

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

LOK SABHA
UNSTARRED QUESTION NO. 1535
TO BE ANSWERED ON 03rd MAY, 2016

REVAMP OF FCI

1535. SHRI PRALHAD JOSHI:
SHRI RAVNEET SINGH:
SHRI RAMESH BIDHURI:

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

- (a) whether the Government proposes to restructure/revamp the Food Corporation of India (FCI) as per Shanta Kumar Committee recommendations, if so, the details thereof;
- (b) whether the Government proposes to slowly withdraw itself from the procurement and hand it over to States having adequate experience and procurement/storage infrastructure particularly in Haryana and Punjab, if so, the details thereof and time frame fixed therefor;
- (c) the States from which FCI proposes to procure wheat and paddy for food security schemes in future; and
- (d) the steps proposed to mitigate the hardships/problem of farmers who have to resort to distress sale in the absence of Government procurement facilities?

A N S W E R
MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): Yes, Madam. The latest position on Action Plan for implementation of acceptable recommendations of the High Level Committee (HLC) concerning Food Corporation of India (FCI) is enclosed as Annexure.

(b): Yes, Madam. The Government proposes to slowly withdraw itself from the procurement and hand it over to States having adequate experience and procurement/storage infrastructure particularly in Haryana and Punjab. FCI's withdrawal shall be based on the consent of State Governments.

Accordingly, FCI had not participated in wheat procurement in Haryana during Rabi Marketing Season (RMS) 2015-16. On the request of the Government of Punjab, FCI participated in wheat & paddy procurement during RMS 2015-16 and Kharif Marketing Season (KMS) 2015-16. Similarly, FCI has participated on request of State Government of Haryana in Wheat procurement in RMS 2016-17.

(c): The Central Government extends price support to paddy and wheat through the FCI and State Agencies. The producers have the option to sell their produce to FCI/State Agencies at MSP or in the open market as is advantageous to them. Foodgrains procured by the State Governments and their agencies are ultimately taken over by the FCI for distribution throughout the country.

The objective of foodgrains procurement by Government agencies is to ensure that farmers get remunerative prices for their produce and do not have to resort to distress sale. It aims to service the TPDS and other welfare schemes of the Government so that subsidised foodgrains are supplied to the poor and needy, and to build up buffer stocks of foodgrains to ensure foodgrain security. The procurement is sufficient to fulfil the requirement of wheat and paddy for food Security Schemes.

(d): Special focus has been given to increase the spread of Minimum Support Price (MSP) operations in paddy and wheat in eastern States of the country viz Uttar Pradesh, Jharkhand, West Bengal, Assam and Bihar. A policy has been framed by GOI for engagement of private players in paddy/rice procurement for extending the reach of MSP operation to remote and interior areas, earlier not operated by State agencies/FCI. Private players have already been engaged by FCI in Jharkhand, West Bengal and Uttar Pradesh.

ANNEXURE REFERRED TO IN REPLY TO PART (A) OF THE UNSTARRED QUESTION NO. 1535 DUE FOR ANSWER ON 03.05.2016 IN THE LOK SABHA

Recommendations of High Level Committee, decisions taken by Government of India and Action Taken by FCI thereon

(As on 21.04.2016)

Sl. No.	Recommendations	Decisions taken by the Govt.	Action Taken by FCI
1.	HLC recommends that FCI 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	<p>All States excluding Punjab and Haryana are DCP States where FCI is not involved in procurement.</p> <p>In Punjab and Haryana, FCI will stop procurement only on getting request from concerned State Governments.</p> <p>The State Government of Haryana has already given consent for not to involve FCI in procurement of wheat for RMS 2015-16, consequently, FCI is not taking part in procurement of wheat this year there.</p>	FCI participated in paddy procurement in Punjab and Haryana during KMS 2015-16 and wheat procurement in RMS 2016-17 on the request of respective State Governments.

