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**STANDING COMMITTEE ON CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION (2022-2023)**

SEVENTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

**DEMANDS FOR GRANTS
(2023-24)**

TWENTY FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023/ Phalguna, 1944 (Saka)

(i)

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AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(2022-2023)

(SEVENTEENTH LOK SABHA)

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)

DEMANDS FOR GRANTS
(2023-24)

Presented to Lok Sabha on 21.3.2023
Laid in Rajya Sabha on 21.3.2023



LOK SABHA SECRETARIAT
NEW DELHI

March, 2023/ Phalguna, 1944 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND
PUBLIC DISTRIBUTION (2022-23)**

Smt. Locket Chatterjee- Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Sudip Bandyopadhyay
4. Shri Girish Bhalchandra Bapat
5. Shri Shafiqur Rahman Barq
6. Shri Gangasandra Siddappa Basavaraj
7. Ms. Debasree Chaudhuri
8. Shri Anil Firojiya
9. Shri Rajendra Dhedya Gavit
10. Shri Sanganna Amarappa Karadi
11. Shri Khagen Murmu
12. Shri Mitesh Rameshbhai Patel
13. Shri Subrat Pathak
14. Shri Ganesan Selvam
15. Dr. Amar Singh
16. Smt. Himadri Singh
17. Smt. Kavita Singh
18. Shri Nandigam Suresh
19. Shri Saptagiri Sankar Ulaka
20. Shri Rajmohan Unnithan
21. Shri Vaithilingam Ve.

Rajya Sabha

22. Shri Satish Chandra Dubey
23. Dr. Fauzia Khan
24. Shri Baburam Nishad
25. Shri Rajmani Patel
26. Shri Sakaldeep Rajbhar
27. Dr. Anbumani Ramadoss
28. Shri C. Ve Shanmugam
29. Shri Harbhajan Singh
30. Ms. Dola Sen
31. Dr. Ashok Bajpai

LOK SABHA SECRETARIAT

- | | | |
|----------------------------------|---|------------------|
| 1. Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. Dr. Vatsala Joshi | - | Director |
| 3. Dr. Mohit Rajan | - | Deputy Secretary |
| 4. Smt. Darshana Gulati Khanduja | - | Under Secretary |

(iv)

INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2022-2023) having been authorized by the Committee, to present on their behalf, this Twenty Fourth Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Committee examined/scrutinized the detailed Demands for Grants (2023-24) of the Ministry which were laid on the Table of the House on 10.2.2023. The Committee took oral evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 27th February, 2023.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2023-24).

4. The Report was considered and adopted by the Committee at their sitting held on 13th March, 2023.

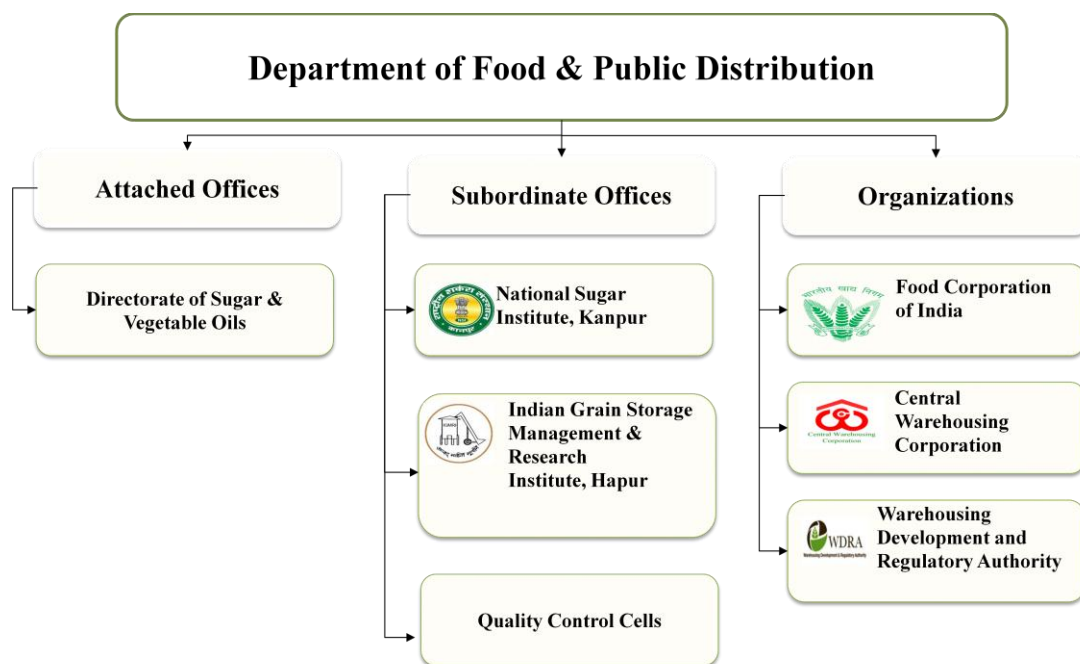
5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
13 March, 2023
22 Phalguna 1944 (Saka)

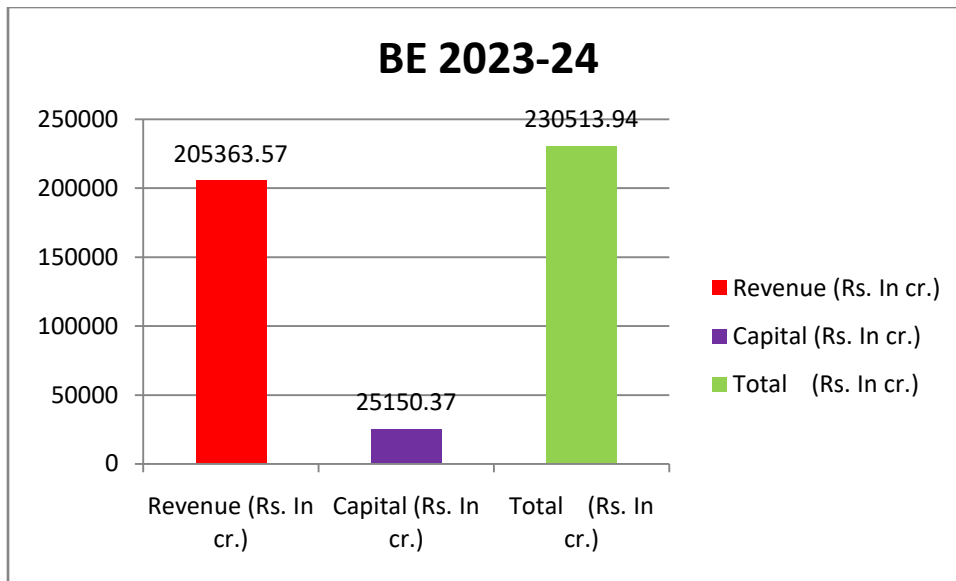
LOCKET CHATTERJEE,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution

REPORT
CHAPTER – I
INTRODUCTORY

The Ministry of Consumer Affairs, Food and Public Distribution consists of two Departments, namely, the Department of Food and Public Distribution and the Department of Consumer Affairs. The Department of Food and Public Distribution and the Department of Consumer Affairs work under the overall guidance of Union Minister of Consumer Affairs, Food and Public Distribution.



1.2 The Minister for Consumer Affairs, Food and Public Distribution laid on the Table of the Lok Sabha, the Detailed Demands for Grants (2023-24) relating to the Department of Food and Public Distribution on 10.2.2023. The Detailed Demands for Grants for the Department of Food and Public Distribution shows a budgetary provision of Rs. 230513.94 crore for the year 2023-24. This includes Rs. 205363.57 crore for Revenue section and Rs. 25150.37 crore, under Capital section .



1.3 The Committee in the present Report have examined detailed Demands for Grants of the Ministry for the year 2023-24 as shown in the succeeding Chapters of the Report.

CHAPTER –II

FINANCIAL PERFORMANCE OF THE DEPARTMENT

A Allocation and utilization of Budgetary Provisions

The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) at the sitting of the Committee held on 27.2.2023 submitted the following data on BE, RE and actuals for 2022-23 and the proposed BE for BE for 2023-24:

(Rs. In cr.)					
	BE 2022-23	RE 2022-23	AE 2022-23 (as on 24.2.2023)	BE 2023-24	variation in BE 2023-24 w.r.t. RE 2022-23
Revenue	213929.91	294274.13	223317.61	205363.57	-30.21
Capital	12029.67	12029.70	11953.09	25150.37	+109
Total	225959.58	306303.83	235270.70 (w.r.t RE 76.81%)	230513.94	-24.74

B Revenue Section

2.2 BE, RE and AE for **Total Revenue Expenditure** for the last five years are given as under:

(Rs. In crore)

Scheme Name	YEAR	Budget Estimates (BE)	Revised Estimates (RE)	Actuals	Remarks Actual till 24.2.2023
TOTAL - REVENUE EXPENDITURE	2018-19	173735.00	176983.11	106693.67	
	2019-20	190914.27	113989.47	113931.15	
	2020-21	121038.41	437458.00	554244.84	
	2021-22	251248.34	299363.35	301730.93	

	2022-23	213929.91	294274.13		223317.61
	2023-24	205363.57			

2.3 It may be seen that Budgetary Allocation during the Financial Year 2023-24 under Revenue Section has been reduced by 30% than RE 2022-23.

C Capital Section

2.4 Allocation and utilization of funds under **capital section** for the last five years are given as under:

(Rs. In crore)

Scheme Name	YEAR	Budget Estimates (BE)	Revised Estimates (RE)	Actuals	Remarks Actual till 24.02.2023
TOTAL - CAPITAL EXPENDITURE	2018-19	50424.10	51354.00	12853.23	
	2019-20	51326.12	37250.92	1243.11	
	2020-21	51197.02	11190.72	11188.35	
	2021-22	52725.96	12636.65	2630.40	
	2022-23	12029.67	12029.70		11953.09
	2023-24	25150.37	13120.67		

2.5 It may be seen that Budgetary Allocation during the Financial Year 2023-24 under Capital Section has been increased to Rs.25150.37 crore than RE of 2022-23 Rs12029.70 crore by 109.12%.

D Performance of Schemes

2.6 The scheme-wise details of Budget Estimates (BE), Revised Estimates (RE) and actual expenditure under Revenue section incurred by the Department of Food and Public Distribution during 2022-23 and BE for 2023-24 are as under:-

REVENUE					(₹ in crores)
Sl. No.	Name of the Scheme / Project	Budget Estimates 2022-23	Revised Estimates 2022-23	Actual Expenditure 2022-23 as on 24.02.2023	Budget Estimates 2023-24

1	2	3	4	5	9
1	Secretariat (3451)	81.67	77.47	68.06	79.99
2	National Sugar Institute, Kanpur (2408)	27.37	24.14	20.19	28.00
3	<i>Other Programmes of Food Storage & Warehousing</i>				
	(i) Directorate of Sugar & Vegetable Oils (2408)	8.70	7.94	4.84	8.63
	(ii) Indian Grain Storage Management & Research Institute (2408)	6.10	6.77	3.50	17.31
	(iii) Central Grain Analysis Laboratory (2408)	0.14	0.14	0.06	0.14
	(iv) Quality Control Cell (2408)	8.34	7.23	4.61	9.49
	(v) International Cooperation (2408)	0.75	0.79	0.70	0.83
	Total - Other Programmes of Food Storage & Warehousing	24.03	22.86	13.71	36.40
4	Food Subsidy to FCI (2408)	145919.90	214696.00	161519.90	125207.00
5	Food Subsidy to DCP States (2408)	60561.19	72282.50	56585.07	54793.00
6	Sugar subsidy payable under PDS (2408)	350.00	215.55	181.17	350.00
7	Central assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (2408)	6572.00	0	0	0.00
	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601)/3602/2408	0.00	6572.03	4773.58	7424.60
8	Fortification of Rice and its Distribution under Public Distribution System (2408/3601) (Centrally Sponsored Scheme)	10.13	9.40	9.08	0.00
9	Scheme for providing assistance to Sugar Mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar (New Scheme)	0.00	20.50	13.58	0.00
10	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	300.00	259.83	75.00	400.00
11	Scheme for Assistance to Sugar Mills for 2018-19 season	0.00	1.50	0.00	0.00
12	Scheme for Assistance to Sugar Mills for 2019-20 season	0.00	14.50	6.07	0.00

13	Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export	0.00	0.25	0.00	0.00
16	Scheme for Creation and Maintenance of Buffer Stock of Sugar	0.00	3.00	2.80	0.00
17	Scheme for Creation and Maintenance of Buffer Stock of 40 LMT of Sugar	0.00	0.42	0.09	0.00
18	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	16.00	16.00	15.93	10.00
19	Storage & Godowns-Construction of Godowns by State Governments in North Eastern Region (2552/2408)	3.20	3.20	0.00	3.57
20	Strengthening of PDS Operation(2408/2552/3456)	2.00	2.50	0.00	5.00
21	Integrated Management - Public Distribution System (IM-PDS)	40.00	30.00	18.21	0.00
22	Warehousing Development and Regulatory Authority (2408)	18.03	18.03	14.66	22.00
23	Project				
(a)	PDS- Evaluation, Monitoring & Research	0.72	0.78	0.51	0.34
(b)	Generating Awareness among TPDS beneficiaries	3.67	3.67	0.00	3.67
	Total-Revenue Expenditure	213929.91	294274.13	223317.61	205363.57
CAPITAL					(₹ in crores)
1	Secretariat (4408)	0	0	0	3.36
2	Investment in Equity Capital of Food Corporation of India	1900.00	1900.00	1900.00	0.00
2	National Sugar Institute, Kanpur (4408)	3.80	3.10	1.32	1.92
3	<i>Other Programmes of Food Storage & Warehousing</i>				
	(i) Directorate of Sugar & Vegetable Oils (4408)	0.00	0.00	0.00	0.09
	(ii) Indian Grain Storage Management & Research Institute (4408)	7.16	9.99	0.00	12.00
	(iii) Central Grain Analysis Laboratory (4408)	2.00	2.00	0.00	9.00
	(iv) Quality Control Cell (4408)	17.90	17.90	0.00	24.00
3	Storage & Godowns-Construction of godowns by FCI in North Eastern Region (4552/4408)	20.00	25.01	10.00	60.00

4	Storage & Godowns-Construction of godowns by FCI (4408)	10.00	10.00	5.00	40.00
5	Ways and Means Advance payable to FCI (6408)	10000.00	10000.00	10000.00	25000.00
6	Loans for consumer Industries (6860)				0.00
	i) Loans for Modernization / Rehabilitation of Sugar Mills.	2.10	0.00	0.00	0.00
	ii) Loans to Sugar Mills for Cane Development	4.07	0.00	0.00	0.00
	iii) Loans to Sugar Factories for Bagasse based co-generation Power Projects.	21.57	61.24	36.31	0.00
	iv) Loans for production of anhydrous alcohol or ethanol from alcohol	41.07	0.46	0.46	0.00
	Total-Capital Expenditure	12029.67	12029.70	11953.09	25150.37

2.7 In response to a query on the status of implementation of various schemes/programmes/projects and the difficulties, if any, being faced by them in their implementation the Ministry furnished the following information:

Private Entrepreneurs Guarantee (PEG) Scheme

Under the PEG Scheme, which was formulated in 2008 for non-Decentralized Procurement States (DCP) and later extended to DCP States in 2009, construction of conventional godowns has been undertaken in 22 States by attracting private investment. FCI guarantees 10 years usage of storage capacities to the private investors and 9 years to CWC and SWCs. Total capacity sanctioned for godowns as on 01.02.2023 is 152.26 LMT. Out of this, 146.15 LMT has been completed.

