

NINETEENTH REPORT
STANDING COMMITTEE ON FOOD, CIVIL
SUPPLIES AND PUBLIC DISTRIBUTION
(2002)

(THIRTEENTH LOK SABHA)

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

*[Action Taken by Government on the Recommendation contained in the
Sixteenth Report of the Committee on Food, Civil Supplies and Public
Distribution on Demands for Grants (2002-2003) of the Ministry of
Consumer Affairs, Food and Public Distribution (Department of
Food and Public Distribution)]*

Presented to Lok Sabha on

Laid in Rajya Sabha on

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LOK SABHA SECRETARIAT
NEW DELHI

November, 2002/Agrahayana, 1924 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD,
CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (2002)

Shri Devendra Prasad Yadav — *Chairman*

MEMBERS

Lok Sabha

2. Shri Vishnu Dev Sai
3. @Shri Sahib Singh Verma
4. Shri Mansirih Patel
5. Shri Ram Chandra Veerappa
6. Shri Ram Naresh Tripathee
7. Shri Namdeorao Harbaji Diwathe
8. Shri Shyam Bihari Mishra
9. Shri Abdul Hamid
10. Smt. Preneet Kaur
11. Shri Rameshwar Dudi
12. Shri Tara Chand Bhagora
13. Shri Sujan Singh Bundela
14. Shri Sisram Ola
15. Shri A.P. Abdullakutty
16. Shri Bajju Ban Riyan
17. Shri Ram Sagar Rawat
18. Shri Rajbhar Babban
19. Shri Ezhilmalai Dalit
20. Capt. (Retd.) Inder Singh
21. @@Shri Nagmani
22. Shri Jai Prakash
23. *Shri M.V.V.S. Murthi
24. **Shri Kishan Lal Diler
25. **Dr. A.D.K. Jeyaseelan
26. **Shri Bali Ram Kashyap
27. **Shri Shivaji Mane
28. **Shri Rama Mohan Gadde
29. **Shri Ramshakai
30. **Shri Tejveer Singh
31. ***Shri Dip Gogoi

Rajya Sabha

32. Smt. Bimba Raikar
33. Smt. Gurcharan Kaur
34. Shri Lajpat Rai
35. Shri M.A. Kadar
36. Dr. Swami Sakshi Ji Maharaj
37. Shri Vijay Singh Yadav
38. Shri Anil Sharma
39. @@@Dr. (Ms.) P. Selvie Das
40. #Shri C. Perumal
41. ##Shri Rishang Keishing
42. ###Shri Ravula Chandra Sekar Reddy
43. \$Shri S.K. Khabiruddin Ahmed
44. \$\$\$Shri Manohar Kant Dhyani
45. \$\$\$\$Shri R.N. Arya

SECRETARIAT

1. Shri Johan Josep — *Additional Secretary*
2. Shri N.K. Sapra — *Joint Secretary*
3. Shri A.S. Chera — *Deputy Secretary*
4. Shri R.S. Mishra — *Under Secretary*
5. Shri Santosh Kumar — *Committee Officer*

- * Ceased to be a member of the Committee w.e.f. 18th January, 2002 (*vide Bulletin Part-II, No. 2540, dated 18th January, 2002*).
- ** Nominated to the Committee w.e.f. 19th April, 2002 (*vide Bulletin Part-II, No. 2814 dated 19th April, 2002*).
- *** Nominated to the Committee w.e.f. 13th May, 2002 (*vide Bulletin Part-II, No. 2879, dated 13th May, 2002*).
- @ Ceased to be a member of the Committee w.e.f. 1st July, 2002, consequent upon becoming Union Minister of Labour.
- @@ Ceased to be a member of the Committee w.e.f. 5th July, 2002 (*vide Bulletin Part-II No. 2995 dated 5th July, 2002*).
- @@@ Nominated to the Committee w.e.f. 17th January, 2002 (*vide Bulletin Part-II, No. 2575, dated 25th January, 2002*).
- # Nominated to the Committee w.e.f. 8th April, 2002 (*vide Bulletin Part-II, No. 2796, dated 10th April, 2002*).
- ## Nominated to the Committee w.e.f. 22nd April, 2002 (*vide Bulletin Part-II, No. 2832 dated 26th April, 2002*).
- ### Nominated to the Committee w.e.f. 2nd May, 2002 (*vide Bulletin Part-II, No. 2866 dated 7th May, 2002*).
- \$ Nominated to the Committee w.e.f. 22nd May, 2002 (*vide Bulletin Part-II, No. 2918 dated 27th May, 2002*).
- \$\$ Nominated to the Committee w.e.f. 2nd August, 2002 (*vide Bulletin Part-II, No. 40013 dated 2nd August, 2002*) and ceased to be a member of the Committee w.e.f. 25.11.2002 due to retirement from Rajya Sabha.
- \$\$\$ Ceased to be a member of the Committee w.e.f. 25.11.2002 due to retirement from Rajya Sabha.

INTRODUCTION

1. I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (2002) having been authorized by the Committee to submit the Report on their behalf, present this Nineteenth Report on Action Taken by the Government on the recommendations/ observations contained in the Sixteenth Report of the Committee (Thirteenth Lok Sabha) on "Demands for Grants (2002-2003) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Sixteenth Report was presented to Lok Sabha on 23 April 2002. The Government furnished their replies indicating Action Taken on the recommendations contained in the Report on 20 August 2002. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (2002) at their sitting held on 26 November 2002.

3. An analysis of the action taken by the Government on recommendations contained in the Sixteenth Report of the Standing Committee (Thirteenth Lok Sabha) on "Demands for Grants" (2002-2003) is given in Appendix II.

NEW DELHI;
29 November, 2002
8 Agrahayana, 1924 (Saka)

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food, Civil
Supplies and Public Distribution.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the Action Taken by the Government on the Observations/Recommendations contained in the Sixteenth Report (Thirteenth Lok Sabha) on Demands for Grants (2002-2003) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

1.2 The Report was presented to Lok Sabha on 23rd April, 2002 and laid on the Table of Rajya Sabha on 24th April, 2002. It contained 22 recommendations/observations.

1.3 Action Taken Notes in respect of all the 22 observations/recommendations contained in the Report have been received and categorized as follows:—

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

Para Nos. 1.15, 2.127, 2.132, 2.133, 2.136, 2.139, 3.42, 3.44 and 4.39

(Chapter-II, Total-9)

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

Para Nos. 1.16, 2.128, 2.130, 2.138, 3.43 and 4.38

(Chapter-III, Total-6)

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

Para Nos. 2.126, 2.129, 2.131 and 4.37

(Chapter-IV, Total-4)

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

Para Nos. 2.134, 2.135 and 2.137

(Chapter V, Total-3)

1.4 The Committee desire that the final replies in respect of the Observations/Recommendations for which only interim replies have been given by the Government should be furnished to the Committee expeditiously.

1.5 The Committee strongly emphasize that utmost importance should be given to the implementation of Observations/Recommendations accepted by the Government. In cases where it is not possible for the Government to implement the recommendations in their letter and spirit for any reason, the matter should be reported to the Committee well in time with reasons for non-implementation.

1.6 The Committee will now deal with the action taken by the Government on some of the recommendations as follows. The Committee are not satisfied with the replies of the Government and, therefore do not accept these. The Committee have made further recommendation on the following aspects at para Nos. 1.9, 1.12, 1.15 and 1.18.

Distress Sale of Foodgrains

Recommendation (Para No. 2.126)

1.7 Noticing wide-scale aberration in procurement of foodgrains, the Committee had recommended :

"It has come to the notice of the Committee that complaints of distress sale of paddy during Kharif marketing season (2001-2002) have been reported from the States of Bihar, Gujarat, Madhya Pradesh, Orissa, Tamil Nadu, Uttar Pradesh, West Bengal and even from Amritsar and Batala Districts of Punjab where the State Governments and the Food Corporation of India have strong and effective procurement machinery. The cases of distress sale of wheat during Rabi Marketing Season (2001-2002) have also been reported. The Committee feel that the benefit of Minimum Support Price (MSP) of foodgrains is not reaching the farmers in most States/UTs of the country. The claim of the Government that the level of procurement of foodgrains in a State depends upon the surplus production available there, is not totally acceptable to the Committee because in that case the benefit of MSP can be enjoyed only by the farmers of States having surplus production of foodgrains. Thus the States having no surplus production of foodgrains would not be able to contribute to the Central Pool.

The sole purpose of announcing MSP is that farmers are not forced to resort to distress sale of stocks, but the same is happening in the surplus producing States/areas where procurement centres are not opened by the Food Corporation of India/State Agencies. In those areas farmers have no alternative but to sell their produce below MSP and the announcement of MSP by Central Government have no meaning for them. The Committee, therefore, strongly recommend that there should be a uniform policy of procurement and special attention should be given to States like Bihar, Gujarat, Madhya Pradesh, Uttar Pradesh, Orissa, etc. where incidents of distress sale has been reported. Also, the Government should ensure maximum contribution of foodgrains from each State/UT to Central Pool on the basis of its percentage production *vis-a-vis* national production."

1.8 The Ministry in their Action Taken Reply have stated as under.—

Complaints about the sale of paddy below MSP were received from parts of Bihar, Gujarat, Haryana, M.P., Orissa, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal. The matter was taken up with the concerned State Governments. The report received so far indicate that only paddy which did not conform to FAQ specifications was being sold below the MSP. Details in this regard are at ANNEX-II. FCI procures foodgrains at MSP conforming to FAQ specifications.

2. It may be pointed out that the States of Chhattisgarh, Madhya Pradesh, Uttar Pradesh and West Bengal are procuring foodgrains under the system of decentralized procurement. In Uttar Pradesh, the State Government is procuring both wheat and paddy, while in West Bengal and Chhattisgarh the State Governments are only procuring paddy/ rice. In Madhya Pradesh, the State Government is procuring both wheat and paddy. These States are free to procure as much as possible and pass on the surplus stocks procured to FCI.

3. In Tamil Nadu, the State Government undertakes procurement of paddy but does not contribute to the Central Pool. Recently, the Government of Tamil Nadu has shown interest in undertaking procurement of paddy under the decentralized system.

4. Special attention is being given to Bihar and Orissa. In Bihar during the Kharif Marketing Season 2001-02 and Rabi Marketing Season 2002-03, 88,877 tonnes of rice and 41,307 tonnes of wheat have so far been procured (as on 15.7.2002) as compared to 18,340 tonnes of rice and 40,191 tonnes of wheat during the corresponding period of last

year. Procurement during the years 1998-99, 1999-2000 and 2000-01 was negligible, as would be evident from the following Table:

| Year | (in tonnes) | | | | |
|-------|-------------|---------|---------|---------|---------|
| | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
| Wheat | Nil | Nil | Nil | 43,294 | 41,307* |
| Rice | Nil | 20,000 | 18,340 | 88,877* | — |

*(As on 15.7.2002)

5. It has been decided that FCI will open 100 procurement centres in Bihar during the forthcoming Kharif season as against 40 centres in the previous season.

6. In Orissa, procurement of rice is being done through the levy route. However, this year, on an experimental basis, paddy procurement was undertaken in Bolangir district of Orissa. It may be mentioned that the quantity of rice procured in Orissa has gone up from 4,80,865 tonnes in 1998-99 to 11,27,819 tonnes in 2001-2002 (till 12.8.2002). The figures since 1998-99 are given in the following Table.

| Year | (In lakh tonnes) | | | |
|-----------|------------------|-----------|-----------|--------------------------------|
| | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 (As on 12.8.2002) |
| Levy rice | 4.81 | 8.85 | 9.18 | 11.28 |

7. In Gujarat, the State Government earlier used to procure wheat but the same was not for delivery to the Central Pool. However, in recent years, there has been no procurement of wheat. Gujarat accounts for only 0.94% of the total production of wheat in the country. As such, the scope of procurement is also negligible. The production of rice in Gujarat is also very small. During 1999-2000, the total production of rice in the State was 9.8 lakh tonnes which is just 1.1% of the total rice production in the country.

8. The procurement level in a State depends upon the availability of marketable surplus. In States where the marketable surplus is high, the procurement will be more. The extent of contribution of foodgrains by a State to the Central Pool is determined by several factors like per capita availability of foodgrains, consumption pattern, productivity, availability of market infrastructure, good roads, etc.

9. The per capita availability in different States is shown at ANNEX-III. It may be seen from the Table that in the case of rice, the national average per capita availability of rice is 82.64 Kg. The per capita availability in Bihar is only 65.36 kg. and in Gujarat it is 20.04 Kg. As such low levels of per capita availability, the marketable surplus likely to be available is very less. In comparison, the per capita availability in Andhra Pradesh is 190.79 Kg. and in Punjab it is 376.88 Kg. This is the main reason why bulk of the rice procurement occurs in these States. Similarly, in the case of wheat, the national average per capita availability is 66.95 Kg. In Bihar, the per capita availability is 54.26 Kg. whereas in comparison, the per capita availability in Punjab is 640.25 Kg., while in Haryana, it is 457.81 Kg. and in Uttar Pradesh it is 150.19 Kg. It is for this reason that maximum procurement of wheat is in these three States.

1.9 The Committee are not satisfied with the reply of the Government that level of procurement of foodgrains depends on per capita availability of foodgrains in the State. The Committee feel that per capita availability of foodgrains is not the best indicator to determine the capacity to sell surplus stock of foodgrains available with farmers. This is only indicative of the selling capacity of the average farmers whereas so many farmers might have surplus stock of foodgrains to offer. Further, the Government have themselves accepted the complaints of distress sale of paddy from Bihar, Gujarat, Haryana, Madhya Pradesh, Orissa, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal. Thus, the Government cannot be absolved of their responsibility of providing MSP to all the farmers in all States. Even during the study tour of the Committee to Bihar and Uttar Pradesh, they were informed that Food Corporation of India is not purchasing the foodgrains even conforming to FAQ specifications and the farmers are deprived of facility of MSP. The Committee, therefore, while reiterating their earlier recommendation desire that there should be a uniform policy of procurement of foodgrains and each potential State must contribute a certain percentage of foodgrains on the basis of their production to the Central Pool.

Increase in buffer subsidy and decline in consumer subsidy

Recommendation (Para No. 2.129)

1.10 Observing the increasing buffer subsidy and decline in consumer subsidy to Below Poverty Line population, the Committee had recommended:

"The Committee note that Gross Buffer Subsidy under Budget Estimate (2001-2002) was placed at Rs. 5979 crore which has increased to Rs. 6492 crore in the Revised Estimate (2001-2002). The Budget Estimate (2002-2003) for Gross Buffer Subsidy is Rs. 8339 crore. The Committee find that there is a continuous increase in Gross Buffer Subsidy the Committee have been informed that the Buffer Carrying Cost for 299.38 lakh tonnes of surplus stock during 2001-2002 is Rs. 7269 crore. For surplus stock, an interest charge of Rs. 2944 crore has been accrued. The Committee are constrained to note that out of food subsidy of Rs. 17,927 crore, only 3611.05 crore has been spent on BPL people which comes to about 20% only. The Committee, therefore, recommend that buffer subsidy for maintaining surplus stock of foodgrains be minimised and at least 50% of the food subsidy should go to BPL people."