	Pradesh, Odisha and Punjab	Similarly, FCI will not take part in procurement of paddy in KMS 2015-16 in Haryana as per consent of the State Government. FCI is taking part in procurement of wheat in RMS 2015-16 as per the request of State Government of Punjab.																			
2.	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. This is the belt from where second green revolution	FCI will provide only guidance and outside support in procurement work in case of DCP States. In Non-DCP States, FCI will help in the following manner- (1) Procurement plan will be prepared in consultation with the State Governments. (2) FCI, as far as possible, will open its procurement centers in larger numbers. (3) Where FCI and State Government Agencies will not be able to open procurement centers, procurement would be done through of private agencies. (4) Training would be imparted to State Governments on quality	FCI has engaged private parties for procurement operation in State of Jharkhand, West Bengal and U.P. for enhancing the outreach of MSP benefits to small and marginal farmers in these states. Updated Region wise details of District covered, purchase centres opened and quantity of rice procured in KMS 2015-16 in Eastern States are as under: <div>Fig as on 19.04.16</div> <table><tr><th>State</th><th>Centres Operated</th><th>Quantity Procured (In MT)</th></tr><tr><td>Uttar Pradesh</td><td>2696</td><td>2910364</td></tr><tr><td>Bihar</td><td>7832</td><td>1209600</td></tr><tr><td>Jharkhand</td><td>427</td><td>168816</td></tr><tr><td>West Bengal</td><td>40702</td><td>2169764</td></tr><tr><td>Assam</td><td>69</td><td>21596</td></tr></table>	State	Centres Operated	Quantity Procured (In MT)	Uttar Pradesh	2696	2910364	Bihar	7832	1209600	Jharkhand	427	168816	West Bengal	40702	2169764	Assam	69	21596
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	<p>is expected, and where FCI needs to be pro-active, mobilizing state and other agencies to provide benefits of MSP and procurement to larger number of farmers, especially small and marginal ones.</p> <p>.</p>	<p>and storage for doing arrangements like States of Madhya Pradesh, Chhattisgarh etc. from time to time.</p> <p>(5) For creating infrastructure in these States, development of Agricultural Mandies, arrangements of storage, arrangements of machines, equipments etc. could be done under the purview of Ministry of Agriculture.</p>	
3	<p>DFPD/ FCI at the Centre should enter into an agreement with states before every procurement season regarding costing norms and basic rules for procurement.</p>	<p>There is already agreement with DCP States. FCI would prepare agreements for Non- DCP States in consultation with State Governments.</p>	<p>The agreements for Non DCP States in consultation with State Governments is under finalization.</p>
4	<p>Quality checks in procurement have to be adhered to, and anything below the</p>	<p>FCI would strengthen its quality control infrastructure and modernize its laboratories.</p>	<p>Board agenda note on Roadmap for modernization of lab in FCI was submitted before Board of Directors in its 75th meeting held on 25.2.2016 at FCI, Hqrs, for consideration.</p>

