

**STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD  
AND PUBLIC DISTRIBUTION (2022-2023)**

**26**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF CONSUMER AFFAIRS, FOOD  
AND PUBLIC DISTRIBUTION  
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

{Action Taken by the Government on the observations/recommendations contained in the Twentieth Report of the Committee (Seventeenth Lok Sabha) on the subject 'Quality Control Cells(QCCs)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)}

**TWENTY SIXTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**March, 2023/Chaitra, 1945 (Saka)**

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(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

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*Presented to Lok Sabha on 24.3.2023  
Laid in Rajya Sabha on 24.3.2023*



**LOK SABHA SECRETARIAT  
NEW DELHI**

**March, 2023/ Chaitra,1945 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND  
PUBLIC DISTRIBUTION (2022-23)**

Smt. Locket Chatterjee- Chairperson

Members

**Lok Sabha**

2. Dr. Farooq Abdullah
3. Shri Sudip Bandyopadhyay
4. Shri Girish Bhalchandra Bapat
5. Shri Shafiqur Rahman Barq
6. Shri Gangasandra Siddappa Basavaraj
7. Ms. Debasree Chaudhuri
8. Shri Anil Firojiya
9. Shri Rajendra Dhedya Gavit
10. Shri Sanganna Amarappa Karadi
11. Shri Khagen Murmu
12. Shri Mitesh Rameshbhai Patel
13. Shri Subrat Pathak
14. Shri Ganesan Selvam
15. Dr. Amar Singh
16. Smt. Himadri Singh
17. Smt. Kavita Singh
18. Shri Nandigam Suresh
19. Shri Saptagiri Sankar Ulaka
20. Shri Rajmohan Unnithan
21. Shri Vaithilingam Ve.

**Rajya Sabha**

22. Shri Satish Chandra Dubey
23. Dr. Fauzia Khan
24. Shri Baburam Nishad
25. Shri Rajmani Patel
26. Shri Sakaldeep Rajbhar
27. Dr. Anbumani Ramadoss
28. Shri C. Ve Shanmugam
29. Shri Harbhajan Singh
30. Ms. Dola Sen
31. Dr. Ashok Bajpai

**LOK SABHA SECRETARIAT**

- |                                  |   |                  |
|----------------------------------|---|------------------|
| 1. Shri Srinivasulu Gunda        | - | Joint Secretary  |
| 2. Dr. Vatsala Joshi             | - | Director         |
| 3. Dr. Mohit Rajan               | - | Deputy Secretary |
| 4. Smt. Darshana Gulati Khanduja | - | Under Secretary  |

## INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2022-2023) having been authorized by the Committee to present on their behalf, this Twenty Sixth Report on Action Taken by the Government on the Observations/ Recommendations contained in the Twentieth Report of the Committee (Seventeenth Lok Sabha) on the subject 'Quality Control Cells(QCCs)' of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Twentieth Report was presented to Lok Sabha on 19.07.2022 and laid in Rajya Sabha 07.04.2022. The Government has furnished its replies indicating Action Taken on the recommendations contained in the Report on 19.10.2022 and 25.10.2022.

3. The Report was considered and adopted by the Committee at their sitting held on 23<sup>rd</sup> March,2023.

4. An analysis of the action taken by the Government on Observations/ Recommendations contained in the Report is given in **Appendix II**.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in thick type in the text of the Report.

**NEW DELHI;**  
**23 March, 2023**  
**2 Chaitra,1945 (Saka)**

**LOCKET CHATTERJEE,**  
**Chairperson,**  
**Standing Committee on**  
**Consumer Affairs, Food and Public Distribution**

# REPORT

## CHAPTER – I

This Report of the Standing Committee on Consumer Affairs, Food and Public Distribution deals with the action taken by the Government on the Recommendations/Observations contained in the Twentieth Report of the Committee (17<sup>th</sup> Lok Sabha) on the subject 'Quality Control Cells(QCCs)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)

1.2 The Twentieth Report was presented to Lok Sabha on 19.07.2022 and laid on the Table of Rajya Sabha on 07.04.2022. It contained 7 recommendations/observations Action taken replies in respect of all the 7 recommendations/observations contained in the Report have been received and these have been categorized as follows:-

- (i) Recommendations/Observations which have been accepted by Government -

Rec. No.:- 1,2,5,6 and 7

(Chapter – II, Total -5)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies -

Rec. No.:- 4

(Chapter – III, Total -1)

- (iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee -

Rec. No.:- NIL

(Chapter – IV, Total -0)

- (iv) Recommendations/Observations in respect of which final replies of Government are still awaited -