1.11 The Ministry in their Action Taken reply have stated as under:

Buffer stocks are increasing in the recent years due to higher levels of procurement and low offtake under PDS.

2. The Government has recently taken various steps to improve the offtake of foodgrains from the Central Pool, as shown in ANNEX-V. With improved offtake level, the buffer stocks are likely to show a downward trend and consequently the share of buffer subsidy in the total food subsidy is expected to go down.

3. The total subsidy on foodgrains released during 2001-2002 was Rs. 17,494 crore, out of which the subsidy spent on BPL population (including AAY) was Rs. 6,217.07 crore (Rs. 1,927.56 crore for wheat and Rs. 4,289.51 crore for rice). This comes to 35.54% of the total food subsidy released. The subsidy released for APL population was only Rs. 457.90 crore (Rs. 119.60 crore on wheat and Rs. 338.30 crore on rice). The scheme-wise and category-wise break-up of subsidy released during 2001-02 can be seen at ANNEX-VI.

4. The increase in entitlement of PDS beneficiaries to 35 kg per family per month w.e.f. 1.4.2002 is expected to lead to higher offtake for BPL families. This coupled with lower buffer subsidy, is likely to increase the share of food subsidy going to BPL families.

1.12 The Committee are not satisfied with the quantum of food subsidy being spent on Below Poverty Line (BPL) population. The Ministry have replied that out of the total subsidy on foodgrains of Rs. 17,494 crore during 2001-2002, only 6217.07 crore was spent on BPL category whereas Rs. 5,881.90 crore was spent as buffer subsidy. The Committee feel that the interests of BPL people are not fully taken care of. The Committee, therefore, reiterate their earlier recommendation that buffer subsidy for maintaining surplus stock of foodgrains be minimised and efforts should be made to provide maximum food subsidy to the BPL people.

**Accumulated stock of foodgrains and
dependence on hired godowns**

Recommendation (Para No. 2.131)

1.13 Concerned with increasing accumulated stock of foodgrains year-after-year with FCI and their dependence on hired godowns, the Committee had recommended :

“The Committee note that hired storage capacity of the Food Corporation of India (FCI) as on 1.12.2002 is 206.65 lakh tonnes. Due to open ended procurement and less offtake of foodgrains, the dependency on hired godowns is increasing. The Committee further note that rentals payable to hired godowns during (2001-2002) would be around Rs. 375 crore. The Committee, therefore, recommend that steps should be taken to dispose of the accumulated stocks of foodgrains strictly in a planned and phased manner so that dependence on hired godowns is reduced. Even after that, if the need for storage capacity still arises, the Food Corporation of India should create its own capacity.”

1.14 The Ministry in their Action Taken reply have stated as under:

The Government has taken several steps to improve the off-take of foodgrains from the Central Pool. The details of the action taken are at the ANNEX-V.

2. Storage requirement of FCI depends upon the inflow & outflow of foodgrains in a particular area. FCI constructs godowns as per the requirement, at identified strategic locations, keeping in view the budgetary constraints. Under the National Policy on Handling, Storage and Transportation of foodgrains, the private sector can build, own and operate conventional godowns and the FCI guarantees utilisation for a period of seven years from the date of agreement. Various State Warehousing Corporations & also the Central Warehousing Corporation have been offered guarantees for the creation of over 85 lakh MTs of storage space.

3. Additional storage requirements in procuring States are met by hiring suitable storage facilities till such time the stocks are issued/moved out to the consuming States, after which they are considered for de-hiring.

1.15 The Committee note that the Government have not been able to dispose the accumulated stock of foodgrains. About 600 lakh tonne of foodgrains are lying in FCI godown. Though Government have initiated several steps like Food for Work, Sampoorna Gramin Rozgar Yojana, Mid-day Meal etc. to dispose of the stock of foodgrains, a lot still requires to be done to reduce dependence on hired godowns and decrease buffer subsidy. The Committee, therefore, while reiterating their earlier recommendation desire that such steps should be taken so that foodgrains do not accumulate for more than two years. In case of accumulation of foodgrains, such stock should be disposed of expeditiously in a time bound manner.

Facility for testing of oils and fats

Recommendation (Para No. 4.37)

1.16 Stressing the need for facility to test oils and fats throughout the country, the Committee had recommended,

"The Committee note that the Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) tests samples drawn from manufacturing units for monitoring the quality standards laid down under the Vegetable Oils Products (Regulation) Order, 1998 and the Solvent Extracted Oil, Deoiled Meal and Edible Flour (Control) Order, 1967. The Committee are happy to note that the number of samples drawn during 2001-2002 has increased to a level of 5738 from its earlier mark of 2454 during 2000-2001. However, the samples of oils and fats collected from manufacturing units located throughout the country are tested in the laboratory of the DVVO&F at New Delhi only. The committee feel that there is a great need for increasing the number of laboratories for widening the monitoring activity on the manufacture of edible oil and fats. Also, the regional offices for undertaking routine analysis at Chennai, Mumbai and Kolkata have not yet become operational. The Committee, therefore, recommend that regional offices at Chennai, Mumbai and Kolkata be made functional in a time bound manner and more laboratories be established in other parts of the country for testing oils and fats."

1.17 The Ministry in their Action Taken reply have stated as under:

The laboratories for testing of edible oils & fats were to be set up under the Plan Scheme of Strengthening of the Directorate of VVO&F. As part of zero-based budgeting, the Plan Scheme on Strengthening of the Directorate of VVO&F has been discontinued and no funds have been allocated for the said scheme by the Planning Commission in the 10th Five Year Plan. Therefore, it is not possible either to increase the number of laboratories or to have laboratories in the regional offices at Chennai, Mumbai & Kolkata or to set up more laboratories in other parts of the country.

1.18 The Committee note that there is a wide-scale adulteration prevalent in Fats and Edible Oils in the Market which is a health hazard to the common people. The country had faced the ill effects of adulteration in 1998 in the form of drupsy which caused death of several people. The adulteration then was found even in well-reputed brands, like Dhara, Kanodia etc. To cope up with the maladies, the Government have established the Directorate of Vanaspati, Vegetable Oils and Fats & (DVVO&F), but the Committee feel that Directorate is not able to give the desired result as it has only one laboratory to test samples of oils and fats at Delhi. Keeping these facts in view, the Committee had recommended to make functional the regional offices at Chennai, Mumbai and Kolkata and to establish more laboratories in other parts of the country. The Committee are constrained to note that as part of a zero-based budgeting, this Scheme has been discontinued and no funds have been allocated by the Planning Commission in the 10th Five Year Plan. The Committee feel that the Central Monitoring Group as a part of zero-based budgeting is not targeting the areas where real cut may be made. On the contrary it is discontinuing the schemes which are beneficial and necessary for the common people, particularly the poorest section of the society. The savings made on this account may be very small while the misery caused to the people may be great. The Committee, therefore, while reiterating their earlier recommendation desire that a chain of laboratories be established in coordination with State Governments to prevent adulteration in different parts of the country for testing oils and fats, so that country may not face any tragedy in future on this account.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.15)

The Committee observe that the Budget allocation (2001-2002) for construction of godowns for PDS and purchase of Mobile Vans in North-Eastern States including Sikkim could not be utilized fully. Under the head 2552 (Revenue), out of the allocation of Rs. 50 lakh, only Rs. 18 lakh could be utilized by 15th March, 2002. Similarly, for the same purpose under the head 4552 (Capital), out of an amount of Rs. 50 lakh, only a sum of Rs. 18 lakh could be utilized. Though the Government expected to utilize the allocated sum fully by 31st March, 2002, the Committee are very much sceptical about this.

Reply of the Government

The combined Budget allocation for construction of godown and purchase of mobile vans in North Eastern States, including Sikkim, during the financial year 2001-2002, under the Head of Account 2552 (Revenue), was Rs. 50 lakhs. Out of this, Rs. 18 lakhs was sanctioned upto November, 2001 and the balance of Rs. 32 lakhs was released after the 15th of March, 2002.

2. Similarly, an amount of Rs. 50 lakhs was allocated under the Head of Account 45522 (Capital) during 2001-2002. Out of this, Rs. 18 lakhs was spent up-to November, 2001 and the balance Rs. 32 lakhs was released after the 15th March, 2002.

3. No proposal was received from the North Eastern States, including Sikkim, for purchase of vans during 2001-2002.

4. Proposals received from the North Eastern States, namely, Manipur, Mizoram and Sikkim, for construction of godowns were discussed, along with the proposals received from other States/U.Ts, in the meeting of the Standing Finance Committee (SFC) held on the 19th November, 2001. SFC noted that there was wide variation in the proposals in respect of the construction cost per metric tonne and also in the space provided per tonne of storage capacity. It was decided that the cost of construction for each location may be worked out as per the CPWD norms. The schedules of rates of CPWD and Central Warehousing Corporation (CWC) were thereafter collected and the cost per MT was calculated for each location. The proposals were considered by the Standing Committee in its subsequent meetings held on the 13th February, 2002 and the 5th March, 2002.

5. In the circumstances, financial assistance could be released to the States/UTs only after the 5th March, 2002. However, the entire budget allocation of Rs. 100 lakhs for construction of godowns for PDS in the North Eastern States, including Sikkim, has been fully utilized upto the 31st March, 2002 as per details given below:

| States/UT | Sanction No. and date | MH 2552 (Subsidy) (Rs. in lakh) | MH 4552 (Loan) (Rs. in lakh) | Total (Rs. in lakh) | No. of Godowns | Capacity in MT |
|-----------|---------------------------------|---------------------------------|------------------------------|---------------------|----------------|----------------|
| Tripura | 15(12)/99-PD-I dated 2-11-2001 | 17.5345 | 17.5345 | 35.069 | 7 | 500 |
| Sikkim | 15(2)/2000-PD-I dated 27-3-2002 | 4.0266 | 4.0266 | 8.0532 | 1 | 300 |
| Manipur | 15(1)/2000-PD-I dated 27-3-2002 | 28.4385 | 28.4385 | 56.877 | 1 | 1250 |
| Total | | 49.9996 | 49.9996 | 99.9992 | 9 | 2050 |

[O.M. NO. G-20017/4/2002-Ac dated 20-8-2002]

Recommendation (Para 2.127)

The Committee note that though there is a vast potential of procurement of coarse-grains in the States of Andhra Pradesh, Bihar, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Gujarat and Tamil Nadu, procurement operation has not yet started in some of these States. The Government have informed the Committee that the procurement of coarse-grains has declined from 6.31 lakh tonnes in 2000-2001 to about 2.32 lakh tonnes during 2001-02. The Committee feel that the Government have not given due attention to procurement of coarse-grains and the decline in procurement during 2001-02 may be attributed to the non-existence of procurement agencies in the aforesaid States. The Commission for Agricultural Costs and Prices (CACP) has recommended entrusting the task of price support operation for coarse cereals to NAFED, particularly in those States where it cannot be included in the Public Distribution System. The Committee welcome the suggestion of CACP and feel that this will augment procurement of coarse-grains. The Committee, therefore, recommend that the Government should start procurement of coarse-grains from other potential States like Bihar, Uttar Pradesh, Tamil Nadu too and pursue the matter with the Ministry of Agriculture for appointing NAFED as the procurement agency in those States where it is not included in the Public Distribution System.

Reply of the Government

There is a sharp decline in the area under coarse cereals. Coarse cereals are now cultivated in an area of about 30 million hectares. The area under coarse cereals during the period 1952-53 and 1983-84 was between 40.43 million hectares and 47.34 million hectares. The production of coarse cereals is now about 30 million tonnes, which is almost at the same level as in the 1970's (i.e. 1970-71, 1975-76 and 1977-78). With the increase in population since 1971, per capita availability of coarse cereals in the country has considerably declined. A statement indicating the area, production and yield of coarse cereals from 1950-51 to 2001-02 is enclosed (ANNEX-IV).

2. Procurement of coarse cereals during the current Kharif Marketing Season 2001-02 was undertaken in Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Madhya Pradesh and Rajasthan. The quantity procured was 3,08,081 tonnes (as on 3.6.2002). No proposal for procurement of coarse cereals was received from the States of Bihar, Tamil Nadu and Uttar Pradesh.

3. There is little demand for coarse cereals under the Public Distribution System. The shelf life of coarse cereals is limited. The demand pattern for food consumption is undergoing a change in India. People today prefer to consume more of non-cereals and among cereals the preference is for rice and wheat as against coarse cereals. There is a shift in the consumption pattern of the population in favour of superior food items like milk, vegetables, fruits, animal foods and so on.

4. The Department of Food & Public Distribution had requested the Ministry of Agriculture to take up the procurement of coarse cereals through NAFED, as recommended by the Commission for Agriculture Costs and Prices (CACP). However, the Ministry of Agriculture did not find it feasible to accede to the procurement of coarse cereals through NAFED because of "managerial and financial constraints".

5. The High Level Committee on Long Term Grain Policy, in its Report submitted on 31.7.2002, has recommended that price support operation in coarse cereals be handled by State agencies. The relevant recommendation is reproduced below:—

"It is desirable that the FCI's role is confined to procurement of the major cereals for the PDS and that price support operations in coarse cereals are handled by State agencies. There have been very large storage losses in FCI's procurement of jowar, maize, bajra and other coarse cereals because of limited shelf life. This adds to the economic costs of the FCI. Experience of the last thirty years indicates that coarse are not demanded for the PDS. We recommend that the coarse cereals support should not be undertaken by FCI".

6. Till a decision is taken on the recommendation made by the High Level Committee on Long Term Grain Policy, the procurement of coarse cereals will continue as at present. The State Governments will be permitted to procure coarse cereals on behalf of FCI and distribute the same under their PDS to the extent possible. The balance quantity will be disposed of through tenders. The loss/gain will be to FCI's account.

[O.M. NO. G-20017/4/2002-Ac dt. 20-8-2002]

Recommendation (Para No. 2.132)

The Committee note that estimated transit and storage losses during 2000-2001 are Rs. 172 crore and Rs. 227 crore respectively. In addition to this, Rs. 19 lakh have been lost by way of theft. A wide scale regional variation has been noticed in transit and storage losses in North Eastern States where the trend of such losses is more than average. The Committee, therefore, strongly recommend that the Government should take immediate steps to keep the storage and transit losses to the minimum and also to check the occurrence of theft cases in future.

Reply of the Government

Due to various factors like long period of storage, multiple handling, loss of moisture etc. which vary from centre to centre, regional variations in storage and transit losses are bound to occur.

2. In North Eastern States, the trend of transit loss is found to be more than average, due to longer transportation (including road movement), long overhauling of wagons, transshipment from BG to MG etc. A special drive is already under way in the North East to investigate each abnormal loss so as to identify the causes. Wherever involvement of staff is proved, recoveries are being effected after following the prescribed procedures.