	<p>specified quality will not be acceptable under central pool. Quality checks can be done either by FCI and/ or any third party accredited agency in a transparent manner with the help of mechanized processes of quality checking.</p>		<p>The Board agreed to the proposal for up gradation of IFS Lab, Gurgaon and outsourcing of testing of chemical parameters to fulfill FSSAI requirements till the up-gradation of IFS lab is completed. The board further directed that FCI may upgrade all the Zonal Labs to equip those with testing of chemical parameters. Accordingly all Zones have been directed to take necessary action for empanelment of NABL accredited labs notified by FSSAI for a period of 1 year by inviting expression of interest (EOI)/e-tendering process.</p> <p>FCI, QC Division Hqrs has initiated the process for modernization of IFS, Gurgaon and working on modalities for appointment of consultant on turnkey basis for upgradation of lab, purchase of equipments and NABL accreditation. Reputed Govt. Institutes i.e. CFTRI Mysuru, NIPHM Hyderabad, NIFTEM Sonapat, IICPT Thanjavur and IARI Pusa New Delhi which have expertise in consultancy services for setting of food labs have been requested for providing their inputs for finalization of terms & conditions in respect of appointment of Consultant for setting up of IFS lab at Gurgaon. Further, assessment of requisite manpower required for IFS Lab as per NABL guidelines is under process.</p>
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		<p>FCI would make arrangements for quality checks by External agencies, as per need.</p> <p>FCI would contact premier institutions of the country for mechanized quality checking.</p>	<p>The BOD has approved the Model Tender Form (MTF) for engagement of service provider for quality assurance and checking during receipt, preservation/ maintenance, dispatches and issues of foodgrains as per GOI specifications in identified FCI godowns, to be effective from KMS 2015-16 onwards.</p> <p>The tenders have been floated by Chhattisgarh, Maharashtra, Gujarat, Andhra Pradesh and Tamil Nadu but the participation was low & subsequently all tenders were scrapped.</p> <p>As directed, a committee of GM (QC) Hqrs along with GM (A.P.) & GM (Mah.) reviewed the clauses of MTF on 09.02.2016 affecting implementation on Engagement of Service Provider. The suggestions submitted have also been discussed by ED (QC) on 18.02.2016 & 09.03.2016 with GM (Law), GM (Cost), GM (IRL) & GM (IT). As per the advice of Legal Division, necessary amendments in the scope of work & liabilities clauses' have been made and for finalization a meeting was held on 19.04.16 in FCI Hqrs. The amendments are still in process and will be decided in the next meeting.</p>
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			<p>QC division organized customization operation of Rice Analyzers for OSAW India Pvt. Ltd Ambala, C-DAC Kolkata & Tara international w.e.f. 8.12.15 to 18.12.15 where all the above parties along with Technical officers/ officials of concerned FCI offices i.e. Punjab, Haryana, U.P., A.P., Chhattisgarh and Orissa brought rice samples and analyzed the same. C-DAC analyzed 50 rice samples from Annadarpan and Indosaw Pvt. Ltd. has analyzed 287 samples from their rice analyzer. Tara international has not attended the customization operation. The examination of analysis results reveled variation with FCI manual analysis.</p> <p>The analysis results of rice analyzer and their variation with FCI manual analysis have been forwarded to respective parties. Further, a detailed discussion was held with the representative of INDOSAW on 10th and 11th Feb -2016 regarding the variation between computerized and manual analysis. The representatives have requested for samples of each refraction of rice for further customization at their end. The representatives were provided with samples for taking necessary action for customization.</p> <p>Second (2nd) round of customization of Rice Analyzer (Annadarpan) developed by C-DAC was done at FCI, Hqrs on 6th , 11th , 12th and 13th April, 2016, wherein 12 samples of rice were physically analyzed</p>
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and subjected for repeated analysis with coded samples in Rice Analyzer from which 120 analysis results were drawn for assessing its accuracy. The analysis results of 120 replicated samples are under process of examination to arrive at comparative results on variations.

Moreover, customization of rice analyzer developed by OSAW India Pvt. Ltd. Ambala has been done with 5 samples at RO Lab, Panchkula Haryana and 7 samples at RO Lab, Chandigarh on 07.4.2016 and 08.04.2016 respectively. Variations have been reported, the details of same are awaited.

5	GoI needs to revisit its MSP policy. Currently, MSPs are announced for 23 commodities, but effectively price support operates primarily in wheat and rice and that too in selected states. This creates highly skewed incentive structures in favour of wheat and rice.	Department has agreed for procurement of pulses and oilseeds through FCI on the pattern of NAFED under the Price Support Scheme of the Department of Agriculture & Cooperation. This will not create burden on food subsidy and FCI will create separate fund for this procurement with the assistance of Department of Agriculture & Cooperation.	<div>Details regarding the states in which FCI is procuring Pulses and their quantity are as under:</div> <div>Figures in Quintals</div> <table><tr><th>States</th><th colspan="2">KMS 2015-16</th><th colspan="2">RMS 2016-17*</th></tr><tr><th></th><th>TUR</th><th>URAD</th><th>CHANA</th><th>MASUR</th></tr><tr><td>Andhra Pradesh</td><td>3147.50</td><td>--</td><td>--</td><td>--</td></tr><tr><td>Bihar</td><td>--</td><td>--</td><td>--</td><td>--</td></tr><tr><td>Gujarat</td><td>5095.10</td><td>--</td><td>--</td><td>--</td></tr><tr><td>Karnataka</td><td>6324.48</td><td>--</td><td>158.50</td><td>--</td></tr><tr><td>Maharashtra</td><td>72260.22</td><td>47.28</td><td>45.98</td><td>--</td></tr><tr><td>Madhya Pradesh</td><td>42629.58</td><td>--</td><td>--</td><td>1973.15</td></tr><tr><td>Rajasthan</td><td>--</td><td>--</td><td>--</td><td>278.50</td></tr></table>	States	KMS 2015-16		RMS 2016-17*			TUR	URAD	CHANA	MASUR	Andhra Pradesh	3147.50	--	--	--	Bihar	--	--	--	--	Gujarat	5095.10	--	--	--	Karnataka	6324.48	--	158.50	--	Maharashtra	72260.22	47.28	45.98	--	Madhya Pradesh	42629.58	--	--	1973.15	Rajasthan	--	--	--	278.50
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Telangana	73278.79	--	--	--
West Bengal	--	--	--	--
Total	202735.67	47.28	204.48	2251.65

