (Trivandrum)	02
20.	Andhra Pradesh(Hedrabad)	00
21.	Zonal Office(W)	00
22.	Maharashtra (Mumbai)	04
23.	Madhya Pd. (Bhopal)	29
24.	Gujarat (Ahmedabad)	04
25.	Chhattisgarh (Raipur)	34
26.	Zonal Office(NE)	00
27.	Assam (Guwahati)	00
28.	Shillong	00
29.	Dimpur (N&M)	03
30.	Arunachal Pd.	00
	Total	284

Table 6.22

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The Security Division at Hqrs monitors cases of **theft/ fire/ pilferage** intimated by Regions and issue directions whenever required.

**6.18 TRANSPORT OF FOODGRAINS:**

All India movement of foodgrains, and movement Ex-North during the period from April, 2014 to December, 2014 (Actual) and anticipated movement from January, 2015 to March, 2015 is as under:

**Overall Movement in 2014-15:**

(Provisional) (Figures in Lakh Tonnes)

2014-15												
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,14 to December,14 (Actual)	303.07	41.58	<b>344.65</b>	302.79	41.86	<b>344.65</b>	219.73	22.00	<b>241.73</b>	230.95	10.78	<b>241.73</b>
January, 2015 to March, 2015 (Projected)	110.87	15.95	<b>126.82</b>	108.47	18.35	<b>126.82</b>	81.09	9.57	<b>90.66</b>	86.34	4.32	<b>90.66</b>
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

Table 6.23

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All India movement of foodgrains, and movement Ex-North during the period April, 2013 to December, 2013 (Actual) and movement from January, 2014 to March, 2014 (actual) is as under:

**Overall Movement in 2013-14:**

Month	2013-14											
	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	36.7	321.22	285.28	35.94	321.22	206.73	20.97	227.7	222.94	4.76	227.7
January,2014 to March,2014 (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
<b>Total</b>	<b>396.2</b>	<b>51.61</b>	<b>447.81</b>	<b>394.72</b>	<b>53.09</b>	<b>447.81</b>	<b>282.52</b>	<b>29.92</b>	<b>312.44</b>	<b>303.64</b>	<b>8.8</b>	<b>312.44</b>

Table 6.24

**\* Including export Position**

The position of inter State inflow-outflow by rail & road for 2013-14 and 2014-15 (upto December 2014) is given below:

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Inter State Inflow Outflow by Rail &amp; Road (Provisional)

(Figures in Lakh Tonnes)

REGION	2013-14						2014-15 (up to Dec,14)					
	INFLOW			OUTFLOW			INFLOW			OUTFLOW		
	WHEAT	RICE	TOTAL	WHEAT	RICE	TOTAL	WHEAT	RICE	TOTAL	WHEAT	RICE	TOTAL
PUNJAB	0	0	0	118.67	80.06	198.73	0	0	0	73.94	93.24	167.18
HARYANA	0	0	0	74.6	28.69	103.29	0	0	0	41.67	21.61	63.28
U.P	39.68	13.12	52.8	0	0	0	26.82	19.73	46.55	0	0	0
UCL	3.45	0.1	3.55	0	1.62	1.62	2.54	0.01	2.55	0	0.48	0.48
J & K	4.64	6.29	10.93	0	0	0	2.44	5.35	7.79	0	0	0
H.P	3.32	2.13	5.45	0	0	0	2.69	1.65	4.34	0	0	0
DELHI	13.23	1.1	14.33	0	0	0	4.36	0.67	5.03	0	0	0
RAJ	12.77	0.37	13.14	0	0	0	6.66	0.36	7.02	0	0	0
TOTAL	77.09	23.11	100.2	193.27	110.37	303.64	45.51	27.77	73.28	115.61	115.33	230.94
MAHA	22.03	23.25	45.28	0	0	0	22.42	16.6	39.02	0	0	0
M.P	0	0.02	0.02	26.54	0.13	26.67	0	0.08	0.08	21.48	0.11	21.59
CHG	2.75	0.04	2.79	0	20.22	20.22	0.98	0	0.98	0	15.73	15.73
GUJ	29.55	4.93	34.48	0	0	0	13.25	5.36	18.61	0	0	0
GOA	0.21	0.4	0.61	0	0	0	0.13	0.43	0.56	0	0	0
TOTAL	54.54	28.64	83.18	26.54	20.35	46.89	36.78	22.47	59.25	21.48	15.84	37.32
T.N	12.19	30.62	42.81	0	0	0	0.47	28.32	28.79	0	0	0
KNK	5.87	25.2	31.07	0	0	0	7.73	18.92	26.65	0	0	0
KERALA	3.89	11.13	15.02	0	0	0	1.74	8.2	9.94	0	0	0
A.P	12.15	0	12.15	0	33.29	33.29	1.65	0	1.65	0.13	27.34	27.47
TOTAL	34.1	66.95	101.05	0	33.29	33.29	11.59	55.44	67.03	0.13	27.34	27.47
ORISSA	5.38	0.04	5.42	0	10.3	10.3	4.05	0	4.05	0	7.06	7.06
JHK	0	11.6	11.6	0.03	0	0.03	0.12	9.33	9.45	0	0	0
W.B	24.63	3.19	27.82	0	0.57	0.57	18.97	8.61	27.58	0	0	0
BIHAR	16.53	15.25	31.78	0	0	0	15.2	18.47	33.67	0	0	0
N.E	7.57	26.1	33.67	0	0	0	5	23.48	28.48	0	0	0
TOTAL	54.11	56.18	110.29	0.03	10.87	10.9	43.34	59.89	103.23	0	7.06	7.06
G.TOTAL:	219.84	174.88	394.72	219.84	174.88	394.72	137.22	165.57	302.79	137.22	165.57	302.79