PEG scheme has been implemented without any major problem. Problems at specific locations faced in construction of godowns by investors/ nodal agencies like delay in construction period, force majeure events, acquisition of land etc. are monitored by concerned GM (Regions) with the help of respective State Governments. PEG scheme is also monitored in each State-by-State Level Committee (SLC). The SLC comprises of ED (Zone), GM (Region), nominee of State Government (Food Department), Regional Manager, CWC and Representative of Railways. At national level, High Level Committee (HLC) under the chairmanship of CMD (FCI) monitors the scheme. HLC has members from CWC, DFPD, Railways and Principal Secretaries of Respective State Governments in addition to Executive Director, Storage, Traffic and Procurement of FCI.

Modernization of storage infrastructure (Steel Silos)

Silos with capacity of 18.25 LMT have been constructed and are in use, out of which road-fed silos are of capacity 6.00 LMT (Madhya Pradesh 4.50 LMT, Punjab 1.50 LMT) and capacity 12.25 LMT is having railway sidings facility. Further capacity of 11 LMT is under implementation.

There are certain issues regarding construction of Railway siding silos with specialized wagon movement that has affected the pace of implementation of silo projects. These issues are mainly related to acquisition of Land with Railway siding which involves protracted negotiation with large no. of small land owners which has delayed land purchase by concessionaires under DBFOO model. At some places land could not be acquired and the project had to be terminated. Facilitation is provided to concessionaires for sorting out the issues for the projects under implementation. However, considering these factors, plan has been envisioned to construct silos under Hub & Spoke model which will reduce the requirement of land, project cost etc. Under this model a capacity of 111.125LMT at 249 locations is to be developed in 3 phases. In this capacity of 34.875LMT in phase-1 has been recently awarded.

Central Sector Scheme “Storage & Godowns”:

Government is implementing a Central Sector Scheme for construction of godowns with focus on augmenting storage capacity in the States of North Eastern (NE) Region and a few other States. Under this Scheme, funds are released directly to FCI in the form of equity for land acquisition and construction of storage godowns and infrastructure like railway sidings, electrification, installation of weighbridge, etc. Funds are also released as grants-in-aid to the Governments of the North-Eastern States including Jammu & Kashmir for construction of intermediate storage godowns considering the storage gaps as well as difficult geographical & climatic conditions in these States. During 12th Five Year Plan (2012- 17), a total capacity of 1,84,175 MT has been created in NE States and other than NE States (1,37,680 MT by FCI and a capacity of 46,495 MT by State Governments). This scheme has further extended for 6 years up to 31.03.2023. A total capacity of 98,670 MT (69,780 MT by FCI and 28,890 MT by State Governments) has been created from 01.04.2017 to 31.12.2022.

The following are the difficulties being faced by the FCI/department:

1. In the case of FCI, land acquisition from the State Governments is a major hurdle, which consumes a lot of time. Along with that, the harsh topographical conditions and inclement weather conditions of NE as well as Himachal Pradesh contribute to the slow pace of progress of work.
2. W.r.t. funds released to State Governments, delay in furnishing of UCs is the main reason.

Efforts are made by FCI/Department by conducting meeting/telephonically/ in black and white to resolve the issue.

Public Distribution

This Department in association with State/UT Governments is currently implementing a central sector scheme, namely – “Integrated Management of Public Distribution System” (IM-PDS), approved for implementation in all States/UTs with a total outlay of Rs. 127.30 Cr. w.e.f. April 2018 for a period of two years. The validity of the scheme has been further extended up to 31.03.2023 without escalation in the total project cost. The main objective of the scheme is implementation of nation-wide portability in food grains distribution.

Under the scheme on “Integrated Management of Public Distribution System (IMPDS)” the Department is implementing nation-wide portability of ration card holders through 'One Nation One Ration Card' plan, which enables any eligible ration card holder/beneficiary covered under National Food Security Act, 2013 (NFSA). The benefits, is presently enabled in all the 36 States/UTs (across the nation), covering entire NFSA population (around 80 Crore NFSA beneficiaries) in the country. Under the plan, the NFSA beneficiaries have been empowered with the choice to lift their entitled foodgrain from any Fair Price Shop (FPS) of their choice, anywhere in the country, by using their existing ration cards with biometric authentication on an electronic Point of Sale (ePoS) device.

PDS- Evaluation, Monitoring & Research Project: The project aims to evaluate the functioning of Targeted Public Distribution System (TPDS)/National Food Security Act (NFSA) through independent reputed agencies (Monitoring Institutions, MI) from time to time. In order to strengthen the ongoing monitoring of NFSA implementation and to provide a more in-depth, incisive and comprehensive empirical evidence on regular basis, 13 MIs engaged by this Department for Phase –II (2020-23) are conducting concurrent evaluation exercise on a half-yearly basis in 17 States/UTs and on annual basis in remaining 19 States/UTs as per agreed Terms of Reference. The study/evaluation exercise is thematic and covering different themes, inter-alia, inclusion and exclusion errors, Awareness and education (IEC) on One Nation One Ration Card/ Portability, Supply chain and PDS reforms, Effectiveness of Grievance Redressal, Vigilance committee and social audit Ease of Access and Leakages/ diversion and others. The reports of 1st & 2nd year submitted by the MIs have been shared with respective State/UT Governments for Action Taken Report on the same.

2.8 The Committee enquired the status of pending Utilization Certificates in respect of schemes of Department of Food and Public Distribution and the concrete steps taken by the Department to set timelines for submission of pending Utilization Certificates. The Ministry stated as under:

Generating Awareness Amongst TPDS Beneficiaries project:

Name of the scheme	Year	State	Pending UCs for the amount (Amount in Rs.)
Generating Awareness amongst TPDS beneficiaries project	2007-08	Assam	*77788/-
	2020-21	Madhya Pradesh	1,00,000/-
	2020-21	Karnataka	7,98,920/-
			12,00,000/-
Total	2015-16	Uttar Pradesh	21,76,708/-
Village Grain Bank Scheme (The Scheme discontinued w.e.f 1.1.2014)	2006-07	Assam	16,97,784/-

*After rigorous pursuing the matter State Govt. vide letter dated 06.08.2021 informed that unutilized amount of Rs. 77,788/- along with interest has been refunded to Govt. of India. However, confirmation of the same from Pay & Accounts Office is still awaited.

As per guidelines, 80% share is borne by the Central Government and remaining 20% by the State Government. The 40% of the Central Government's share is released as 1st instalment. The remaining amount, comprising of balance share of 40% of Central share, is released as 2nd instalment on receipt of Utilization Certificate (UC) for the 1st instalment along with UC for 20% of State's share.

Department of Food and Public Distribution is regularly pursuing the matter with the concerned States by written communications dated 11.06.2019, 23.04.2019, 19.02.20, 03.07.2020, 28.02.2022 & 04.01.2023 for obtaining Utilization Certificates or to surrender/refund the amount sanctioned by DFPD.

Assistance to State Agencies for intra-State movement of foodgrains and FPS dealers' margin under NFSA

The expenditure under the scheme "Assistance to State Agencies for intra-State movement of foodgrains and FPS dealers' margin under NFSA" is of recurring in nature. Under this scheme, the fund is released to States/UTs on reimbursement as well as advance basis. While releasing the funds, the States/UTs are requested to submit the Utilization Certificate within one year of the completion of the financial year. The subsequent funds are released after the receipt of proper Utilization Certificates from the States/UTs. As the funds are released on recurring basis, there is negligible scope for Utilization Certificates to remain pending.

Storage & Godowns

State-wise statement of pending Utilization Certificates as on 31.01.2023 under Central Sector Scheme "Storage & Godowns"

Sl. No.	Name of the States/UTs	Amount of unspent balance	Construction of Storage godowns		
			Amount of UCs pending	Year of release	No. of UCs pending
Projects implemented by FCI					
(1)	North Eastern Region including Sikkim	10.82	-	-	-
(2)	Other than North Eastern Region	10.98	05.98	2020-21	1
Total (FCI)		21.80	05.98	-	1
Projects implemented by State Govts. under Grants-in-Aid					
(1)	Assam	0.66	0.66	2017-18	1
(2)	Arunachal Pradesh	-	-	-	-
(3)	Nagaland	-	-	-	-
(4)	Sikkim	09.58	09.58	2019-20	1
(5)	Tripura	01.22	-	-	-
(6)	Mizoram	-	-	-	-
Total (State Govts.)		11.46	10.24	-	2
Grand Total (FCI + State Govts.)		33.26	16.22	-	3

Regular review meetings are being taken by FCI/DFPD to monitor the progress of implementation of these schemes and for timely furnishing of UCs.

Construction of Godowns/Purchase of Vans/Trucks (scheme) and PDS-Training

Pending Utilization Certificates in respect of erstwhile schemes/project, namely, Construction of Godowns/Purchase of Vans/Trucks (scheme) and PDS-Training (project). Under both the erstwhile schemes/project, 04 cases of Utilization Certificates are pending from 03 States. This Department regularly follows-up with concerned States/UTs to furnish pending UCs in proper format and among these 03 States, 01 State submitted the revised UC and same is under consideration.

So far, under the “Integrated Management of Public Distribution System” Rs.64.60 crore have been released to States/UTs out of which, the utilization certificates for Rs.54.28 crores have been received. Further, under the “Integrated Management of Public Distribution System” funds are released to States/UTs in five instalments i.e., 60%, 40% in first year and 60%, 20% and 20% in the second year respectively. The instalments are released to States/UTs subject to fulfilment of certain specific conditions as per the Administrative Approval of the Scheme.

Department is vigorously pursuing with States/UTs for submission of pending Utilization Certificate as per GFR.

2.9 The Committee note that under Capital Section , BE for the Financial Year 2022-23, is Rs 12029.67 crore which remains the same at RE stage, but AE till 24.2.2023 is Rs 11953.09 crore which is the 99.36 % of the RE. The Committee appreciate that the Ministry could utilize almost entire allocation in February, 2023 itself. More over, Ministry have managed to keep expenditure in the last quarter within the prescribed limit of 33% as per direction of Ministry of Finance.

While appreciating the financial prudence of the Ministry, the Committee hope that Ministry should continue to maintain fiscal discipline in future as well.

2.10 The Committee note that the large number of utilization Certificates(UCs) are pending from various State Governments in respect of various schemes of the Department. For example, under Central Sector scheme for storage & godowns UCs worth Rs.10.24 crore and Rs.5.98 crore are pending from State Government and FCI respectively. Further, UCs amounting to Rs.21,76,708 and Rs.16,97,784 are pending under 'generating awareness amongst TPDS beneficiaries' project and village, Uttar Pradesh and Grain Bank Scheme respectively.

The Committee note that non-receipt of UCs from various State Governments has remained a recurring problem which resulted in non release of remaining allocated funds by the Department to the State Governments for various schemes/projects. This in turn might have led to delay in completion of the projects/ schemes. The Committee therefore would like to be apprised of the projects/ schemes which could not be completed due to stoppage of further funding by the Ministry for want of UCs in various states. The Committee further note that Ministry/ FCI have been pursuing the matter with the concerned State Governments. The Committee suggest that the matter be taken up with the Ministry concerned of the State Government to impress upon the need for furnishing UCs.

CHAPTER- III

MANAGEMENT OF FOOD

The Department of Food and Public Distribution is concerned with the formulation and implementation of various national policies relating to procurement, movement, scientific storage, distribution and sale of foodgrains. The aim of such policies is to ensure that interests of farmers as well as consumers are saved, which is done by providing remunerative prices to the farmers and making foodgrains available at reasonable prices to consumers, especially to the vulnerable sections of the society. The main elements of the Government's food management policy are procurement, storage and movement of foodgrains; distribution through public distribution system; and maintenance of buffer stocks for food security and price stability.

A Procurement of foodgrains

3.2 Procurement policy is uniform throughout the country. Food Corporation of India along with other State Agencies undertakes procurement of food-grains i.e. wheat and paddy/rice under price support scheme. The procurement under Price Support is taken up to ensure remunerative prices to the farmers for their produce which works as an incentive for achieving better production. Stocks conforming to the specifications prescribed by Govt. of India for the particular crop for the season brought by the farmers are purchased at the MSP declared by Govt. of India. If the farmers get price better than the support price from other buyers such as traders/ millers etc., the farmers are free to sell their produce to them.

The Government policy of procurement of Food grains has broad objectives of ensuring MSP to the farmers and availability of food grains to the weaker sections at affordable prices. It also enables in ensuring effective market intervention thereby keeping the prices under check and also adds to the overall food security of the country. The procurement of foodgrain depends upon multiple factors like Production, market surplus, Climatic conditions during harvesting period, Prevailing Market Rates, price trends Demand Supply situation and participation of private traders etc.

