

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

LOK SABHA  
UNSTARRED QUESTION NO. 3753  
TO BE ANSWERED ON 16<sup>TH</sup> JULY, 2019

SHANTA KUMAR COMMITTEE

3753. SHRI SANJAY SADASHIV RAO MANDLIK:  
SHRI GAJANAN KIRTIKAR:  
SHRI BIDYUT BARAN MAHATO:

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

- (a) whether the Shanta Kumar Committee constituted to review the entire gamut of foodgrains management system in the country has since submitted its report;
- (b) if so, the details thereof indicating the major observations and recommendations made by the Committee;
- (c) the details of the action plan for implementation of the accepted recommendations; and
- (d) the steps taken/being taken by the Government to streamline the functioning of the Food Corporation of India (FCI)?

A N S W E R

MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &  
PUBLIC DISTRIBUTION  
(SHRI DANVE RAOSAHEB DADARAO)

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(a) to (d): High Level Committee(HLC) on restructuring of Food Corporation of India(FCI) chaired by Shri Shanta Kumar, conducted a comprehensive review of the entire gamut of foodgrains management system in the country and has submitted its report. The major recommendations and action taken is at Annexure.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE UNSTARRED QUESTION NO.3753 DUE FOR ANSWERED ON 16.07.2019 IN THE LOK SABHA.

Major Recommendations of High Level Committee and Action Taken thereon

Sl. No.	Recommendations	Action Taken
1.	FCI to hand over all procurement operations of wheat, paddy and rice to states that have gained sufficient experience in this regard and have created reasonable infrastructure for procurement. These States are Andhra Pradesh, Chhattisgarh, Haryana, Madhya Pradesh, Odisha and Punjab.	FCI has already handed over procurement operation to State Governments in Andhra Pradesh, Chhattisgarh, Odisha and Madhya Pradesh fully. FCI is also participating in procurement operations in Punjab and Haryana on the request of concerned State Governments.
2.	FCI will accept only the surplus (after deducting the needs of the states under NFSA) from these state govts. (not millers) to be moved to deficit states.	For Decentralized Procurement (DCP) States only surplus food grains are accepted by FCI.
3.	FCI should move on to help those states where farmers suffer from distress sales at prices much below MSP, and which are dominated by small holdings, like Eastern Uttar Pradesh, Bihar, West Bengal, Assam etc.	In Eastern States viz. Uttar Pradesh, Bihar, West Bengal, Assam, Odisha and Jharkhand, the procurement of Wheat during RMS 2013-14 was 6.85 LMT which has increased 37.04 LMT(as on 8.7.2019) in RMS 2019-20 and procurement of Paddy/Rice during KMS 2013-14 was 62.29 LMT which has increased 105.12 LMT(as on 8.7.2019) in KMS 2018-19.
4.	FCI should outsource its stocking operations to various agencies.	FCI is outsourcing its stocking operations to various agencies.
5.	Covered and Plinth (CAP) storage should be gradually phased out with no grain stocks remaining in CAP for more than 3 months. Silo bag technology and conventional storages where ever possible should replace CAP.	As per the recommendations of HLC, the hired CAP capacity of 1.94 LMT was de-hired. No stock has been stored in CAP in consuming Regions.
6.	To liquidate stocks in OMSS or in export markets, whenever stocks go beyond the buffer stock norms.	Excess stock is disposed through e-auction under OMSS(D).  To enhance sale and reduce carrying cost, the Government of India has decided to enhance the upper limit from 15,000 MT to 25,000 MT for purchase of rice under Open Market Sale Scheme (Domestic) in single tender for all States/UTs. The Government of India also decided to reduce the minimum quantity for sale of wheat to bulk consumers under OMSS(D) from 100 LMT to 50 LMT.
7.	India needs more bulk handling facilities a Silo capacity of about 100 LMT (together for wheat and rice) should be created in the next 3-5 years.	Silos has been created for 7.25 LMT capacity (as on 01.07.2019).

<p>8.</p>	<p>HLC observed huge disparity in wages of various kind of labour force engaged by FCI. This happens because of the incentive system in notified depots, and widely used proxy labour. This must be fixed, either by de-notifying these depots, or handing them over to states or private sector on service contracts, and by fixing a maximum limit on the incentives per person that will not allow him to work for more than say 1.25 times the work agreed with him. These depots should be put on priority for mechanization so that reliance on departmental labour reduces.</p> <p>HLC recommends that the condition of contract labour, which works the hardest and are the largest in number, should be improved by giving them better facilities.</p>	<ul style="list-style-type: none"> <li>• Ministry of Labour and Employment vide notification dated 06.07.2016 exempted all 226 depots/railheads from the applicability of Section 10 of Contract Labour (R&amp;A) Act 1970 for a period of 2 years. This exemption had been extended for another two years vide Notification dated 26.06.2018 (i.e. upto 05.07.2020).</li> <li>• Consequent upon Exemption Notification, 9,193 labourers have been repositioned, out of 45,009 labourers, thereby vacating 149 departmental depots and 72 railheads and 29,284 contract labours deployed in vacated depots/railheads.</li> <li>• In pursuance to award passed by CGIT, Karkardooma, Delhi on 05.07.2016, the datum of departmental labour revised from 105 to 135 Bags per worker per day resulting in reduction of incentive by about 30%.</li> <li>• Nodal Officers have been appointed at field level for improving the working condition of contract labour and to ensure better facilities and adequate welfare provisions like EPF, Minimum wages, ESI, Workmen Compensation etc and facilities like canteen/restroom, urinals, drinking water facilities.</li> </ul>
<p>9.</p>	<p>Quality checks in procurement have to be adhered to, and anything below the specified quality will not be acceptable under central pool. Quality checks can be done either by FCI and/ or any third party accredited agencies in a transparent manner with the help of mechanized processes of quality checking.</p>	<p>FCI has entered into an Agreement with Central Food Technological Research Institute (CFTRI), Mysuru for providing consultancy services in modernizing FCI laboratories.</p> <p>Samples of foodgrains procured &amp; stored in FCI godowns are periodically referred to FSSAI notified NABL accredited Labs for quality checks. In the current FY 2019-20 from 01.04.2019 to 30.04.2019, 156 samples of foodgrains from different godowns of FCI across the India were sent for quality checks out of which results of 62 samples have been received and found conforming to FSSR 2011 specifications.</p> <p>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 30 locations of 07 major procuring regions namely Punjab, Haryana, Uttar Pradesh, Odisha, West Bengal, Chhattisgarh and Andhra Pradesh during KMS 2017-18 and rice acceptance at these locations were carried out through CRA.</p> <p>In the ongoing KMS i.e. 2018-19 these CRAs have been shifted to bigger centers and rice acceptance is being carried out through CRA.</p>