Table 6.25

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All India movement (Inter+Intra by Rail and Road) from April, 2014 to December, 2014 is given below:

(Figures in Lakh Tonnes)

Sl. No.	Month	Food grains(Wheat + Rice)
0	April,14	37.15
2	May,14	38.62
3	June,14	35.64
4	July,14	37.51
5	August,14	38.96
6	September,14	37.42
7	October,14	41.27
8	November,14	39.52
9	December,14	38.56
	<b>Total</b>	<b>344.65</b>

Table 6.26

Month Wise Movement by Rail and Road Ex Punjab & Haryana during 2014-15 is given below:

(Figures in Lakh Tonnes)

Month	2014-15			2014-15		
	EX.PUNJAB			EX.HARYANA		
	Wheat	Rice	Total	Wheat	Rice	Total
April,14	13.66	5.43	19.09	5.98	2.63	8.61
May,14	10.07	8.18	18.25	6.35	3.17	9.52

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June,14	6.31	10.97	17.28	3.72	2.79	6.51
July,14	6.20	8.64	14.84	4.39	3.67	8.06
August,14	7.69	10.66	18.35	3.15	3.13	6.28
Sept,14	5.63	12.05	17.68	5.90	0.95	6.85
October,14	8.69	13.51	22.20	5.42	1.46	6.88
November,14	9.48	11.13	20.61	3.47	0.95	4.42
December,14	6.21	12.67	18.88	3.28	2.87	6.15
<b>Total</b>	<b>73.94</b>	<b>93.24</b>	<b>167.18</b>	<b>41.66</b>	<b>21.62</b>	<b>63.28</b>

Table 6.27

**6.19 ENGINEERING****Storage Construction Programme**

For the year 2014-15, it has been planned to augment storage capacity by 1,26,030 tonnes in the North Eastern States. Which includes 87,000 tonnes (Assam), 11,940 tonnes (Arunachal Pradesh), 5000 tonnes (Manipur), 2500 tonnes (Meghalaya) 14,590tonnes (Nagaland) and 5000 tonnes (Tripura) with a financial target of ₹ 80 Crores.

As on 31.12.2014, 22000 tonnes storage capacity at 4 locations in Assam Region has been constructed and an expenditure of ₹39.10 Crores has been incurred. At 17 locations, construction of godown of 109030 tonnes are in progress and all efforts are being made to ensure that all physical and financial targets are met.

In States other than North East, the land acquisition process in Himachal Pradesh for a capacity of 11220 tonnes at 4 locations, in Kerala (Thirunavaya) – for a capacity of 25000 tonnes, and Goa for a capacity of 20000 tonnes, is in progress and an expenditure of ₹1.00 Crores has been incurred upto 31.12.2014.

## 6.20 Swachh Bharat Campaign

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.

## 6.21 Model Depots

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 panels.

## 6.22 Corporate Social Responsibility and Sustainable Development

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 depots for green environment.

Accordingly, for the year 2014-15, following achievement has been made upto 31.12.2014:

	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

Table 6.28

## Construction of Office Buildings

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

During 2014-15, the construction of 9 office buildings is at various stages with a total cost of approx. ₹ 62.31 Crores. The present status is as under:

Sl.No.	Location	Estimated Cost (₹ Crores)
1.	Distt. Office Hissar (Haryana)	2.60 (completed)
2.	Distt. Office Mohali/ Punjab	2.95
3.	Distt. Office Bhatina/ Punjab	1.42
4.	Distt. Office Kota/Rajasthan	2.87
5.	Distt. Office Gandhidham/Gujarat	2.36
6.	Regional Office, Patna/Bihar	17.00
7.	ZO/RO/ZTI Guwahati/Assam	21.02
8.	R.O. Shillong/Meghalaya	9.69
9.	Distt. Office Thanjavur/Tamilnadu	2.41

Table 6.29

### 6.23 TRAINING

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:

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

- 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.

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; RajbhashaAvamPrabandhanVikasSansthan, 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 BharatiyaAnubadParishad, 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.