3.3 Details of Total wheat and rice Procurement during the last five years is given as under:

Procurement of Wheat

RMS Season	Procurement of Wheat in LMT
2018-19	357.95
2019-20	341.32
2020-21	389.92
2021-22	433.44
2022-23	187.92

Procurement of Rice

RMS season	Procurement of Rice
2018-19	443.99
2019-20	518.26
2020-21	602.45
2021-22	575.88
2022-23	434.83

State-wise details of wheat and rice Procurement during the last five years is given at **Annexure I**

3.4 On being enquired about the status/target regarding procurement of wheat and rice during the year 2023-24 and whether the Department is hopeful of meeting the targets, the Ministry in its written replies stated as follows :

“ Estimate/target in regard to procurement of wheat(RMS 2023-24) and rice (KMS 2022-23) (Rabi Crop) for the year 2023-24 will be fixed during the States Food Secretaries meeting. Similarly estimates for procurement of rice for KMS 2023-24 will be fixed during StatesFood Secretaries meeting to be held during the month of Aug/Sep 2023. There has been a reduction in wheat procurement during RMS 2022-23 due to increase in market price and demand-supply mismatch on account of geopolitical situation. Further as on 16.2.2023, the procurement of paddy in terms of rice during KMS 2022-23 is 465.97 LMT (90.66%) against the target of 514 LMT. While it was 454.66 LMT (90.63%) against total procurement of 501.64 LMT.”

3.5 Responding to a query as to why there has been lesser procurement of foodgrains than the targets and what are the reasons therefor, the Ministry in its written replies submitted that:

“there has been a reduction in wheat procurement during RMS 2022-23 due to increase in market price and demand-supply mismatch on account of geopolitical situation. Wheat farmers across the country benefited from the higher market rates as most of the farmers sold their produce to the private traders at higher market rate in comparison to the MSP. Accordingly, the farmers could reap higher remuneration for their produce which is the main objective of the policy of GOI towards farmer welfare.”

3.6 State wise procurement of wheat and rice by DCP and NON-DCP states for the last 5 years are given at **Annexure II and III** respectively. Further, procurement of wheat and rice by DCP and NON-DCP states for the last 5 years are as under:

Wheat Procurement in DCP/Non-DCP States

(Figure in LMT)

RMS Season	DCP State		Non-DCP State		Grand Total
	Procurement	% of total	Procurement	% of total	
2018-19	201.70	56.35%	156.25	43.65%	357.95
2019-20	196.87	57.68%	144.45	42.32%	341.32
2020-21	257.76	66.11%	132.16	33.89%	389.92
2021-22	268.10	61.85%	165.34	38.15%	433.44
2022-23	142.57	75.87%	45.35	24.13%	187.92

Rice Procurement in DCP/Non-DCP States

(Figure in LMT)

KMS Season	DCP State		Non-DCP State		Grand Total
	Procurement	% of total	Procurement	% of total	
2018-19	256.06	57.67%	187.93	42.33%	443.99
2019-20	323.53	62.43%	194.73	37.57%	518.26
2020-21	377.74	62.70%	224.71	37.30%	602.45
2021-22	359.84	62.49%	216.04	37.51%	575.88
2022-23	230.83	53.09%	204.00	46.91%	434.83

B Promotion of Shree Anna (Millets)

3.7 Hon'ble PM of India, has shared his vision to make International Year of Millets 2023 a 'People's Movement' alongside positioning India as the 'Global Hub for Millets'. 'Millets' were among the first crops to be domesticated in India with several evidence of its consumption during the Indus valley civilization.

3.8 With regard to millet procurement including *inter- alia*, the details of the crops, when these are included under PDS/TPDS and the targets, if any, for procurement, etc., the Ministry stated as follows:

“ ...as per Guidelines for procurement, allocation, distribution and disposal of coarse grains/millets dated 7.12.2021/28.03.2022, States are allowed to procure coarse grains/millets (Jowar, Bajra, Maize & Ragi etc.) from farmers at MSP under central pool subject to the prior approval of GOI on the detailed procurement plan prepared by State Governments in consultation with FCI. The procured quantity shall be distributed under TPDS (Targeted Public Distribution System)/OWS (Other welfare Schemes) in the State/UT and the combined allocation of wheat and rice to the equivalent extent shall stand automatically reduced.

For increasing the procurement and consumption of coarse grains/millets, this Department has revised the guidelines for allocation, distribution and disposal of coarse grains procured by the State Agencies/FCI and enhanced the distribution period

to 6-10months from earlier period 3 months. Provision of inter-state transportation of surplus millets through FCI is also incorporated. A provision of advance subsidy as being given in case of procurement and distribution of wheat/rice has been added in these guidelines.”

3.9 The details of target fixed for procurement of coarse grains/millets for KMS 2018-19, 2019-20, 2020- 21 and 2021-22 are mentioned below and the details of procurement of coarse grains/millets during last five years are given as under:

S. No.	KMS	Crop	Target (in Metric Tonne)
1	2018-19	Jowar	5,63,666
		Bajra	2,15,666
		Maize	7,20,666
		Ragi	-
		Total	15,00,000(rounded off)
2	2019-20	Jowar	30,000
		Bajra	1,90,000
		Maize	1,70,000
		Ragi	10,000
		Total	4,00,000
3	2020-21	Jowar	1,35,000
		Bajra	2,40,000
		Maize	2,00,000
		Ragi	4,00,000
		Total	9,75,000
4	2021-22	Jowar	8,65,000
		Bajra	2,45,000
		Maize	3,15,000
		Ragi	8,25,000
		Total	22,50,000

Statement Showing Procurement of Coarse grains (as on 08.02.2023)

(Fig in MT)

KMS	COMMODITY	GUJARAT	HARYANA	KARNATAKA	M.P.	MAH	U.P.	Odis ha	Uttarakhand	TOTAL
2018-19	BAJRA	891	100000	0	0	0	0	-	-	100891
	MAIZE	0	0	0	0	6987	5116	-	-	12103
	RAGI	0	0	94390	0	0	0	-	-	94390
	Total	891	100000	95520	0	17950	5116	-	-	219477
2019-20	JOWAR (Kharif)	0	0	838	5469	1468	0	-	-	7775
	JOWAR	0	0	8418	0	7145	0	-	-	15563

	(Rabi)									
	BAJRA	0	100000	0	76	0	0	-	-	100076
	MAIZE (Kharif)	0	0	0	0	19	25	-	-	44
	MAIZE (Rabi)	0	0	0	0	115094	0	-	-	115094
	RAGI	0	0	193243	0	0	0	-	-	193243
	Total	0	100000	202499	5545	123726	25	-	-	431795
2020-21	JOWAR(Kharif)	0	0	80722	29582	17784	0	-	-	128088
	JOWAR(Rabi)	0	0	0	0	18384	0	-	-	18384
	BAJRA	11515	150000	0	195351	5005	0	-	-	361871
	MAIZE(Kharif)	4133	0	0	0	88283	106413	-	-	198829
	MAIZE(Rabi)	0	0	0	0	6486	0	-	-	6486
	RAGI	0	0	474098	0	0	0	20252	-	494350
	Total	15648	150000	554820	224933	135942	106413	20252	-	1208008
2021-22	JOWAR(Kharif)	0	0	103920	32393	20262	0	-	-	156575
	JOWAR(Rabi)	0	0	0	0	0	0	-	-	0
	BAJRA	7284	0	0	5400	567	0	-	-	13251
	MAIZE(Kharif)	389	0	0	0	19615	2763	-	-	22767
	MAIZE(Rabi)	0	0	0	0	0	0	-	-	0
	RAGI	0	0	404784	0	253	0	32302	-	437339
	Total	7673	0	508703	37793	40697	2763	32302	-	629931
2022-23	JOWAR	0	0	0	258	1355	0	0	0	1613
	BAJRA	766	81147	0	0	10	43437	0	0	125360
	MAIZE	0	0	0	0	48	0	0	0	48
	RAGI	0	0	0	0	282	0	0	1186	1468
	Total	766	81147	0	258	1695	43437	0	1186	128489

3.10 The Ministry in their powerpoint presentation made to the Committee on 27.2.2023 submitted procurement status during KMS 2021-22 and 2022-23 as under:

S No.	State	Commodity	Procurement in KMS 2021-22 (in MT)	Procurement Achievement in KMS 2022-23 As on 22.2.2023	Expected Procurement in KMS 2022-23 (in MT)
1	Haryana	Bajra Maize	-	81,147 -	81,147 -
2	Karnataka	Jowar Ragi	1,03,920 4,04,784	28 1,04,739	1,00,000 5,00,000
3	Maharashtra	Jowar Bajra Maize Ragi	20,262 567 19,615 253	1357 10 48 283	1357 10 48 283
4	Madhya Pradesh	Jowar Bajra	32,393 5,400	258 -	258 -
5	Uttar Pradesh	Maize Bajra	2,763 -	- 43,437	- 43,437
6	Gujarat	Maize Bajra	389 7,284	- 766	- 766
7	Uttarakhand	Ragi	-	1,186	1,186
8	Tamil Nadu	Ragi	-	99	99
9	Andhra Pradesh	Ragi Jowar	-	-	10,000 5,000
Total			6,29,932	2,33,358*	7,43,591

3.11 Responding to a queries about the tribal beneficiaries, procurement of grains from tribal areas, etc., during evidence held on 27 February, 2023, the Secretary, Department of Food and Public Distribution submitted as follows :

“सर, जो ट्राइबल्स हैं, उनको हमारे हर कार्य में प्रायोरिटी दी जाती है। जैसा सदस्य ने बताया कि अंत्योदय योजना में जो ट्राइबल बेनेफिशियरीज़ हैं, पीबीटीजी को अंत्योदय में हम कैटेगराइज करते हैं। इसके अलावा एस्पिरेशनल डिस्ट्रिक्ट्स, ट्राइबल डिस्ट्रिक्ट्स को फर्स्ट फेज में कवर किया गया। In all our schemes, the first priority is always given to

tribals and tribal districts and also the SC category. अगर कोई स्पेसिफिकली बात है, जैसे आपने श्री अन्न की बात कही, तो श्री अन्न में मैंने आपको बताया कि हमारा सभी स्टेट्स को ओपन ऑफर है कि whatever they wish to procure, all the coarse grains, all the Shri Anna, we are willing to supply in the NFSA. It is only dependent on the State Government's interest. If the State Governments want, we are 100 per cent behind them. For example, you spoke about Odisha and Odisha has opted out. वे कहते हैं कि हम नहीं करना चाहते हैं। वे कहते हैं कि अपना अन्न डिस्ट्रीब्यूट करेंगे श्री अन्न में। In that, we have little leeway."

3.12 Further, the Representative of the Department of Food and Public Distribution during evidence held on 27 February, 2023 stated:

“सर, ओडिशा में करीब 60 हजार टन के आसपास उनका रागी के प्रोक्योरमेंट का रहता है और वे अपनी स्टेट स्कीम में बांटते हैं। दूसरा, जो मिलेट का प्रमोशन है, हमारी जो एग्रीकल्चर मिनिस्ट्री है, यह राज्यों के एग्रीकल्चर डिपार्टमेंट के साथ कोआर्डिनेशन के साथ इसको बढ़ा रहा है। कई राज्यों ने इंकलूडिंग ओडिशा मिलेट मिशन भी स्टार्ट किया है कि मिलेट का प्रोडक्शन कैसे बढ़ायें। हमारा जो डिपार्टमेंट का रोल है, उसको प्रोक्योर करके पीडीएस, मिड डे मील, आईसीडीएस में डिस्ट्रीब्यूशन में आता है। जैसा सर ने बताया कि हमने सभी स्टेट्स को लिखा हुआ है। हमारा प्रोक्योरमेंट भी बढ़ रहा है। कर्नाटक ने बड़ा अच्छा मॉडल पेश किया है। करीब एक-दो साल में अपना 50 पर्सेंट के आसपास डिस्ट्रीब्यूशन रागी से ले आएंगे। यह हम लोग बढ़ा रहे हैं। लोगों के बीच में अवेयरनेस का विषय है और धीरे-धीरे इसकी एक्सेप्टिबिलिटी बढ़ रही है, तो मुझे लगता है कि आने वाले सालों में इसका प्रोक्योरमेंट और कंजंप्शन और बढ़ेगा।

3.13 The representatives in their powerpoint presentation informed the Committee about the various policy initiatives to increase procurement and distribution of Millets as under:

- Encouraging States/UTs to procure and distribute millets under TPDS. Full support would also be extended for supply of millets under ICDS/MDM/PM-Poshan
- Enhanced distribution period/shelf life of millets upto 6 months for Maize, 9 months for Jowar/Bajra and 10 months for Ragi from existing 3 months would help in longer storage and distribution period in TPDS and ICDS/MDM/PM-Poshan.
- Provision of Inter-State Transportation of surplus millets through FCI to cater to advance demand placed by consuming states.
- A provision of advance subsidy to procuring States, as is being given in case of procurement of wheat/rice has been introduced.

3.14 The Committee observe that as per Guidelines for procurement, allocation, distribution and disposal of coarse grains/milletts, States are allowed to procure coarse grains/milletts (Jowar, Bajra, Maize &Ragi etc.) from farmers at MSP under central pool subject to the prior approval of GOI on the detailed procurement plan prepared by State Governments in consultation with FCI. The procured quantity shall be distributed under TPDS (Targeted Public Distribution System)/OWS(Other welfare Schemes) in the State/UT. Further, it is informed that Department has revised the guidelines for allocation, distribution and disposal of coarse grains procured by the State Agencies/FCI and enhanced the distribution period to 6-10months from earlier period of 3 months. Provision of advance for subsidy inter-state transportation of surplus millets through FCI is also incorporated. The Department has also informed that the millet promotion is being done by the Agriculture Ministry in coordination with the Agriculture Departments of various States and Department's role is confined only to procure them and distribute it for various schemes such as PDS, MDM scheme and Integrated Child Development Scheme (ICDS). The Committee, understand that millets have been an integral part of our diet for centuries and in addition to plethora of health benefits, millets are also good for environment with low water and input requirement. The Committee, therefore, feel that there is need to create awareness about millets amongst consumers and farmers for its health benefits and nutritious value, thereby, promoting its production and consumption. The Committee recommend the Ministry to encourage production and procurement of millets in all the States specially the States having significant tribal population such as Rajasthan, MP and Chattisgarh etc. and provide all possible aid/assistance/bonus to farmers opting to grow millets. Similarly, the procurement of wheat and rice may be enhanced from the States having higher production of wheat and rice. Further, in order to encourage the consumption of millets, the Committee further suggest that the beneficiaries of different schemes should be given option to bundle millets alongwith wheat and rice within their entitled quantity.

