

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA

UNSTARRED QUESTION NO. 5143
TO BE ANSWERED ON 27TH MARCH, 2018

IRREGULARITIES IN PROCUREMENT AND
DISTRIBUTION OF FOODGRAINS

5143. DR. J. JAYAVARDHAN:
SHRI P.R. SUNDARAM:
SHRI DHANANJAY MAHADIK:
SHRIMATI SUPRIYA SULE:
DR. HEENA VIJAYKUMAR GAVIT:
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:
SHRI SATAV RAJEEV:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) the procedure laid down or adopted by the Government for procurement of foodgrains by various agencies;
- (b) the details of the foodgrains procured by various agencies during each of the last three years and the current year, State/UT-wise;
- (c) whether there is any monitoring mechanism to check irregularities in the procurement and the distribution of foodgrains by the agencies involved for the purpose;
- (d) if so, the details thereof indicating the number of irregularities reported therein during the said period along with the action taken thereon, agency-wise;
- (e) the corrective steps taken to ensure smooth functioning of these agencies; and
- (f) whether the Government is encouraging the States to increase their grain procurement by creating State agencies and financing them through bank credit and if so, the details thereof and the response of the States including Maharashtra and Tamil Nadu thereto indicating the number of agencies created and foodgrains procured by them during the last three years, State-wise?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a): There exists a transparent & Uniform Policy for procurement by Government agencies across the country. Under this policy, whatever wheat and paddy are offered by farmers within the stipulated procurement period, conforming to the specifications prescribed by Government of India, are

purchased at Minimum Support Price (MSP) by the Government agencies including Food Corporation of India (FCI), for central pool. However, if any producer/farmer gets better price in comparison to MSP, he is free to sell his produce in Open market.

Further, the different commodities of coarse grains are procured by State Governments as per their requirement for distribution under National Food Security Act (NFSA) as well as Other Welfare Schemes (OWS).

Before the onset of procurement season a meeting of Food Secretaries of the States is convened at the level of Ministry to decide the estimated procurement, milling period and other issues. Based on production, expected procurement, marketable surplus in the catchment area, convenience of farmers and availability of other logistics / infrastructure such as storage, transportation and milling facilities etc., the number of procurement centres to be opened are decided mutually by various State Governments/its procurement agencies and Food Corporation of India (FCI). Large numbers of temporary purchase centres are also established for the convenience of the farmers.

In order to ensure quality parameters, before the commencement of each procurement season, detailed guidelines /procedure for inspection, sampling and analysis procedure to be followed in procurement of paddy and acceptance of rice stocks are circulated.

(b): State-wise quantum of wheat, rice and coarse grains procured by Government agencies during each of the last three years and the current year is attached as Annexure-I, II and III respectively.

(c): FCI has in place well established Monitoring Mechanism to keep a check on the procurement and the distribution activities undertaken by its field functionaries, details of which are attached as Annexure-IV.

(d): During Checks/ Super checks at various levels, some quantity detected as Beyond Rejection Limit (BRL). Such BRL rice stocks had been got replaced from the concerned millers at their cost, with sound stocks confirming to Government of India (GOI) specifications.

Statement showing details of BRL detected during 2014-15, 2015-16, 2016-17 and 2017-18 is at Annexure-V.

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(e): The Corrective Steps taken by FCI for smooth functioning of procurement and distribution of foodgrains are attached as Annexure-VI.

(f): Government of India introduced Decentralized Procurement Scheme (DCP) in 1997-98 to increase participation of States in procurement and distribution. Under DCP system, the State Government/its agencies procure, store and distribute rice/wheat within the state under National Food Security Act (NFSA) and Other Welfare Scheme (OWS). Further, the excess stocks (rice & wheat) procured by the State /its agencies are handed over to FCI for the Central Pool.

As on date 15 States/UTs have adopted DCP mode for procurement of Rice (Jharkhand partially adopted). Further, 8 States have adopted DCP mode for procurement of Wheat (Rajasthan partially adopted).

Maharashtra and Tamil Nadu are DCP State for rice. The Central Government undertakes to meet the entire expenditure incurred by the State Governments on the procurement operations as per the approved costing. Central Government also provide advance subsidy to State Government.

Further, Government of India is not financing the State Agencies through bank credit.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE UNSTARRED QUESTION NO. 5143 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA.