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 34<sup>th</sup> EXCOM meeting of AFMA, one officer visited London to attend 39<sup>th</sup> Indian Grain Council conference, London, one officer visited Cambridge, UK for in- service training and three officers attended 8<sup>th</sup> round of Phase-V of Mid Career Training Programme (MCTP) at Washington DC and New York, USA for in-service training.

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

## Outcome Budget 2015-16, Department of Food &amp; Public Distribution

Staff. S Upto December 2014, 2805 newly recruited category III officials have been imparted induction training at various ZTI's.

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

#### 6.24 SC/ST EMPLOYEES IN FCI

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

Table 6.30

#### 6.25 COMPUTERIZATION IN FOOD CORPORATION OF INDIA

##### IMPLEMENTATION OF E-TENDERING/E-PROCUREMENT

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 ₹ 10 lakhs and above.

Accordingly, the implementation of e-Tendering was initiated in all FCI offices, with specific directions to completely switch over to e-tendering by 31.01.2014. The concerned FCI offices have switched over to e-Tendering completely.

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

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 tenth Five Year Plan, to put in place an on-line MIS for stock position in any FCI Depot, at any given point of time.

The IISFM project has been successfully implemented in all FCI Depots, including the depots under North East Zone, covering all seven North Eastern States.

### **A) DISTRICT STOCK ACCOUNTING MODULE (DISFM /DISTRICT MODULE)**

NIC, in 2005, developed *District Information System for Food Grain Management* (DISFM), an online application, to enable the FCI Districts to enter the fortnightly stock position, to fulfill FCI’s reporting needs. This is a web based MIS system, working through the central server located at NIC. All FCI Zonal offices, Regional offices, District Offices and 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)**

*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.

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.

**THE STOCK INFORMATION IN IRRS HAS BEEN MADE VIEWABLE BY 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://fcweb.nic.in/news/view/215))ANDUNDERSTOCKSDETAILSSECTIONS**

**([HTTP://FCIWEB.NIC.IN/STOCKS/VIEW/14](http://fcweb.nic.in/stocks/view/14))**

### **C ) IRRS IN DCP/ MAJOR PROCURING STATES**

IRRS application has also been extended to the DCP/ Major procuring states (7 in No.) 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.

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.

### **6.27 RELEASE ORDER MODULE (UNDER IMPLEMENTATION)**

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.

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).

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.

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.

#### 6.28 **DEPOT ONLINE SYSTEM (PROPOSED)**

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 PricewaterhouseCooper Pvt. Ltd. (PwC) (the Consulting Agency), which would capture the functional as well as systemic requirements for implementing the project.

The progress of Depot Online project was reviewed by Principal Secretary to the Prime Minister on 15<sup>th</sup> 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.

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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 6<sup>th</sup> Jan'15 wherein suggestions and comments from FCI field offices were gathered.

A meeting was also convened on 7<sup>th</sup> Jan'15 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.

### **6.29 PROCUREMENT MONITORING SYSTEM (PMS)**

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

#### **A) PADDY/RICE (KMS) MODULE**

During KMS 13-14, 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.

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**

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 & updated feeding of Procurement data in the module. Technical issues

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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.

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.

**6.30 LAN/WAN RESTRUCTURING AND BANDWIDTH UP-GRADATION**

**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:**

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:**

**THROUGH A TENDERING PROCESS, NCSI SELECTED M/S HCLCOMNET LTD FOR RE-STRUCTURING THE EXISTING LAN/WAN INFRASTRUCTURE IN THE FCI OFFICES UP TO DISTRICT OFFICE LEVEL.**

**6.31 CYBER SECURITY POLICY**

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.

**6.32 AADHAR ENABLED BIOMETRIC ATTENDANCE SYSTEM (AEBAS)**

FCI has been registered at centralized attendance portal viz <http://fci.attendance.gov.in> and AEBAS has been implemented in the FCI Hqrs with effect from 01.01.2015. For the proper functioning of the Aadhar Enabled Bio-metric

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Attendance System (AEBAS), registration of all FCI employees, on central attendance portal, i.e. [www.fci.attendance.gov.in](http://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.

The projections for the various IT projects for the Financial Year 2014-15 are as under:

S. No.	Name of the Project	Projections/Remarks
1	e-tendering	Project already implemented All tenders above Rs 10 Lakhs being floated on CPPP
2	IISFM - DISFM/IRRS	Already implemented Through regular monitoring, data lag is being minimized
3	Release Order Module	Under implementation To be completed by June' 15
4	Depot Online System	The Vendor is being finalized As per directions of the PMO, the project is to be completed within 6 months' time
5	Procurement Monitoring System	Already implemented KMS and RMS modules both tested and rolled-out Currently, 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

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		system.
6	LAN/WAN Re-Structuring and Bandwidth Up-Gradation	Project under implementation The completion certificates from all FCI offices are being collected.
7	Cyber Security Policy	Already implemented
8	AADHAR enabled Biometric Attendance System (AEBAS)	Being implemented at FCI HQ

Table 6.31

**6.33 SPORTS AND CULTURAL ACTIVITIES**

The FCI is actively promoting Sports & Cultural activities in the organization through the Sports Promotion Board, constituted in the year 1969, with Chairman & Managing Director as its ex-officio Patron President. At Zonal & Regional level also Sports Promotion Committees are functioning with Executive Director (Zone) & General Manager (Region) as their ex-officio Presidents.