Rec. No. :- 3

(Chapter – V, Total -1)

**1.3 The Committee trust that utmost importance will be given to the implementation of the recommendations accepted by the Government. The Committee desire that final action taken notes to the recommendations/observations contained in Chapter-I and final replies in respect of recommendation contained in Chapter V for which only interim reply has been given by the Government, should be furnished to the Committee expeditiously.**

1.4 The Committee will now deal with action taken by the Government on some of the recommendations.

### **Inspection conducted by QCCs**

#### **Recommendation No. 5**

1.5 The Committee in their original report observed/recommended as follows:-

"The Committee note that the foodgrains are inspected for quality assurance through inspections of Food Storage Depots (FSDs) and Fair Price Shops (FPSs) by the officers of Quality Control Cells (QCCs). The committee also note that the number of inspections carried out by QCCs at FSDs during 2018-19, 2019-20 and 2020-21 were 1159, 940 and 641 respectively as against the targets of 1140, 1140 and 1040 respectively. Due to COVID pandemic/nationwide lockdown, the targets could not be achieved during 2019-20 and 2020-21. The Committee are dismayed to note that during 2018-19 and 2019-20, no target for inspection of Fair Price Shops (FPSs) was fixed and no inspection thereof was carried out. Details on the number of foodgrains samples (wheat/rice) collected and tested by the Quality Control Cells (QCCs) during the above three years were 3888, 2833 and 2855 respectively. The Committee also note the various infrastructure related shortcomings and also the shortcomings related to technical aspects which have been observed during the course of inspections which affect the quality of foodgrains. The Committee feel that in a vast country like ours, where storage losses due to damaged foodgrains are very high and also to ensure good quality of foodgrains to ultimate beneficiaries, the number of inspections

and sample analysis should be increased and strict action should be taken against the offenders.

Discrepancies/shortcomings noticed during inspection of FSDs/FPSs are communicated to the concerned agencies for making future systematic improvements to avoid recurrence of any such lapse. Further, the Committee are happy to note that the Department is exploring the possibilities to introduce the latest technological interventions for quality assessment of foodgrains in collaboration with FCI. The Committee, therefore, recommend that Department should make vigorous steps/efforts in this regard to minimize the storage losses of foodgrains to prevent the food subsidy from rising further and also to reduce the burden on public exchequer and tax payer of the country.”

1.6 The Ministry in its action taken reply has stated as under:-

"The Storage & Research Division, D/o Food and Public Distribution under the Ministry of Consumer Affairs, Food & Public Distribution has a mandate to ensure, good quality foodgrains provided to the beneficiaries through various social security programmes. In pursuance to this, officer/official of QCC of S&R Division conducts inspection of various Food Storage Depots (FSDs) of FCI/state agencies, Central Warehousing Corporation (CWC), State Warehousing Corporations (SWC), Rice Mills (RMs) Fair Price Shops (FPS), Rail Heads & Truck Heads, etc. Prior to 2018, the inspections of FPS were conducted only after receipt of any references/complaints. Presently, the FPS inspections were included under targeted activities during 2020.

It may be mentioned that, the officers/officials working in eleven QCCs conduct regular monthly/ surprise checks to ensure the quality standards of foodgrains distributed through Public Distribution System (PDS)/Other Welfare Schemes (OWS). The discrepancies/ shortcomings noticed are communicated to concerned agencies for taking strict action against delinquents by rectification and for systemic improvements. Moreover, the information regarding the quantity of Non-FAQ stock found during the inspection is also intimated to FC ACs, D/o Food and Public Distribution for taking necessary action with regard to release of subsidy.



Considering the quantum of storage loss occurring due to damaged foodgrains, the frequency of inspections visits and sample analysis may be increased. However, this requires availability of adequate staff for achieving the targets efficiently.

In this regard, the Division is in the process of revival of posts, promotions and new recruitments on priority basis. In an effort to minimise the storage losses of foodgrains, the department has already formulated a SoP for storage loss /gains with respect to the stored foodgrains.”