PROCUREMENT OF WHEAT FOR CENTRAL POOL

(Figures in LMT)

STATE/UT	RMS 2014-15	RMS 2015-16	RMS 2016-17	RMS 2017-18
Punjab	116.41	103.44	106.49	117.06
Haryana	64.95	67.78	67.52	74.32
Uttar Pradesh	6.28	22.67	7.97	36.99
Uttarakhand	0.01	0.04	0.02	0.02
Madhya Pradesh	70.94	73.09	39.92	67.25
Gujarat		0.73	0.00	0.07
Rajasthan	21.59	13	7.62	12.45
Bihar		0		
Jharkhand				
Karnataka				
Delhi		0.02	0.00	
J & K				
Maharashtra				
Odisha				
Himachal Pradesh		0.11	0.00	
Chandigarh	0.05		0.07	0.08
West Bengal				
Chhattisgarh				
Andhra Pradesh				
Assam				
Telangana				
Others		0.04		
All India Total :	280.23	280.88	229.62	308.24

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ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE UNSTARRED QUESTION NO. 5143 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA.

PROCUREMENT OF RICE FOR CENTRAL POOL

(Figures in LMT)

STATE/UT	KMS 2014-15	KMS 2015-16	KMS 2016-17	KMS 2017-18#
A&N ISLANDS				
ANDHRA PRADESH	35.96	43.36	37.24	26.99
TELANGANA	35.04	15.79	35.96	12.23
ASSAM	0.15	0.42	0.47	0.19
BIHAR	16.14	12.23	12.34	6.64
CHANDIGARH	0.10	0.16	0.13	0.14
CHHATISGARH	34.23	34.42	40.22	32.07
DELHI	0.00	0.00	0.00	0.00
GUJARAT	0.00	0.01	0.01	0.01
HARYANA	20.15	28.61	35.83	39.67
HIMACHAL PRADESH	0.00	0.00	0.00	0.00
JAMMU & KASHMIR	0.00	0.07	0.08	0.13
JHARKHAND	0.06	2.06	1.39	1.12
KARNATAKA	0.88	0.55	0.00	0.00
KERALA	3.74	3.82	3.08	1.54
MADHYA PRADESH	8.07	8.49	13.14	10.96
MAHARASHTRA	1.99	2.30	3.09	1.57
NAGALAND	0.00	0.00	0.00	0.00
ODISHA	33.57	33.69	36.30	23.96
PUDUCHERRY	0.00	0.00	0.00	0.00
PUNJAB	77.86	93.50	110.52	118.33
RAJASTHAN	0.00	0.00	0.00	0.00
TAMIL NADU	10.51	11.92	1.44	4.40
UTTAR PRADESH	16.98	29.10	23.54	28.75
UTTRAKHAND	4.65	5.98	7.06	0.38
WEST BENGAL	20.32	15.68	19.23	0.25
OTHERS	0.00	0.00	0.00	0.00
ALL INDIA TOTAL :	320.40	342.18	381.06	309.30

As on 22.03.2018

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE UNSTARRED QUESTION NO. 5143 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA.

STATEMENT SHOWING PROCUREMENT OF COARSEGRAINS

(Figures in Tonnes)

KMS	COMMODITY	ANDHRA PRADESH	TELANGANA	BIHAR	CHANDIGARH	HARYANA	KARNATAKA	MADHYA PRADESH	MAHARASHTRA	RAJASTHAN	TOTAL
2014 -15	JOWAR						6839	1643	5867		14349
	BAJRA										0
	MAIZE	4945	6438					301842	1619		314844
	RAGI						135955				135955
2015 -16	JOWAR						7129	4947	16569		28645
	BAJRA					5053					5053
	MAIZE							22962	11		22973
	RAGI						203769				203769
2016 -17	JOWAR								3733		3733
	BAJRA					6341					6341
	MAIZE							50000	12181		62181
	RAGI										0
2017-18*	JOWAR							264	2668		2932
	BAJRA					31347		3789			35136
	MAIZE								47779		47779
	RAGI										0

* As on 22.03.2018

ANNEXURE REFERRED TO IN REPLY TO PART (C) OF THE UNSTARRED QUESTION NO. 5143 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA.

Monitoring Mechanism to keep a check on the procurement and the distribution activities

Procurement

1. Joint inspection of foodgrain stocks undertaken by officials of FCI & State Govt. on regular intervals to check irregularities in all aspects of procurement operations.
2. Online Procurement Monitoring System (OPMS) module has been developed to monitor the procurement of wheat and rice. This module enables FCI and DFPD to view and monitor the consolidated report of procurement of wheat and rice done by procuring agencies viz. State agencies and FCI.
3. An Online Procurement System as part of Depot Online System for procurement of Food Grains from farmers has been developed by FCI which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. Through Depot Online System, farmers get latest/updated information regarding nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enable the farmer to deliver stock as per his convenience in the nearest mandi. MSP is released through either electronic mode or Account payee cheque directly to the bank accounts of the farmers except in Punjab & Haryana where as per APMC Act of the state, payment is made to Arthiyas.
4. Before the start of each procurement season, Govt. of India prescribes the Uniform Specification for quality of wheat, paddy, rice and coarse grains. FCI/State agencies ensure procurement of foodgrains in the mandis and at the depots strictly in accordance with quality specifications.