FCI SPB encourages its sportspersons through participation in various prominent Tournaments as well as All India Public Sector Tournaments/National Championships in same disciplines of sports. Further, FCI encourages its sportspersons by providing financial assistance for their participation in accredited International events abroad.

**6.34 Scholarship for Talented Sportspersons**

FCI SPB has been encouraging young, talented and budding students sportspersons since 1986 through Stipend Scheme. Upto 150 promising sportspersons showing potential for outstanding performances are granted stipend in the scheme. The sportspersons are given adequate exposure at State/National level, as part of the FCI Teams.

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The success of FCI SPB Stipend Scheme is evident from the outstanding performances of Ms. K. Malleshwari (Weightlifting), S/Shri Saurav Ganguly & Ajay Ratra (Cricket), Sharad Kamal & Prithviraj Bose (Table-Tennis), Vimal Lakra & Sandeep Kumar (Hockey), Manish Mathani (Football) who were earlier on the stipend rolls of the Corporation. The Stipend Scheme has been further modified by giving preference to medal winners by increasing stipend amount.

**6.35 Revised Sports Policy**

FCI Sports Promotion Board has reviewed the existing Policy pertaining to various aspects of sports & cultural activities such as recruitment of meritorious sportspersons, grant of cash incentives, increments, out of turn promotion for outstanding achievements in sports and cultural, transfer policy for sportspersons.

**6.36 ORGANISATION OF SPORTING EVENTS EVERY YEAR BY FCI SPB**

- a) FCI SPB organizes All India Inter Zonal Tournaments in **Football, Cricket, Hockey, Badminton and Table Tennis** every year.
- b) FCI SPB is a founder member of All India Public Sector Sports Promotion Board (AIPSSPB) and it actively participate in all sports events organized by AIPSSPB at National level.
- c) FCI SPB also organizes one of the All India Public Sector Tournament allocated by the AIPSSPB every year.

**6.37 CULTURAL ACTIVITIES**

FCI Sports Promotion Board encourages & extends assistance to promote cultural activities for the welfare of the employees in Zones/Regions/Headquarters. Competitions are being organized at Zonal level to promote the awareness of Indian culture amongst the employees. At Hqrs. Level the newly created Cultural Cell is organizing three to four

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cultural programme every year on the occasion of Holi, Diwali festivals apart from the other activities such as blood donation camps, medical awareness programme etc. are also being org. for the welfare of our employees by concerned authorities.

A Combined Cultural Team is regularly participating in the All India Public Sector Cultural Competition organized by All India Public Sector Sports Promotion Board, Our Dance Troup with the assistance of employee artists won WINNER TROPHY in the All India Public Sector Cultural Competition organized by FCI held at Bengaluru during June, 2014.

**6.38 WOMEN CELL/WOMEN EMPOWERMENT**

At present no 'Women Cell' is functional in FCI. However, the activities for empowerment of Women in FCI are given below:-

- (a) FCI follows the Government of India's policies and guidelines for empowerment of its women employees. The Corporation functions on the principle of gender equality and no discrimination what-so-ever is made on this account, whether in postings or in decision-making.
- (b) Representation of women in Selection Committee and Department Committee for recruitment/promotion to all post in FCI has been implemented vide Circular No.EP-02-2014-15 dated 07.08.2014.
- (c) Women employees are given special dispensation in transfer policy circulated vide Circular No.EP-03-2014-05 dated 12.02.2014.
- (d) Besides women employees are provided protection against harassment at work places. In this behalf, pursuant to the orders of Hon'ble Supreme Court of India dated 13.08.1997 in the matter of Vishakha&Ors V/s. State of Rajasthan

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and another judgement dated 26.04.2004, the Corporation has taken following initiatives to prevent and redress grievances relating to sexual harassment of women at work places :-

(i) The guidelines set by the Hon'ble Supreme Court of India for prevention and to redress grievances on sexual harassment of women at work places have been given wide publicity in the Corporation for awareness of the employees. The Complaint's Committee has been constituted which has been functioning in the Corporation to look into the complaints/grievances of women relating to sexual harassment in the offices of the Corporation.

(ii) The instructions have been issued to treat report of the Complaints Committee as a preliminary enquiry report which will be binding upon the Disciplinary Authorities to initiate disciplinary proceedings against the employees concerned under the provisions of Discipline & Appeal Regulations of FCI (Staff) Regulations, 1971.