**1.7 In their Original Report, the Committee, *inter-alia* observed that the number of inspection and sample analysis should be increased to ensure good quality of foodgrains to beneficiaries and to prevent storage losses. The Department in their Action Taken Reply has stated that increasing the frequency of inspections visits and sample analysis is subjected to availability of adequate staff. To achieve this, Division is in the process of revival of posts, promotion and new recruitment on priority basis. The Department has also informed that they have already formulated a SOP for storage loss/gain for stored goods. The Committee feel that raising the number of inspections and sample analysis will have significant effect on quality of food grains. The Committee, while reiterating their original recommendation desire the Department to expedite the process of revival of posts and new recruitments to raise the number of inspection and sample analysis thereby ensuring delivery of good quality foodgrains to ultimate beneficiaries and preventing storage losses of foodgrains.**

## **CHAPTER II**

### **RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation No.1**

2.1 The Committee note that Quality Control Cells (QCCs) are responsible for ensuring the quality of Central Pool foodgrains stock from procurement to distribution. Till date, only 11 Quality Control Cells have been set up in different States covering minimum 2 States/UTs. The Committee feel that number of QCCs is too less in the wake of implementation of the National Food Security Act, 2013 which has been implemented in all States/UTs of the country under which large proportion of the population is entitled to receive highly subsidized foodgrains. The Committee, therefore, recommend setting up more QCCs expeditiously for addressing the issue of quality check/control comprehensively and to prevent losses arising due to damaged foodgrains.

#### **Reply of the Government**

2.2 1. At present there are eleven Quality Control Cells located at New Delhi, Bangalore, Bhopal, Bhubaneswar, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna which are functioning under the direct control of the Department of Food & Public Distribution. The foodgrains are inspected for quality assurance through routine inspections of Food Storage Depots, Fair Price Shops, Rice Mills, Rail Heads/Truck Heads by the officers of these cells. Besides, the quality, it is also ensured during the inspections that the guidelines/instructions issued by Government about proper storage and maintenance of foodgrains are followed by the Food Corporation of India (FCI), Central Warehousing Corporation (CWC), State Warehousing Corporations (SWCs) and State agencies. Further, these cells also attend various complaints received from MPs, VIPs, State Governments, media and consumers about the quality of foodgrains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/investigations are communicated to the concerned authorities for taking remedial measures including action against the delinquents.

2. The already present eleven Quality Control Cells under S&R Division are unable to function to its full fledged capacity due to acute shortage of staff and outdated laboratory equipments. In order to address these issues, the task of revival of posts, promotions of the eligible officers/officials and new recruitments have been taken up on priority basis. Further, the Department has undertaken various measures to strengthen the

- infrastructure of the Quality Control Cells and laboratories present therein through the process of up gradation & introduction of new technologies/machines & instruments accompanied by training of staff.
3. In pursuance to the announcements made by Hon'ble Prime Minister in his address on 75<sup>th</sup> Independence day, Government of India has approved supply of Fortified Rice (FR) throughout the Targeted Public Distribution System (TPDS) under National Food Security Act (NFSA), Integrated Child Development Service (ICDS), Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) and other welfare schemes (OWS) of Government of India in all the states and Union Territories (UTs) in phase wise manner. In connection to this, the Quality Control of Fortified Rice Kernel (FRK) & Fortified Rice will play a paramount importance in achieving the desired objectives. Keeping in view of this, the department is in the process of modernizing its labs with sophisticated/advanced equipments which are capable of detecting variation to added micronutrients in Fortified Rice(below/above benchmark).

[Ministry of Consumer Affairs, Food & Public Distribution  
(Department of Food & Public Distribution)  
O.M. No. 40-1/2021-QCC/231 Dated the 19<sup>th</sup> October,  
2022]

### **Recommendation No. 2**

2.3 The Committee notes that the Department has prepared Revised Standard Operating Procedure (RSOP) for DCP States keeping in view the concerns/interests of the farmers as well as beneficiaries. The Department has also requested State Governments to ensure quality of foodgrains at the time of procurement.

The RSOP is still under consultation with the State Governments. The Committee, therefore, recommends the Department to give final shape to RSOP and implement the same at the earliest to ensure timely payment to farmers and good quality foodgrains to poor beneficiaries.

### **Reply of the Government**

2.4 A Standard Operating Procedure (SoP) for monitoring quality of foodgrains stocks procured under Decentralized procurement (DCP) Scheme has been finalized and disseminated to all stakeholders for its strict compliance on dated 16.07.2021.