C Smart Public Distribution System (PDS)

3.15 The Public Distribution System (PDS) which was started to manage food supplies during scarcity has evolved as a system for distribution of foodgrains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society.

Targeted PDS under NFSA, 2013 is operated under the joint responsibility of the Central and the State Governments. The Central Government, through FCI, has assumed the responsibility for procurement, storage, transportation and bulk allocation of foodgrains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of Ration Cards, distribution of foodgrains through Fair Price Shops (FPS) and supervision of the functioning of Fair Price Shops (FPS), rests with the concerned State Government/UTs. Under the PDS, the commodities namely wheat, rice and coarse grains are being allocated to the States/UTs for distribution. No such proposal to include more items of essential commodities for supply through the PDS in future. However, as per Clause 9(9) of TPDS (Control) Order, 2015, the State Government shall allow sale of commodities other than the foodgrains distributed under the Targeted Public Distribution System (TPDS) at the fair price shop to improve the viability of fair price shop operation.

3.16 The Ministry in their powerpoint presentation has informed the Committee about the Scheme for Modernization & Reforms through technology in Public Distribution System (Proposed Smart Public Distribution System) as under:

“Objectives of SMART-PDS

1. Strengthening e-Gov

Strengthening Key Elements of e-Governance in States/UTs for advancing technology-driven reforms beyond IM-PDS scheme (ONORC)

2. PDS Software-as-Service (SaaS)

Development and implementation of an Advance, Standard & Scalable SaaS solution for entire PDS operations from Ration Card Management to last mile delivery at FPSs

3. Creation of Robust & Scalable Cloud IT Infrastructure

Creation of a robust & unified cloud IT Infrastructure at Central Level for entire PDS operations

4. Mainstreaming of Data Analytics

Data driven decision making through new initiatives of data analytics and setting up Monitoring, Data Analytics, Technical Support & Training Centre at central and State level

5. Institutional Framework

Leveraging Institutional framework for States/UTs and Centre through technical manpower and project management support

6. **Open API Platform for PDS** Development of Open API platform and Data Standards for smooth Integration with other Ministries/ Departments and encourage industry participation in transforming reach of PDS

7. Sustainability of Existing Technology-Led Reforms

Overcoming shortcomings and further enhance reforms in the existing IMPDS scheme and laying strong foundation in the development of SMART PDS Applications. “

3.17 The Secretary, Department of Food and Public Distribution during evidence held on 27 February, 2023 , responding to queries on smart PDS submitted as under :

“सर, स्मार्ट पीडीएस में एक्चुअली डिफरेंट स्टेज में होता है, प्रोक्योरमेंट होगा, फिर उसको डिपो में मेल किया जाएगा, उसके बाद सेंट्रल पूल में आएगा, उसके बाद उसकी एलोकेशन होगी एनएफएसए के लिए, उसके बाद वह राशन शॉप में जाएगा। इसकी पूरी प्रक्रिया है, इसको ऑटोमेट करने के लिए, कंप्यूटराइज्ड करने के लिए हमने स्मार्ट पीडीएस की कल्पना की है। जो सिस्टम बनेगा, उसमें उसका स्टेजवाइज प्रोक्योरमेंट हुआ, उसके बाद वह कहां पर स्टोर किया गया, कहां पर उसकी एलोकेशन हुई, एफपीए शॉप में उसको कहां पर डिस्ट्रीब्यूट करने के लिए भेजा गया और कितने लोगों को डिस्ट्रीब्यूट किया गया, इस सब की उसके माध्यम से जानकारी मिलेगी। किसी भी जगह हम बैठे जान पाएंगे कि कितना स्टॉक कहां से प्रोक्योर हुआ, कहां पर स्टोर किया गया, स्टेट गवर्नमेंट ने कितना लिफ्ट किया और किस फेयर प्राइस शॉप पर डिस्ट्रीब्यूट किया गया। पूरी प्रक्रिया कंप्यूटीकृत की जाएगी।”

3.18 The Committee note that Public Distribution System is an important part of Government Policy under management of food by providing foodgrains to the eligible beneficiaries at subsidized rates. The PDS is operated under the Joint responsibility of the Central and the State Government. The Committee appreciate the Proposed Smart Public Distribution System by modernization and reforms through technology in Public Distribution System. The Ministry informed the objectives of SMART-PDS as strengthening e- Gov; PDS software-as-Service (Saas); Creation of Roust & Scalable Cloud IT Infrastructure; Mainstreaming of

Data Analytics, Institutional Framework; Open API Platform for PDS and Sustainability of Existing Technology-Led Reforms. In this proposed SMART-PDS scheme, all procedural stages such as procurement of foodgrains, sending it to depots and central pool, allocation for NFSA and distribution by FPS will be fully automated. The Committee, therefore feel that Smart PDS is an amalgamation of technology and conventional distribution system which would not only bring transparency in the PDS but also help in efficient monitoring and fast delivery. The Committee expect that an Advance, Standard & Scalable SaaS solution for entire PDS operations from Ration Card Management to last mile delivery at FPSs should be developed expeditiously and implemented at the earliest.

D Fair Price Shop Transformation

3.19 The Ministry informed that the Targeted Public Distribution System (TPDS) is now governed as per provisions of the National Food Security Act, 2013 (NFSA). Under the Act, the term “foodgrains” is defined as rice, wheat or coarse grains or any combination thereof conforming to such quality norms as may be determined, by order, by the Central Government from time to time.

Under the National Food Security Act, 2013 (NFSA), highly subsidized foodgrains are provided to States/UTs for distribution to around 80 crore beneficiaries through Targeted Public Distribution System (TPDS). In addition to this, the State/UT Governments may continue with or formulate food or nutrition-based plans or schemes providing for benefits higher than the benefits provided under this Act. As per the Clause 9(9) of the TPDS (Control) Order 2015, the State Governments can allow the sale of commodities other than the foodgrains through their Fair Price Shops (FPSs) to improve the viability of fair price shop operations.

3.20 The Ministry in their powerpoint presentation has stated that improving economic viability of FPSs and enhancing beneficiary experience is a key priority of DFPD. DFPD is facilitating partnerships and coordination with other Departments, service providers and private stakeholders to provide additional services at FPS. ~40,000 FPS has been on boarded as CSCs and similar efforts are ongoing with India Post Payment Bank (IPPB) to provide financial services at FPS. A National Conference on FPS transformation was held on 15th February, 2023 to formulate a roadmap to scale-up FPS transformation activities.

E One Nation One Ration Card

3.21 Under the scheme on “Integrated Management of Public Distribution System (IM-PDS)” the Department is implementing nation-wide portability of ration card holders through 'One Nation One Ration Card' plan, which enables any eligible ration card holder/beneficiary covered under National Food Security Act, 2013 (NFSA) to lift their entitled foodgrains from any Fair Price Shop (FPS) of their choice in the country by using their existing/same ration card after biometric/Aadhaar authentication on electronic Point of Sale (ePoS) devices installed at the FPSs. 'One Nation One Ration Card' (ONORC) plan for nation-wide portability of ration card has been enabled in all the 36 States/UTs (across the country) covering nearly 80 Crore beneficiaries, almost 100% of NFSA population of the country. About 100 crore portability transactions have been recorded under ONORC since inception i.e., August 2019. About 3.5 crore monthly portability transactions including NFSA and PMGKAY were recorded every month as of December 2022.

3.22 Ministry has furnished data regarding beneficiaries of Intra/Inter State, portability under 'One Nation One Ration' Card Scheme which is given as under:

States	Total Intra State Portability Transactions	Total Inter-State Portability Transactions
ANDAMAN AND NICOBAR ISLANDS	33,946	405
ANDHRA PRADESH	11,94,74,507	3,758
ARUNACHAL PRADESH	1,218	242
ASSAM	11,15,638	49
BIHAR	31,88,26,011	42,303
CHANDIGARH	-	371
CHHATTISGARH	25,60,960	2,725
DELHI	1,79,33,121	46,88,957
GOA	32,628	14,700
GUJARAT	37,18,218	2,59,766

HARYANA	4,76,07,022	8,23,229
HIMACHAL PRADESH	1,237	88,858
JAMMU AND KASHMIR	13,34,471	46,553
JHARKHAND	26,77,225	21,775
KARNATAKA	5,89,30,029	30,745
KERALA	5,43,94,910	32,092
LADAKH	-	315
LAKSHADWEEP	9,349	54
MADHYA PRADESH	3,27,10,328	38,217
MAHARASHTRA	4,99,43,122	3,42,043
MANIPUR	1,505	20
MEGHALAYA	38	119
MIZORAM	6,090	4
NAGALAND	32,171	410
ODISHA	92,037	1,210
PUDUCHERRY	-	798
PUNJAB	93,33,175	18,012
RAJASTHAN	10,97,18,934	78,786
SIKKIM	12,279	1,081
TAMIL NADU	65,53,097	13,262
TELANGANA	8,45,07,824	15,569
THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	2,82,881	1,22,339
TRIPURA	11,95,858	13,944
UTTAR PRADESH	6,14,44,491	41,484
UTTARAKHAND	-	66,221
WEST BENGAL	52,75,769	4,563
Total	98,97,60,089	68,14,979

3.23 When enquired whether FPS are fully automated in all the States/UTs, the Ministry informed that under FPS Automation, the Biometric/Aadhaar authentication of NFSA beneficiaries is being carried out through the electronic Point of Sale (ePoS)

devices at the time of lifting of foodgrains from the FPSs. Almost all FPSs of the country are automated by installing ePoS devices for distribution of foodgrains through Aadhaar authentication.

3.24 Steps taken to implement various technology interventions, such as Biometric authentication through e-PoS device at FPS by beneficiaries, de-duplication of ration cards/beneficiaries and 'One Nation One Ration Card' (portability) etc. are helping the State/UT Governments to check ghost lifting and diversion/leakages of subsidised foodgrains.

3.25 The Ministry also informed that at present, overall Aadhaar seeding with Ration Card has crossed 99.6% at the National level.

3.26 The Committee also enquired whether supply chain management has been computerized in all the States/UTs, the Ministry stated that So far, the Computerization of Supply Chain Management has been implemented in 31 States/UTs. Its implementation is still to be completed in Arunachal Pradesh, Lakshadweep & Manipur due to network related issues. Further the activity is not applicable in Chandigarh & Puducherry as DBT cash is implemented in both the UTs.

3.27 The Committee note that so far, the Computerization of Supply Chain Management has been implemented in 31 States/UTs. Its implementation is still to be completed in Arunachal Pradesh, Lakshadweep & Manipur due to network related issues. Further, the activity is not applicable in Chandigarh & Puducherry, as DBT cash is implemented in both the UTs. The Committee, therefore, desire the Department to take all necessary steps to resolve all network related issues in the areas of low connectivity to ensure that the entitle household are not be deprived of their legitimate entitlement of foodgrains on the ground of failure of biometric authentication.

3.28 The Committee note that as per the Clause 9(9) of the TPDS (Control) Order 2015, the State Governments can allow the sale of commodities other than the foodgrains through their Fair Price Shops (FPSs) to improve the viability of fair price shop operations. The Ministry while recognising the need for economic viability of FPSs and enhancing beneficiary experience, has initiated suitable steps. The Committee appreciate that DFPD is facilitating partnerships

and coordination with other Departments, service providers and private stakeholders to provide additional services at FPS. ~40,000 FPS has been on boarded as CSCs and similar efforts are ongoing with India Post Payment Bank (IPPB) to provide financial services at FPS. These PDS shops alongwith supplying foodgrains to targeted beneficiaries will provide host of services such as registration for Aadhaar and Pan card, booking of train tickets, checking of bank balance and accessing information relating to eligibility of various schemes. The Committee suggest that this initiative be expanded to cover all FPSs in a time bound manner. The Committee also would like to be apprised of the roadmap drawn if any, for FPS transformation. Further, the Committee also suggest to explore the possibility of offering incentives, may be non financial ones to the states to complete the project without any delay.

F Distribution of Fortified Rice

3.29 The Government of India had approved the Centrally Sponsored Pilot Scheme on "Fortification of Rice and its Distribution under Public Distribution System" on February 14, 2019, for a period of 3 years beginning 2019-20 with the total budget outlay of 174.64 Crore. The Pilot Scheme ended on 31.03.2022. BE, RE and AE in Pilot Scheme for FY 2019-20 to 2022-23 are as under: -

(Amount in Crore)

Sl No.	Financial Year	Budget Estimates(BE)	Revised Estimates(RE)	Actual Expenditure (AE)
1	2019-20	42.65	1.00	0.00
2	2020-21	20.00	9.00	2.35
3	2021-22	70.00	9.05	10.01
4*	2022-23	10.13	9.41	7.08 (13.01.2023)

* The Pilot Scheme ended on 31.03.2022. However, in BE 2022-23, Rs. 10.13 Crore (including Professional Services and Domestic Travel Expenses) is provided for the settlement of the pending reimbursement bills of State Governments, etc. due for the period up to 31st March 2022. Total eleven states (11) distributed 4.30 LMT (approx.) fortified rice under the Pilot Scheme.

3.30 Further, to achieve uniform nutritional impact of fortified rice among the targeted population, the Government of India has approved the supply fortified rice through the FCI and State Agencies in the entire TPDS and Other Welfare Schemes (OWS) including ICDS and PM POSHAN covering all the States and Union Territories by 2024 in a phased manner.