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5. For analysis of the stocks at different levels, Quality Control Laboratories are manned by qualified and trained QC personnel working at various levels viz Depot/District /Regional/ Zonal &Hqrs level. Checks/Super checks are conducted by various authorities to ensure procurement of stocks as per prescribed specifications. In addition to above super checks, squads are sent from Hqrs.,Zonal Offices & Regional Offices.

Distribution

FCI ensures distribution of foodgrains in accordance to laid down specifications prescribed by the Ministry of Consumer Affairs, Food & Public Distribution and Food Safety and Standards Authority of India (FSSAI). FCI releases food grains stocks to the States/UTs authorities and/or their nominees for further issue under NFSA and other welfare schemes as per the allocation formulated by the Government of India from time to time, after their satisfaction about quantity as well as quality and a certificate is also recorded to this effect.

A representative sample is drawn in the presence of the authorised representative of the state agency taking delivery of foodgrains. The Sample is divided in three equal parts and sealed. One of these jointly sealed sample bags is given to authorised representative of State Govt. taking delivery, one is sent to Area Manager of FCI and one is retained in the depot from where the delivery is affected.

Further, on receipt of the quality complaint regarding foodgrains issued by FCI for distribution under NFSA and other welfare schemes, the concerned District Collector or any other officer designated by him may call for the concerned sealed samples both from the designated state agency and Area Manager of FCI concerned and get the sealed samples tested from a premier institutions. Also, in order to clear any doubts regarding quality of foodgrains issued by FCI, the Area Manager of FCI concerned too may on his own initiative take steps for getting the samples analysed from the premier institutions after getting the samples from the designated state agency.

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE UNSTARRED QUESTION NO. 5143 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA.

**Region-Wise Quantity of stocks detected as Beyond Rejection Limit (BRL) by FCI
(Financial Year-Wise)**

(Fig. in MTs)

* as on 28.02.2018

North East Frontier – Meghalaya, Mizoram and Tripura

Region	2017-18*	2016-17	2015-16	2014-15
Bihar	0	0	0	0
Jharkhand	27	296	0	0
Orissa	27	0	0	0
West Bengal	0	0	0	0
Assam	0	0	0	0
NEF#	0	0	0	0
Arunachal Pradesh	0	0	0	0
Nagaland & Manipur(N&M)	0	0	0	0
Delhi	0	0	0	0
Haryana	0	648	1029	1582
Himachal Pradesh	0	0	0	0
Jammu and Kashmir	0	0	0	0
Punjab	844.5	1432	3220.5	10215
Rajasthan	0	0	0	0
Uttar Pradesh	189	553.5	324	702
Uttarakhand	0	0	0	0
Andhra Pradesh	0	108	890	135
Kerala	0	0	0	0
Karnataka	0	0	0	0
Tamil Nadu	0	0	0	0
Gujarat	0	0	0	0
Maharashtra	0	189	1620	27
Madhya Pradesh	0	0	0	0
Chhattisgarh	162	162	783	162
Country Total	1249.487	3388.5	7866.5	12823

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE UNSTARRED QUESTION NO. 5143 DUE FOR ANSWER ON 27.03.2018 IN THE LOK SABHA.

The Corrective Steps taken by FCI for smooth functioning of procurement and distribution of foodgrains are as under:

1. In order to ensure acceptance of rice conforming to laid down specifications super inspection are conducted by the senior officers. Besides 10% and 5% samples are drawn by District and Regional Lab to verify the quality of the stocks accepted by Technical Assistant.
2. With a view to introduce mechanized process for quality checking, 30 Computerized Rice Analyzers (Annadarpan^{SMART}) developed by Centre for Development of Advance Computing (CDAC), Kolkata were made available in 07 major procuring regions namely Punjab, Haryana, Uttar Pradesh, Orissa, West Bengal, Chhattisgarh and Andhra Pradesh during KMS 2017-18.
3. In order to eliminate subjectivity and brief clarity in the analysis of samples of rice, a Pictorial Depiction of the refractions in respect of Uniform specifications of rice based on the definition of refractions as per BIS(IS2813:1995) has been displayed in all the laboratories as well as to reduce human error in manual analysis.
4. Checks /Super checks are conducted Fortnightly , Monthly and Quaterly by Technical Assistant, Manager(QC) and Asst General Manager(QC) respectively at the time of storage of foodgrains to ensure the health of the grains is maintained all the times .
5. A drive has been launched to carry out effective prophylactic and curative treatment of stocks and regular inspections are being carried out to minimize damage to stocks.
6. Stocks are issued on First In First out (FIFO) Principle.
7. Disciplinary action against the defaulters is invariably taken who were found accountable for purchase of Sub-Standard Stocks.