[Ministry of Consumer Affairs, Food & Public Distribution  
(Department of Food & Public Distribution)  
O.M. No. 40-1/2021-QCC/231 Dated the 19<sup>th</sup> October,  
2022]

## **Recommendation No. 5**

2.5 The Committee note that the foodgrains are inspected for quality assurance through inspections of Food Storage Depots (FSDs) and Fair Price Shops (FPSs) by the officers of Quality Control Cells (QCCs). The committee also note that the number of inspections carried out by QCCs at FSDs during 2018-19, 2019-20 and 2020-21 were 1159, 940 and 641 respectively as against the targets of 1140, 1140 and 1040 respectively. Due to COVID pandemic/nationwide lockdown, the targets could not be achieved during 2019-20 and 2020-21. The Committee are dismayed to note that during 2018-19 and 2019-20, no target for inspection of Fair Price Shops (FPSs) was fixed and no inspection thereof was carried out. Details on the number of foodgrains samples (wheat/rice) collected and tested by the Quality Control Cells (QCCs) during the above three years were 3888, 2833 and 2855 respectively. The Committee also note the various infrastructure related shortcomings and also the shortcomings related to technical aspects which have been observed during the course of inspections which affect the quality of foodgrains. The Committee feel that in a vast country like ours, where storage losses due to damaged foodgrains are very high and also to ensure good quality of foodgrains to ultimate beneficiaries, the number of inspections and sample analysis should be increased and strict action should be taken against the offenders.

Discrepancies/shortcomings noticed during inspection of FSDs/FPSs are communicated to the concerned agencies for making future systematic improvements to avoid recurrence of any such lapse. Further, the Committee are happy to note that the Department is exploring the possibilities to introduce the latest technological interventions for quality assessment of foodgrains in collaboration with FCI. The Committee, therefore, recommend that Department should make vigorous steps/efforts in this regard to minimize the storage losses of foodgrains to prevent the food subsidy from rising further and also to reduce the burden on public exchequer and tax payer of the country.

## **Reply of the Government**

2.6 The Storage & Research Division, D/o Food and Public Distribution under the Ministry of Consumer Affairs, Food & Public Distribution has a mandate to ensure, good quality foodgrains provided to the beneficiaries through various social security programmes. In pursuance to this, officer/official of QCC of S&R Division conducts inspection of various Food Storage Depots (FSDs) of FCI/state agencies, Central Warehousing Corporation (CWC), State Warehousing Corporations (SWC), Rice Mills (RMs) Fair Price Shops (FPS), Rail Heads & Truck Heads, etc. Prior to 2018, the inspections of FPS were conducted only after receipt of any references/complaints. Presently, the FPS inspections were included under targeted activities during 2020.

It may be mentioned that, the officers/officials working in eleven QCCs conduct regular monthly/ surprise checks to ensure the quality standards of foodgrains distributed through Public Distribution System (PDS)/Other Welfare Schemes

(OWS). The discrepancies/ shortcomings noticed are communicated to concerned agencies for taking strict action against delinquents by rectification and for systemic improvements. Moreover, the information regarding the quantity of Non-FAQ stock found during the inspection is also intimated to FC ACs, D/o Food and Public Distribution for taking necessary action with regard to release of subsidy.

Considering the quantum of storage loss occurring due to damaged foodgrains, the frequency of inspections visits and sample analysis may be increased. However, this requires availability of adequate staff for achieving the targets efficiently.

In this regard, the Division is in the process of revival of posts, promotions and new recruitments on priority basis. In an effort to minimise the storage losses of foodgrains, the department has already formulated a SoP for storage loss /gains with respect to the stored foodgrains.

[Ministry of Consumer Affairs, Food & Public Distribution  
(Department of Food & Public Distribution)  
O.M. No. 40-1/2021-QCC/231 Dated the 19<sup>th</sup> October,  
2022]

### **Comments of the Committee**

(Please see Para No. 1.7 of Chapter -I of the Report)

### **Recommendation No. 6**

2.7 The Committee notes that during 2018-19, 2019-20 and 2020-21, 46, 142 and 78 samples respectively were found to be of sub-standard quality in FCI godowns. The Government has also apprised the committee that during the year 2018-19, disciplinary action was taken against delinquents and 6 major penalties and 55 minor penalties were imposed. Likewise in year 2019-20, 3 major penalties and 63 minor penalties and 2020-21, 02 major and 103 minor penalties were imposed. In respect to CWC, investigation of each case has been carried out and defaulting officials have been penalized. In case of stock received as such, quality complaints have been lodged and depositors have taken steps for disposal. The committee feels that strict action should be taken against the delinquent officials and they should not escape accountability for such unjustified losses as FCI is incurring huge amount on the food subsidy. The committee, therefore, recommend that FCI should fix its own standards/ checklist by framing State-wise SOP for ensuring safe storage of foodgrains so that employees may become extra vigilant in the matter of procurement of good quality of foodgrains and for its safe storage to mitigate the losses to these public corporations acting

for the benefit of community for distribution of subsidized foodgrains. The committee also desire that it should be continuous endeavor of FCI to minimize the operational cost by controlling the operational losses and other overheads.