3. Following measures have been taken by FCI to control the transportation and storage losses and losses due to theft—

- (a) adoption of 50 kg. packing in a phased manner;
- (b) installation of weighbridges;

- (c) administration measures, such as tightening of security at depots, intensifying surprise checks & ensuring regular stock verification;
- (d) encouraging machine stitching of bags;
- (e) physical measures like installation of barbed wires fencing of the boundary walls, provision of light for illumination of godowns and proper locking of the sheds to secure the godowns;
- (f) induction of Central Industrial Security Force at vulnerable depots to curb theft and pilferage;
- (g) in case of occurrence of theft lodging of FIRs with the local police stations for investigation of the cases;
- (h) departmental action including recovery of losses is taken against the FCI officials who are found responsible for such occurrence of thefts;
- (i) to streamline procedures and documentation for transparency and accountability in operations;
- (j) speeding up of write off cases and fixation of responsibility wherever called for;
- (k) identification of vulnerable points;
- (l) inspection of depots and record by Sr. Regional Managers/ District Managers;
- (m) inspection of weighbridges by Joint Manager (Mechanical) and District Managers;
- (n) double line machine stitching of bags;
- (o) improvement in size and quality of gunnies;
- (p) three-tier system of audits *i.e.* Internal/Statutory and C&AG, etc.

4. Measures like deployment of CISF at sensitive points and installation of barbed wire fencing would go a long way in curbing theft cases in FCI.

[O.M. NO. G-20017/4/2002-Ac dated 20-8-2002]

Recommendation (Para No. 2.133)

The Committee observe that for the last two-three years the non-issuable stocks of foodgrains has been stagnating around 2 lakh MT. Though the Government are making efforts to dispose of these damaged foodgrains by calling tenders/auction, the actual and timely lifting of foodgrains is not being noticed. As on 28.02.2002 45619 tonnes of Feed-II and 17676 tonnes of Feed-II category of non-issuable foodgrains were lying in godowns. The committee feel that this problem can be solved only, if the rate of disposal of non-issuable stocks exceeds the fresh accrual of damaged stocks. The committee, therefore, recommend that non-issuable stocks of foodgrains be disposed of within a fixed time in a phased manner and efforts be made so that minimal stocks is downgraded to non-issuable category.

Reply of the Government

There cannot be two opinions so far as the need to dispose of non-issuable stocks expeditiously is concerned. The recommendation made by the Committee has been brought to the notice of the Food Corporation of India for compliance.

2. The inventory of damaged foodgrains as on 1st January, 2002 was 2.12 lakh MT. This was reduced to above 1.64 lakh MT as on 1st June, 2002. This is inclusive of fresh accrual of 0.15 lakh MT during the above period. The month-wise details of opening balance, accrual, disposal and closing balance of damaged foodgrains with FCI are given as under:

| Month | Opening Balance | Accrual | Disposal | Balance |
|--------------|-----------------|---------|----------|----------|
| January, 02 | 2,11,718 | 1,893 | 7,939 | 2,05,674 |
| February, 02 | 2,05,670 | 3,846 | 8,727 | 2,00,437 |
| March, 02 | 2,00,437 | 5,035 | 9,690 | 1,95,782 |
| April, 02 | 1,95,782 | 1,626 | 26,748 | 1,71,517 |
| May, 02 | 1,71,517 | 2,266 | 9,831 | 1,63,974 |
| Total | | 14,666 | 62,935 | |

3. From the above, it may be seen that the rate of disposal of damaged food-grains has been in excess of the accrual in recent months.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 2.136 of Chapter II)

The Committee have been informed that disciplinary proceedings against some officers in the Eastern Region of Food Corporation of India for major/minor penalty had been initiated during 2001. In addition to the above, there are 62 departmental inquiries pending under major penalty proceedings initiated during 2001 in the Eastern Region. The Committee desire that such cases be disposed of speedily and action taken in this regard be communicated to the Committee.

Reply of the Government

The status of disciplinary proceedings in Eastern Zone of FCI during the year 2001 is as under:

| Type of Proceedings | Opening balance (as on 1.1.2001) | Fresh Institution (during 2001) | Disposal (during the year 2001) | Pending at the end of the year 2001 |
|---------------------|----------------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Major Penalty | 31 | 96 | 60 | 67 |
| Minor Penalty | 67 | 327 | 282 | 112 |
| Total | 98 | 423 | 342 | 179 |

2. Out of the pending 67 major penalty cases, inquiry is in progress in 7 cases and the matter is pending with various disciplinary authorities for final decision in 9 cases. Out of balance 51 cases, inquiry officers/presenting officers have been appointed in 19 cases. IOs/POs are to be appointed in the remaining 32 cases. FCI has been directed to expeditiously complete these pending cases.

3. Out of the pending 112 minor penalty cases, replies to charge sheets are awaited from the delinquent officials in 50 cases. In the remaining 62 cases, final orders have been passed by the disciplinary authorities in 55 cases and in balance 7 cases, final orders are being passed shortly by the disciplinary authorities. FCI has been directed to expeditiously complete these pending cases in a time bound fashion.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 2.139)

The Committee note that the scheme for training, research and Monitoring for strengthening the public distribution system has not worked well. Though the Government are providing financial assistance for training programmes organized by States/UTs, Civil Supplies Corporations and reputed institution in the field of public distribution system, the desired result has not been achieved. The Committee further note that one time assistance has been provided to 13 States to link the States Units with NIC network at district, State and national levels. The committee, therefore, urge the Government that in order to have effective monitoring over Public Distribution System (PDS), the Directorate of Civil Supplies of the remaining States should be computerized at the earliest. Also, an effective study should be made on PDS so that steps can be taken to ensure that its benefits reach the really poor.

Reply of the Government

Under the Central Plan Scheme 'Training, Research and Monitoring' financial assistance is provided to all States and U.Ts for conducting training programmes at various levels, purchase of a computer system to establish an effective link between the District Food and Civil Supplies office and the NIC network and for organizing lectures, seminars and workshops on policy issues relating to the Public Distribution System. Apart from this, financial assistance is also given for conducting studies on the Public Distribution System and issues relating to foodgrains management.

2. The Planning Commission undertook a Zero based budgeting exercise during 2001-2002 with a view to weed out/transfer the Centrally Sponsored Schemes/Central Plan Schemes with effect from the 10th Plan period. It has been decided after this exercise that the scheme, "Training, Research and Monitoring" will be continued during the 10th Plan. The Comptroller and Auditor General, in his Report No. 3 of 2000 on the Public Distribution System, has also not commented adversely on the functioning of this scheme.

3. With regard to recommendation of the Standing Committee for an effective study on the Public Distribution System, the Ministry has already approved three proposals of study during 2000-2001 as per details given below:

| S. No. | Name of Institute | Name of study | Present status |
|--------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Research and Development Initiative (R&D.I), New Delhi | Socio-Economic study on functioning of Public Distribution System in five States, i.e. Rajasthan, Orissa, Chhattisgarh, Uttaranchal and Jharkhand | A report was received on 9-5-2002. The shortcomings in the report were discussed with the Director, Research and Development Initiative on 6-6-2002. The final report is awaited. |
| 2. | Academic Staff College, H.P. University, Shimla | A Diagnostic Study of the Performance of PDS in Himachal Pradesh | Draft report received on 3-4-2002 has been examined. |
| 3. | North Eastern Hill University, Shillong | Survey cum National Seminar on working of Targetted Public Distribution System in North Eastern States | Draft report received on 26-3-2002 was examined. The shortcomings mentioned have been communicated to the North Eastern Hill University. Final report is awaited. |

4. As per recommendations of the Standing Committee on Food, Civil Supplies and Public Distribution, the Department of Food and Public Distribution has requested the remaining 22 States/U.Ts to send proposals seeking financial assistance for purchase of a computer system under the Central Plan Scheme 'Training, Research and Monitoring' with a view to establishing connectivity between the Directorate of Food & Civil Supplies and NIC during the current financial year. Financial assistance upto Rs. 1.50 lakhs shall be considered for each State/U.T. on receipt of the proposals.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 3.42)

The Committee note that allocations of loans for modernization and rehabilitation of sugar mills in the Budget Estimate (2001-2002) was placed at Rs. 200 crore which was reduced to Rs. 130 crore in the Revised Estimate (2001-2002). Similarly, allocation of loan for sugar mills for cane development was reduced at Rs. 10 crore in the Revised Estimate (2001-2002) from a level of Rs. 20 crore earmarked in the Budget Estimate (2001-2002). The Committee are aware of the fact that more than 200 sugar mills in the country are running below 2500 TCD which are in dire need of modernization/rehabilitation to sustain their viability in future. On the other hand, cane growers require loan for cane development, which is not being passed on to them by the respective sugar mill owners. The Committee, therefore, recommended that the sugar mill owners be encouraged for availing loan facility for modernization/rehabilitation and also for cane development, which in turn should be passed on to the needy farmers.

Reply of the Government

The sixteen sugar producing States have been apprised of the recommendation made by the Committee. These States have been advised to bring the provisions of the Sugar Development Fund Rules to the notice of the sugar factories and encourage them to avail loans from the Sugar Development Fund. The States have also been asked to advise the sugar factories that in cases where the sugar factories are granted loans for development of sugarcane and such loans are required to be passed on to the sugarcane growers, the sugar factories should actually pass on the loans to the sugar growers and necessary monitoring in this regard may be done by the State Governments concerned. The Central Government has also written to the apex bodies of the sugar factories in the private and co-operative sectors, namely Indian Sugar Mills Association (ISMA) and National Federation of Cooperative Sugar Factories (NFCSF), on the above lines.

2. It may be mentioned that no application, complete in all respects, for the grant of loan for modernization/rehabilitation from the Sugar Development Fund is pending at present. As on 1.7.2002, 45 applications for the grant of loan for cane development were pending. 14 of these applications have since been disposed of. The remaining applications are under process and shall be disposed of shortly.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 3.44)

The Committee note that the estimated total availability of sugar during (2000-2001) will be 277 lakh tonnes, out of which the estimated internal consumption is only to the tune of 162 lakh tonnes. Thus, there will be about 115 lakh tonnes of excess availability of sugar during sugar season 2000-2001. However, upto September, 2001, only 10.42 lakh tones of sugar could be exported. The Committee, therefore, recommend that the Government should encourage export of sugar even by amending the Sugar Development Fund Act, 1982, and thereby giving relief to sugar mill owners.

Reply of the Government

In order to encourage the export of sugar, the Government has amended the Sugar Development Fund Act, 1982, so as to provide for defraying of expenditure from the Sugar Development Fund, on internal transport and freight charges to sugar factories on export shipment of sugar. The amended Act has come into force w.e.f. 21.6.2002. Necessary rules have also been framed and notified.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 4.39)

The Committee are concerned to note that the production of oilseeds is continuously decreasing. From 247.48 lakh tonnes in 1998-99 it has gone down to 182 lakh tonnes during 2000-2001. This has resulted in decreasing the availability of Edible Oil from 69.61 lakh tonnes in 1998-99 to 54.54 lakh tonnes during 2000-2001. Though the Department of Agricultural and Cooperation is implementing Centrally Sponsored Schemes of Oilseeds Production Programme (OPP) and Oil Palm Development Programme (OPDP), there is no noticeable impact of the schemes on production of oils seeds. It seems that the incentives as incorporated in these programmes are not reaching the producer of oilseeds. The end result is that import of Edible Oil is regularly increasing from the year 1997-98. The Committee, therefore, recommend that the programme of OPP and OPDP be reviewed to make it more suitable for producers of oilseeds, so that import of edible oil can be reduced to the maximum extent.

Reply of the Government

This matter falls within the purview of the Ministry of Agriculture. The recommendation of the Committee was forward to that Ministry. That Ministry has reported that the Government of India had constituted Technology Mission on Oilseeds (TMO) in 1986 in order to make the country self sufficient in the production of oilseeds/edible oil. As a result of concerted efforts by the TMO, the production of oilseeds increased from 10.83 million tonnes in 1985-86 to 24.75 million tonnes in 1998-99. However, due to drought condition in the major oilseeds producing States and due to the attack of pests and diseases on oilseeds during the last two years, i.e., 1999-2000 and 2000-2001, the production of oilseeds declined as compared to the production during 1998-99. According to the Ministry of Agriculture, the estimated production of oilseeds during 2001-02 is 211.6 lakh tonnes.

2. The main reasons for fluctuations in oilseeds production are as follows:

(i) Decline in area under cultivation:

The area under oilseeds declined from 26.23 million hectares in 1998-99 to 24.28 million hectares in 1999-2000 and to 23.25 million hectares in 2000-2001. In 2001-2002, the estimated area under oilseeds is 23.22 million hectares.

(ii) Decline in yield:

The yield of oilseeds declined from 944 Kgs. per hectare in 1998-99 to 853 Kgs in 1999-2000 and to 791 Kgs in 2000-2001. In 2001-2002, the estimated yield is 907 Kgs per hectare.

(iii) Inadequate Irrigation:

Only about 24% to 26% of the area under oilseeds crop is irrigated. The oilseeds crop is primarily rainfed. Therefore, drought conditions affect the yield and production of oilseeds.

(iv) Inadequate availability of quality seeds, hybrid/high yielding variety seeds:

The availability of quality seeds, hybrid/high yielding variety seeds is inadequate to meet the requirement.

Susceptibility of oilseeds to pests & diseases

3. As the production of oilseeds and edible oils in the country is inadequate to meet the demand, the Government, with a view to ensuring the easy availability of edible oils at reasonable prices has been allowing import of edible oils under OGL. The following table indicates the quantity & value of edible oils imported during the last five years:

| Year | Qty (in tonnes) | Value (in Rs. Lakhs) |
|---------|-----------------|----------------------|
| 1996-97 | 1415794 | 292919.32 |
| 1997-98 | 1265753 | 276467.05 |
| 1998-99 | 2621851 | 758892.58 |
| 1999-00 | 4195638 | 804605.37 |
| 2000-01 | 3974638 | 593275.74 |

Source: DGCI&S, Kolkata

4. The Ministry of Agriculture has informed that under the Centrally Sponsored Oilseeds Production Programme (OPP) and Oil Palm Development Programme (OPDP), financial assistance by way of subsidy is being provided to the oilseeds growers in order to motivate them to undertake oilseeds cultivation. The implementing agencies of these schemes are the Departments of Agriculture of the State Governments. Monitoring and review of the implementation of these schemes is undertaken by the TMO and corrective measures are suggested to the States, wherever necessary. As desired by the Standing Committee, the review of OPP & OPDP programmes has been done while preparing the Schemes for the 10th Plan.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

CHAPTER III

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

Recommendation (Para No. 1.16)

In addition to the above, under the construction of godowns by FCI, out of a sum of Rs. 3 crore, only an amount of Rs. 98 lakh has been spent upto 15.3.2002, through the Government expected to spend Rs. 1.50 crores by 31.3.2002 still leaving a saving of Rs. 1.50 crore. Under the scheme for loan to sugar mills for cane development, out of an allocation of Rs. 20 crores only Rs. 3.69 crore could be utilized by 15.3.2002. The Committee feel that funds earmarked for North-Eastern States and hilly, inaccessible areas should be utilized by making special efforts because these are the most sensitive areas and require special attention. The Committee, therefore, recommended that all efforts should be made by the Government to utilize the funds fully within the financial year and the actual expenditure incurred during (2001-2002) for all its Plan and non-Plan schemes be intimated to the Committee. The Committee would also like to know the steps taken by the Government to utilize the funds earmarked under Plan and non-Plan schemes in the proposed BE (2002-2003) in an even manner.