*Procurement is under progress and figure are as on 16.04.2016

6	HLC recommends that FCI should outsource its stocking operations to various agencies such as Central Warehousing Corporation, State Warehousing Corporation, Private Sector under Private Entrepreneur Guarantee (PEG) scheme, and even state governments that are building silos through private sector on state lands (as in	FCI would outsource of management of newly constructed godowns under Plan Schemes.	<p>Tenders were invited in North-Eastern States namely Assam, Nagaland, NEF (Mizoram, Meghalaya & Tripura), Arunachal Pradesh and Manipur.</p> <p>Assam: Tenders were invited twice and opened on 05.11.15 and 24.12.15 for 3 depots (Changsari, Lalbazar & Jogighopa).</p> <p>Dimapur: Tenders were invited twice and opened on 05.11.15 and 29.12.15 for 3 depots (Mon, Mokokchung & Tuensang).</p> <p>NEF: Tender was invited & opened on 16.11.15 for 8 depots (Nandan Nagar, Chandrapur, Kumarghat, Jowai, Bairabi, Aizwal, Lunglei & Lanwngtlai).</p> <p>Arunachal Pradesh: Tender was invited and opened on 03.11.15 for 8 depots (Jamiri-Bomdila, Ziro, Seppa, Tawang, Anini, Khupa, Yingkiong & Tezu)</p> <p>Manipur: Tenders were invited twice & opened on 31.10.15 and 29.12.15 for 3 depots (Senapati, Ukhrul & Jiribam). However, either no bids have been received or bids were not technically qualified.</p>
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	<p>Madhya Pradesh). It should be done on competitive bidding basis, inviting various stakeholders and creating competition to bring down costs of storage.</p>	<p>The concerned Regions have reported that main reasons for less participation seem to be security deposit and experience requirement. These issues have been deliberated and it has been decided to keep sufficient bank guarantee to safeguard FCI against possible theft. The work cannot be entrusted to inexperienced bidders.</p> <p>The above position was communicated to the Ministry vide letter dated 22.01.2016 and further direction/advice of the Ministry was sought. For operating the newly constructed godowns, requirement of manpower is also being worked out.</p> <p>In the meeting taken by Secretary (Food) on 01.02.2016, it was suggested that CWC may examine possibility of taking up storage operations of FCI as outsourced services. In this regard, CWC vide letter dated 02.02.16 has sought detailed list of places where new capacities are coming up and the rates which shall be payable to CWC for operations of such capacities to conduct cost benefit analysis. The list of FCI godowns has been provided to MD, CWC vide letter dated 14.03.2016 where CWC may carry out the operations.</p>
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Godowns of CWC/ SWC will be hired as per existing arrangement and where such godowns are not available; private godowns will be hired on the basis of competitive bidding.

CWC has been requested to inform / propose the rates for same with full justification to get the approval from Ministry. Reminder in this regard has been issued on 31.03.2016. Ministry vide letter dated 24.02.2016 has directed for re-tendering.