### **Reply of the Government**

2.8 The details on the transit losses reported in Food Corporation of India (FCI) during last 3 years are as under:

(Qty in LMT, Value in Crore Rs.)

<b>Year</b>	<b>Qty Moved</b>	<b>Qty of Loss</b>	<b>% of loss</b>	<b>Value of Loss</b>
2019-20*	409.64	0.94	0.23	257.92
2020-21*	618.74	1.49	0.24	426.85
2021-22	604.32	1.40	0.23	398.22
2022-23 (1 <sup>st</sup> Qtr)	150.30	0.38	0.25	113.45

(\* indicates audited figures, figures for the year 2021-22 and 2022-23 are provisional)

It may kindly be seen from above data that percentage of Transit losses is being maintained at bare minimum level. The increase in quantity and value of losses in absolute term during last 2 years is because FCI has moved about 200 LMT more stocks during 2020-21 & 2021-22 to meet requirements under PRADHAN MANTRI GARIB KALYAN ANNA YOJANA (PMGKAY) schemes launched during Covid-19 pandemic. Though in monetary terms the value has increased but in terms of percentage it remains almost same. The value has also increased due to higher rate applied for working out losses during 2020-21 and 2021-22 as compared to 2019-20.

### **FCI own procedures and efforts undertaken to control Transit Losses (TL)**

#### **I. Review of TL/ Destination Shortages**

i) Zone-wise/ Region-wise/ Dist.-wise/ Depot-wise trend of transit losses is being reviewed in every Monthly Performance Review Meetings as well as in special review meetings at different levels :-

<b>S. No.</b>	<b>Reviewed at</b>	<b>Level of review</b>	<b>MPR Frequency</b>
1	Hqrs	Zones/ Regions	Monthly
2	Zonal	Regions/ D.O's	
3	Regional	D.O's/ Depots	
4	District	Depots	

ii) Mandatory Joint Verification (JV) teams are being deputed to investigate all the transit losses cases of more than 0.75% on monthly basis.

iii) Independent Consignment Certification Squad (ICCS) are being deployed at the time of loading and unloading of rakes.

iv) Various surprise checks are arranged at both ends at loading as well as unloading stations.

## II. Increased frequency of regular inspection/ investigation

i) Highest TL/ Destination Shortages of Zone & Region are being investigated by ED (Zone) and GM (Region) respectively. If highest TL of a Region is investigated by ED (Zone) then 2<sup>nd</sup> highest TL of the Region will be investigated by the GM (Region) concerned.

ii) GM (SL/TL)/ DGM (SL/TL) of the Zone are investigating 3 cases of the different Regions and supervising loading/ unloading of 3 rakes reporting higher trend of TL.

iii) Chart of monthly investigations & rake supervisions being carried out by Z.O, R.O & D.O level is as under:

S. No.	Conducted by	No. of investigations	No. of Rake supervision during loading/ unloading
1	ED (Zone)	1x5 = 5	
2	GM (R) *	1x24 = 24	
1	GM/ DGM at Z.O	3x5 = 15	3x5=15
2	R.O	Highest 5 to 10 depots TL by Cat I Officer	10% of rakes (by R.O Squad)
3	DM/ AGM (QC)/ Cat I Officer of R.O		20% of rakes (if RTL of Depot >0.50%) 10% of rakes (if RTL range of Depot is < 0.50%)

(\*Total there are 26 Regions, among which Delhi & H.P do not have RTL)

iv) Mobile squads have also been deployed in J&K, NEF, Assam, Arunachal Pradesh and Uttar Pradesh Regions from where the high incidences of losses were reported.

## III. Administrative/ Disciplinary actions

i) JV (Joint Verification) is being conducted for TL more than 0.75% and after JV, responsibility is fixed upon the delinquents whosoever found responsible.

ii) The recovery of Rs. 33.54 Crore (from April, 2021 to March, 2022) has been imposed against staff, contractor and State Agencies out of which Rs. 14.10Crore pertains to Transit Loss. During 2022-23 (1<sup>st</sup>qtr), Rs. 1.81 Crore has been recovered from staff, contractor and Storage Agencies against transit losses.

iii) Disciplinary actions have been taken against delinquents related to Rail Transit against 227 and 343 staff during the year 2020-21 & 2021-22 (upto Dec.,21) respectively.

iv) Depot Staff is being rotated wherever depot reporting higher RTL continuously for six months.