(iii) The amendments in the Conduct Regulations of FCI (Staff) Regulations, 1971, incorporating a provision of prohibition of sexual harassment of women at work places have also been made.

(iv) The following acts have been included in the list of 'misconducts' under Conduct Regulations of FCI (Staff) Regulations, 1971:-

(a) Neglect of spouse and family is unbecoming of an employee of the corporation;

(b) Bigamous marriage: (i) No employee can enter into or contract a marriage with a person having a spouse living.

(v) All the offices of FCI directed to constitute a Committee for dealing with the cases/reports of sexual harassment of women at work place. The Committee at Headquarter level is headed by a female Executive Director level officer with majority female members including a nominee from outside NGO.

**6.39 DEVELOPMENT OF STs AND NE REGION.****(i) DEVELOPMENT OF SCHEDULED TRIBES (for Village Grain Bank Scheme)**

With regard to development of STs and the inaccessible hilly areas, Govt. of India was making allotment under Village Grain Bank till the year 2012-13. There has however been no allotment made by GoI for the year 2013-14 and 2014-15 under the said scheme.

**(ii) STRENGTHING OF PDS**

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 28.47LMT foodgrains were moved to NE States. The Govt. has also allowed State Govts. to lift six months quota in advance to smooth supply of foodgrains under TPDS.

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

**(Figs. In LMT)**

State	Wheat			Rice		
	Annual Allotment	Actual Offtake (Upto Dec. 14)	Projection(Jan. 15 to March 15)	Annual Allotment	Actual Offtake (Upto Dec. 14)	Projection (Jan. 15 to March 15)
Assam	3.87	3.82*	1.27	18.19	13.95	4.65
Arunachal Pr	0.00	0.00	0.00	1.15	0.90	0.30
Tripura	0.29	0.23	0.08	3.34	2.69	0.90
Manipur	0.19	0.18	0.06	2.00	1.56	0.52
Nagaland	0.30	0.23	0.08	1.33	1.22	0.41
Mizoram	0.09	0.08	0.03	1.46	1.07	0.36
Meghalaya	0.20	0.17	0.06	1.96	1.61	0.54
<b>Total</b>	<b>4.94</b>	<b>4.71</b>	<b>1.58</b>	<b>29.43</b>	<b>23.00</b>	<b>7.68</b>

Table 6.32

(\* Including Open Sale under OMSS(D).

**(iii) DEVELOPMENT OF NORTH EASTERN REGION (for construction of godowns by FCI) as on 31.12.2014.**

**Plan Scheme for Augmentation of Storage Capacity in the North East Region including Sikkim.**

1. The Department is implementing a Scheme to create an additional storage capacity of 5.40 lakh MT in the NE States through FCI with an allocation of ₹ 568.17 crore. The Scheme would create storage space sufficient for four months of requirement under TPDS. The State-wise capacity creation planned which has also been approved by EFC on 14.2.14 is given in table below:

Sl. No.	State	Total Cap. Appvd. (In MT)	Name of locations & respective Capacity in MT			
			Completed in 11 <sup>th</sup> FYP	Covered in 12 <sup>th</sup> FYP under Phase - I	Through Silos	Under phase-II in 13 <sup>th</sup> FYP
1.	Assam	3,45,000	12,500	1,77,000	50,000	1,10,000
2.	Arunachal Pradesh	20,280	-	17,230	-	Nil
3.	Manipur	45,000	4,590	30,410	-	10,000
4.	Meghalaya	35,000	-	10,000	-	25,000
5.	Mizoram	20,000	4,570	15,000	-	Nil
6.	Nagaland	15,000	-	14,590	-	Nil
7.	Sikkim	15,000	-	3,500	-	8370
8.	Tripura	45,000	2,500	25,000	-	20,000
	<b>Total</b>	<b>5,40,280</b>	<b>24,180</b>	<b>2,92,730</b>	<b>50,000</b>	<b>1,73,370</b>

Table 6.33

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2. During the 11<sup>th</sup> Five Year Plan, FCI has created a capacity of 24,180 MT with an expenditure of ₹ 58.41 crore.
3. Out of balance capacity of 5.16 lakh MT, it is proposed to augment 2,92,730 MT capacity in the 12<sup>th</sup> FY Plan and 1,73,370 MT capacity in the 13<sup>th</sup> 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.
4. Under this Scheme, in 12<sup>th</sup> FYP, a capacity of 2910 MT was created during 2012-13 and 2500 MT in FY 13-14.
5. 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 109030 MT at 17 locations are in progress and for a capacity of 1,38,500 MT at 11 locations, the land cost deposited/to be deposited/to be intimated. Further, for a capacity of 17,790 MT (3 locations), the land is yet to be identified. In addition to this, as on 31.12.14 a capacity of 22,000 MT at four locations in Assam Region {North Lakhimpur/2500, Hojai/2500, Jogigopa-2000 and Changasari 15000 (Part capacity)} has been completed and an expenditure of ₹ 39.10 cr. has also been incurred.
- 6. Projections for next three months i.e. upto 31.3.2015:** It is further stated that all out efforts are being made to complete the balance targeted capacity of 109030 MT upto March 2015 and also the total expenditure of Rs80 crores shall be met in the current financial year.