Reply of the Government

A provision of Rs. 3.00 crores was made during the year 2001-02 for construction of godowns, railway sidings and weigh bridges in N.E. States including Sikkim by the Food Corporation of India in the Annual Plan 2001-02. Accordingly, the entire amount of Rs. 3.00 crores was released in favour of FCI. FCI could not spend the entire amount released by the Department due to serious law & order problems and non-finalization of new centres in the NE Region, which resulted in savings of Rs. 1.50 crores in the Plan expenditure. A statement indicating Plan and non-Plan expenditure as on 31.3.2002 is annexed (Annex-I).

2. FCI has further intimated that out of the four Centres in the NE States, where godown construction work was undertaken during the 9th Plan period projects situated at Dimapur, Jowai and Agartala have since been completed. Construction work at Jiribam is likely to be completed during 2002-03.

3. For the year 2002-03, an allocation of Rs. 3.72 crores has been made in the Annual Plan 2002-03 for the NE States including Sikkim. This amount has to be utilized by FCI for construction of godowns, railway sidings and weigh bridges in this region. Apart from spill over work at Jiribam, FCI has also identified some centres where there was a need for construction of godowns. Pace of construction/ expenditure under the new projects is being closely monitored so as to ensure that the entire funds allotted under this Head are fully utilized.

Recommendation (Para No. 2.128)

The Committee note that on 1.4.2000 the Central Issue Prices (CIP) of wheat and rice were fixed at Rs. 900 per qtl. and 1180 per qtl. for the Above Poverty Line (APL) people and Rs. 450 per qtl. and Rs. 590 per qtl. for Below the Poverty Line (BPL) people respectively. On the recommendation of the Expenditure Reforms Commission (ERC) on 25.7.2000, the CIP of wheat and rice were downgraded to Rs. 415 per quintal and Rs. 565 per quintal for BPL people and Rs. 830 per quintal and Rs. 1130 per quintal for APL people respectively. Since the market prices of these commodities were less than CIP, this contributed in piling up of stocks due to less offtake. On 1.7.2001 the actual stock of foodgrains became 616.70 lakh tonnes, almost unmanageable by the Government resulting in higher buffer subsidy. While increasing the CIP to unrealistic levels, the Government did not keep the fact under consideration that the unit subsidy for APL was Rs. 138 per quintal and Rs. 170 per quintal for wheat and rice respectively in (1999-2000) while the unit cost of carrying stocks was Rs. 221 per quintal in (2000-2001). To cope with the situation, the Government again downgraded CIP of wheat and rice at Rs. 610 per quintal and Rs. 830 per quintal respectively on 12.7.2001. This also did not yield the desired result as may be seen from the fact that the actual stock which was 582.80 lakh tonnes as on 1.10.2001 and went upto 580.30 lakh tonnes as on 1.1.2002. This shows lack of crisis and contingency management in the foodgrains management policy of Government. When the stock reached the level of 545.24 lakh tonnes

as on 1.3.2002, the Government rethought its policy and have downgraded the CIP of wheat and rice by Re. 1 for APL, thereby making available wheat at Rs. 510 per quintal and rice at Rs. 730 per quintal. The Committee have all along been opposing such a great hike by the Government in April 2000. Even after that, the stock of foodgrains were allowed to overflow and no decision was taken in time and a single instance due to which the Government are facing the present problem. The Committee, therefore, desire that the Government should thwart all extraneous pressures to cut food subsidy unrealistically and take timely decision in a stretch, for once in a year. The CIP of wheat and rice should not be increased in such a way that people do not like to purchase foodgrains from the Fair Price Shops.

The Reply of the Government

The recommendation of the Committee has been noted. However, it may be pointed out that the allocation of foodgrains for APL category under TPDS is transitory. Foodgrains for the BPL category are being made available at highly subsidised rates. The Central Issue Prices (CIP) for the BPL families have not been revised since July 2001. The CIP for rice was due for revision in October 2001 but it was not revised. The CIP for wheat was due for revision in April 2002, but it was not revised. The Economic Cost of acquisition of rice and wheat has, however, gone up. Rice is now being supplied to the BPL families at 46.9% of the Economic Cost and wheat at 47.6% of the Economic Cost.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 2.130)

The Committee note that the establishment cost of the Food Corporation of India (FCI) has been continuously increasing since 1999-2000. However, it is appreciable that FCI has been able to reduce its establishment cost by Rs. 414 crore during 2001-2002 from that in the Financial Year 2000-2001, but still a lot is required to be done. In addition to this, estimated current liabilities of FCI towards creditors for supply of goods and services, etc. are about Rs. 3000 crore. The Committee, therefore, desire that the FCI should take further steps to reduce its establishment cost.

Reply of the Government

FCI is taking various steps to reduce the establishment cost, like

- (a) non-filling up of vacancies due to retirement of officials etc. at the resultant entry level, except in unavoidable cases;
- (b) reducing the expenditure on over-time allowance (OTA), travelling allowance (TA) and other administrative expenses;
- (c) reducing the medical expenses on indoor treatment of the employees and their families by covering them under Group Insurance Policy of the National Insurance Company Ltd.

2. FCI would continue its efforts to minimize its establishment cost to the extent possible.

3. The current liabilities of the Food Corporation of India consist mainly of the amounts payable towards the supplies made and services rendered by various parties, State Governments/Agencies as well as the amounts received in advance from the customers. This is a regular on going matter and the bills are settled in due course.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 2.138)

The Committee have come to know that the schemes of financial assistance to States/UTs for construction of small godowns upto 2000 MTs and purchase of mobile vans/trucks is being discontinued during the 10th Plan as per recommendation of Planning Commission. The Pattern of financial assistance was 50% loan and 50% subsidy. The Committee have also been informed that utilization certificates in respect of both the schemes are outstanding from many States. It seems that the amount earmarked under the scheme have not been properly utilized by the State Governments and as a result the Government had to take a harsh decision to wind up the scheme in the 10th Plan. The Committee totally disagree with the stand taken by Planning Commission and feel that this step will deprive the easy availability of foodgrains to the people living in hilly, inaccessible and remote areas and breed regional imbalance which is against the spirit of national integration. In the opinion of the Committee the schemes of financial assistance to States/UTs for construction of godowns and purchase of mobile vans were planned by the Government to facilitate foodgrains movement in hilly and inaccessible areas of the country, particularly the North Eastern States. The Committee, therefore, strongly recommend that both the schemes should continue during the 10th Plan period so that movement of foodgrains is not hampered in hilly areas. Also the Government should take the issue of furnishing of Utilization Certificates with the State Governments at the highest level. Steps taken and progress achieved in this regard should be communicated to the Committee.

Reply of the Government

It was decided in the meeting of the National Development Council held on 23.11.2000 to undertake a review exercise on transfer or convergence/weeding out of Centrally/Sponsored Schemes. In pursuance of this decision the Central Monitoring Group on Zero Based Budgeting in the Department of Economic Affairs recommended that the Plan Scheme of 'Purchase of Vans' should be discontinued with effect from 2001-2002. In view of this and misutilisation of funds under this Scheme the Department of Food and Public Distribution agreed with the proposal to discontinue the Scheme 'Purchase of Vans'. However in the context of the scheme "Construction of Godowns", the Department of Food & Public Distribution felt that the scheme should be continued with its focus on the North Eastern States, Hill States and Island Territories. These views of the Department were communicated to the Planning Commission. However, both the schemes 'Construction of Godowns' and 'Purchase of Vans/Trucks' have been discontinued by the Planning Commission with effect from the 10th Plan period.

2. The existing capacity available in the North Eastern States, Hill States and Island territories with FCI, alongwith the average monthly offtake of foodgrains during the year 2001-02, is indicated below:—

Existing storage capacity in North Eastern States, Hill States and Island Territories with the Food Corporation of India

| Name of the States | Capacity (In thousand tonnes) | Average offtake per month during 2001-2002 (In thousand tonnes) |
|--------------------|-------------------------------------|--------------------------------------------------------------------------|
| 1 | 2 | 3 |
| Arunachal Pradesh | 17 | 4.28 |
| Assam | 295 | 47.80 |
| Manipur | 20 | 2.18 |
| Meghalaya | 19 | 4.74 |
| Mizoram | 19 | 3.93 |
| Nagaland | 30 | 4.03 |

| 1 | 2 | 3 |
|------------------|-----|--------|
| Sikkim | 8 | 1.59 |
| Tripura | 31 | 7.19 |
| Himachal Pradesh | 22 | 13.84 |
| Jammu & Kashmir | 120 | 28.77 |
| Uttaranchal | 251 | NA* |
| A&N Island | 7.5 | 1.41 |
| Lakshadweep | Nil | 0.25 |
| Total | 832 | 120.07 |

*NA-Not available.

3. The overall storage capacity in the North Eastern States and Hill States, excluding, Himachal Pradesh, at the macro level, seems to be adequate, keeping in view the extent of offtake.

4. It has been decided to augment the storage capacity in Himachal Pradesh as follows:—

- (a) CWC will construct godowns at Mandi (2500 MTs), Shimla (5000 MTs) and Dehra (2500 MTs) on behalf of FCI.
- (b) FCI will construct godowns at Keylong (Lahul/Spiti—2500 MTs) and Ricongpo (Kinnaur) (1670 MTs). FCI has intimated that the construction of godowns at Keylong (2500 MTs) and Ricongpo (1670 MTs) has been included in its Annual Plan for the year 2002-03.
- (c) Godowns of 1670 MTs capacity each at Nahan, Bilaspur and Baijnath will be constructed by private parties on Build-Own-Operate (BOO) basis.

5. FCI has an outlay of Rs. 3.72 crores under the Annual Plan 2002-03 for the construction of godowns in the North Eastern States. This will further strengthen the storage infrastructure in the said States.

6. Insofar as Island territories are concerned, the Civil Supplies Department of the Andaman & Nicobar Administration has storage capacity of 11,207 tonnes. This is in addition to 7,500 tonnes storage capacity available with FCI in the Islands. There are 26 godowns, with a total capacity of 6673 tonnes available in Lakshadweep under Government and Cooperative sectors for storage of foodgrains and other essential commodities. The storage capacity under the Government sector is 2421 tonnes. The overall storage capacity in Lakshadweep appears to be adequate.

7. The matter regarding furnishing of Utilization Certificates/refund of unutilized amount from the financial assistance sanctioned in the past to the State Governments is being regularly pursued by this Ministry. State-wise details of the Utilisation Certificates pending in respect of the financial assistance sanctioned under the scheme 'Purchase of Vans' are at Annex-VIII. Similar details in respect of the Scheme 'Construction of Godowns' are at Annex-IX.

[O.M. No. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 3.43)

The Committee have all along been told that the National Institute of Sugarcane and Sugar Technology (NISST), Mau has been established for encouraging the sugarcane growers of the Eastern U.P. and Bihar by providing extension service and proper cane cultivation techniques. However, the Committee are constrained to note that the Government are hell bent on winding up the Institute without making proper alternative arrangement for the welfare of the farmers of the regions and that the Government have taken the matter of transferring the assets of NISST, Mau to the Indian Council of Agricultural Research, an autonomous organization for agricultural research under the Ministry of Agriculture. Though the Government have informed that the schemes of Varietal Replacement Demonstration Scheme and Technology Transfer and Familiarization Scheme have been taken for this purpose at the National Sugar Institute (NSI), Kanpur and an outlay of Rs. 100.00 lakh has been provided in the 10th Five Year Plan, the Committee are not satisfied with the statement that the interests of the farmers of Eastern U.P. and Bihar will be fully served as the NSI, Kanpur is located at a distant place. In addition to this, upto 31.12.2001 an expenditure of Rs. 15.327 crore has already been incurred on NISST, Mau from the Sugar Development Fund (SDF), the benefit of which has not yet reached the farmers. The Committee, therefore, recommend that the Government should have a rethink over the whole issue and all efforts should be made to go ahead with the establishment of the NISST at Mau, taking a view the larger interests of farmers of Eastern U.P. and Bihar.

Reply of the Government

The decision to wind up the National Institute of Sugarcane and Sugar Technology (NISST), Mau, was taken in pursuance of the recommendation made by the Central Monitoring Group (CMG) constituted by the Ministry of Finance to review the Plan schemes in the 9th Five Year Plan on the basis of Zero Based Budgeting. The CMG had recommended as under:

“As the National Institute of Sugarcane and Sugar Technology, Mau—has not yet fully developed as an Institution through a substantial investment has been made in infrastructure like buildings; the group strongly recommended the winding up of this Institution and transfer of the buildings along with land to any Central Agency which is looking for accommodation in this area. If no such central institution shows any interest, the Department should also explore the possibility of transferring the assets to the State Government. The specialized functions, if any, which are to be performed by Institute could as well as be entrusted to the NSI, Kanpur which has a good track report in promotion of sugar technology and in training of personnel for eventual employment in sugar industry.”

2. Pursuant to the recommendation of the CMG regarding NISST, the Indian Council of Agricultural Research (ICAR), was requested to take over the assets and infrastructure of the NISST. The ICAR, with the approval of the Planning Commission, has agreed to takeover the same. The ICAR will be utilizing the assets and infrastructure for the National Bureau of Agricultural Important Micro-organisms (NBAIM), which is a frontline research organization. As the assets shall be used for purposes of greater agricultural importance to the farmers, their interests will be adequately served.

3. Two new plan schemes namely (a) Varietal Replacement Demonstration Scheme and (b) Technology Transfer and Familiarization Scheme have been approved by the Planning Commission for being implemented by the NSI at a total outlay of Rs. 100 lakhs. The schemes entrusted to the NSI will serve the larger interests of farmers in the area as these schemes cover part of the activities that were proposed to be taken up at the NISST. In view of the above, the Government has decided not to continue with the Plan scheme relating to the NISST, Mau.

[O.M. No. G-20017/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 4.38)

The Committee note that Board of Industrial and Financial Reconstruction (BIFR), in its order dated 7.12.2001 has confirmed that HVOC was not likely to make its net worth exceed its accumulated losses with a reasonable time after meeting all its financial obligations and, therefore, it would be just, equitable and in public interest to wind up the company. Some employees of Breakfast Food Unit (BFFU) has appealed against BIFR's order. The Appellate Authority for Industrial and Financial Reconstruction (AAIFIR) has stayed the operation of the above order of BIFR. The Committee note this will again lengthen the process of winding up of HVOC. Also, the total value of assets of different units of HVOC comes out to Rs. 42695.79 lakh. The Committee, therefore, recommend that Government should continue with the Breakfast food Unit, Delhi for the present and make it viable. In case it is finally decided to wind up the company, the Government may do so without disinvesting/selling the company's assets such as land the buildings of different units of HVOC.