Status of Phase-I:

Covering ICDS and PM POSHAN in India all over by March 2022 with a proposed cost of Rs. 266.91 Crore (borne by Ministry of Women and Child Development & Department of School Education and Literacy respectively for the FY 2021-22)

During the COVID-19 pandemic, several activities remain affected including logistics due to wide lockdown in States/UTs apart from forced closure of Anganwadi/ICDS centres, Schools that resulted in fall short of desired level of implementation in Phase-I. After the situation of COVID-19 came under control, lockdown was lifted. Thereafter, DFPD allocated only fortified rice in Q3 & Q4 of 2021-22 against the requirement of Ministry of Women and Child Development (MoWCD) and Department of School Education & Literacy for distribution under ICDS and PM-POSHAN respectively. Nearly 17.51 LMT of fortified rice have been lifted by States/UTs for distribution under ICDS and PM POSHAN.

Status of Phase-II (2022-23):

Phase I above plus TPDS and OWS in all Aspirational and High Burden Districts on stunting (total 291 districts) by March 2023 with a proposed cost Rs. 1323.38 Crore (to be part of food subsidy bill of this Department)

Implementation of Phase-II covering all ICDS, PM-POSHAN Centres and 291 Aspirational and High Burden districts under TPDS and OWS has started from April 2022. As on 31.12.2022, nearly 22.92 LMT of fortified rice have been lifted by States/UTs for ICDS and PM-POSHAN. Under TPDS, out of 291 districts 269 Aspirational and High Burden districts have been covered whereas remaining 22 Aspirational and High Burden districts are the districts under the wheat consuming states namely Haryana, Punjab, and Rajasthan. Under TPDS, nearly 62.10 LMT of fortified rice has been lifted.

Status of Phase-III:

Phase II above plus covering the remaining districts of the country by March 2024 onwards with a proposed annual cost of Rs. 2679.47 Crore (to be part of food subsidy bill of this Department).

Details of allocation and lifting

(Fig. in LMT)

Phase	Allocation	Lifting (ICDS + PM POSHAN + TPDS)
Phase I (by March 2022)	34.20	17.51 LMT (ICDS +PM POSHAN)
Phase II (by March 2023)	183.48	101.25 LMT
Phase III (by March 2024)	Will be started From April 2023	

CHAPTER IV

FOOD CORPORATION OF INDIA (FCI)

The Food Corporation of India (FCI) was set up in 1965 under an Act of Parliament namely the Food Corporations Act, 1964. The primary duty of the Corporation is to undertake purchase, procurement, storage, movement, transportation, distribution and sale of foodgrains. As the principal implementing agency of the food policy of Government of India, the FCI undertakes procurement of foodgrains at the minimum support price to provide remunerative prices to farmers and also to prevent distress sale of their produce. The FCI also maintains a satisfactory level of operational and buffer stocks of foodgrains to ensure national food security. It offers foodgrains to various State Governments for being distributed to consumers through a wide network of fair price shops under the Public Distribution System (PDS), at the Central Issue Price fixed by the Government.

A Dues and Liabilities of FCI

4.2 The Ministry has informed the outstanding dues of FCI to be recovered from various Ministries on account of providing foodgrains for various welfare schemes on payment basis during the years are given as under:

(in crore)

Particulars	2018-19		Amount Realised/adjusted during the F.Y.2018-19	2019-20		Amount Realised/Adjusted during the F.Y.2019-20	2020-21		Amount Realised/Adjusted during the F.Y.2020-21	2021-22		Amount Realised/Adjusted during the F.Y.2021-22	2022-23	Amount Realised/Adjusted during the F.Y.2022-23
	Opening Balance	Closing Balance		Opening Balance	Closing Balance		Opening Balance	Closing Balance		Opening Balance	Closing Balance			
	A	B	C=A-B	D	E	F=D-E	G	H	I=G-H	J	K	L=J-K	M	N
MRD	2,454.03	2,454.03	-	2,454.03	2,454.03	-	2,454.03	2,454.03	-	2,454.03	2,454.03	-	2,454.03	2,454.03
MEA	103.65	47.99	55.66	47.99	47.99	-	47.99	60.43	-	60.43	56.46	3.97	56.46	98.55
M/o Defence	1.43	0.73	0.70	0.68	0.64	0.04	24.26	0.42	23.84	0.42	0.43	-	0.43	1.06

4.3 The Committee enquired whether any time limit has been fixed by which, Ministries are required to make payment of outstanding dues, the Ministry stated that

no time-limit was there in case of Ministry of Rural Development earlier for issues under SGRY. Under decentralized scheme of payment in MDM, there is a time limit of 20 days for making payment after submission of bills by FCI.

4.4 In written reply to a query as to the steps taken or proposed to be taken to liquidate the outstanding dues of FCI over the years, the Ministry submitted as under:

“Ministry of Rural Development

For settlement of dues relating to SGRY, the DFPD & FCI are regularly pursuing the matter with the Ministry of Rural Development. Secretary (Food) wrote a DO letter on 17.01.2019 to Secretary, MoRD. A meeting under the chairmanship of JS (P&FCI) was held on 04.06.2021, followed up with letter dated 29.11.2021, 03.02.2022 and 12.12.2022.

Ministry of Human Resource Development

In case of MDM Scheme, the issue of realizing of outstanding of FCI is pursued at regular interval. Last letter vide letter no. A/cs/MDM/16(1)/Decent./21-22/326 dated 02.02.2022 and 12.12.2022 issued to Director (MDM), Ministry of HRD, New Delhi.”

4.5 The Committee find that FCI is providing foodgrains for various welfare schemes of respective Ministries of Union Government on payment basis. The information provided by the Ministry indicate that there are huge outstanding dues against various Ministries. The Committee feel that recovery of outstanding dues from various Ministries has been a long pending issue. The Committee in their 18th Report also recommended that Department should make sincere efforts towards the settlement of dues. It is imperative for the Department to pursue the matter at the highest level especially with the Ministry concerned.

B Construction of Godowns

4.6 The Ministry informed that the total Covered storage capacity available as on 01.02.2023 for keeping the Central pool stock with FCI and State agencies is 712.23 LMT against which stock of 324.07 LMT is available. This capacity is 1.73 times the peak Buffer Norms of 411.20 LMT (as on 1st July).

4.7 On being asked about the steps being taken to augment the storage capacity, Ministry in their written replies stated as under:

“ FCI continuously assesses and monitors the storage capacity and based on the storage gap assessment, storage capacities are created/ hired. FCI is augmenting its storage capacity through following schemes: -

1. Private Entrepreneurs Guarantee (PEG) Scheme
2. Centre Sector Scheme (CSS).
3. Construction of SILOs under PPP mode
4. Hiring of godown from CWCs/SWCs/State Agencies
5. Hiring of godown under Private Warehousing Scheme (PWS)”

4.8 The Ministry also furnished the Comparative data on total storage capacity available with FCI- Covered/ CAP and owned/ hired as on 30 June is given below (Peak capacity):

(Fig. in LMT)

Year	Capacity/ Stocks	Covered Capacity (As on 30 June)			CAP Capacity (As on 30 June)			Grand Total	Utilization %
		Owned	Hired	Total	Owned	Hired	Total		
2018- 19	Capacity	128.42	226.62	355.04	26.02	0.00	26.02	381.06	88%
	Stocks	103.00	229.26	332.26	2.71	0.00	2.71		
2019- 20	Capacity	127.33	252.17	379.50	26.02	1.79	27.81	407.31	92 %
	Stocks	109.30	256.03	365.33	6.58	2.62	9.20		
2020- 21	Capacity	127.77	254.53	382.30	26.02	5.77	31.79	414.09	89 %
	Stocks	98.29	256.75	355.08	6.00	5.88	11.88		
2021- 22	Capacity	151.58	290.46	442.04	25.71	12.32	38.03	480.07	88 %
	Stocks	111.23	294.00	405.23	5.82	12.91	19.18		
2022- 23	Capacity	148.25	264.75	413.00	CAP is being Phased out			78 %*	
	Stocks	94.04	229.97	324.01					

*Due to low procurement of wheat for RMS 2022-23.

4.9 In written reply to a query on the reasons for FCI having lesser owned storage capacity vis- a – vis hired one, the Ministry stated that hiring/ creation of godowns from warehousing corporations/ private investors is cost effective than constructing FCI owned capacity. In addition, hired capacity is operationally more viable for the reasons given as under:

“The owned capacity once constructed at a particular place/location cannot be shifted if the same is required at a different location due to changed procurement pattern or change in off take of foodgrains on account of consumer preference etc. whereas the hired capacity can be de hired and re hired as per the requirement. So, creation/ hiring of capacity by attracting Private Investment are preferred.

The creation of owned capacity is done through budgetary provisions provided by Government of India through Central Sector Scheme. Only in North-eastern states and a few hilly/ tough states budgetary resources are utilized for developing storage capacity under CSS where private investors do not come forward.”

4.10 The Committee further enquired whether FCI has made any assessment with respect to expenditure on rental liability vis-à-vis cost of owned storage capacity. The Ministry replied affirmatively and stated that Budget and Cost division of FCI has made an assessment with respect to expenditure on rental liability vis-à-vis cost of owned storage capacity. Hiring/ creation of godowns from warehousing corporations/ private investors is cost effective than constructing FCI owned capacity.

4.11 When asked about storage capacity constructed by FCI during the last five years and physical and financial targets and actual achievement for construction of godowns in the wake of implementation of NFSA 2013, the Ministry informed as under:

Physical Target

(Capacity in MT)

Sl.No	State	2018-19		2019-20		2020-21		2021-22		2022-23	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1	Assam	-	-	20000	-	20000	-	20000	20000	-	
2	Arunachal Pradesh	-	-	-	-	2790	-	2790	-	2790	1670
3	Manipur	19600	17100	2500	2500	4730	-	4730	-	4730	4730
4	Meghalaya	2500	-	2500	-	2500	-	2500	-	2500	
5	Mizoram	-	-	-	-	-	-	-	-	-	
6	Nagaland	-	-	-	-	-	-	-	-	-	
7	Sikkim	-	-	-	-	-	-	-	-	-	
8	Tripura	-	-	-	-	-	-	-	-	-	
	Total	22100	17100	25000	2500	30020	-	30020	20000	10020	6400
1.	Himachal Pradesh	3340	3340	2240	-	6620	-	6620	-	6620	2240
2.	Kerala	15000	15000	-	-	-	-	-	-		
3.	Jharkhand	-	-	-	-	-	-	-	-		
	Total	18340	18340	2240	-	6620	-	6620	-	6620	2240
	Grand Total (NE+ Others)	40440	35440	27240	2500	36640	-	36640	20000	16640	8640

Financial Target

4.12 Summary of Financial Progress (Target and Achievement) in NE States by FCI for the years 2018-19 to 2022-23 is mentioned below.

(Outlay in Crore)

Sl.No	State	2018-19		2019-20		2020-21		2021-22`		2022-23 (As on 31.12.2022)	
		Target	Achiev	Target	Achiev	Target	Achiev	Target	Achiev	Target	Achiev
1	Assam	15.00	33.17	16.50	15.89	14.50	14.49	18.50	11.63	35	6.846
2	Arunachal Pradesh	2.50	2.80	1.00	0.40	5.50	1.64	6.00	1.03	2.50	1.4969
3	Manipur	14.00	15.94	9.00	10.51	13.00	10.22	9.50	2.15	10.00	3.816
4	Meghalaya	2.00	0.30	2.00	1.16	1.50		2.00	1.5	1	1.1523
5	Mizoram	-	0.03	0.50	-	8.70	3.15	9.00	2.53	12.50	7.2091
6	Nagaland	1.00	-	-	-	1.80	0.21	5.00	-	-	
7	Sikkim	4.00	0.12	4.00	-	-	-	-	-	-	
8	Tripura	4.00	0.08	12.00	-	-	-	-	-	-	
	Total	42.50	52.44	45.00	27.96	45.00	29.70	50.00	18.85	60.00	20.52
1.	Himachal Pradesh	2.50	3.79	1.50	1.65	8.00	2.85	8.00	1.68	1	1.023
2.	Kerala	-	3.40	1.00	2.89	2.00	0.76	-	0.75	-	0.7074
3.	Jharkhand	-	2.37	1.50	0.15	6.00	1.37	7.00	0.68	29	3.9903
	Total	2.50	9.46	4.00	4.28	16.00	4.98	15.00	3.12	30.00	5.73
	Grand Total (NE+ Others)	45.00	61.90	49.00	32.24	61.00	34.68	65.00	21.97	90.00	26.25

4.13 The Ministry also informed that in case of Central Sector Scheme “Storage & Godowns”, land acquisition from the State Governments is a major hurdle, which consumes a lot of time. Along with that, the harsh topographical conditions and inclement weather conditions of NE as well as Himachal Pradesh contribute to the slow pace of progress of work.

In J&K, A&N and Lakshadweep, no godowns are being constructed by FCI under Central Sector Scheme.

4.14 The data on physical targets set by FCI under the Central Sector Scheme ‘Storage and Godowns’ for 2023-24 for North Eastern Region as furnished by the Ministry is as follows:

S. No.	State	Location	Capacity
1	Assam	Kokrajhar	15000 MT
2	Arunachal Pradesh	Roing	1120 MT
3	Mizoram	Sairang	10000 MT
		Champai	3340 MT
TOTAL			29,460 MT

For the FY 2023-24, a financial target of Rs. 60 Cr was set by FCI for NE region.

4.15 The Committee are concerned to note that during the year 2019-20, 2020-21, 2021-22 and 2022-23, FCI could not achieve physical target of construction of godowns in North Eastern States, Himachal Pradesh, Kerala and Jharkhand.

During the Financial Year 2022-23, the target set for North Eastern States was 10020 MT, but its achievement was only 6400 MT(till 31.12.2022). Financial targets set during the year 2022-23 was Rs. 60 crore, but achievement was only Rs 20.52 crore. Similarly, in Himachal Pradesh, physical target set during the Financial Year 2022-23 was 6620 MT but achievement was only 2240 MT (till 31.12.2022). The progress in achievements of the targets in NE states and Himachal Pradesh , Kerala, Jharkahand ,etc till the end of the third quarter of the financial year shows that it is unlikely that the Ministry will be able to achieve the set targets for the year 2022-23.