**6.40 MARKET BORROWINGS:****Cash Credit Facility**

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.

#### **6.41 Short Term Loan (STL)**

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).

#### **6.42 Issue of Bonds**

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.

#### **6.43 Ways & Means Advance**

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.

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**6.44 PHYSICAL AND FINANCIAL PERFORMANCE OF FOOD CORPORATION OF INDIA:**

	PARTICULAR	Qty. Lakh Tonnes				Value Rs. crores	
		Previous Year		Current Year		Next Financial year	
		2013-14		2014-15 (RE)		2015-16 (BE)	
		Qty.	Value	Qty.	Value	Qty.	Value
<b>PHYSICAL ACHIEVEMENT</b>							
<b>A</b>	<b>Procurement</b>						
	(i) Wheat MSP Based	286.02	37613.26	231.49	31934.45	287.31	41094.25
	(ii) Rice (Including paddy in rice terms)	225.14	43977.81	232.9	47570.55	232.6	49482.72
	(iii) Sugar						
	(iv) Other (Gunny, Stores and Spares)	0	4075.28	0	4109.33	0	4778.51
	<b>Total</b>	<b>511.16</b>	<b>85666.35</b>	<b>464.39</b>	<b>83614.33</b>	<b>519.91</b>	<b>95355.48</b>
<b>B</b>	<b>Sales</b>						
	(i) wheat including Wheat Export	281.79	22670.11	258.21	17573.6	284.23	15818.11
	(ii) Rice Including Rice Export	241.41	13978.12	259.24	13952.62	244.55	8326.09
	(iii) Sugar (Ind. & Imported)						
	(iv) Coarsegrains						
	<b>Total</b>	<b>523.2</b>	<b>36648.23</b>	<b>517.45</b>	<b>31526.22</b>	<b>528.78</b>	<b>24144.2</b>
<b>II</b>	<b>RESULT OF OPERATIONS</b>						
	(a) Receipt	-	36648.23	-	31526.22	-	24144.2
	i) Sales and Other Income						
	ii) Subsidy for the year						
	(a) (Consumer Subsidy)		79756		93497		110894
	Subsidy towards buffer carrying cost for the year including carryover charges and others		10707		8082		6850
	iii) (a) Shortages reimbursable on regularisation		772		897		990
	(b) Deficit on Sugar		0		0		0
	<b>TOTAL ( i+ ii + iii) (a)</b>		<b>127883.2</b>		<b>134002.2</b>		<b>142878.2</b>
	(b) Cost of Sales excluding interest and depreciation		120664.4		125799.5		135494.3
	(c) Depreciation		32.5		32.5		34.75
	(d) Interest		7186.31		8170.26		7349.11

Table 6.34

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<b>B</b>	<b>APPLICIATION</b>					
	i) Fixed Assets (Including deposits for construction)		1843.5		2203.36	2630.6
	ii) Stock of foodgrains, Stores & Spares, Fertilizers building materials and other commodity		52407.48		44332.37	43490.46
	iii) Sy. Debtors		34371.52		26871.66	30723.17
	iv) Deficit in SPEF					
	<b>TOTAL</b>		<b>88622.5</b>		<b>73407.39</b>	<b>76844.23</b>
<b>V</b>	<b>NET WORTH EMPLOYED</b>					
	i) Net Worth (Equity)		2675.95		2770.95	2913.95
	ii) Capital employed		85946.55		70636.44	73930.28
	Total of (IV-A)					
<b>VI</b>	<b>RESULT OF CENTRAL GOVERNMENT INVESTMENT</b>					
	Interest on Government Loan					
<b>VII</b>	<b>PERFORMANCE AND EFFICIENCY INDICES</b>					
	TOTAL INVENTORIES TO SALES (QTY. TONNES)		<b>49.81%</b>		<b>39.36%</b>	<b>36.07%</b>
	<b>Bank Borrowing</b>					
		<b>2013-14 (P)</b>	<b>2014-15(RE)</b>	<b>2015-16(BE)</b>		
1	Stock value	52407.48	44332.37	43490.46		
2	Outstanding	50867	42806	43786		
3	Equity	1484	1484	1484		
4	Bond O/S	16914.5	16121	13000		
	Total	84875.98	69533.37	72792.46		

Table 6.35

**6.45 REVIEW OF CENTRAL WAREHOUSING CORPORATION:**

The Central Warehousing Corporation (CWC) was established on 2<sup>nd</sup> March, 1957 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, and commenced its operations during July 1957. The Agricultural Produce (Development and Warehousing) Corporations Act, 1956 was repealed and replaced by the

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Warehousing Corporations Act, 1962. The main objective of the CWC is to provide scientific storage facilities for agricultural inputs, produce and other notified commodities besides providing logistics infrastructure like CFSs/ICDs, Land Customs Stations, Air Cargo Complexes, etc. for import-export cargo.