Reply of the Government

The case Hindustan Vegetable Oils Corporation (HVOC) as a sick company was referred to the Board of Industrial and Financial Reconstruction (BIFR) in 1999. Earlier the Disinvestment Commission had classified HVOC as a non-core enterprise. Taking into account the views of the Disinvestment Commission and all other aspects, the Government decided that it was not feasible to attempt revival/rehabilitation of the company and decided to close all the units of HVOC including the Breakfast Food Unit.

2. The BIFR, in its order dated 07.12.2001, decided that it would be just, equitable and in public interest to wind up HVOC Limited under the provisions of section 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. The BIFR also forwarded the case of HVOC to the High Court of Delhi for taking necessary action under law for winding up of HVOC.

3. the HVOC (Unit: Breakfast Food) Employees' Sangh made an appeal to the Appellate Authority for Industrial and Financial Reconstruction (AAIFIR) against he order dated 07.12.2001 of the BIFR.

4. The AAIFR, in its order of 21.2.2002, admitted the appeal of the HVOC Employees' Sangh and stayed the operation of the order of the BIFR with regard to the Breakfast Food Unit only of HVOC, and directed the Government and HVOC not to take any steps and closure of the Breakfast Food Unit.

5. Subsequently in its order of 26.3.2002, he AAIFR directed the Appellants to come up with any workable plan for the de-merger of the BFF Unit, the and directed the appellants and also the respondents to consider the possibility of shifting the BFF Unit to some other suitable place, along with its privatization.

6. In their hearing on 29.5.2002, AAIFR took note of the fact both appellants and the respondents were not in favour of shifting the BFF Unit to some other location and directed the appellants to draw up a proposal on the de-merger of the BFF Unit HVOC and submit it to the Department of Food & Public Distribution (DFPD). The AAIFR also directed that the proposal should be considered by DFPD, and the decision/progress reported before their next date of hearing which has been fixed on 9th of September, 2002. Till date no such proposal has been received from the appellants.

7. As the matter is now with the AAIFR further action with regard to the BFFU including the disposal of HVOC's assets, can be taken after it issues the final order on the subject.

[O.M. No. G-20017/4/2002-AC dated 20-8-2002]

CHAPTER IV

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

Recommendation (Para No. 2.126)

It has come to the notice of the Committee that complaints of distress sale of paddy during Kharif marketing season (2001-2002) have been reported from the States of Bihar, Gujarat, Madhya Pradesh, Orissa, Tamil Nadu, Uttar Pradesh, West Bengal and even from Amritsar and Batala Districts of Punjab where the State Governments and the Food Corporation of India have strong and effective procurement machinery. The cases of distress sale of wheat during Rabi marketing season (2001-2002) have also been reported. The Committee feel that the benefit of Minimum Support Price (MSP) of foodgrains is not reaching the farmers in most States/UTs of the country. The claim of the Government that the level of procurement of foodgrains in a State depends upon the surplus production available there is not totally acceptable to the Committee because in that case the benefit of MSP can be enjoyed only by the farmers of States having surplus production of foodgrains. Thus the States having no surplus production of foodgrains would not be able to contribute to the Central Pool. The sole purpose of announcing MSP is that farmers are not forced to resort to distress sale of stocks, but the same is happening in the surplus producing States/areas where procurement centers are not opened by the Food Corporation of India/State Agencies. In those areas farmers have no alternative but to sell their produce below MSP and the announcement of MSP by Central Government have no meaning for them. The Committee, therefore, strongly recommend that there should be a uniform policy of procurement and special attention should be given to States like Bihar, Gujarat, Madhya Pradesh, Uttar Pradesh, Orissa, etc. where incidents of distress sale has been reported. Also, the Government should ensure maximum contribution of foodgrains from each States/UT to Central Pool on the basis of its percentage production *vis-a-vis* national production.

Reply of the Government

Complaints about the sale of paddy below MSP were received from parts of Bihar, Gujarat, M.P., Orissa, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal. The matter was taken up with the concerned State Governments. The reports received so far indicate that only paddy which did not conform to FAQ specifications was being sold below the MSP. Details in this regard are at Annex-II. FCI procures foodgrains at MSP conforming to FAQ specifications.

2. It may be pointed out that the States of Chhattisgarh, Madhya Pradesh, Uttar Pradesh and West Bengal are procuring foodgrains under the system of decentralized procurement. In Uttar Pradesh, the State Government is procuring both wheat and paddy, while in West Bengal and Chhattisgarh the State Governments are only procuring paddy/ rice. In Madhya Pradesh, the State Government is procuring both wheat and paddy. These States are free to procure as much as possible and pass on the surplus stocks procured to FCI.

3. In Tamil Nadu, the State Government undertakes procurement of paddy but does not contribute to the Central Pool. recently, the Government of Tamil Nadu has shown interest in undertaking procurement of paddy under the decentralized system.

4. Special attention is being given to Bihar and Orissa. In Bihar during the Kharif Marketing Season 2001-02 and Rabi Marketing Season 2002-03, 88,877 tonnes of rice and 41,307 tonnes of wheat have so far been procured (as on 15.7.2002) as compared to 18,340 tonnes of rice and 40,191 tonnes of wheat during the corresponding period of last year. Procurement during the years 1998-99, 1999-2000 and 2000-01 was negligible, as would be evident from the following Table:

| (in tonnes) | | | | | |
|-------------|---------|---------|---------|---------|---------|
| Year | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
| Wheat | Nil | Nil | Nil | 43,294 | 41,307* |
| Rice | Nil | 20,000 | 18,340 | 88,77* | — |

*(As on 15.7.2002)

5. It has been decided that FCI will open 100 procurement centers in Bihar during the forthcoming Kharif season as against 40 centres in the previous season.

6. In Orissa, procurement of rice is being done through the levy route. However, this year, on an experimental basis, paddy procurement was undertaken in Bolangir district of Orissa. It may be mentioned that the quantity of rice procured in Orissa has gone up from 4,80,865 tonnes in 1998-99 to 11,27,819 tonnes in 2001-2002 (till 12.8.2002). The figures since 1998-99 are given in the following Table.

(In lakh tonnes)

| Year | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 (As on 12.8.2002) |
|-----------|-----------|-----------|-----------|-----------------------------------|
| Levy rice | 4.81 | 8.85 | 9.18 | 11.28 |

7. In Gujarat, the State Government earlier used to procure wheat but the same was not for delivery to the Central Pool. However, in recent years, there has been no procurement of wheat. Gujarat accounts for only 0.94% of the total production of wheat in the country. As such, the scope of procurement is also negligible. The production of rice in Gujarat is also very small. During 1999-2000, the total production of rice in the State was 9.8 lakh tonnes which is just 1.1% of the total rice production in the country.

8. The procurement level in a State depends upon the availability of marketable surplus. In States where the marketable surplus is high, the procurement will be more. The extent of contribution of foodgrains by a State to the Central Pool is determined by several factors like per capita availability of foodgrains, consumption pattern productivity, availability of market infrastructure, good roads, etc.

9. The per capita availability in different States is shown at Annex-III. It may be seen from the Table that in the case of rice, the national average per capita availability of rice is 82.64 Kg. The per capita availability in Bihar is only 65.36 kg and in Gujarat it is 20.04 Kg. As such low levels of per capita availability, the marketable surplus likely to be available is very less. In comparison, the per capita availability in Andhra Pradesh is 190.79 Kg. and in Punjab it is 376.88 Kg. This is the main reason why bulk of the rice procurement occurs in these States. Similarly, in the case of wheat, the national average per capita availability is 66.95 Kg. In Bihar, the per capita availability is 54.26 Kg. whereas in comparison, the per capita availability in Punjab is 640.25 Kg., while in Haryana, it is 457.81 Kg. and in Uttar Pradesh it is 150.19 Kg. It is for this reason that maximum procurement of wheat is in these three States.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Comments of the Committee

(Please see Para 1.9 of Chapter I)

Recommendation (Para No. 2.129)

The Committee note that Gross Buffer Subsidy under Budget Estimate (2001-2002) was placed at Rs. 5979 crores which has increased to Rs. 6492 crores in the Revised Estimate (2001-2002). The Budget Estimate (2002-2003) for Gross Buffer Subsidy is Rs. 8339 crores. The committee find that there is a continuous increase in Gross Buffer Subsidy. The committee has been informed that the Buffer Carrying Cost for Rs. 299.38 lakh tonnes of surplus stock during 2001-2002 is Rs. 7269 crores. For surplus stock, an interest charge of Rs. 2944 crores has been accrued. The Committee are constrained to note that out of food subsidy of Rs. 17927 crores, only 3611.05 crores has been spent on BPL people which comes to about 20% only. The Committee, therefore, recommend that buffer subsidy for maintaining surplus stock of foodgrains be minimized and at the least 50% of the food subsidy should go to BPL people.

Reply of the Government

Buffer stocks are increasing in the recent years due to higher levels of procurement and low offtake under PDS.

2. The Government has recently taken various steps to improve the offtake of foodgrains from the Central Pool, as shown in Annex-V. With improved offtake level, the buffer stocks are likely to show a downward trend and consequently the share of buffer subsidy in the total food subsidy is expected to go down.

3. The total subsidy on foodgrains released during 2001-2002 was Rs. 17,494 crore, out of which the subsidy spent on BPL population (including AAY) was Rs. 6,217.07 crore (Rs. 1,927.56 crore for wheat and Rs. 4,289.51 crore for rice). This comes to 35.54% of the total food subsidy released. The subsidy released for APL population was only Rs. 457.90 crore (Rs. 119.60 crore on wheat and Rs. 338.30 crore on rice). The scheme-wise and category-wise break-up of subsidy released during 2001-2002 can be seen at Annex-VI.

4. The increase in entitlement of PDS beneficiaries to 35 kg per family per month w.e.f. 1.4.2002 is expected to lead to higher offtake for BPL families. This, coupled with lower buffer subsidy, is likely to increase the share of food subsidy going to BPL families.

[O.M. NO. G-20017/4/2002-AC dated 20-8-2002]

Comments of the Committee

(Please see Para 1.12 of the Chapter I)

Recommendation (Para No. 2.131)

The Committee note that hired storage capacity of the Food Corporation of India (FCI) as on 1.12.2002 is 206.65 lakh tonnes. Due to open ended procurement and less offtake of foodgrains, the dependency on hired godowns is increasing. The Committee further note that rentals payable to hired godowns during (2001-2002) would be around 375 crore. The Committee, therefore, recommended that steps should be taken to dispose of the accumulated stocks of foodgrains strictly in a phased manner so that the dependence on hired godowns is reduced. Even after that, if the need for storage capacity still arises, the Food Corporation of India should create its own capacity.

Reply of the Government

The Government has taken several steps to improve the off-take of foodgrains from the Central Pool. The details of the action taken are at the Annex-V.

2. Storage requirement of FCI depends upon the inflow & outflow of foodgrains in a particular area, FCI constructs godowns as per the requirement, at identified strategic locations, keeping in view the budgetary constraints. Under the National policy on Handling, Storage and Transportation of foodgrains the private sector can build, own and operate conventional godowns and the FCI guarantees utilisation for a period of seven years from the date of agreement. Various State Warehousing Corporation & also the Central Warehousing Corporation have been offered guarantees for the creation of over 85 lakh MTs of storage space.

3. Additional storage requirements in procuring States are met by hiring suitable storage facilities till such time the stocks are issued/moved out to the consuming States, after which they are considered for de-hiring.

[O.M. No. G-20017/4/2002-AC dated 20-8-2002]

Comments of the Committee

(Please see Para 1.15 of Chapter I)

Recommendation (Para No. 4.37)

The Committee note that the Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) tests samples drawn from manufacturing units for monitoring the quality standards laid down under the Vegetable Oils Products (Regulation) Order, 1998 and the Solvent Extracted Oil, Deoiled Meal and Edible Flour (Control) Order, 1967. The Committee are happy to note that the number of samples drawn during 2001-2002 has increased to a level of 5738 from its earlier mark of 2454 during 2000-2001. However, the samples of oils and fats collected from manufacturing units located throughout the country are tested in the laboratory of the DVVO&F at New Delhi only. The Committee feel that there is a great need for increasing the number of laboratories for widening the monitoring activity on the manufacturing of edible oil and fats. Also, the regional offices for undertaking routine analysis at Chennai, Mumbai and Kolkata have not yet become operational. The Committee, therefore, recommend that regional offices at Chennai, Mumbai and Kolkata be made functional in a time bound manner and more laboratories be established in other parts of the country for testing oils and fats.

Reply of the Government

The laboratories for testing of edible oils & fats were to be set up under the Plan Scheme of Strengthening of the Directorate of VVO&F. As part of zero-based budgeting, the Plan Scheme on Strengthening of the Directorate of VVO&F has been discontinued and no funds have been allocated for the said scheme by the Planning Commission in the 10th Five Year Plan. Therefore, it is not possible either to increase the number of laboratories or to have laboratories in the Regional offices at Chennai, Mumbai & Kolkata or to set up more laboratories in other parts of the country.

Comments of the Committee

(Please See Para 1.18 of Chapter I)

[O.M. No. G-20017/4/2002-AC dated 20-8-2002]

CHAPTER V

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

Recommendation (Para No. 2.134)

The Committee note that against the export target of 50 lakh tonnes of wheat during 2001-2002, a total of only 29.97 lakh tonnes was exported till 31.1.2002. Similarly against the export target of 30 lakh tonnes of rice during 2001-2002, only 14.34 lakh tonnes could be lifted by exporters up to 5.2.2002. Since these foodgrains are being made available to exporters on less than APL prices, the Government may think of providing this subsidy to APL people first and then offer to exporters. However, as the godowns of FCI are overflowing with foodgrains, there is no problem in offering the foodgrains to exporters on second priority. In addition to the above, the Committee also feel that the FCI with such a large manpower and commercial skill available with them, may be encouraged to undertake exports on their own.

Reply of the Government

Enough foodgrains are available in the Central Pool to take care of beneficiaries under PDS (including APL) and other welfare schemes as well as exports. As on 1.7.2002, 630.11 lakh tonnes of foodgrains (219.37 lakh tonnes of rice and 410.74 lakh tonnes of wheat) were available in the Central Pool as against the minimum buffer norms of 243 lakh tonnes (100 lakh tonnes of rice and 143 lakh tonnes of wheat). Besides, 36,000 tonnes of coarsegrains were also available in the Central Pool as on the said date.

2. Rice and Wheat are being offered to exporters ex-FCI port godowns in India. The retail price for the consumer in the importing country would be much higher than our export price.

3. It may be mentioned that the CIPs for APL families were reduced by Rs. 1 per Kg. in the case of rice and what for three months, from April, 2002 to June, 2002. However, it did not have any significant effect on the offtake. The offtake of rice and wheat in respect of APL during this period was 3.56 lakh tonnes and 4.51 lakh tonnes respectively. The monthly average comes to 1.19 lakh tonnes in the case of rice and 1.50 lakh tonnes in the case of wheat. The estimated offtake for the quarter was 2.75 lakh tonnes in respect of rice and 2.33 lakh tonnes in the case of wheat.