Accordingly, ED (Zone), NE Guwahati and GMs (Region) of NE Zone have been requested vide letter dated 03.03.16 to retender and explore the possibilities of outsourcing of these godowns.

Accordingly, tenders have been floated as follows:

Region	Tender Floated on	Tender Opening Date	Status of Bids
Assam	10.03.2016	04.04.2016	No Bid Received.
Nagaland	15.03.2016	05.04.2016	No Bid Received.
NEF (Mizoram , Meghalaya, Tripura)	18.03.2016	18.04.2016	No Bid Received.
Arunachal Pradesh	19.03.2016	11.04.2016	Status being sought.
Manipur	12.03.2016	02.04.2016	No Bid Received.

			Instructions to hire CWC/SWC godowns as per existing procedures and to hire godowns through tendering process wherever there is shortfall have been issued vide letter dated 02.06.2015.																																				
7	India needs more bulk handling facilities than it currently has. Many of FCI's old conventional storages that have existed for long number of years can be converted to silos with the help of private sector and other stocking agencies.	<p>FCI will undertake construction of approx. 43.5 lakh tonnes capacity of silos in next five years.</p> <p>FCI depots having railway sidings, will be upgraded to Silos first.</p> <p>Where FCI or State Agencies do not have their own land, Silos would be built on Private land. FCI has already engaged a Consultant for this work.</p>	<p>1. FCI has finalized the tender process for setting up of Silos for capacity 2.5 LMT at 6 locations under VGF mode and Letter of Award (LOA) has been issued to the selected bidder. It is pertinent to note that Premium has been quoted for 5 locations as against Viability gap for only one location. The details of the 6 locations are as below:-</p> <table border="1"> <thead> <tr> <th>S.No.</th><th>Location</th><th>Capacity (MTs)</th><th>Selected Bidder</th><th>Premium Offered in the First Year of the Concession Period (In Rs.)</th></tr> </thead> <tbody> <tr> <td>1</td><td>NARELA, DELHI</td><td>50,000</td><td>Sri Karthikeya Spinning & Weaving Mills Pvt Ltd</td><td>82,23,000.00</td></tr> <tr> <td>2</td><td>CHANGSARI, ASSAM</td><td>50,000</td><td>Sri Karthikeya Spinning & Weaving Mills Pvt Ltd</td><td>68,22,000.00</td></tr> <tr> <td>3</td><td>SAHNEWAL, PUNJAB</td><td>50,000</td><td>Sri Karthikeya Spinning & Weaving Mills Pvt Ltd</td><td>66,66,000.00</td></tr> <tr> <td>4</td><td>KATIHAR, BIHAR</td><td>50,000</td><td>Adani Agri Logistics Limited</td><td>20,20,000.00</td></tr> <tr> <td>5</td><td>WHITEFIELD, KARNATAKA</td><td>25,000</td><td>Sudheeksha Warehouse & Construction Company</td><td>6,31,314.00</td></tr> <tr> <td>6</td><td>KOTKAPURA, PUNJAB</td><td>25,000</td><td>Adani Agri Logistics Limited</td><td>5,69,00,000.00</td></tr> </tbody> </table>		S.No.	Location	Capacity (MTs)	Selected Bidder	Premium Offered in the First Year of the Concession Period (In Rs.)	1	NARELA, DELHI	50,000	Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	82,23,000.00	2	CHANGSARI, ASSAM	50,000	Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	68,22,000.00	3	SAHNEWAL, PUNJAB	50,000	Sri Karthikeya Spinning & Weaving Mills Pvt Ltd	66,66,000.00	4	KATIHAR, BIHAR	50,000	Adani Agri Logistics Limited	20,20,000.00	5	WHITEFIELD, KARNATAKA	25,000	Sudheeksha Warehouse & Construction Company	6,31,314.00	6	KOTKAPURA, PUNJAB	25,000	Adani Agri Logistics Limited	5,69,00,000.00
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Better mechanization is needed in all silos as well as conventional storages.