2. CWC is ISO 2001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified organization. It is a Schedule 'A' - Mini Ratna, Category- I organization.

3. As on 1<sup>st</sup> November, 2014, CWC was operating 467 warehouses with a total storage capacity of 102.70 lakh MT with an average capacity utilization of 76%. CWC is the leading player in the Warehousing/Logistics business providing infrastructural facilities to a diversified group of clients including Government Departments, semi-Government agencies, autonomous bodies, cooperative institutions, business houses, multinational companies as well as farmers and traders.

4. Ever since its inception, CWC has been providing scientific storage facilities for storage of agricultural inputs and produce and notified commodities at reasonable cost. In order to cross-subsidize the agricultural sector and to sustain its operation, CWC has been diversifying into different areas. It made an entry into operation of public bonded warehouses in the late seventies, when the CBEC, acknowledging the expertise of CWC in the field of storage and warehousing, appointed it as a custodian for running Bonded Warehouses for storage of imported dutiable goods. CWC, as on 1<sup>st</sup> November, 2014 was operating 51 Bonded Warehouses with a storage capacity of 3.09 lakh MT. CWC also runs 3 Air Cargo Complexes, 30 Container Freight Stations (CFSs)/Inland Clearance Depots (ICDs) with a storage capacity of 14.69 lakh MT and 5 temperature controlled warehouses with 3984 MT capacity.

5. Against the authorized share capital of ₹ 100.00 crore, the paid-up capital of the CWC is ₹ 68.02 crore. CWC is not dependent upon any budgetary support from the Government and all its operations/construction plans are met out of internal generation of resources.

6. The financial results of the Corporation for the past five years are as under:

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(₹ in crore)

Year	Turnover	Expenditure	Profit Before Tax	Profit After Tax
2009-10	987.95	824.07	163.88	130.52
2010-11	1029.55	825.82	203.73	136.17
2011-12	1218.65	1059.53	159.12	100.46
2012-13	1406.70	1197.47	209.23	139.55
2013-14	1528.19	1271.72	256.47	161.05
2014-15 (upto Nov-14)	976.18	824.30	151.88	-

Table 6.36

7. **CWC has been a consistently dividend paying PSU ever since its inception in 1957.** The Corporation has so far paid a total dividend of ₹ 393.13 crore upto the financial year 2013-14 to its shareholders. An amount of ₹ 219.16 crore has been so far paid to the Central Government against ₹37.42 crore invested by it in the share capital of CWC. CWC has paid dividend @ 40% for the year 2010-11, 2011-12, 41% for 2012-13 and @48% for 2013-14.

8. In order to encourage the farming community and motivate them to avail public warehousing facilities, **CWC offers a rebate of 30% in the storage charge for stocks deposited by the farmers.** A warehouse receipt, which is a negotiable instrument, is issued to the farmers, who can obtain credit on pledge of the same. In order to educate the farming community on storage and preservation of stocks at farm level and reduce the avoidable storage losses, CWC operates its Farmers Extension Service Scheme wherein the technical staff posted at its warehouses visits the adjoining villages and trains the farmers for complete transfer of knowledge on post harvest technology. The scheme is presently in operation through 314 warehouses.

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9. CWC has been providing disinfections and pest control services for the benefit of farmers, traders, exporters, importers, shipping agents, etc. The facilities include disinfections operations in railway coaches, pantry cars, aircrafts, hospitals, hotels and restaurants, export / import container fumigation, ship fumigation, etc. The revenue under this activity has grown from ₹2.49 crore in the year 2001-02 to ₹ 19.67 crore in the year 2013-14.

10. CWC is operating a truck terminal at the Land Customs Station (LCS) at Petrapole (West Bengal) on the Indo-Bangladesh Border for facilitating IMPEX trade through land route. Developed over 17.08 acre land, this facility is operating since 1999. During 2013-14, the facility handled 1.81 lakh Import/export trucks and achieved a capacity utilization of 94%.

11. As a diversified activity, CWC has been running container trains since 2007. It holds a Category-I license to operate container trains on Pan India basis. It is, however, presently operating Container Rail Terminals (CRTs) at Loni (Delhi) and Kalamboli (Navi Mumbai) and running container trains between Loni-JN Port, Loni-Mundra and Loni – Pipavav sectors.

12. Since April 2012, CWC is also operating the Cargo Terminal of the Integrated Check Post (ICP), Attari (Punjab) and facilitating IMPEX trade between India and Pakistan through land route. During 2014-15 (up to Sept, 2014) the CWC handled 38,230 Export/Import trucks at this facility earning a gross revenue of ₹ 24.51 crore. The management of the Cargo Terminal entrusted to CWC by the MHA /LPAI initially for a period of one year has since been extended by the MOA with CWC for a further period of three years beyond 8<sup>th</sup> April 2014.