The Ministry submitted that in case of Central Sector Scheme “Storage & Godowns”, land acquisition from the State Governments is a major hurdle, which consumes a lot of time. Along with that, the harsh topographical conditions and inclement weather conditions of NE as well as Himachal Pradesh contribute to the slow pace of progress of work. The Committee are of the view that these factors are well known and the planning should have taken into consideration these harsh realities of NE and hilly states and accordingly, the implementation strategy of the plans should have been formulated. The Committee, therefore request the Ministry to address these issues and take suitable action.

In J&K, A&N and Lakshadweep, no godowns are being constructed by FCI under Central Sector Scheme. Ministry, further informed that they have no plan for construction of mini godowns. Creation of adequate storage capacity especially in far flung areas such as J&K, A&N Islands, Lakshadweep, etc the Committee believe to have uninterrupted supply of essential commodities to the people living there. In this context, suggest the Ministry to explore the possibility of building mini godowns.

C Smart Jute Bags

4.16 On being asked about the use of jute bags for packaging of foodgrains, the Representatives of the Ministry deposing before the Committee on 27 February, 2023 submitted as under:

"Secondly, as Madam mentioned about mandatory packaging in jute bags, we have given a commitment to the Textile Ministry. Whatever jute bags are available, we remain fully committed to procuring all the jute bags that are made available by the jute industry. अगर वह जूट बैग्स नहीं दे पाए तो प्रोक्वोरमेंट तो सफर नहीं कर पाएगा। Then, we have to go for exemption or dilution of the per cent packaging in jute bags. वह नॉर्मली शुगर के लिए होता है। पिछले सालों में वह गेहूं के लिए होता था। इस साल हम सुन रहे हैं कि प्रोडक्शन काफी है, तो जूट इंडस्ट्री जूट बैग्स का जितना प्रोडक्शन करेंगे, we are committed to procuring all the jute bags that the industry can supply to us.

“मैनडेटरी पैकेजिंग एक्ट को अब एफसीआई 100 परसेंट करती है। जूट कमीशनर के माध्यम से हम अपनी चीजों को लाकर काम करते हैं। अभी बीआईएस के जरिए स्मार्ट जूट बैग एक एक्सपेरिमेंट चल रहा है। इसमें जूट के साथ 25 परसेंट ऐड मिक्सर करके एक स्मार्ट जूट बैग बनाने की कोशिश की जा रही है।

इससे जूट बैग की गुणवत्ता इंप्रूव हो जाएगी और लाइफ साइकल भी बढ़ जाएगी। इसके ऊपर ब्यूरो ऑफ इंडियन स्टैंडर्ड्स अभी कार्य कर रहा है। जैसे ही वे स्पेसिफिकेशंस आ जाएंगे, तब हम उसको यूज करेंगे। उसमें भी 75 परसेंट जूट का ही यूज होगा। इसके अलावा एक चीज हमने और की है कि जब राइस आता है, उसको रिसीव करते समय जितने मिलर्स हैं, उनको हेरास किया जाता है, जैसा कि आपने कहा, तो उसके लिए हमने एक आर्टिफिशियल इंटेलिजेंस बेस्ड एक मशीन बनवाई है। पायलट बेसिस पर अभी पचास जगह पर उसको इंप्लीमेंट कर दिया गया है। उसका डिमांस्ट्रेशन सब जगह किया जा रहा है। मशीन के अंदर अगर आप चावल डालेंगे तो जितने हमारे पैरामीटर्स हैं, वे मशीन की स्क्रीन पर अपने आप दिखने शुरू हो जाएंगे। दो मिनट के अंदर जितना सैंपल लिया गया है, उसका नतीजा आपको स्क्रीन पर दिखाई दे जाएगा। यह

मशीन अभी पचास जगह पर इंट्रोड्यूस की गई है, उसका डिमांस्ट्रेशन चल रहा है। हमें तो उम्मीद है कि डिमांस्ट्रेशन 99 पर्सेंट सक्सेसफुल है। अगर यह हैट्रेंड पर्सेंट सक्सेसफुल रहा और सभी लोगों ने इसको एक्सेप्ट किया तो एक अप्रैल से सब जगह में हम इंट्रोड्यूस कर देंगे जिससे गुणवत्ता की जांच करने के लिए मिलर्स का जो हेरासमेंट होता है, वह कम हो जाएगा।”

4.17 The Committee note that the Ministry has given a commitment to Textile Ministry for procurement of all the jute bags that are made available by the jute industry. Further, it was informed that in coordination with the BIS they are trying to produce smart jute bags with 75% jute and 25% mixture that will improve quality and life span of jute bag. While appreciating the efforts of the Department in the direction of creating sustainable and locally produced jute bags for the storage of foodgrains, the Committee desire that the Department should continue with the practice of using jute bags for the packaging of foodgrains and expedite the finalization of smart jute bags so that the use of smart jute bags may be started at the earliest.

D Shortage of empty rakes

4.18 Responding to a query as to the problems , if any faced by FCI , in its operations and logistics the Ministry submitted that :

“there has been problem of short supply of empty rakes in Madhya Pradesh, Chhattisgarh, Odisha region against the requirement of FCI. Further, there are infrastructural deficiencies like poor roads at goods shed, no proper lighting facility, etc. at various railhead of Railways which affect the loading/unloading operations at concerned goods shed. These issues have been taken up with Railways by FCI on regular basis and Railways has extended the cooperation as well.”

Route optimization study of inter&intra state movement of foodgrains

4.19 The Ministry during evidence informed the Committee about the decision of route optimization study of inter & intra state movement of foodgrain through FITT, IIT-Delhi on sponsorship basis for overall reduction in transportation cost and optimum utilisation of resources like warehouse capacities, available food grains and transportation infrastructure.

They furnished the samples of road distance reduced for on FPS after optimisation in Uttarakhand and Himachal Pradesh.

4.20 The Representatives of the Ministry appearing before the Committee on 27 February, 2023 submitted to the Committee as under:

“हमारे विभाग की तरफ से एक और पहल की गई है। अभी ट्रांसपोर्टेशन कॉस्ट होती है, from the point of inter state transportation, जो एफसीआई करता है, from surplus States to deficit States, उसके बाद डेफिसिटस्टेट में पहुंचकर, from one depot to the point of the fair price shop. उसमें जो ट्रांसपोर्टेशन होती है, क्योंकि काफी अरसे से वह सिस्टम चला आ रहा है कि किसडिपो को किस फेयरप्राइसशॉप से टैग किया जाएगा। उसके बाद काफी नये फेयरप्राइसशॉप्स बन चुके हैं, काफी नई सड़कें बन चुकी हैं, काफी नये डिपोज बन चुके हैं। लेकिन दुर्भाग्यवश, पुराना सिस्टम चला आ रहा है। हमने डब्ल्यूएफपी के माध्यम से एक स्टडी की थी कि हम रूट को कैसे ऑप्टिमाइज कर पाएं ताकि जो नयी सड़कें या नये डिपोज बने हैं या नये फेयर प्राइसशॉप बने हैं, तो उसमें रोड डिस्टेंस कम कर पाएं। हम एक उदाहरण दिखा रहे हैं, जो उत्तराखण्ड का है। जहाँ पर पहले हम 7.2 किलोमीटर का रूटले रहे थे, जब हमने उसको टैगिंग की और जिओटैगिंग करके देखा कि उस डिपो के नियरेस्ट कौन-सी फेयर प्राइसशॉप है, तो हमने देखा कि हम एक किलोमीटर से भी कम का रोडडिस्टेंस कर सकते हैं। उसी तरह से, हमने दो तीन स्टेट्स में देखा। हिमाचल प्रदेश में देखा कि ओवलऑलडिस्टेंस 31 परसेंट से 38 परसेंट तक रिड्यूस हो रहा है, अगर हम इसका रूटऑप्टिमाइज करें, through geotagging, and seeing the closest depot to the fair price shop. Similarly, in Punjab, there is a reduction in distance travelled by 31 per cent to 35 per cent. पंजाब में 31 से 35 परसेंट है। इस तरहसे, हमने देखा कि अगर हम रूटऑप्टिमाइजेशन करते हैं, तो we are estimating the cost of transportation to go down by at least one-third. डब्ल्यूएफपीआई, दिल्ली के माध्यम से, यह स्टडी अब पूरे देश में की जा रही है। हम आशा करते हैं कि इस रिपोर्ट की स्टडी हमें इस साल के अंत तक उपलब्ध हो जाएगी। हमको जैसे-जैसे स्ट्रीट की रिपोर्ट मिलती जा रही है, हम उनको एडवाइस कर रहे हैं कि they should implement this route optimization study so that the cost of transportation, which ultimately adds to the food subsidy can also be brought down substantially.”

4.21 The Committee are concerned to note that FCI is facing shortage of empty rakes for transportation of food grains (loading/unloading) under PDS in Madhya Pradesh, Chattisgarh and Odisha. Such a shortage might be driving FCI to opt road transport which is costly compared to rail transportation. The Committee, therefore, desire the Ministry to take up the matter with Ministry concerned immediately to address the issue.

CHAPTER V

MANAGEMENT OF SUGAR

Sugar Industry is an important agro-based industry that impacts rural livelihood of about 01 crore farmers (5 crore including family members) and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade, servicing of machinery and supply of agriculture inputs. India is one of the largest producer of sugar and sugarcane in the world. The sugarcane is India's second largest crop in terms of value after paddy.

5.2 There were 522 operational sugar factories in the country during 2021-22 sugar season, with sufficient crushing capacity to produce around 370 lakh MT of sugar. The capacity is roughly distributed equally between private sector units and co-operative sector units. The capacity of sugar mills is, by and large, in the range of 2,500 Tonnes Crushed per Day (TCD) to 5,000 TCD bracket but is increasingly expanding and going even beyond 10,000 TCD. Three stand-alone refineries have also been established in the country in the coastal belt of Gujarat, West Bengal and Andhra Pradesh which produce refined sugar mainly from imported raw sugar and also from indigenously produced draw sugar. The sector-wise break-up of operation sugar mills in the country is given below:-

Sl. No.	Sector	Number of factories
1.	Co-operative	197
2.	Private	317
3.	Public	8
	Total	522*

* Including 3 refineries, 1 each in Gujarat, West Bengal and Andhra Pradesh which may also commence production.

A Production of sugar

5.3 The Ministry in their written replies informed that in past, sugar production in India had been cyclic in nature. Every 3-4 years of high sugar production was followed by 2-3 years of low sugar production. From sugar season 2010-11 onwards, the production of sugar has exceeded domestic requirements in the country till sugar season 2015-16. During sugar season 2016-17 the production was lower than the demand due to drought in major sugar producing states as Maharashtra and

Karnataka. However, since 2017-18 sugar season the production has been higher than the domestic demand. Because of improved variety of sugarcane, the production of sugarcane/sugar production would likely to remain surplus in coming seasons. As such, the cyclicity in sugar production has been eliminated. Details of production, consumption, demand, availability, and carry-over stock, import-export of sugar in the country during the last five years are given below:

(In lakh tons)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23 (estimated)
Carry- over stocks with sugar mills from Previous season	105	145	110	85	70*
Production of Sugar	332 (After discounting diversion of 3 LMT)	274 (After discounting diversion of 9 LMT)	310 (After discounting diversion of 24 LMT)	359 (After discounting diversion of 36 LMT)	331 (After discounting about 50 LMT diversion to ethanol)
Total availability	437	419	420	444	401
Domestic consumption	255	249.40	265	273	275
Exports	37	59.60	70	110	61
Estimated Closing stocks at the end of season	145	110	85	61	65

*As per physical verification reports submitted by O/o Cane Commissioner/Director of Sugar of respective state.

5.4 The Acreage under sugarcane cultivation for the last five years is given as under:-

Sugar Season	Area under sugarcane cultivation (Lakh Hect.)	% Increase/Decrease over previous Sugar Season
2018-19	52.34	(+)7.71
2019-20	51.18	(-)2.26
2020-21	54.76	(+)6.53
2021-22	56.66	(+)3.53
2022-23	61.49	(+)8.52

5.5 On being asked about the steps taken by the Ministry to increase sugarcane production, the Ministry submitted that In order to encourage and incentivize farmers to produce cane, the Government announces Fair and Remunerative Prices (FRP) of sugarcane well before the commencement of every sugar season.

5.6 Further, the Ministry in their powerpoint presentation has informed about the measure taken by the Government to boost Sugar sector as under:

- Since, 2014, about ₹ 70,000 crore revenue generated by sugar mills/distilleries from sale of ethanol.
- About 99.9% of cane dues for sugar seasons upto 2020-21 have been cleared. More than 99% cane dues for last season 2021-22 have also been cleared.
- The capacity of molasses based distilleries increased from 215 crore liters to 700 crore liters ; and
- The capacity of grain based distilleries increased from 206 crltrs to 337 crltrs.
- 5 crore sugarcane farmers & their families are being benefitted.
- About 5 lakh workers associated with sugar mills & other ancillary activities are getting employment.
- Due to reforms, sugar sector has become self sustainable and budgetary support is not required to improve liquidity of mills except interest subvention scheme for ethanol production units;

B Sugarcane Arrears

5.7 The Ministry has intimated the State-wise details of cane price arrears(on SAP/FRP basis wherever applicable) for 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 and earlier sugar seasons are mentioned in the table below. The details of the Sugar mills having cane price arrears for last five years and current year are also available at the website of the Department viz. www.dfpd.nic.in.