4. The Food Corporation of India has been advised to take up exports of foodgrains directly.

Recommendation (Para No. 2.135)

The Committee have come to know that the schemes of Save Grain Campaign (SGC), Indian Grain Management Research Institute (IGMRI) and Central Grain Analysis Laboratory (CGAL) under Post-Harvest management, are being weeded out during the 10th Plan. The Committee feel that the objectives for which the Save Grain Campaign (SGC) was started, have not fully been achieved. Presently, the post-harvest losses of foodgrains in the country is about 10 million tonnes. These are mainly due to improper storage at farm level. The Committee further note that a lot of research work is still required to be done in regard to Food Management. Indian Grain Management Research Institute (IGMRI) and its field stations are recognized by various universities for the purpose. Due to their continued efforts, post-harvest losses in foodgrains have been brought down to about 5% estimated during 1998-2002 in comparison to 10% estimated during 1996-98. Further, the Central Grain Analysis Laboratory (CGAL) is an integral part of Quality Control System and also works as a referral laboratory in the matter of foodgrains analysis. The Committee, therefore, recommended that not only the schemes of SGC, IGMRI and CGAL be continued but be strengthened suitably so that available manpower and infrastructure could be gainfully utilized.

Reply of the Government

On the results of a review exercise undertaken by the Planning Commission on the basis of Zero-Based Budgeting Methodology, the Planning Commission had weeded out some of the plan schemes, including IGMRI, SGC and CGAL during the 10th Plan period despite the request made by the Department of Food and Public Distribution to retain them. On a request for reconsideration, the Planning Commission, allowed these schemes to continue only for a period of six months to meet the requirements of salary and committed liabilities after which these schemes would be weeded out from the Plan.

2. Keeping in view the need to check Post Harvest losses and for quality control to save foodgrains from deterioration. The Department has proposed a new Central Sector Scheme of Strengthening Quality Control Mechanism of Foodgrains in Central Pool which is presently under consideration of the Planning Commission. The proposed scheme has an in built mechanism to deal with the irregularities noticed during the course of inspection and to reduce the post-harvest losses. A copy of the Scheme is enclosed (Annex-VII).

[O.M. No. G-20317/4/2002-AC dated 20-8-2002]

Recommendation (Para No. 2.137)

The Committee have been informed that a number of major shortcomings have been found by the Quality Control Cell of the Food Corporation of India in the course of their inspections of Food Storage Depots and procurement centers, during the last three years. The Committee feel that the activities of the Quality Control Cell need to be increased in view of the huge stock of foodgrains available with the FCI and in view of the ensuing Rabi Procurement Season (2002-2003). The Committee, therefore, recommend that activities of Quality Control Cell be augmented suitably so that foodgrains are saved from further deterioration. Also, the cases of irregularities noticed during the inspections should be dealt with promptly and the guilty should be booked at the earliest. The details of action taken in this regard should be communicated to the Committee.

Reply of the Government

The Department of Food & Public Distribution is aware of the need to increase the activities of the Quality Control Cell to save foodgrains from deterioration and to have a check on their quality. Consequently, the Department has proposed to introduce a Central Sector Scheme of "Strengthening the Quality Control Mechanism of Foodgrains in Central Pool" which is presently under consideration of the Planning Commission. The proposed scheme has an inbuilt mechanism to deal with the irregularities noticed during the course of inspection. A copy of the scheme is enclosed (Annex-VII).

NEW DELHI;
29 November, 2002
8 Agrahayana, 1924 (Saka)

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food, Civil
Supplies and Public Distribution.

APPENDIX I

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON TUESDAY, THE 26 NOVEMBER 2002.

The Committee sat from 1500 hours to 1620 hours.

PRESENT

Shri Devendra Prasad Yadav—*Chairman*

MEMBERS

Lok Sabha

2. Shri Mansinh Patel
3. Shri Shyam Bihari Mishra
4. Shri Abdul Hamid
5. Smt. Preneet Kaur
6. Shri A.F. Abdullakutty
7. Shri Baju Ban Riyan
8. Shri Ezhilmalai Dalit
9. Capt. (Retd.) Inder Singh
10. Shri Jai Prakash
11. Shri Kishan Lal Diler
12. Shri Bali Ram Kashyap
13. Shri Dip Gogoi

Rajya Sabha

14. Smt. Birba Raikar
15. Shri Vijay Singh Yadav
16. Shri C. Perumal
17. Shri Ravula Chandra Sekar Reddy
18. Shri S.K. Khabiruddin Ahmed

SECRETARIAT

- | | | |
|---------------------|---|-------------------------|
| 1. Shri N.K. Sapra | — | <i>Joint Secretary</i> |
| 2. Shri A.S. Chera | — | <i>Deputy Secretary</i> |
| 3. Shri R.S. Mishra | — | <i>Under Secretary</i> |

2. Consideration and adoption of Draft Nineteenth Report.

3. The Committee considered and adopted the Draft Nineteenth Report on Action Taken by the Government on the recommendations contained in their Sixteenth Report on Demands for Grants (2002-2003) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) without amendment.

4. The Committee, thereafter, authorised the Chairman to make consequential changes in the Report and present/lay the same in both the Houses of Parliament.

The Committee then adjourned.

APPENDIX II
(Vide Introduction of the Report)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE SIXTEENTH REPORT
OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES
AND PUBLIC DISTRIBUTION (THIRTEENTH LOK SABHA)**

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| (i) Total Number of Recommendations | 22 |
| (ii) Recommendations/Observations which have been accepted by the Government. Para Nos. 1.15, 2.127, 2.132, 2.133, 2.136, 2.139, 3.42, 3.44 and 4.39 | |
| Total | 9 |
| Percentage | 40.9 |
| (iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies. Para Nos. 1.16, 2.128, 2.130, 2.138, 3.43 and 4.38 | |
| Total | 6 |
| Percentage | 27.3 |
| (iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee. Para Nos. 2.126, 2.129, 2.131 and 4.37 | |
| Total | 4 |
| Percentage | 18.2 |
| (v) Recommendations/Observations in respect of which reply of the Government is still awaited. Para Nos. 2.134, 2.135 and 2.137 | |
| Total | 3 |
| Percentage | 13.6 |

ANNEXURE-I

STATEMENT SHOWING BE, RE & ACTUAL EXPENDITURE FOR
THE YEAR 2001-2002 PLAN AND NON-PLAN EXPENDITURE
SEPARATELY

Demand No. 37 Ministry of Consumer Affairs, Food & Public
Distribution, Department of Food & Public Distribution

(Rs. in crores)

| Sl. No. | Scheme | Major Head | BE 2001-2002 | RE 2001-2002 | Actual 2002 | % of 2001-expenditure incurred |
|-----------------------|--------------------------------------------------------------------------------|------------|--------------|--------------|-------------|--------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Plan | | | | | | |
| 1. | Secretariat-Economic Services | 3451 | 0.90 | 0.90 | 0.83 | 92 |
| 2. | Other programmes of Food Storage & Warehousing | 2408 | 4.02 | 3.58 | 2.37 | 66 |
| | | 4408 | 0.57 | 0.57 | - | - |
| 3. | Other expenditure for development of sugar industry | 2408 | 0.73 | 0.45 | 0.29 | 64 |
| | | 4408 | 0.27 | 0.60 | - | - |
| Civil Supplies | | | | | | |
| 4. | Assistance for constructions of godowns | 3601 | 5.75 | 4.00 | 3.28 | 82 |
| | | 7601 | 5.75 | 4.00 | 3.93 | 98 |
| 5. | Assistance for retail outlets in Tribal areas/purchase of mobile vans (States) | 3601 | 0.15 | 0.15 | 0.15 | 100 |
| | | 7601 | 0.15 | 0.15 | 0.15 | 100 |
| 6. | Assistance for retail outlets in Tribal areas/purchase of mobile vans (UTs) | 3602 | - | - | 0.08 | - |
| | | 7602 | - | - | 0.08 | - |
| 7. | Other schemes of Civil Supplies | 3456 | 0.50 | 0.50 | 0.26 | 52 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------------------------|-----------------------------------------------------------------------------------------------|------|--------------|--------------|--------------|-----------|
| 8. | Lump-sum provision for projects/ Sikkim for the benefit of N.E. States including Sikkim | 2552 | 0.50 | 0.50 | 0.50 | 100 |
| Consumer Industries | | | | | | |
| 9. | Investment in Public Enterprises | 4400 | 27.00 | 27.00 | 27.00 | 100 |
| 10. | Lump-sum provision for projects/ Schemes for the benefit of NE States including Sikkim | 4552 | 3.50 | 3.50 | 3.50* | 100 |
| Total | | | 49.79 | 45.90 | 42.42 | 92 |

*A saving of Rs. 150 crore will form part of non-lapsable pool.

ANNEXURE-II

STATEMENT SHOWING STATE-WISE DETAILS OF COMPLAINTS
OF DISTRESS SALE OF PADDY DURING THE KHARIF
MARKETING SEASON 2001-2002 (TILL 31.07.2002)

| S. No. | State | District(s) from which complaints have been received | Reply received from State Governments/FCI |
|--------|----------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 2 | 3 | 4 |
| 1. | Bihar | Darbhanga, Aurangabad, Rohtas, Sone Division | FCI, in its letter dated 6/7.2.2002 informed that paddy brought to markets was beyond specifications. In letter dated 14/15.3.2002, FCI conveyed the satisfaction of Government of Bihar with procurement operations. |
| 2. | Gujarat | Dohad | Reply not received |
| 3. | Haryana | Karnal | Government of Haryana informed that paddy sold below MSP was not conforming to prescribed specifications. |
| 4. | Madhya Pradesh | Khargone | FCI, <i>vide</i> letter dated 21/26.3.2002 reported purchase of paddy at MSP. |
| 5. | Orissa | Kalahandi, Jeypore | FCI, in letter dated 11/16.1.2002, informed that paddy in Orissa is mostly non-FAQ variety and hence not sold at MSP. |
| 6. | Punjab | Amritsar, Batala | Government of Punjab, <i>vide</i> letter No. FP-4 (610)-2001/1887 dated 14.12.2001 informed that paddy not conforming to prescribed specifications was not purchased by State Agencies. |

| 1 | 2 | 3 | 4 |
|----|---------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | Tamil Nadu | Kumbakonam, Vellore, Kancheepuram | Government of Tamil Nadu, <i>vide</i> letter No. 2394/B1/2001-I dated 4.2.2002 intimated that Rs. 40/- per quintal over and above the MSP is being paid to farmers for paddy. Hence, there is no basis for distress sale of paddy in the State. |
| 8. | Uttar Pradesh | Bahraich, Varanasi | Reply not received. |
| 9. | West Bengal | Bankura, Contai, Sainthia | FCI, in letter No. Proc. I/21 (2)/2000-Vil II/418 dated 11/15.1.2002 intimated that FAQ paddy was not sold below MSP |

**STATE-WISE PRODUCTION AND PROCUREMENT AND PER
CAPITA AVAILABILITY OF WHEAT**

| States/U.T. | Total Population (Projected) as on 1.3.2000 (in lakh) | Production of wheat (in lakh tonnes) (2000-01) | Per Capita Annual availability (in Kg.) | Procurement (2000-01) (in lakh tonnes) |
|-------------------|-------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Andhra Pradesh | 757.28 | 0.06 | 0.08 | - |
| Arunachal Pradesh | 10.91 | 0.05 | 4.58 | - |
| Assam | 266.38 | 0.86 | 3.23 | - |
| Bihar | 828.79 | 44.97 | 54.26 | 0.43 |
| Chhattisgarh | 207.96 | 0.65 | - | - |
| Haryana | 210.83 | 96.52 | 457.81 | 64.07 |
| Himachal Pradesh | 60.77 | 5.88 | 96.76 | 0.02 |
| Karnataka | 527.34 | 2.44 | 4.63 | - |
| Madhya Pradesh | 603.85 | 38.87 | 64.37 | 2.94 |
| Maharashtra | 967.52 | 9.48 | 9.80 | - |
| Orissa | 367.07 | 0.13 | 0.35 | - |
| Punjab | 242.89 | 155.51 | 640.25 | 105.60 |
| Rajasthan | 564.73 | 55.54 | 98.35 | 6.76 |
| Uttaranchal | 84.8 | 7.15 | - | 1.40 |
| Uttar Pradesh | 1660.53 | 249.40 | 150.19 | 24.46 |

| 1 | 2 | 3 | 4 | 5 |
|-----------------|----------|--------|-------|--------|
| West Bengal | 802.21 | 10.59 | 13.20 | - |
| Chandigarh | 9.01 | - | - | 0.12 |
| Delhi | 137.83 | 0.29 | 2.10 | 0.5 |
| Pondicherry | 9.74 | - | - | - |
| Gujarat | 505.97 | 6.49 | 12.83 | - |
| Jammu & Kashmir | 100.7 | 1.45 | 14.40 | - |
| Tamil Nadu | 621.11 | - | - | - |
| Others | 721.93 | 1.30 | 1.80 | - |
| Total | 10270.15 | 687.63 | 66.95 | 206.30 |

**STATE-WISE PRODUCTION AND PROCUREMENT AND
PER CAPITA AVAILABILITY OF RICE**

| States/U.T. | Total Population (Projected) as on 1.3.2000 (in lakh) | Production of wheat (in lakh tonnes) (2000-01) | Per Capita Annual availability (in Kg.) | Procurement (2000-01) (in lakh tonnes) |
|-------------------|-------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Andhra Pradesh | 757.28 | 144.48 | 190.79 | 45.70 |
| Arunachal Pradesh | 10.91 | 1.26 | 115.49 | - |
| Assam | 266.38 | 39.99 | 150.12 | - |
| Bihar | 828.79 | 54.17 | 65.36 | 0.09 |
| Chhattisgarh | 207.96 | 32.38 | - | 16.42 |
| Haryana | 210.83 | 26.84 | 127.31 | 14.51 |
| Himachal Pradesh | 60.77 | 1.25 | 20.57 | 0.09 |
| Karnataka | 527.34 | 37.34 | 70.81 | 1.37 |
| Madhya Pradesh | 603.85 | 9.6 | 15.90 | 2.69 |
| Maharashtra | 967.52 | 19.45 | 20.10 | 1.35 |
| Orissa | 367.07 | 46.14 | 125.70 | 8.30 |
| Punjab | 242.89 | 91.54 | 376.88 | 71.93 |
| Rajasthan | 564.73 | 1.56 | 2.76 | 0.39 |
| Uttaranchal | 84.8 | 6.22 | - | 2.37 |

| 1 | 2 | 3 | 4 | 5 |
|-----------------|-----------------|---------------|--------------|---------------|
| Uttar Pradesh | 1660.53 | 115.40 | 69.50 | 16.84 |
| West Bengal | 802.21 | 124.28 | 154.92 | 0.48 |
| Chandigarh | 9.01 | - | - | 0 |
| Delhi | 137.83 | 0.05 | 0.36 | - |
| Pondicherry | 9.74 | 0.61 | 62.63 | 0.11 |
| Gujarat | 505.97 | 10.14 | 20.04 | - |
| Jammu & Kashmir | 100.7 | 4.15 | 41.21 | - |
| Tamil Nadu | 621.11 | 72.18 | 116.21 | 8.65 |
| Others | 721.93 | 9.68 | 13.41 | - |
| Total | 10270.15 | 848.71 | 82.64 | 191.29 |

Note:- Gujarat, J&K, Tamil Nadu and others do not contribute to Central Pool procurement.

