

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

**LOK SABHA
STARRED QUESTION NO.312
TO BE ANSWERED ON 10TH AUGUST, 2021**

IRREGULARITIES AND CORRUPTION IN PROCUREMENT OF PADDY

***312. SHRI SUNIL BABURAO MENDHE:**

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

- (a) the details of the complaints received about the irregularities and corruption in procurement of paddy across the country, especially from the State of Maharashtra;**
- (b) the reasons for these irregularities; and**
- (c) the corrective steps taken/being taken by the Government in this regard?**

**A N S W E R
MINISTER OF COMMERCE & INDUSTRY, CONSUMER AFFAIRS, FOOD &
PUBLIC DISTRIBUTION AND TEXTILES
(SHRI PIYUSH GOYAL)**

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE STARRED QUESTION NO. *312 DUE FOR ANSWER ON 10.08.2021 IN THE LOK SABHA.

(a): During ongoing Kharif Marketing Season (KMS) 2020-21, 872.06 LMT paddy (upto 03.08.2021) has been procured from about 128.72 lakh farmers spread over 23 States at 74609 numbers of procurement centres. Government of India / Food Corporation of India have received only 8 complaints during KMS 2020-21. The detail of complaints and action taken thereon are at Annexure.

(b): The complaints mainly relates to bogus purchase from non-genuine farmers, payment less than Minimum Support Price (MSP), delay in payment, quality issues and non availability of infrastructure at Mandi/Procurement Centres.

(c): The complaints related to paddy procurement are investigated and action taken in accordance with prescribed procedure in this regard. Further, the following initiatives/measures have been taken by the Government in streamlining the Procurement Operations:

i) Direct Benefit Transfer (DBT) of MSP has been implemented across the country. This has brought in responsibility, transparency, real time monitoring and reduces pilferage in the system. DBT eliminates purchase from fictitious bogus farmers, reduces diversion and duplication of payment as payment is made directly to farmer's bank account which in many States is linked with Aadhaar number of the farmers.

ii) FCI and most of the State Governments have developed their own online procurement system which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The online procurement system has largely eliminated the procurement from middlemen and has resulted in better targeting of the MSP to farmers.

(iii) The State agencies have to also ensure the use of Expenditure Advance Transfer module (EAT) of Public Financial Module System (PFMS) while making payment, as mandated by the Ministry of Finance, GOI by integrating their online payment system with PFMS to maintain financial integrity.

iv) Minimum Support Price (MSP) operations are given wide publicity through pamphlets, banners, sign boards, radio, TV and advertisements through print & electronic media.

v) Farmers are made aware of the quality specifications and purchase system, etc. to facilitate bringing their produce conforming to the specifications.

vi) Procurement centres are opened by respective State Government Agencies/ Food Corporation of India, taking into account the production, marketable surplus, convenience of farmers and availability of other logistics / infrastructure such as storage and transportation, etc. Large number of temporary purchase centres, in addition to the existing Mandis and depots/godowns are also established at key points for the convenience of farmers.

STATEMENT REFERRED TO IN REPLY TO PART (a) OF THE STARRED QUESTION NO. *312 DUE FOR ANSWER ON 10.08.2021 IN THE LOK SABHA.

Details of complaints received and action taken thereon during KMS 2020-21

Sr. No	Name of Complainant	Dt of complaint	Complaint against	FCI Region Name	Subject matter of complaint in brief	Action taken/Irregularities notices, if any.
1.	Shri. Sunil B. Mendhe, Hon'ble MP (LS) Bhandara-Gondia	16.02.2021 and 24.03.2021	State govt. and its procurement agencies	Maharashtra	Delay in paddy procurement, procurement of paddy from middlemen and traders and manipulation of procurement records	<p>Maharashtra is a DCP State, which is responsible for procurement, storage and distribution operations in State. FCI, Regional Office Maharashtra vide letter dated 24.05.2021 submitted the report to the Principal Secretary (Food), Government of Maharashtra for remedial action. Brief of recommendations are as follows:</p> <ol style="list-style-type: none"> 1. The State Government was requested to increase the pace of procurement and create sufficient space at the purchase centre for the expeditious lifting of paddy by the millers, which may help in creating space at purchase centres. 2. In order to check the incoming paddy from other states, checking and monitoring by the district administration be intensified. 3. The quality of the purchased paddy was found to be of Fair and Average Quality (FAQ). State Government was advised to ensure that arrangement for scientific preservation of stocks be made at all the centre inspected by the team.

2.	News Clip	15-10-2020	FCI	Uttar Pradesh	Complaint about irregularities at FCI Paddy Procurement Centre Nagariya Prayagpur, Powayan, Shahjahanpur	The complaint was investigated and could not be established.
3.	Shri Harnath Singh Yadav Hon'ble MP	21-10-2020	FCI	Uttar Pradesh	Regarding the procurement of Kharif crops at the price below MSP in Uttar Pradesh.	Since FCI makes the payment of MSP online directly into farmers' bank accounts, the complaint is not substantiated.
4.	Sh Dinesh Singh Advocate, Badaun	12-11-2020	FCI	Uttar Pradesh	Discrepancies in Paddy Purchase Centre Bahjoi.	The complaint was investigated and found not established.
5.	Shri Rajbir Singh	06.11.2020 28.12.2020 08.01.2021	Shri Akhileshwar Ojha, Divisional Manager, Shahjahanpur	Uttar Pradesh	Irregularities in the procurement of paddy in Shahjahanpur district of UP such as involvement of middlemen in paddy procurement by FCI.	The complaint was investigated and found not established.
6.	Shri Sunil Mendhe Hon'ble MP(LS) Bhandara, Gondia	23.06.2021	State Govt. and its agencies	Maharashtra	Corruption and lapses in paddy procurement in Maharashtra	Department of Food and Public Distribution, GOI vide letter No 3(9) /2021-Py.I dated 30.07.2021 has directed Government of Maharashtra to immediately constitute a joint team with FCI. Accordingly, the Government of Maharashtra on 02.08.21 has constituted a Joint Committee of five members including the District Magistrate of the concerned revenue District (Bhandara & Gondhia) and Divisional Manager of FCI.
7.	Shri Devendra Fadnavis, Hon'ble Leader of Opposition Maharashtra Legislative Assembly.	18.06.2021	State Govt. and its agencies	Maharashtra	Ongoing scam in the purchase of Paddy at Minimum Support Price in Maharashtra	
8.	Smt. Archana Kumari	01.03.2021	Shri Gautam Kumar AG II(Genl)	Jharkhand	Irregularities in sending message to farmers and payments at PPC Chainpur (under DO DaltonGanj).	FCI Regional Office, Jharkhand has investigated the case and corrective administrative action was taken against the Paddy Purchase Centre in charge besides resolving the issue.