State	SS 2022-23 (Rs. In Cr.)			Arrears of Earlier Sugar Seasons (Rs. in Cr.)				
	Cane Price Payable	Cane Price Paid (71.2%)	Cane Price Arrear (%)	2017-18 & earlier	2018-19	2019-20	2020-21	2021-22
Uttar Pradesh	14871	10594	4277	137	0	0	9	1050

Maharashtra	19924	18034 (90.51%)	1890	139	45	0	67	41
Karnataka	12772	8829 (69.12 %)	3943	0	4	0	0	0
Bihar	1087	908 (83.53%)	179	18	50	39	4	0
Gujarat	1802	616 (33.96 %)	1186	54	0	0	0	0
Punjab	1524	833 (54.65 %)	691	0	0	6	6	35
Uttarakhand	860	512 (59.53 %)	348	34	108	0	0	3
Andhra Pradesh	377	300 (79.57%)	77	0	22	36	0	0
Telangana	603	366 (60.69%)	237	0	0	0	0	0
Tamil Nadu	1200	849 (70.75 %)	351	0	73	0	0	2
Haryana	1379	790 (57.28%)	589	0	0	0	0	11
Madhya Pradesh	1122	727 (64.79 %)	395	6	0	0	0	0
Chhattisgarh	188	73 (38.82 %)	115	0	0	0	0	0
Odisha	23	8 (34.78 %)	15	3	0	0	0	0
All India Position	57732	43439 (75.24 %)	14293	391	302	81	86	1142

5.8 On being asked about the measures taken by the Ministry to improve the liquidity position of sugar mills and to enable them to make timely payment of cane dues of farmers, The Ministry in their written replies submitted that Central Government has taken various measures during the last three sugar seasons, which are as under:

I. SUGAR SEASON 2018-19

1. Extended Assistance to sugar mills @Rs.13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane amounting to about Rs.3000 crore.
2. Extended Assistance to sugar mills for defraying expenditure towards internal transport, freight, handling, and other charges to facilitate export of sugar from the country in sugar season 2018-19 and reimbursing about Rs. 900 crores under this scheme.
3. Extended soft loans amounting to Rs 7402 crore to sugar mills through banks to clear cane price arrears, for which interest subvention of about Rs 518 crore @ 7% for one year is being borne by the Government.

II. SUGAR SEASON 2019-20

4. Allocated buffer stock of 40 Lakh Metric Tonne (LMT) of sugar amongst sugar mills for a period of one year from 1st August 2019 to 31st July 2020 for which Government is reimbursing carrying cost of Rs.1674 crore towards maintenance of buffer stock.
5. Providing assistance to sugar mills @ Rs 10448/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2019-20 for which an estimated expenditure of Rs 6268 Cr is being borne by Government.

III. SUGAR SEASON 2020-21

Central Government is providing assistance to sugar mills @ Rs 6000/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar for which an estimated expenditure of Rs 3500 Cr is being borne by Government.

5.9 The Committee are happy to note that the country has been producing sugar more than the domestic requirement for the last several years, which has not only ensured sufficient sugar supply but also encouraged exports. The Committee also note that due to availability of excess sugar, Government is encouraging sugar mills to divert excess sugarcane to ethanol, which has resulted in reduction of All-India cane price arrear of farmers for sugar season 2019-20, and payment of about Rs. 75,764 crore have been done against total cane dues of about Rs. 75,845 crore and cane arrears of only Rs. 81 crore are pending, as on 15.02.2023. Similarly, for the sugar season 2020-21 and 2021-22, out of total cane dues payable of about Rs. 93,075 crore and Rs 1,18,271 crore,

cane arrears of only Rs. 86 crore and Rs 1,141 crore respectively are pending. During the current sugar season 2022-23 (as on 15.2.2023), out of total cane dues of Rs. 60,607 crore, an amount of Rs. 46,155 crore have been paid and cane arrears of Rs. 14,452 crore are due for payment. While appreciating the efforts of the Department for timely payment of sugarcane to the farmers, the Committee wish the Department would continue their efforts in this direction and would motivate farmers,for higher sugarcane production, by declaring timely and adequate Fair and Remunerative Price (FRP)of sugarcane so that sugarcane remain equally competitive crop with other food/cash crops there by boosting exports.

C Ethanol blending programme

5.10 The Ministry with regard to ethanol blending Programme submitted as follows :

“since last 4 years India is producing more sugar than its consumption. Sugar production in normal years is around 320-360 LMT whereas domestic consumption hovers around 260-280 LMT, leaving a surplus stock of around 60 LMT every year. This excess production created the problem of plenty which in turn affected the liquidity position of sugar mills and consequently affected the timely payment of cane price to the farmers.

The Central Government, in its National Bio-Fuel Policy, 2018 (amended in June 2022), mandated for 10% blending of ethanol into petrol by 2022 and 20% by 2025. To augment the ethanol production capacity in the country, DFPD notified various schemes time to time for providing assistance through interest subvention on loans advanced by Banks/Financial Institutions for installation of new distillery project and expansion of existing distillery capacity with zero liquid discharge system.

In order to find a permanent solution to address the problem of excess sugar and to meet the blending targets, Government of India has been introducing various Ethanol Interest Subvention Schemes from time to time,to encourage sugar and grain based distilleries to enhance their distillation capacities for which Government is facilitating them to avail loans from banks for which interest subvention @ 6% or 50% of the interest charged by the banks whichever is lower is being borne by Government for the period of five years including one year of moratorium. A total of 1132 ethanol projects (both new distillery as well as expansion) with capacity of 3974 crore litres and expected loan amount of about Rs. 1,04,237 crores have been approved (857 in the schemes notified from 2018-21 and 281 in new scheme notified on 22.04.2022). Under the schemes, loans amounting to about Rs. 19,495 crores have been sanctioned to 233 projects with additional capacity creation of 935 crore litres. Out of these sanctioned

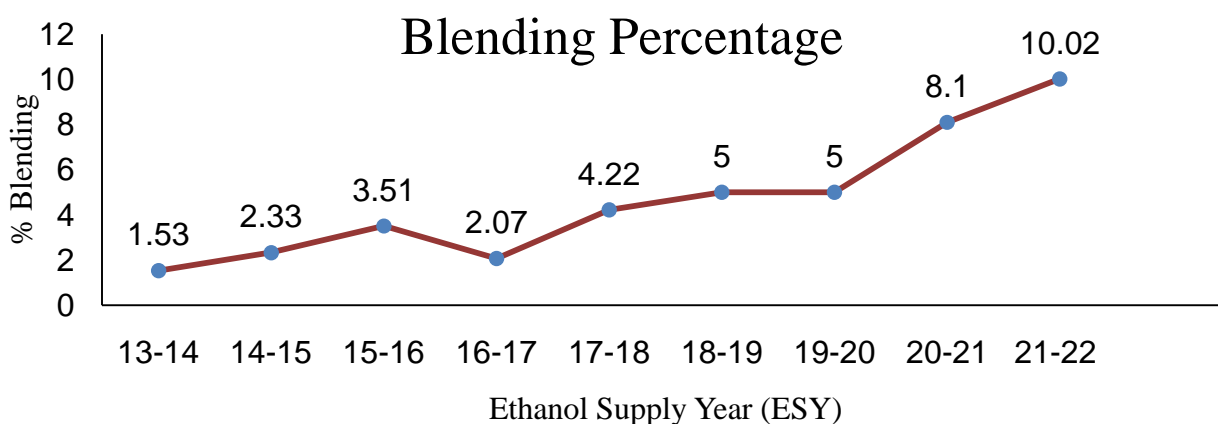
loan amounting to Rs. 9970 crores have been disbursed to 203 projects with additional capacity of about 722 crore litres.

DFPD is also facilitating creation of an ecosystem wherein the sugar mills/ distilleries can easily get loans/ permissions etc. from authorities. A separate portal sugarethanol.nic.in has been launched wherein the progress of each ethanol project is being tracked on real time basis and the progress on production of ethanol is being monitored through appropriate tools.

In year 2013, ethanol distillation capacity of molasses-based distilleries was only 215 crore litres. However, in past 9 ½ years due to constructive policies of the Central Government, the capacity of molasses-based distilleries has been almost tripled and are currently at 682 crore litres. Grain based capacity has also increase from 258 crore litres in 2019 to 337 crore litres at the end of November 2022. Thus, total existing capacity of ethanol production in the country is about 1019 crore litres. In ethanol supply year (ESY) 2013-14, supply of ethanol to Oil Marketing Companies (OMCs) for blending with petrol was only 38 crore litres with blending levels of only 1.53%. Production of fuel grade ethanol and its supply to OMCs has increased by almost 11 times from 2013-14 to 2021-22. In ESY 2021-22, we touched a historically high figure of supply about 408 crore litres & about 433 crore litres of ethanol were blended with petrol, thereby achieving 10.02% blending.

In the current ESY 2022-23 (Dec-Oct), it is expected that about 524 crore litres (in 11 months) of ethanol would be supplied to OMCs to achieve 12% blending target. Government is well on its way to achieve the 20% blending target by 2025 which will save huge amount of Forex on account of crude oil import bill and would reduce dependence on imported fossil fuel thereby achieving the goal of AtmaNirbhar Bharat in Energy sector.

5.11 The Ministry in their powerpoint presentation has informed about the Impact of Government Policies to increase in Ethanol Blending and future targets:



- **12% blending target in 2022-23**
- **15% blending target in 2023-24**
- **20% blending from 2025**

5.12 with regard to support to sugar and ethanol production, the Ministry submitted as follows :

“With a view to support sugar sector and in the interest of sugarcane farmers, the Government has also allowed production of ethanol from B-Heavy Molasses, sugarcane juice, sugar syrup and sugar. Government is also encouraging distilleries to produce ethanol from food grains such as Damaged Food Grains (DFG), maize & rice available with FCI.

Government has also been fixing remunerative ex-mill price of ethanol derived from C-heavy & B-heavy molasses, ethanol derived from sugarcane juice/ sugar/ sugar syrup, ethanol produced from food grains such as Damaged Food Grains (DFG), maize & FCI rice. The prices of ethanol from various feed-stocks current ESY 2022-23(Dec-Oct) are as under:

(In Rs. per litres)

Feed stock	ESY 2022-23(Dec-Oct)
Sugarcane juice	65.61
B- Hy molasses	60.73
C-Hy molasses	49.41
Damaged food grains	55.54
Rice from FCI	58.50
Maize	56.35

Additionally, GST as per actuals & Transportation will also be payable.

Note: The price of ethanol from sugarcane juice, B-Hy & C-Hy molasses is fixed by the Government whereas prices of ethanol from damaged food-grains/FCI rice/maize are fixed by the OMCs.

In sugar seasons 2019-20& 2020-21 about 9.26 LMT & 22 LMT of sugar was diverted to ethanol. In previous sugar season 2021-22, about 36 LMT of excess sugar was diverted to ethanol. In current ESY 2022-23(Dec-Oct), it is expected that about **45-50 LMT** of sugar would be diverted for ethanol production. To meet the target of 20% set under EBP Programme, about 60 LMT sugar will be diverted by 2025 which would solve the

problem of high inventories of sugar, improve liquidity of mills thereby help in timely payment of cane dues of farmers.

As a result of these measures, the All-India cane price arrear of farmers for sugar season 2019-20, payment of about Rs. 75,764 crore have been done against total cane dues of about Rs. 75,845 crore and cane arrears of only Rs. 81 crore are pending, as on 15.02.2023. For the sugar season 2020-21 out of total cane dues payable of about Rs. 93,075 crore an amount of Rs. 92,989 crore have been paid and cane arrears of only Rs. 86 crore are pending, as on 15.02.2023. For sugar season 2021-22 out of total cane dues payable of about Rs. 1,18,271 crore an amount of Rs. 1,17,130 crore have been paid and cane arrears of Rs. 1,141 crore are pending, as on 15.02.2023. During the current sugar season 2022-23 out of total payable of Rs. 60,607 crore (as on 15.02.2023) an amount of Rs. 46,155 crore have been paid and cane arrears of Rs. 14,452 crore are due for payment.

5.13 The Committee note that in past eight years, due to the policy changes and effective steps taken by the Government, the capacity of molasses-based distilleries has become almost triple and currently is 639 crore litres. Capacity of grain-based distilleries presently is about 328 crore litres. The Committee believe that higher production of ethanol will not only reduce the dependency on fossil fuel but also encourage the sugarcane farmers for increased production and sugarmills in maintaining their liquidity. The Committee, therefore, hope that the Ministry will continue their efforts in assisting the sugarcane farmers which will eventually lead to high ethanol and sugar production; and finally help in achieving the target of 20% ethanol blending in motorable fuel by 2025 as per National Bio-Fuel Policy, 2018.

**NEW DELHI;
13 March, 2023
22 Phalguna 1944 (Saka)**

**LOCKET CHATTERJEE,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution**

State –wise Details of Wheat and rice procurement during the last five years**Procurement of Wheat**

(Figures in LMT)

S. N.	STATES/ UTs	RMS2018-19	RMS2019-20	RMS2020-21	RMS2021-22	RMS 2022-23
1	AP	0.00	0.00	0.00	0.00	0.00
2	Assam	0.00	0.00	0.00	0.00	0.00
3	Bihar	0.18	0.03	0.05	4.56	0.04
4	Chhattisgarh	0.00	0.00	0.00	0.00	0.00
5	Gujarat	0.37	0.05	0.77	1.71	0.00
6	Haryana	87.84	93.20	74.00	84.93	41.86
7	H.P.	0.01	0.01	0.03	0.13	0.03
8	J&K	0.00	0.00	0.00	0.24	0.00
9	Jharkhand	0.00	0.00	0.00	0.00	0.00
10	Karnataka	0.00	0.00	0.00	0.00	0.00
11	M.P.	73.13	67.25	129.42	128.16	46.03
12	Maharashtra	0.00	0.00	0.00	0.01	0.00
13	Orissa	0.00	0.00	0.00	0.00	0.00
14	Punjab	126.92	129.12	127.14	132.22	96.45
15	Rajasthan	15.32	14.11	22.25	23.40	0.10
16	UP	52.94	37.00	35.77	56.41	3.36
17	Uttrakhand	1.10	0.42	0.38	1.44	0.02
18	West Bengal	0.00	0.00	0.00	0.00	0.00
19	Others	0.14	0.13	0.11	0.23	0.03
TOTAL		357.95	341.32	389.92	433.44	187.92

Procurement of Rice

(Figures in LMT)

