

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

LOK SABHA
STARRED QUESTION NO.130
TO BE ANSWERED ON 4TH DECEMBER, 2024

FOODGRAINS PROCUREMENT AND DISTRIBUTION

*130. SHRI ARUN BHARTI:

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

- (a) whether the Department of Food and Public Distribution (DFPD) and the Food Corporation of India (FCI) have signed a Memorandum of Understanding (MoU) aiming at enhancing the efficiency and accountability of foodgrains procurement and distribution in the country;
- (b) if so, the details thereof along with the specific mechanisms being introduced under this MoU to reduce wastage, leakage and pilferage in the foodgrains supply chain including the manner in which the goal/aim is to be achieved;
- (c) the steps taken to maintain the transparency and efficiency in foodgrains procurement and distribution;
- (d) the manner in which the Government plans to involve State-level stakeholders and local bodies in implementing the provisions of this MoU; and
- (e) the details of measures being taken by the Government to ensure that this MoU directly benefits the end consumers particularly in ensuring timely delivery of food?

A N S W E R
MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION AND
MINISTRY OF NEW AND RENEWABLE ENERGY
(SHRI PRALHAD JOSHI)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 130 FOR ANSWER ON 04.12.2024 IN THE LOK SABHA.

(a): Yes, MOU has been signed between Food Corporation of India (FCI) and Department of Food and Public Distribution (DFPD), MOCA, F&PD on 13.09.2024.

(b): The following parameters have been included in the MOU with the intention of monitoring the performance of critical operational parameters and establishing institutional accountability:

1. Procurement (Wheat and Rice).
 2. Sales (Liquidation of excess stock over foodgrain stocking norms for the Central Pool).
 3. Storage (Storage capacity utilization- Owned/Hired).
 4. Handling and Transportation cost (Handling Cost-Contract labour, Transportation cost).
 5. Movement (Rake release performance within Railway Free Time- Percentage improvement over the average of last five years).
 6. Operational Losses (Storage & Transit).
 7. Training and capacity development
 8. Treasury Management (Total interest cost on short-term borrowings i.e. STL & CCL).
 9. Modernization-Re-engineering, Digitization, workflow automation etc.
- (a) Integration of lorry weighbridge (LWB) of FCI with depot online system (DOS).
- (b) Integration of FCI labs (QMS).
- (c) Depot efficiency parameters (Capture, account and monitor the six depot-wise operational efficiency parameters for each quarter).
10. Security (Depot, where IP-based CCTV Cameras will be installed Modern surveillance system).

(c): The following steps have been taken to maintain transparency and efficiency in food grain procurement in the country:

(i) Procurement centres are opened by respective State Government Agencies/ FCI taking into account the estimated 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 the farmers.

(ii) In orders to widen outreach of MSP operations, provision has been made for engagement of Co-operative societies / Self Help Groups/ Panchayats / Primary Agriculture Cooperative Societies (PACS) by the State procuring agencies so that maximum farmers can avail the benefit of Price Support operations.

(iii) Farmers are made aware of the quality specifications and purchase system etc. so as to facilitate them to bring their produce conforming to the specifications.

(iv) Payment of MSP is being made directly into farmers' bank accounts.

(v) FCI and all the procuring States have developed their own Online Procurement System to ensure transparency and convenience to the farmers through proper registration and monitoring of actual procurement.

(vi) Farmers get latest/updated information through e-procurement module deployed by procuring agencies regarding declared MSP, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This facilitates delivery of stock by the farmers conveniently in the mandi/purchase centers.

(vii) Government of India has introduced Minimum Threshold Parameters (MTPs) for implementation by all procuring states towards development of an application eco-system, wherein requisite information in respect of procurement is available at single source by integrating all State procurement portals with Minimum Threshold Parameters for monitoring and strategic decision-making and to ensure uniformity and transparency. MTPs involve online registration of farmers with Aadhar seeding, integration of land records, digitized mandi operations, MSP transfer to farmers, Rice/Wheat delivery management, auto generation of bills etc.

(d): The Memorandum of Understanding (MoU) between the Government of India and the Food Corporation of India (FCI) outlines parameters on the basis of which FCI performance is assessed as per their achievements vis a vis target sets for the FY. Implementation of these performance parameters involves state level stakeholders and local bodies. State procuring agencies are engaging cooperative societies, self-help groups, panchayats, and Primary Agricultural Cooperative Societies (PACS) to maximize farmer participation in Procurement process. MSP payments are credited directly to farmers' bank accounts, ensuring transparency.

(e): The Food Corporation of India (FCI), established under the Food Corporations Act, 1964, ensures procurement, storage, and distribution of food grains to support farmers and stabilize prices. The MoU focuses on improving cost-effectiveness and accountability through MoU parameters aiming to streamline operations, ensuring timely food delivery and enhanced service to end consumers. FCI and procuring states have developed online procurement systems for efficient registration and monitoring. These systems provide farmers with real-time information on MSP, nearby purchase centers, and scheduled delivery dates, enabling smooth and convenient stock delivery at mandis or purchase procurement centers.

This MoU is an internal mechanism to monitor performance of FCI vis a vis the targets by highest authorities of FCI and DFPD for ensuring increased efficiency in the FCI operations. This with cooperation and efficient operations by the State Governments will ultimately results into timely delivery of food to the end consumer.