(Position as on 20/05/2002)

ANNEXURE-IV

**ALL-INDIA AREA, PRODUCTION AND YIELD OF COARSE
CEREALS FROM 1950-51 TO 2001-02 ALONGWITH
PERCENTAGE COVERAGE UNDER IRRIGATION**

| Year | Area-Million Hectares Production-Million Tonnes Yield-KG/Hectare | | | |
|---------|------------------------------------------------------------------------|------------|------------|---------------------------------|
| | Area | Production | Yield % | Coverage under irrigation |
| 1 | 2 | 3 | 4 | 5 |
| 1950-51 | 37.67 | 15.38 | 408 | 7.9 |
| 1951-52 | 38.88 | 16.09 | 414 | 8.7 |
| 1952-53 | 42.45 | 19.61 | 462 | 8.1 |
| 1953-54 | 45.37 | 22.97 | 506 | 7.8 |
| 1954-55 | 43.92 | 22.82 | 520 | 8.1 |
| 1955-56 | 43.45 | 19.49 | 449 | 8.0 |
| 1956-57 | 42.02 | 19.87 | 473 | 7.6 |
| 1957-58 | 42.91 | 21.23 | 495 | 8.0 |
| 1958-59 | 44.66 | 23.18 | 519 | 7.5 |
| 1959-60 | 43.79 | 22.87 | 522 | 7.5 |
| 1960-61 | 44.96 | 23.74 | 528 | 7.7 |
| 1961-62 | 44.73 | 23.22 | 519 | 7.1 |
| 1962-63 | 44.29 | 24.63 | 556 | 7.3 |
| 1963-64 | 43.93 | 23.72 | 540 | 7.3 |

| 1 | 2 | 3 | 4 | 5 |
|---------|-------|-------|-----|------|
| 1964-65 | 44.35 | 25.37 | 514 | 7.3 |
| 1965-66 | 44.34 | 21.42 | 483 | 8.1 |
| 1966-67 | 45.09 | 24.05 | 533 | 8.5 |
| 1967-68 | 47.34 | 28.80 | 608 | 8.0 |
| 1968-69 | 46.24 | 25.18 | 545 | 9.6 |
| 1969-70 | 57.24 | 27.29 | 578 | 9.4 |
| 1970-71 | 45.95 | 30.55 | 665 | 8.3 |
| 1971-72 | 43.57 | 24.60 | 564 | 8.4 |
| 1972-73 | 42.21 | 23.14 | 548 | 8.6 |
| 1973-74 | 46.24 | 28.83 | 623 | 8.3 |
| 1974-75 | 43.15 | 26.13 | 606 | 10.9 |
| 1975-76 | 43.80 | 30.41 | 694 | 9.9 |
| 1976-77 | 41.94 | 28.88 | 689 | 9.7 |
| 1977-78 | 42.28 | 30.02 | 710 | 8.9 |
| 1978-79 | 42.23 | 30.44 | 721 | 8.5 |
| 1979-80 | 41.36 | 26.97 | 652 | 9.4 |
| 1980-81 | 41.78 | 29.02 | 695 | 9.2 |
| 1981-82 | 42.45 | 31.09 | 733 | 9.0 |
| 1982-83 | 40.43 | 27.75 | 685 | 9.0 |
| 1983-84 | 41.71 | 33.90 | 813 | 7.8 |
| 1984-84 | 39.21 | 31.17 | 795 | 8.4 |
| 1985-86 | 39.47 | 26.20 | 664 | 8.4 |
| 1986-87 | 39.74 | 26.83 | 675 | 9.1 |

| 1 | 2 | 3 | 4 | 5 |
|----------------------|-------|-------|------|------|
| 1987-88 | 36.55 | 26.36 | 721 | 9.8 |
| 1988-89 | 38.68 | 31.47 | 814 | 9.2 |
| 1989-90 | 37.69 | 34.76 | 922 | 9.8 |
| 1990-91 | 36.32 | 32.70 | 900 | 9.0 |
| 1991-92 | 33.42 | 25.99 | 778 | 10.7 |
| 1992-93 | 34.42 | 36.59 | 1063 | 10.1 |
| 1993-94 | 32.82 | 30.82 | 939 | 10.4 |
| 1994-95 | 32.17 | 29.88 | 929 | 10.4 |
| 1995-96 | 30.88 | 29.03 | 940 | 11.0 |
| 1996-97 | 31.81 | 34.10 | 1072 | 10.2 |
| 1997-98 | 30.83 | 30.40 | 986 | 11.0 |
| 1998-99 | 29.34 | 31.34 | 1068 | 12.0 |
| 1999-2000 | 29.34 | 30.33 | 1034 | NA |
| 2000-01 | 30.33 | 31.62 | 1042 | NA |
| 2001-02 ^a | 29.83 | 33.10 | 1110 | NA |

^aAdvance estimates as on 05-04-2002.

ANNEXURE-V

MEASURES TAKEN BY THE GOVERNMENT OF INDIA
TO INCREASE OFFTAKE OF FOODGRAINS TO
LIQUIDATE THE EXCESS STOCKS

1.4.2000

- (i) The entitlement for BPL families was raised from 10 kg. per family per month to 20 kg. per family per month from April 2000.

2.11.2000

- (ii) It was decided to make foodgrains available at CIPs for BPL families for all welfare schemes, including SC/ST/OBC hostels scheme, implemented by the various Ministries of the Government of India.
- (iii) It was decided to make foodgrains available at BPL rates for allotment to State Governments @ 5 kg. per head per month for covering categories of indigent people living in welfare institutions, such as beggar homes, orphanage/Nari Niketans, etc. sponsored by the State Governments and the concerned administrative Ministry of the Government of India.
- (iv) A decision was taken to make foodgrains available at BPL rates for development schemes (where the beneficiaries belong to the BPL category) implemented by Non-Government Organisations (NGOs), sponsored by the State Governments and endorsed by the administrative Ministry in the Government of India, as also by international organizations like the World Food Programme.
- (v) FCI was permitted to make wheat available from the Central Pool for the purpose of export. A quantity of 42.96 lakh tonnes of wheat has been exported so far.

1.12.2000

- (vi) The allocation of foodgrains for Below the Poverty Line (BPL) families was revised *w.e.f.* 1.12.2000 on the basis of population projections of the Registrar General as on 1.3.2000. As a result, the number of BPL families eligible for subsidised foodgrains has increased from 5.96 crore families to 6.52 crore families.

25.12.2000

- (vii) The Antyodaya Anna Yojana was announced for the one poorest of the poor BPL families. The scheme is now under implementation in all States/UTs. Each of the Antyodaya families is given 25 kg. of foodgrains @ Rs. 2 per kg. for wheat and Rs. 3 per kg. for rice.

1.1.2001

- (viii) The Food for Work Programme was introduced in eight drought affected States in January, 2001 by the Ministry of Rural Development. Under FFW the foodgrains are allocated to State Governments free of cost. The programme has been subsequently extended to cover floods and other natural calamities. From January, 2001 till 7.3.2002, 39.33 lakh tonnes of foodgrains under FFW have been allotted to 11 States.

29.1.2001

- (ix) The Government of India allocated one lakh MTs of foodgrains for distribution in the earthquake-affected areas of Gujarat on 29 January 2001.

1.5.2001

- (x) It was decided to make additional allocation of foodgrains at BPL rates to drought affected States for distribution to all the drought affected families (BPL & APL) @ 20 kg per family per month for a period of three months in the current financial year. The Government of Andhra Pradesh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra and Rajasthan have already been allocated additional foodgrains aggregating 19.53 lakh tonnes. The Govt. of Bihar has been given additional allocation of 1.80 lakh MTs of wheat at BPL rate for flood relief.

2.5.2001

- (xi) It was decided to permit FCI to offer rice from the Central Pool for the purpose of export. The quantity of rice lifted for export upto 25.2.2002 during the current financial year is 16.46 lakh tonnes.

10.7.2001

- (xii) It was decided to make available 20 lakh tonnes of wheat from the Central Pool for the purpose of export of wheat products.

12.7.2001

- (xiii) The entitlement for BPL families was raised from 20 kg. per family per month to 25 kg. per family per month.
- (xiv) The Central Issue Price (CIP) of wheat and rice was retained for BPL and reduced for the APL category as under, which will be valid till 31.3.2002:

| | (Rs. per quintal) | |
|-------|-------------------|-----|
| | BPL | APL |
| Wheat | 415 | 610 |
| Rice | 565 | 830 |

- (xv) The Prime Minister announced the Sampoorna Gramin Rozgar Yojana (SGRY) on 15th August 2001. The Scheme was launched by the Ministry of Rural Development on 25.9.2001. Under the programme, it is envisaged to utilize 50 lakh MTs of foodgrains every year.

23.3.2002

With a view to further liquidate the stocks of foodgrains, the Government has approved the following proposals:

- (i) To reduce the APL CIPs by Rs. 100 per quintal in respect of rice and wheat for a period of three months.
- (ii) To fix the scale of issue for APL, BPL and Antyodaya households @ 35 kg. per household per month and increase allocations to States/UTs accordingly.
- (iii) To fix the scale of issue for all welfare institutions and hostels uniformly @ 15 kg. per head per month and make an additional allocation equal to 5% of the BPL allocation of States/UTs at BPL CIPs on this account.

- (iv) To make open market sales of 50 lakh MTs of wheat and 10 lakh MTs of rice at prices to be determined by the existing High Level Committee of the FCI. FCI may be authorized to sell the stocks in the open market either through auction in prefixed lots or by fixation of sale prices keeping in view the prevailing market conditions.
- (v) To increase export of wheat and rice including lustre lost wheat, provide WTO compatible subsidies for exports of wheat, wheat products and rice in accordance with the decision taken on 5th February 2002.
- (vi) To fix on quantitative restrictions on the exports of rice, wheat and wheat products, subject to the condition that the stocks in the Central Pool will not be lower than the buffer stock of 243 lakh MTs (100 lakh MTs of rice and 143 lakh MTs of wheat) at any point of time.
- (vii) To enter into counter trade and/or extend commodity assistance in the form of foodgrains to other countries on terms to be decided on a case-to-case basis.

2. The decisions at S. No. (ii) to (vii) above will be valid upto 31.3.2003.

ANNEXURE-VI

SCHEME-WISE AN CATEGORY-WISE SUBSIDY
RELEASED DURING 2001-2002

(Rs. in Crore)

| Scheme | Wheat | Rice | Total |
|-------------------------------|----------------|----------------|-----------------|
| Consumer Subsidy: | | | |
| (a) TPDS | | | |
| (1) APL | 119.60 | 3338.30 | 457.90 |
| (2) BPL | | | |
| (i) AAY | 428.70 | 701.96 | 1130.66 |
| (ii) Other than AAY | 1498.86 | 3587.55 | 5086.41 |
| Total (i + ii) | 1927.56 | 4289.51 | 6217.07 |
| Total under TPDS | 2047.16 | 4627.81 | 6674.97 |
| (b) Exports | 531.90 | 836.47 | 1368.37 |
| (c) (i) FFW | 363.50 | 1435.53 | 1799.03 |
| (ii) MDM | 313.88 | 816.63 | 1130.51 |
| (iii) Open Sale | 616.10 | — | 616.10 |
| (iv) Defence | 23.12 | — | 23.12 |
| Total consumer subsidy | 3895.66 | 7716.44 | 11612.10 |
| (d) Buffer subsidy | | | 5881.90 |
| Grand Total: | | | 17494.00 |

**INTRODUCTION OF A NEW CENTRAL SECTOR SCHEME OF
STRENGTHENING THE QUALITY CONTROL MECHANISM OF
FOODGRAIN IN CENTRAL POOL**

Need for strengthening the quality enforcement mechanism for foodgrain stocks in the Central Pool.

1. In the Fifth Report of the Standing Committee on Food, Civil supplies and Public Distribution (1999-2000), the Committee had expressed serious concern about the inferior quality of food grains being made available under the PDS. It has been observed by the Committee that though the Food Corporation of India (FCI) asserts that food grains conforming to prescribed quality are procured, the consumer at the Fair Price Shops (FPSs) is getting inferior quality of food grains which is sometimes even not fit for human consumption. In the opinion of the Committee, it is the prime duty of the Central Government to ensure that food grains available at FPSs are of good quality due to the fact that huge amount of subsidy is involved in it. The Committee, therefore strongly recommended that the Government should further strengthen its monitoring mechanism in coordination with State Governments to ensure that food grains including sugar available under Public Distribution System are of good quality.
2. The Expenditure Reforms Commission (ERC) in its Seventh report has also recommended that the Quality Control Cells (QCC's) and the CGAL need to be strengthened.
3. Most of the State Governments are often complaining about the supply of inferior quality of foodgrains by the FCI for distribution under PDS. One of the reasons of poor off take from the PDS is the supply of poor quality foodgrains. In the present era of growing quality awareness among the consumers and when customer is the king it is imperative to ensure supply of good quality foodgrains under PDS. In the PDS (control) order 2001 recently promulgated by the Government, it has also been made the responsibility of the Government of India to ensure supply of foodgrains conforming to PFA standards and allowing joint sampling and analysis of stocks before lifting from FCI depots as well as issue of stack-wise sealed samples for display at the FPSs.

4. One of the other measures to ensure liquidation of foodgrains from the Central Pool is by way of exports. However, the exports of wheat and rice is, at times, affected on quality grounds. Wheat shipments from the country had suffered serious set back in the recent past due to rejection by the buyers on account of excessive foreign matter, contamination etc. Although the exports of wheat has now picked up, in order to ensure exports on a sustained basis, is necessary that strict enforcement of quality standards for procurement for the Central Pool and specially for exports purpose is undertaken.

5. Therefore, there is an urgent need for strict enforcement of quality standards right from the procurement stage and thereafter during storage and distribution.