#### **IV. Systematic changes**

i) The complete movement of foodgrains is being monitored on real time basis through DOS (Depot Online System).

ii) Polythene sheets are being spread on the floor of railway wagons to retrieve the spilled over grains.

iii) CCTV Cameras have been installed in Depots.

iv) An experiment is being conducted in six Districts by making use of high security seal to avoid tempering enroute pilferage beside the madeup bags accord at railhead are also being accounted properly. One the experiment is over and report is received then it will be replicated through the country for further improvement.

#### **V. Frequent regular/ surprise checks are being undertaken by HQRS Vigilance Division.**

The details on the inspections conducted by Headquarters Vigilance Squad during the last three years are as below:

<b>Year</b>	<b>No. of inspections conducted by Hqrs. Vigilance Squads</b>
2019-20	76
2020-21	31
2021-22	69

Due to pandemic situation prevailing across the country during 2020-21 & 2021-22, less squads were deputed from FCI Headquarters during the period. However, all the desired inspections were being conducted at field level formations to ensure effective monitoring. In the year 2022-23, in a span of three and half months about 47 squads have been deputed to sensitive divisions to conduct surprise checks.

#### **VI. Damage foodgrains – investigation & fixing of responsibility**

As per procedure each and every damage foodgrain case is investigated and responsibility is fixed upon the delinquent officers/ officials. Same is critically examined during the course of District Categorization Committee (DCC) & Regional Categorization Committee (RCC).



## **Reasons for Transit Losses**

Since there is locational variance in production, procurement and consumption of foodgrains in the country, the surplus stocks procured in the procuring regions has to be inevitably moved to the deficit consuming regions. The procured foodgrains are mainly moved by rail from procuring regions to consuming regions for distribution under National Food Security Act (NFSA) and other welfare schemes. Following factors are responsible for Transit Loss during movement of foodgrains by Rail:

- Moisture driage of foodgrains during the transit – when the rakes are moved, it takes 7 to 8 days to reach destination and during transit, due to hot weather, stocks get dried up and significance moisture driage take place.
- Difference in weight between dispatch & receipt points-when stocks moved from one depot, it weighs on Electronic Lorry Weighbridge at both the ends. There is a standard error of  $\pm 5$  Kg in LWB. Rake of 74000 bags are transported in about 200 to 400 trucks depending upon the carrying capacity and at each point of time (dispatching as well as receiving) these trucks are weighed twice to take the tare weight as well as gross weight.
- Driage of gunny weight due to driage in gunny moisture due to hot weather during transit.
- Multiple handling during loading/ unloading operations.
- Uses of hooks by labour during handling.
- Poor texture of gunny bags etc.

Due to above factors, certain quantity of loss during transit is inevitable.. However, with the sustained efforts being made by FCI, Transit losses are controlled and are maintained at barest minimum level. Transit loss data of last 10 years mentioned below is revealing that transit loss has been significantly reduced:

(Qty in LMT, Value in Crore Rs.)

<b>Year</b>	<b>Qty Moved</b>	<b>Qty of Loss</b>	<b>% of loss</b>	<b>Value of Loss</b>
2012-13*	448.02	2.12	0.47	388.18
2013-14*	527.85	2.43	0.46	475.99
2014-15*	533.74	2.30	0.43	506.44
2015-16*	437.36	1.30	0.30	298.86
2016-17*	438.09	1.32	0.30	313.90
2017-18*	456.72	1.12	0.25	286.40
2018-19*	415.00	1.03	0.25	276.85
2019-20*	409.64	0.94	0.23	257.92
2020-21*	618.74	1.49	0.24	426.85
2021-22	604.32	1.40	0.23	398.22
2022-23 (1 <sup>st</sup> Qtr)	150.30	0.38	0.25	113.45

(\* indicates audited figures, figures for the year 2021-22 and 2022-23 are provisional)

[Ministry of Consumer Affairs, Food & Public Distribution  
(Department of Food & Public Distribution)  
O.M. No. 40-1/2021-QCC/231 Dated the 19<sup>th</sup> October,  
2022]

### **Recommendation No. 7**

2.9 The Committee note that Department has taken/ taking various steps/measures to obviate storage losses. The Department has also informed that covered storage capacity has been added so that foodgrains can be stored in scientific covered storage and CAP storage can be totally avoided. The Committee also note that road map has been drawn by the Government for phasing out of CAP storage capacity. In view of the implementation of the National Food Security Act in the entire country and ever increasing Food Subsidy Bill, the Committee strongly recommend that work for phasing out of CAP storage capacity be taken up expeditiously to minimise storage losses so that every paisa earmarked for poor people reaches at grass root level.