13. Satisfied with the performance of CWC at ICP, Attari, the management of Cargo Terminal at the upcoming 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 ICP, Agartala also became operational from 21.11.2013.

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During 2014-15 (upto September, 2014) CWC handled 10,050 export/import trucks at this facility earning a gross revenue of ₹ 2.44 crore.

14. CWC has contributed to the equity of 17 State Warehousing Corporations (SWCs). It has invested about ₹61.79 crore as on 1<sup>st</sup> November, 2014 in the equity of these SWCs. While CWC holds 50% share, the remaining 50% is held by the respective State Government.

15. As on 1<sup>st</sup> November, 2014, these SWCs are running 1703 warehouses with 293.28lakh MT capacity and with capacity of utilization of 83% as on 1<sup>st</sup> November, 2014.

16. The CWC has formed a 100% owned subsidiary company namely Central Railside Warehouse Company Ltd. (CRWC) for development and operation of Railside Warehousing Complexes (RWCs). CRWC was incorporated on 10<sup>th</sup> July, 2007 and received certificate for commencement of business on 24<sup>th</sup> July, 2007. CWC has subscribed ₹40.56 crore as share capital of CRWC.

17. At present CRWC is operating 19 RWCs at Whitefield (Bangalore), Shakur Basti, Nishatpura, Sanathnagar, Nasik Road, Badnera, Ghaziabad, Alam Nagar (Lucknow), Roza (Shahjahanpur), Kandla (Gujarat), Koodal Nagar(Madurai), Yamuna Bridge (Agra), Korrukupet (Chennai), Hatia (Ranchi), Dehri-on-Sone (Bihar), Saswad Road (Pune), Dankuni (West Bengal), Mysore and Jogeshwari (Mumbai).

18. Corporation has planned for Construction of Warehouses in the following States on different locations during the year 2015-16.

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Item	State	MTs	(₹ In Crore)
Cost of Land	Karnataka		1.20
(A) Cost of Construction	Karnataka	19600	
	Odihsa	15000	
	Punjab	10080	
	Bihar	10000	
	Chhattisgarh	20200	
	Kerala	8200	
	Rajasthan	5000	
	Gujarat	16850	
	West Bengal	46990	
	Tripura	2000	
	Sub Total	153920 Say 1.54 LMT	139.96
2(B)	Lorry Weigh Bridge		5.48
2 (C )	Wooden Crates, Polly Pallets, PCC		4.20
	Total 2A+2B+2C		150.84
Contribution to Share Capital of SWCs			4.44
	Total (1+2+3)		155.28

Table 6.37

**6.46 REVIEW OF PAST PERFORMANCE (IEBR SCHEMES):**

The physical target achieved for the year 2010-11, 2011-12, 2012-13, 2013-14 was 1.45 LMT, 2.09 LMT, 2.35 and 2.21 LMT and the target for the year 2014-15 and 2015-16 is 1.97 LMT and 1.54 LMT respectively. The corresponding actual/budgeted financial targets vis-à-vis achievements are given as under:

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(₹ In Crore)

	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16
	Target	AE	Target	AE	Target	AE	Target	AE	RE	AE upto 30.11.14	BE
Land plus Construction	96.41	64.75	134.23	112.00	123.90	76.86	156.42	122.24	180.60	52.51	150.84
Contribution to Share Capital of SWCs	3.00	0.25	3.00	0.75	2.66	0.00	0.68	0.68	2.70	0.00	4.44
<b>TOTAL</b>	<b>99.41</b>	<b>65.00</b>	<b>137.23</b>	<b>112.75</b>	<b>126.56</b>	<b>76.86</b>	<b>157.10</b>	<b>122.92</b>	<b>183.30</b>	<b>52.51</b>	<b>155.28</b>

Table 6.38

**6.47 CENTRAL RAILSIDE WAREHOUSE COMPANY LTD.:**

Central Railside Warehouse Company Limited, (CRWC) a 100% owned subsidiary of Central Warehousing Corporation (CWC) was formed for development of Railside Warehousing Complexes. The Company was incorporated on 10<sup>th</sup> July, 2007 and received certificate for commencement of business on 24th July, 2007. The share capital of ₹ 40.56 crore as equity of this company has been subscribed by CWC. Besides, CWC has also transferred 7 of its Railside Warehouses to CRWC.

The Railside Warehousing Complexes are being operated by CRWC at the following locations:

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**[As on 31.3.2014]**

Sl. No.	Name of RWC	Capacity (in MT)
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
	<b>TOTAL</b>	<b>3,29,467 MT</b>

Table 6.39

The development of RWCs at Jogeshwari (Mumbai) with 16,000MT has been completed.

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