6. Existing structure of Quality Control Cells (QCCs)

At the instance of the Cabinet Secretariat, 3 QCCs were set up at New Delhi, Kolkata and Hyderabad during 1979 in the Ministry of Food with a view to create a set-up, independent of FCI, to monitor the quality aspects of food grains during procurement, storage and distribution. These QCCs attend to the complaints and representations received from various States, VIPs and public about quality of food grains being issued through Targeted Public Distribution System (TPDS). These QCCs work under the guidance and supervision of the Joint Commissioner (S&R). Each cell is however, separately headed by a Regional Director (Storage & Research). Total staff in 3 QCCs is as follows:

| Sl.No. | Group | Staff Strength | |
|--------|-------|----------------|-------------|
| | | Sanctioned | In position |
| 1. | A | 9 | 6 |
| 2. | B | Nil | Nil |
| 3. | C | 10 | 8 |
| 4. | D | 5 | 5 |

7. At the time of creation of these three QCCs, the total annual procurement of the food grains by the FCI and State agencies was only about 10 million tonnes, which was now increased four fold to about 40 million tonnes per annum. At present about 60 million tonnes of food grains are available in the central pool with the FCI and the State agencies. Considerable quantity of wheat and paddy are also being stored in Cover and Plinth (CAP) storage complexes due to paucity of the covered storage capacity. Moreover, due to poor off take, a seizable quantity of foodgrains in storage are more than 3-4 years old. Therefore, these three QCCs cannot cope with the huge work of monitoring of the quality of food grains in the country. They cannot do justice to the millions of consumers who are now cautious and aware about the food grain quality. Therefore, there is an urgent need that the quality control mechanism of foodgrains in the country should be strengthened so that good quality of food grains, conforming to laid down norms, are procured by the FCI and State agencies and subsequently food grains conforming to PFA norms, are made available to the consumers through TPDS.

In the meeting held on 28.8.2000, the Committee of Secretaries (COS) had also recommended that the QC Cells should continue to function with the Department.

8. New Scheme in the 10th Plan Period (2002-2007)

Keeping in view the increasing consumers quality consciousness and need for stringent quality for exports, there is an urgent need for strengthening the Quality Control set up of the ministry, independent of FCI, in order to monitor strict enforcement of quality standards at the time of procurement, storage and distribution and to meet the requirement of consumers/importing countries. It is therefore, proposed to introduce a new central sector scheme on "Strengthening the Quality Control Mechanism of Foodgrains in the Central Pool" in the 10th Plan period.

9. The NEW scheme envisages the following three components and would be under the Major Head—2408 (Food, Storage and Warehousing). So there would be no need to create new head of account.

- (a) Quality Control Cells (QCC's)
- (b) Quality Management Research and Training Institute (QMRTI)
- (c) Grain Analysis Laboratories (GALs)

10. Quality Control Cells

- (i) There will be 11 Quality Control Cells situated in different parts of the country. The State-wise jurisdiction of these cells is given below:

| SLNo. | Name of the QCC | Jurisdiction/State and UTs coverage |
|-------|-----------------|-----------------------------------------------------------------------------|
| 1. | Bangalore | Karnataka and Lakshdweep |
| 2. | Jabalpur | Madhya Pradesh and Chattisgarh |
| 3. | Pune | Maharashtra and Goa |
| 4. | Ludhiana | Punjab, Jammu & Kashmir, Haryana and Himachal Pradesh |
| 5. | Chennai | Tamil Nadu, Pondicherry and Kerala |
| 6. | Guwahati | Assam, Arunachal Pradesh, Manipur, Nagaland, Tripura, Meghalaya and Mizoram |
| 7. | Hyderabad | Andhra Pradesh and Orissa |
| 8. | Udaipur | Rajasthan, Gujarat and Dadara & Nagar Haveli |
| 9. | Kolkata | West Bengal, Andman & Nicobar Islands, Bihar Jharkhand and Sikkim |
| 10. | Hapur | Uttar Pradesh |
| 11. | New Delhi | NCT of Delhi and Uttaranchal |

10.2 The qualified and trained manpower available with the Storage and Research Division of the Department of Food & Public Distribution would be retrained and deployed for monitoring strict enforcement of quality standards at the time of procurement, storage and distribution as well during export/import of foodgrains.

10.3 The QCCs would be equipped with a physical analysis laboratory to facilitate analysis of food grain samples drawn from different stages. Basic equipment like samplers, moisture meters, weighing balances, sample dividers etc. would be provided to each laboratory. The laboratories would also analyze the samples in accordance with the PFA norms. Efforts would be made to accredit these laboratories as the approved laboratory under the PFA Act as well as testing of foodgrains on cost payment basis.

10.4 ACTIVITIES

The following would be the Charter of duties of the QCCs:

- (i) To inspect the procurement centres/mandies, rice mills and rail heads to monitor the quality of foodgrains as per quality standards.
- (ii) To inspect the Food Storage Depots (FSDs) of FCI, CWC, SWCs and State Govt. agencies for monitoring the quality of foodgrains at the time of, storage and distribution.
- (iii) To inspect the Fair Price Shops to monitor the quality of foodgrains supplied under TPDS.
- (iv) To investigate the complaints received from MPs, VIPs, State Govts., press and consumers with special regarding quality of foodgrains at the time of procurement, preservation and public distribution system.
- (v) To associate in the inspection of premises of pest control agencies for grant of licence by the Directorate of Plant Protection Quarantine and Storage, Ministry of Agriculture.
- (vi) To associate in the Inter Departmental Panel (IDP) of the Export Inspection Council for inspection of Rice Mills for grant of quality certification.
- (vii) To associate with the teams for estimation of extent of damage to foodgrains and collection of samples for considering grant of relaxation in specifications of foodgrains, required if any.
- (viii) To attend to all other work related to quality of foodgrains that may be assigned to Quality Control Cells by the senior officers from time to time.

10.5 TARGETS

Each QCCs would be assigned annual physical targets in respect of following items of works:

- (i) Inspection of procurement centres
- (ii) Inspection of Food Storage Depots
- (iii) Inspection of Fair Price Shops
- (iv) Inspection of rail heads
- (v) Inspection of rice mills and
- (vi) Collection of food grain samples for analysis for pesticidal residues and mycotoxin contamination.

10.6 REQUIREMENT OF FUNDS

The financial requirement of the QCCs during the Tenth Five Year Plan 2002-2007 and Annual Plan 2002-2003 would be as follows:

(Figures in lakh rupees)

| Sl. No. | Item of expenditure | Total expenditure during 10th Five Year Plan (2002-2007) | Expenditure during 2002-2003 |
|-------------|--------------------------------------------|----------------------------------------------------------|------------------------------|
| 1. | Salaries | 2010.00 | 402.00 |
| 2. | Wages | 1.75 | 0.35 |
| 3. | Travel Expenses | 175.00 | 35.00 |
| 4. | Office Expenses | 100.00 | 20.00 |
| 5. | Rent, Rates and Taxes | 40.00 | 8.00 |
| 6. | Machinery and Equipment (for laboratories) | 20.00 | 4.00 |
| Grand Total | | 2346.75 | 469.35 |

11. Quality Management Research and Training Institute (QMRTI)

11.1 While addressing the budget session of the Parliament, the Hon'ble President of India has highlighted the enormous losses occurring to the national economy to the extent of about Rs. 70,000 crores per annum towards post harvest losses in agricultural produce and emphasized the need for making sustained efforts in curtailing such loss. Foodgrains constitute a major chunk of the agricultural production. Although the post harvest losses in foodgrains have been brought down from about 10% estimated during 1966-68 to about 5% estimated during 1998-2000 there is an imperative need to continue our efforts in the direction of post harvest management of foodgrains, both at farm and commercial level.

11.2 Under the National policy on handling, storage and transportation of foodgrains announced by the Government, private sector participation is sought to create conventional storage capacity with seven years guarantee scheme on BOO basis. Under this guarantee of 87.00 lakh MT has already been extended to different agencies including SWCs and CWC. Operating such infrastructure and preservation of foodgrains calls for deployment of adequate trained manpower over the next 2-3 years. IGMRI/QCCs have already started organizing tailor made, custom packaged short term training programmes for these agencies.

11.3 In view of the need for continuous research and development of technologies for grain quality management as well as the need for continuous training of the personnel engaged in procurement, storage and distribution of foodgrains, the QMRTI shall conduct R&D activities such as screening of pesticides, evaluation of dunnage material, fumigation covers, etc. as well as long term/short term training courses for the officials of the organized storage agencies, such as, FCI, CWC, SWCs, Marketing Federations, State Civil Supply Corporations, as well as private parties and foreign trainees in the field of grain quality management. The existing infrastructure of the IGMRI Hapur, and its field stations located at different agro climatic conditions of the country namely, Hyderabad, Jabalpur, Udaipur, Jorhat and Ludhiana together with its existing manpower shall be utilized by the QMRTI.

11.4 In fact IGMRI is one of the 38 premier institutions recognized by the Department of Economic Affairs, Ministry of Finance, Government of India for organizing training courses on Storage & Inspection of foodgrains for the officials of the member countries under Colombo Plan.

11.5 The requirement of funds for QMRTI for the 10th Five Year Plan (2002-2007) and Annual Plan 2002-2003 would be as follows:

(Figures in lakh rupees)

| Sl. No. | Item of expenditure | Total expenditure during 10th Five Year Plan (2002-2007) | Expenditure during 2002-2003 |
|---------|--------------------------|----------------------------------------------------------|------------------------------|
| 1. | Salaries | 1205.00 | 241.00 |
| 2. | Wages | 13.50 | 2.70 |
| 3. | Travel expenses | 48.25 | 9.65 |
| 4. | Office expenses | 267.50 | 53.50 |
| 5. | Machinery and equipments | 88.50 | 17.70 |
| 6. | RRT | 32.50 | 6.50 |
| 7. | Minor works | 107.50 | 21.50 |
| 8. | Other charges | 5.00 | 1.00 |
| | Total | 1767.75 | 353.55 |

12. Grain Analysis Laboratories (GALs)

Since the grain analysis and quality testing is an integral part of any quality control setup to collect, generate and analyse data on physical and chemical quality parameters of foodgrains for deciding specifications for procurement, exports, imports etc. three GALs would be operated by the Department at New Delhi, Hyderabad & Hapur with the existing infrastructure and manpower available. The funds requirement of GALs would be for purchase of Laboratory equipment required for replacement or strengthening of the existing chemical and physical testing facilities as well as for purchase of consumables such as chemicals, reagents, glass wares etc. The funds requirements would be about Rs. 15 Lakhs annually.

13. TOTAL FUNDS REQUIREMENT

(Figures in lakh rupees)

| Component | Total requirement for 10th Five Year Plan 2002-2007 | Total requirement for 2002-2003 |
|--------------|-----------------------------------------------------|---------------------------------|
| QCCs | 2346.75 | 469.35 |
| QMRTI | 1767.75 | 353.55 |
| GALs | 75.00 | 15.00 |
| Total | 4189.50 | 837.90 |

14. For implementing the new scheme the existing manpower available with the Department of Food & Public Distribution shall be utilized and there shall be no recruitment of additional manpower. The resultant vacancies arising out of retirement, resignation etc., shall stand surrendered and thus the objective of the Government for downsizing shall progressively be achieved.

ANNEXURE VIII

STATEWISE DETAILS OF UTILIZATION CERTIFICATE PENDING
IN RESPECT OF FINANCIAL ASSISTANCE SANCTIONED
UNDER CENTRALLY SPONSORED SCHEME
'PURCHASE OF VANS' (as on 1.8.2002)

| Sl.No. | State/UT | Year of sanction | Amount (Rs. in lakh) |
|--------|----------------------|------------------|----------------------|
| 1. | Arunachal Pradesh | 1999-2000 | 28.00 |
| 2. | Arunachal Pradesh | 2000-2001 | 23.53 |
| 3. | Assam | 1997-1998 | 114.00 |
| 4. | Assam | 1998-1999 | 26.96 |
| 5. | Bihar | 1992-1993 | 40.00 |
| 6. | Jammu & Kashmir | 1997-1998 | 200.00 |
| 7. | Karnataka | 1992-1993 | 48.00 |
| 8. | Meghalaya | 1995-1996 | 14.00 |
| 9. | Sikkim* | 2000-2001 | 31.10 |
| 10. | Tripura* | 2000-2001 | 44.30 |
| 11. | Uttar Pradesh | 1988-1989 | 2.50 |
| 12. | Uttar Pradesh | 1998-1999 | 221.20 |
| 13. | West Bengal | 1992-1993 | 72.00 |
| 14. | West Bengal | 1993-1994 | 28.00 |
| 15. | Dadra & Nagar Haveli | 1994-1995 | 8.00 |
| 16. | Pondicherry | 1999-2000 | 20.00 |

*From separate budgetary allocation for North Eastern States.

ANNEXURE IX

STATEWISE DETAILS OF FINANCIAL ASSISTANCE FOR
CONSTRUCTION OF GODOWNS FOR WHICH UTILIZATION
CERTIFICATE IS PENDING (as on 1.8.2002)

| Sl. No. | State/UT | Year of sanction | Amount (Rs. in lakh) | Remarks |
|---------|-------------------|------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Arunachal Pradesh | 1992-93 | 4.00 | |
| 2. | Assam | 1996-97 | 95.04 | |
| 3. | Assam | 1997-98 | 168.66 | |
| 4. | Assam | 1998-99 | 258.88 | |
| 5. | Bihar | 1993-94 | 48.00 | |
| 6. | Bihar | 1994-95 | 58.40 | |
| 7. | Gujarat | 1997-98 | 183.30 | |
| 8. | Haryana | 1998-99 | 165.29 | |
| 9. | Himachal Pradesh | 1997-98 | 77.76 | |
| 10. | Jammu & Kashmir | 1993-98 | 555.54 | |
| 11. | Karnataka | 1992-93 | 132.00 | Five godowns have been partially constructed. The State Govt. has confirmed that they shall refund the unutilized amount of Rs. 103.69 lakh. |
| 12. | Kerala | 1999-2000 | 207.50 | |
| 13. | Maharashtra | 1992-93 | 78.86 | |
| 14. | Maharashtra | 1993-94 | 19.98 | |
| 15. | Maharashtra | 1994-95 | 66.22 | |

| 1 | 2 | 3 | 4 | 5 |
|-----|------------------|-----------|----------|-------------------------------------------------------------------------------------|
| 16. | Maharashtra | 1995-96 | 41.10 | |
| 17. | Meghalaya | 1988-89 | 6.00 | |
| 18. | Meghalaya | 1994-95 | 40.00 | |
| 19. | Nagaland | 1996-97 | 60.00 | |
| 20. | Orissa | 1999-2000 | 1247.735 | |
| 21. | Rajasthan | 1998-2000 | 87.35 | Godowns constructed. Unutilized amount to be refunded. |
| 22. | Tamil Nadu | 1996-97 | 50.00 | |
| 23. | U.P./Uttaranchal | 1996-97 | 162.00 | |
| 24. | U.P./Uttaranchal | 1997-98 | 460.50 | |
| 25. | U.P./Uttaranchal | 1998-99 | 111.92 | |
| 26. | U.P. | 1998-2000 | 98.065 | All godowns as sanctioned constructed except two. Unutilized amount to be refunded. |
| 27. | West Bengal | 1992-93 | 96.46 | |
| 28. | A&N Islands | 1991-92 | 46.00 | UC received for Rs. 41.00 lakh. |
| 29. | Lakshadweep | 1991-92 | 7.50 | |