### **Reply of the Government**

2.10 Traditionally, wheat is stored in Cover and Plinth (CAP) by State Agencies/FCI mainly in procuring regions. However, a policy decision was taken to phase out this capacity of CAP. Detailed action plan was prepared by FCI after deliberations with State Governments. It was also decided to create covered capacity so that there is no requirement to use CAP in future. FCI has proposed to create a capacity of 117.75 LMT storage capacity under proposed new 5 years guarantee scheme and is under consideration.

[Ministry of Consumer Affairs, Food & Public Distribution  
(Department of Food & Public Distribution)  
O.M. No. 40-1/2021-QCC/231 Dated the 19<sup>th</sup> October,  
2022]

## **CHAPTER III**

### **RECOMMENDATIONS/ OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

#### **Recommendation No.4**

3.1 While examining the Demands for Grants in 2021-22, the Committee observed that on the scheme of Quality Control Cells (QCCs), the budgetary allocation during the year 2021-22 was Rs. 7.38 crore. The Committee note that there are only 11 QCCs all over the country. Keeping in view the implementation of National Food Security Act in the entire country, setting up of sufficient number of QCCs is very much important to prevent losses due to sub-standard quality of foodgrains that leads to their damage. The Committee are of the view that strengthening of quality control mechanism is very important for the socio-economic development of the poor people of the country. The Committee, therefore, strongly recommends the Department to vigorously pursue the matter with Ministry of Finance to make sufficient allocation of funds for setting up of more QCCs in the country.

#### **Reply of the Government**

3.2 There are total eleven Quality Control Cells (QCCs) functioning all over the country. All these QCCs have in- house testing laboratories for quality analysis of foodgrains. However, in an effort to further strengthen the quality control mechanism, the department has already been initiated its lab upgradation in a phased manner. In first phase, three laboratories viz., Kolkata, Lucknow & Hyderabad will be upgraded.

[Ministry of Consumer Affairs, Food & Public Distribution  
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O.M. No. 40-1/2021-QCC/231 Dated the 19<sup>th</sup> October,  
2022]

## **CHAPTER IV**

**RECOMMENDATIONS/ OBSERVATIONS IN RESPECT OF WHICH  
REPLIES OF THE GOVERNMENT HAVE NOT BEEN  
ACCEPTED BY THE COMMITTEE**

**-NIL-**

## CHAPTER V

### RECOMMENDATIONS/ OBSERVATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### **Recommendation No. 3**

5.1 The Committee note that as per Public Distribution System (Control) Order, 2001, the State Government/UT Administration are to ensure that during storage, transportation and in distribution chain, the foodgrains retain their required quality specifications. The Committee are surprised that despite their being joint inspection of foodgrains stock in FCI godowns and presence of QCCs in the Department of Food and Public Distribution, there are so many complaints of beneficiaries getting inferior quality of foodgrains. The Committee feel that this could be the handiwork of some intermediaries which leads to diversion of good quality foodgrains i.e. wheat and rice and making the poor people getting inferior quality of foodgrains. Sometimes, beneficiaries cannot communicate their grievances to the agencies concerned. The Committee also noted that the 24 X 7 toll free grievance redressal at Tel. No. 1967 and 1800 have already been set up in different States/UTs but Committee are constrained to note that these helpline numbers are not helpful in solving day-to-day problems being faced by the beneficiaries and everybody knows that these toll-free numbers are not responsive to the needs of the users and most of the time the calls go unattended by the authorities. Proper functioning of these helpline numbers will enhance transparency and public accountability in the implementation of Targeted Public Distribution System (TPDS). The Committee, therefore, strongly recommend that the Department should make independent surprise visit and inspection at Fair Price Shops (FPSs) or entrust the job to some other independent agencies or vigilance committees to evaluate the situation and to take action thereon. The Committee also desire that CCTV monitoring of Fair Price Shop (FPS) can also be helpful to monitor the distribution and diversion of PDS items at FPS. The Committee, therefore, urge upon the Department and also the State Governments/UTs to streamline the functioning of these helpline numbers so as to make them functional/operational in the interest of poor beneficiaries.

#### **Reply of the Government**

5.2 National Food Security Act (NFSA) contains provision for grievance redressal, transparency and accountability. This inter-alia includes two tier grievance redressal mechanism i.e. District Grievance Redressal Officer (DGRO) and State Food Commission (SFC). The Act also provides for setting up Vigilance Committees at State, districts, blocks and FPSs level. Provision

regarding Vigilance Committees (VCs) has been reiterated in the TPDS (Control) Order 2015. States/UTs Governments are advised from time to time to constitute the VCs at all levels and to hold regular meetings. VCs are required to periodically review the functioning of the Targeted Public Distribution System (TPDS) at all respective levels.