While there is need to work out specific quantity and what places it needs to be through a more detailed study, HLC's overall assessment is that given the overall production in the country, and drought prone nature of many regions, a silo capacity of about 10 MMT (together for wheat and rice) should be created in the next 3-5

2. It is also informed that FCI has given work of conducting project feasibility study for construction of Silos at 17 locations to project consultant M/s SREI Infrastructure Finance Ltd. All these locations have railway sidings and the existing godowns are 40 plus years old and it is proposed to demolish part of the existing capacity to create space for construction of silos.

SL NO.	LOCATION	STATE	SILO CAPACITY
1	Nagpur	Maharashtra	50,000 MT
2	Mayapuri	Delhi	50,000 MT
3	JJP	West Bengal	1,00,000 MT
4	OJM	West Bengal	1,00,000 MT
5	Udaipur	Rajasthan	50,000 MT
6	Gandhinagar	Rajasthan	50,000 MT
7	Gorakhpur	Uttar Pradesh	50,000 MT
8	Talkatora	Uttar Pradesh	50,000 MT
9	Agra Cantt	Uttar Pradesh	50,000 MT
10	Hapur	Uttar Pradesh	50,000 MT
11	Varanasi	Uttar Pradesh	50,000 MT
12	Harduaganj	Uttar Pradesh	50,000 MT
13	Chanderi	Uttar Pradesh	50,000 MT
14	Digaghat	Bihar	50,000 MT
15	Phulwarisharif	Bihar	50,000 MT
16	Mokama	Bihar	50,000 MT
17	Gaya	Bihar	50,000 MT

	years.		<p>The study shall include evaluation to consider demolition of existing godowns which have been constructed more than 40 years ago.</p> <p>3. Further, for Kilaraipur in Punjab, tenders have been floated by Punjab Govt. agency & LOA is expected to be issued soon. The silo at Kilaraipur is being constructed on behalf of FCI & guarantee is also provided by FCI.</p> <p>State Government of Madhya Pradesh is constructing silos on PPP mode with VGF funding (Niti aayog model) on land belonging to State Government. Work has already been completed for 4.5 LMT capacity at 9 locations. These silos have been built without railway siding.</p> <p>In Punjab, State Agencies - PUNGRAIN and PSWC have floated tenders for construction of silos for capacity of 11.75 lakh MTs which are primarily mandi silos to be built on land belonging to State Agencies under PPP mode with VGF funding. However, VGF has been proposed to be given by Punjab Government. These Silos are without railway sidings. Contract have been signed for 3.5 LMT.</p>
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			<p>4. Preliminary feasibility study at other FCI's own godowns having railway siding have been done and it has been found feasible to construct Silos at 2 locations for 1.0 LMT. Details are as follows:</p> <p style="text-align: center;">Dhamora (U.P.) – 50,000 MT, and Borivilli (Maharashtra) – 50,000 MT.</p> <p>5. In addition, tenders to construct Silos under Non-VGF Route through Design, Build, Finance, Own & Operate (DBFOO) basis will be floated shortly.</p>
8	<p>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.</p>	<p>FCI will de-hire its currently hired CAP capacity of 1.94 lakh MT within 1 month.</p> <p>There are 8.90 LMT FCI owned CAP capacity. CAP Complexes having 5000 MT or above capacity will be taken up for conversion into silos.</p> <p>In addition, grains kept in CAP will be evacuated within 6-8 months.</p>	<p>All the CAP capacities hired during RMS 2015-16 have been de-hired. As per the recommendations of HLC, the hired CAP capacity of 1.94 LMT was de-hired.</p> <p>CAP capacity of 169 MT has been hired on AUB basis in the UT of Chandigarh for storing the paddy procured locally.</p> <p>Preliminary feasibility study at other FCI's own godowns having railway siding have been done and it has been found feasible to construct Silos at 2 locations for 1.0 LMT. Details are as follows:</p> <p style="text-align: center;">Dhamora (U.P.) – 50,000 MT, and Borivilli (Maharashtra) – 50,000 MT.</p>