The Helpline number 1967/1800-State series number is operational in all the States/UTs for contacting and redressal of grievances and filing any type of complaints. With a view to streamline the functioning of helpline number to make them functional/operational in the interest of poor beneficiaries, States/UTs have been instructed under Clause 10 of TPDS (C) Order, 2015, to display the mechanism and authority for redressal of grievances with respect to quality and quantity of foodgrains under the TPDS including toll-free helpline number. It has also been instructed to ensure that information boards, preferably made of tin plates with colour painting, showing beneficiary rights and other information as mentioned under Clause 10(4) of the Order shall be displayed prominently in all the Fair Price Shops.

Further, as and when complaints are received in this Department from any source including individuals and organizations as well as through press reports, they are sent to the concerned State/UT Government for inquire and appropriate action under various provisions of the Act at their end and inform the Department immediately. As a part of the celebrations of 'Azadi ka Amrit Mahotsav', Department of Food and Public Distribution is undertaking an initiative to visit around 5000 Fair price Shops (FPSs). The visit will be undertaken by senior officers of the State and Union Government. For this purpose, an online portal along with a checklist containing major components of FPS functioning has been created.

Department of Food and Public Distribution is pursuing with all States/UTs for installation of CCTV in their respective FPSs. So far, CCTV installation has been implemented in around 7000 ISO certified FPSs in Maharashtra and 38 FPSs in UT of Dadra and Nagar Haveli and Daman and Diu.

[Ministry of Consumer Affairs, Food & Public Distribution  
(Department of Food & Public Distribution)  
O.M. No. 40-1/2021-QCC/281 Dated the 25<sup>th</sup> October,  
2022]

**NEW DELHI;**  
**23 March , 2023**  
**2 Chaitra,1945 (Saka)**

**LOCKET CHATTERJEE,**  
**Chairperson,**  
**Standing Committee on**  
**Consumer Affairs, Food and Public Distribution**

**MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2022-2023)  
HELD ON THURSDAY, 23 MARCH, 2023**

The Committee sat from 1500 hrs. to 1520 hrs. in Committee Room No. '3', Block-A, Extension to Parliament House Annexe, New Delhi.

**PRESENT**

Smt. Locket Chatterjee- Chairperson

**Members**

**Lok Sabha**

2. Ms. Debasree Chaudhuri
3. Shri Anil Firojiya
4. Shri Khagen Murmu
5. Shri Mitesh Rameshbhai Patel
6. Dr. Amar Singh
7. Smt. Himadri Singh
8. Shri Rajmohan Unnithan
9. Shri Ve. Vaithilingam
10. Smt. Kavita Singh

**Rajya Sabha**

11. Shri Satish Chandra Dubey
12. Dr. Fauzia Khan
13. Shri Baburam Nishad
14. Shri Sakaldeep Rajbhar

**SECRETARIAT**

- |    |                        |   |                  |
|----|------------------------|---|------------------|
| 1. | Shri Srinivasulu Gunda | - | Joint Secretary  |
| 2. | Dr. Vatsala Joshi      | - | Director         |
| 3. | Dr. Mohit Rajan        | - | Deputy Secretary |

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the Draft Report on the Action Taken by the Government on the observations/recommendations contained in the Twentieth Report of the Committee (Seventeenth Lok Sabha) on the subject 'Quality Control Cells(QCCs)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).
3. Thereafter, the Committee took up for consideration the Draft Action Taken Report on Twentieth Report of the Committee.
4. After some deliberations, the Committee adopted the Draft Report without any amendments/modifications.
5. The Committee then authorized Hon'ble Chairperson to finalize and present the aforesaid Draft Report.

**The Committee then adjourned.**

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## APPENDIX II

(Vide Para No. 4 of Introduction of the Report)

### **ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE TWENTIETH REPORT OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2021-22)**

#### **(SEVENTEENTH LOK SABHA)**

(i) Total number of Recommendations: 7

(ii) Recommendations/Observations which have been accepted by the Government :

Para Nos. :- 1,2,5,6 and 7

(Chapter – II, Total 5)  
Percentage : 71.42%

(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies received from the Government

Para Nos.:- 4

(Chapter – III, Total - 1)  
Percentage : 14.29%

(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para Nos. NIL

(Chapter – IV, Total -0)  
Percentage : 0.00%

(v) Recommendations/Observations in respect of which the interim replies of the Government have been received.

Para No.:- 3

(Chapter – V, Total - 1)  
Percentage : 14.29%