10	<p>FCI engages large number of workers (loaders) to get the job of loading/unloading done smoothly and in time. Currently there are roughly 16,000 departmental workers, about 26,000 workers that operate under Direct Payment System (DPS), some under no work no pay, and about one lakh contract workers. A departmental worker (loader) costs FCI about Rs 79,500/ per month (Apri-Nov 2014 data) vis-a-vis DPS worker at Rs 26,000/per month</p>	<p>FCI has already requested the Ministry of Labour & Employment to de-notify the depots. Only contractual labour will be engaged in the depots after their de-notification.</p> <p>If, Ministry of Labour & Employment agrees, contractual labour would be engaged in all its depots and the cadres of Departmental Labour will be declared as dying cadres.</p>	<p>1. In the matter of De-notification of FCI Depots/Railheads the CACLB in its 88th Meeting held on 30-31 March 2016 has rejected the request of FCI for granting Exemption & de-notifying FCI Depots/Railheads citing following reasons :</p> <ul style="list-style-type: none"> (a) The ground of emergency submitted by FCI is not establishment-wise/ depot-wise and not specific; (b) The non-production of future rationalization action plan of the establishment; and (c) FCI seeking blanket exemption for entire establishment without conditions and without fixed period which cannot be granted as per Section 31 of CL(R&A) Act, 1970. <p>Hence engagement of contract labour in place of highly paid Departmental labour in such depots is not possible at this stage.</p> <p>2. Regarding engagement of proxy labour & restructuring of labour engaged in FCI Depots, it is informed that the instructions had been issued for medical/Fitness test of Departmental labour vide letter dated 19.02.2016 & transfer of Departmental labours from one Depot to another to bring down the cost of handling vide letter dated 07.12.2015.</p> <p>Both these steps have been opposed by Unions. While FCI Workers Union has served a strike notice for shifting of departmental labour, FCI Shramik Union has</p>
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	<p>and contract labour costs about Rs 10,000/ per month. Some of the departmental labour (more than 300) have received wages (including arrears) even more than Rs 4 lakhs/per month in August 2014. This happens because of the incentive system in notified depots, and widely used proxy labour. This is a major aberration and 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</p>	<p>The restructuring of labour force of FCI would be done by taking the labour unions in confidence.</p> <p>Capping of incentive being given to the regular workers of FCI is not advisable as it would lead to delay in unloading at the railheads.</p> <p>Regular strict vigil would be kept to provide better facilities to contractual labour prescribed under various labour laws.</p>	<p>sent a strike notice for medical/fitness test. Besides FCI Workers Union and FCI Handling workers Union have protested against transfers & FCI Shramik Union has protested against Medical Fitness test.</p> <p>Suitable reply has been given to the Unions. However, on the issue of Medical/Fitness test of Departmental Labours, matter is being heard by RLC Delhi as an ID dispute.</p> <p>The issue of change in scheme of Incentive structure with respect to revision in datum of 135 Bags per labour per day from the existing datum of 105 Bags per labour per day is pending before CGIT Delhi in ID case no. 195/2001 & 239/2011. The case is to be heard on 25.04.2016.</p> <p>3. Regarding negotiations to be held with Unions, as per the advice of Secretary (Food) to arrive at an amicable settlement for labour restructuring, it is informed that meetings were held with the Unions by an ED level Committee as well as CMD in the past. No consensus was arrived at in such Meetings.</p> <p>However to continue the dialogue with the Unions, the ED level Committee is scheduled to hold discussions with major Unions on 26th & 27th April 2016.</p> <p>HTC MTF in vogue already has sufficient provisions to ensure better facilities and</p>
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	<p>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. If need be, FCI should be allowed to hire people under DPS/ NWNP system.</p>		<p>adequate welfare provisions like EPF, Minimum Wages, ESI, Workmen Compensation etc. and facilities like canteen/restrooms, urinal, and drinking water facilities under CL (R&A) Act, 1970 by the Contractor. However, this office also from time to time keeps on issuing directions to Regions for compliance of various welfare provisions and facilities as vogue in CL(R&A), Act, 1970. Furthermore, directions vide letter dt 19.02.2015 addressed to all Regions have been issued by this office directing therein to appoint Nodal Officer at District Office Level to ensure compliance and implementation of various welfare provisions and facilities to Contract labour. Moreover, quarterly report for compliance of various welfare facilities has also been sought from Regions. Information regarding appointment of Nodal Officer has been received from all Regions.</p>
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	<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>		
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11	<p>HLC recommends total end to end computerization of the entire food management system, starting from procurement from farmers, to stocking, movement and finally distribution through TPDS. It can be done on real time basis, and some states have done a commendable job on computerizing the procurement operations. But its dovetailing with movement and distribution in TPDS has been a weak link, and that is where much of the diversions take place.</p>	<p>FCI has invited tenders for Depot Online Project. It will be done in phases. Depot Online Project will be done in 10 depots in current year and all other depots of FCI in the next year. Depot on line project would be implemented in hired Depot in third phase.</p>	<ol style="list-style-type: none"> 1. User credentials for all the Pilot & Pre-Pilot Depots have been created by the SI and have been forwarded to the concerned District offices along with the link for accessing the application for logging in. User Credentials for the HO/ZO/RO and DO are being created by System Integrator (SI, M/s Ricoh). 2. Trainings for the implementation of the application at depots other than Pre-Pilot & Pilot Depot have been conducted by SI, at 151 FCI District Offices, 23 FCI Regional Offices and 4 FCI Zonal Offices have been completed. Week 11 training is underway at 8 District Offices & at Zonal Office (North). Week 12 Training will start from 18.04.2016 at 5 District Offices & 2 Regional Offices. 3. Hardware at the 359 FCI Owned depots & 71 District Offices other than 30 Pre- Pilot & Pilot Depots has been delivered by the SI. 4. E-mail gateway has been provided by NIC and SI has integrated the same with the application. 5. Provisioning of SMS Gateway for the application is underway. 6. DR Site for the application is being provisioned by NIC. 7. Issues, related to the application, are being addressed, as and when reported, by the SI. 8. Depot Online System has been inaugurated and launched on 17th March 2016, by Hon' ble Minister for Consumer Affairs, Food and Public Distribution, Sh. Ram Vilas Paswan at FSD Mayapuri.
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12	<p>The new face of FCI will be akin to an agency for innovations in Food Management System with a primary focus to create competition in every segment of foodgrain supply chain, from procurement to stocking to movement and finally distribution in TPDS, so that overall costs of the system are substantially reduced, leakages plugged, and it serves larger number of farmers and consumers.</p>	<p>This is partially accepted. Abolition of Zonal Offices of FCI is not found to be feasible, as these are the backbone of the organization and are involved in managing various functions of Personnel and Labor (IR), Commercials, Procurement, Quality Control, Storage and Vigilance Wings of FCI. It is stipulated that FCI will in future :</p> <ol style="list-style-type: none"> (1) Play a proactive role for increasing procurement in Eastern India. (2) Focus on logistics management and introduce modern technologies and practices in procurement, storage and movement of foodgrains. (3) Introduce end to end computerization in foodgrains supply chain management. 	
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	<p>In this endeavour it will make itself much leaner and nimble (with scaled down/ abolished Zonal offices), focus on eastern states for procurement, upgrade the entire grain supply chain towards bulk handling and end to end computerization by bringing in investments, and technical and managerial expertise from the private sector. It will be more business oriented with a pro-active liquidation policy to liquidate stocks in OMSS/ export</p>	<p>(4) Increase awareness and share knowledge and best practices among the stake holders.</p>	<p>FCI has started focusing on procurement in eastern States. Detailed status is given in point No 2 above.</p> <p>Efforts are being made to modernize labs.</p> <p>Status of silos is given in point No 7.</p> <p>M/s RICOH India Ltd has been appointed as the System Integrator for the Implementation of Depot Online System through an open tender process. Detailed status is entailed at point No 11.</p>
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	<p>markets, whenever actual buffer stocks exceed the norms.</p> <p>In order to realize the vision, a part of FCI can be carved into an Agency for Innovations in Foodgrain Management Systems with its sole objective of modernization towards bulk handling and cutting costs.</p>		<p>A Committee of 3 EDs of FCI has been constituted to prepare a road map for building the new face of FCI.</p>
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