S.No.	STATES/ UTs	KMS 2018- 19	KMS 2019- 20	KMS 2020- 21	KMS 2021- 22	KMS 2022- 23 #
1	A.P.	48.06	55.33	56.66	44.61	19.66
2	Telangana	51.90	74.54	95.25	73.94	41.68
3	Assam	1.03	2.11	1.42	3.79	0.99
4	Bihar	9.49	13.41	23.84	30.09	18.48
5	Chhattisgarh	39.71	50.53	47.62	61.65	61.64
6	Gujarat	0.09	0.14	0.74	0.82	1.18
7	H.P.	0.00	0.00	0.00	0.18	0.09
8	Haryana	39.41	43.07	37.89	37.06	39.51
9	Jharkhand	1.53	2.55	4.28	5.12	0.61
10	J&K	0.09	0.10	0.26	0.27	0.23
11	Karnataka	0.59	0.41	1.38	1.46	0.00
12	Kerala	4.65	4.83	5.20	5.09	1.34
13	M.P.	13.95	17.40	24.97	30.70	30.93
14	Maharashtra	5.80	11.67	12.72	12.27	8.67
15	Odisha	44.47	47.98	52.58	48.31	30.94
16	Puducherry	0.00	0.00	0.00	0.00	0.00
17	Punjab	113.34	108.76	135.89	125.48	121.91
18	Rajasthan	0.00	0.00	0.00	0.05	0.00
19	NEF (Tripura)	0.07	0.14	0.16	0.39	0.25
20	Tamilnadu	12.94	22.04	30.53	18.76	2.79
21	U.P.	32.33	37.90	44.78	43.91	40.53
22	Uttarakhand	4.62	6.82	7.18	7.74	6.00
23	WB	19.79	18.38	18.90	24.01	7.27
24	Others	0.13	0.15	0.19	0.18	0.13
Total		443.99	518.26	602.45	575.88	434.83

KMS 2022-23 is under progress. Data reported up to 31.01.2023

Annexure II

Wheat Procurement in DCP/Non-DCP States

(Figures in LMT)

SL No	STATES/ Uts	RMS2018 -19	RMS2019 -20	RMS2020 -21	RMS2021 -22	RMS2022 -23
DCP States						
1	Gujarat	0.37	0.05	0.77	1.71	0.00
2	Punjab	126.92	129.12	127.14	132.22	96.48
3	Rajasthan	0.00	0.00	0.00	0.00	0.00
4	M.P.	73.13	67.25	129.42	128.16	46.03
5	Uttrakhand	1.10	0.42	0.38	1.44	0.02
6	West Bengal	0.00	0.00	0.00	0.00	0.00
7	Bihar	0.18	0.03	0.05	4.56	0.04
8	Maharashtra				0.01	0.00
DCP Total		201.70	196.87	257.76	268.10	142.57
(% share of Total)		56.35%	57.68%	66.11%	61.85%	75.87%
Non DCP States						
1	Bihar	0.00	0.00	0.00	0.00	0.00
2	Chandigarh	0.14	0.13	0.11	0.17	0.00
3	Delhi	0.00	0.00	0.00	0.06	0.00
4	H.P.	0.01	0.01	0.03	0.13	0.03
5	Haryana	87.84	93.20	74.00	84.93	41.86
6	Punjab	0.00	0.00	0.00	0.00	0.00
7	Rajasthan	15.32	14.11	22.25	23.40	0.10
8	UP	52.94	37.00	35.77	56.41	3.36
9	J&K	0.00	0.00	0.00	0.24	0.00
10	Maharashtra	0.00	0.00	0.00	0.00	0.00
Non-DCP Total		156.25	144.45	132.16	165.34	45.35
(% share of Total)		43.65%	42.32%	33.89%	38.15%	24.13%
Grand total		357.95	341.32	389.92	433.44	187.92

Rice Procurement in DCP/Non-DCP States

(Fig. in LMT)

S.No.	STATES/ UTs	DCP/Non- DCP	KMS20 18-19	KMS20 19-20	KMS20 20-21	KMS20 21-22	KMS20 22-23\$
DCP States							
1	AP	DCP	48.06	55.33	56.66	44.61	19.66
2	Telangana	DCP	51.90	74.54	95.25	73.94	41.68
3	Chattisgarh	DCP	39.71	50.53	47.62	61.65	61.64
4	Karnataka	DCP	0.59	0.41	1.38	1.46	0.00
5	Kerala	DCP	4.65	4.83	5.20	5.09	1.34
6	M.P.	DCP	13.95	17.40	24.97	30.70	30.93
7	Odisha	DCP	44.47	47.98	52.58	48.31	30.94
8	Tamilnadu	DCP	12.94	22.04	30.53	18.76	2.79
9	Uttarakhand	DCP	4.62	6.81	7.18	7.74	6.00
10	West Bengal	DCP	19.79	18.38	18.90	24.01	7.27
11	Bihar	DCP	9.49	13.41	23.84	30.09	18.48
12	Maharashtra	DCP	5.80	11.67	12.72	12.27	8.67
13	Tripura	DCP	0.00	0.06	0.16	0.39	0.25
14	Gujarat	DCP	0.09	0.14	0.74	0.82	1.18
	DCP Total		256.06	323.53	377.74	359.84	230.83
	% Share of Total		57.67%	62.43%	62.70%	62.49%	53.09%
Non DCP States							
1	A.P.	Non-DCP	0.00	0.00	0.00	0.00	0.00
2	Telangana	Non-DCP	0.00	0.00	0.00	0.00	0.00
3	Assam	Non-DCP	1.03	2.11	1.42	3.79	0.99
4	Bihar*	Non-DCP			0.00	0.00	0.00
5	Chandigarh	Non-DCP	0.13	0.15	0.19	0.18	0.13

6	Delhi	Non-DCP	0.00	0.00	0.00	0.00	0.00
7	Gujarat	Non-DCP	0.00	0.00	0.00	0.00	0.00
8	Haryana	Non-DCP	39.41	43.07	37.89	37.06	39.51
9	H.P.	Non-DCP	0.00	0.00	0.00	0.18	0.09
10	Jharkhand	Non-DCP	1.53	2.55	4.28	5.12	0.61
11	J&K	Non-DCP	0.09	0.10	0.26	0.27	0.23
13	Nagaland	Non-DCP	0.00	0.00	0.00	0.00	0.00
14	Punjab	Non-DCP	113.34	108.76	135.89	125.48	121.91
14	Rajasthan	Non-DCP	0.00	0.00	0.00	0.05	0.00
15	U.P.	Non-DCP	32.33	37.90	44.78	43.91	40.53
16	Puducherry	Non-DCP	0.00	0.00	0.00	0.00	0.00
	Non-DCP Total		187.93	194.73	224.71	216.04	204.00
	% Share of Total		42.33%	37.57%	37.30%	37.51%	46.91%
	Grand Total		443.99	518.26	602.45	575.88	434.83

\$ KMS 2022-23 is under progress. Fig up to 31.01.2023

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2022-2023) HELD ON MONDAY, 27 FEBRUARY, 2023

The Committee sat from 1100 hrs. to 1250 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Smt.Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Khagen Murmu
4. Shri Mitesh Rameshbhai Patel
5. Dr. Amar Singh
6. Smt. Kavita Singh
7. Shri Saptagiri Sankar Ulaka
8. Shri Rajmohan Unnithan
9. Shri Ve. Vaithilingam

Rajya Sabha

10. Shri Baburam Nishad
11. Ms. Dola Sen
12. Dr. Ashok Bajpai

SECRETARIAT

1. Shri Srinivasulu Gunda - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of Ministry of

Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in connection with examination of the Demands for Grants (2023-24).

**Representatives of the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Food and Public Distribution)**

Sl. No.	Name	Designation
1.	Shri Sanjeev Chopra	Secretary (Food &PD)
2.	Shri Ashok K.K. Meena	Chairman & MD, FCI
3.	Shri Amit Kumar Singh	MD,CWC
4.	Shri T K Manoj Kumar	Chairman,WDRA
5.	Shri Dheeraj Sahu	JS, WDRA
6.	Shri Shantmanu	AS &FA
7.	Shri Subodh Kumar Singh	AS (Sugar/Policy&FCI/Storage &PG/Admin)
8.	Smt. Mamta Shankar	Sr. Economic Advisor
9.	Shri Rajender Kumar	Joint Secretary(Impex &IC)
10.	Shri Dhruva Kumar Singh	CCA
11.	Smt. Vanita R Sharma	ED (Finance/Silo/IT)
12.	Shri CL Ram	ED(T/S&C/P&R/PR/QCI)
13.	Shri Bijay Kumar Singh	ED(Pers/RTI/Engg.)
14.	Shri K MS Khalsa	Director (Finance)

[The witnesses were then called in.]

3. Thereafter, the representatives of the Department of Food and Public Distribution were called to depose before the Committee, in connection with the examination of Demands for Grants (2023-24). The Hon'ble Chairperson then welcomed the representatives of the Department of Food and Public Distribution to the sitting and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. The Hon'ble Chairperson in her welcoming remarks requested the witnesses to elaborate on various issues such as major aspect of the budget 2023-24 w.r.t Department of Food and Public Distribution, details of major programmes/schemes to be implemented by the Department during the year 2023-24, construction of Godowns by FCI/State Governments, Integrated Management of Public Distribution System, scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity, subsidy for foodgrains to FCI, Decentralized Procurement Scheme and labour policy of FCI, details of the scheme to supply free foodgrains to all AAY & priority household from 1st January,2023, impact of exemption of custom duty on the Ethanol on Ethanol Blending Programme as announced by Hon'ble Finance Minister during her budget speech and roadmap drawn for making India a global hub for millets i.e. "Shree Anna" etc.

5. The representatives of Department of Food and Public Distribution with the permission of Chairperson made a power point presentation highlighting major functions of the Department, Budget allocation vis-à-vis Actual Expenditure during the last five years Scheme-wise allocation for FY 2023-24,current procurement scenario,Central Pool Balance Sheet of wheat and rice, sale of wheat under OMSS(D), 2023, phasing out of CAP storage, outcome of measures taken by the Government to boost Sugar Sector, Impact of Government Policies-Increase in Ethanol Blending, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), portability transactions under ONORC, proposed Smart-PDS, objectives of Smart PDS, Fortification of rice and its distribution under TPDS and other welfare scheme, progress of implementation on rice fortification initiative, Fair Price Shop (FPS) Transformation, promotion of Millets(Shree Anna), procurement status during KMS 2021-22 & 2022-23 and policy initiatives to increase procurement & distribution of Millets etc.

6. The Secretary also briefed the Committee on various aspects of the Demands for Grants (2023-24) of the Department and highlighted various initiatives taken by them concerning the Department of Food and Public Distribution. Besides, the matters such as Construction of Godowns, Food Subsidy to DCP States, recycling of rice & diversion of wheat, Likely benefits from 20% Ethanol Blending from 2025, Food Security Response to COVID-19 Crisis etc., were also discussed.

7. The Committee then sought certain clarifications on the issues related to the Demands for Grants (2023-24) of the Department regarding budgetary allocations for 2023-24, Food Subsidy to FCI, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), Strengthening of PDS Operations, Integrated Management of PDS, rice procurement, matter of rice recycling, awareness of 'Shree Anna' and specific scheme for SC/ST etc .

8. The Secretary, Department of Food and Public Distribution replied to some of the queries. The Chairperson thanked the Secretary and other officials of the Department for appearing before the Committee for providing valuable information and also directed the Department to furnish written replies to the queries in respect of which the information was not readily available with them at the earliest.

9. The evidence was concluded.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2022-2023) HELD ON MONDAY, 13 MARCH, 2023

The Committee sat from 1500 hrs. to 1540 hrs. in Committee Room No. '3', Block-A, Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Locket Chatterjee - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Ms. Debasree Chaudhuri
4. Shri Anil Firojiya
5. Shri Khagen Murmu
6. Shri Mitesh Rameshbhai Patel
7. Shri Ganesan Selvam
8. Dr. Amar Singh
9. Smt. Himadri Singh
10. Shri Saptagiri Sankar Ulaka
11. Shri Rajmohan Unnithan
12. Shri Ve. Vaithilingam

Rajya Sabha

13. Shri Satish Chandra Dubey
14. Dr. Fauzia Khan
15. Shri C. Ve Shanmugam
16. Ms. Dola Sen

SECRETARIAT

1. Shri Srinivasulu Gunda - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the Draft Reports on Demands for Grants (2023-24) relating to the (i) Department of Food and Public Distribution, and **** **.

3. Thereafter the Committee took up for consideration the following two Draft Reports :-

(i) The Demands for Grants (2023-24) of the Department of Food & Public Distribution and

(ii) **** **

4. After some deliberations, the Committee adopted both the Draft Reports with some amendments/modifications.

5. The Committee then authorized Hon'ble Chairperson to finalize and present the aforesaid Draft Reports.

6. Thereafter, the Committee also decided to undertake an on-the-spot Study Visit after the current Budget Session of Parliament.

The Committee then adjourned.

**** Matter does not relate to the Report

IMPORTANT RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

SI.No.	Para No.	Recommendation
1	Fiscal Discipline 2.9	The Committee note that under Capital Section, BE for the Financial Year 2022-23, is Rs 12029.67 crore which remains the same at RE stage, but AE till 24.2.2023 is Rs 11953.09 crore which is the 99.36 % of the RE. The Committee appreciate that the Ministry could utilize almost entire allocation in February, 2023 itself. More over, Ministry have managed to keep expenditure in the last quarter within the prescribed limit of 33% as per direction of Ministry of Finance. While appreciating the financial prudence of the Ministry, the Committee hope that Ministry should continue to maintain fiscal discipline in future as well.
2	To expedite furnishing of utilisation certificate 2.10	The Committee note that the large number of utilization Certificates(UCs) are pending from various State Governments in respect of various schemes of the Department. For example, under Central Sector scheme for storage & godowns UCs worth Rs 10.24 crore and Rs 5.98 crore are pending from State Government and FCI respectively. Further, UCs amounting to Rs.21,76,708 and Rs 16,97,784 are pending under 'generating awareness amongst TPDS beneficiaries' project and village, Uttar Pradesh and Grain Bank Scheme respectively.

		<p>The Committee note that non-receipt of UCs from various State Governments has remained a recurring problem which resulted in non release of remaining allocated funds by the Department to the State Governments for various schemes/projects. This in turn might have led to delay in completion of the projects/ schemes. The Committee therefore would like to be apprised of the projects/ schemes which could not be completed due to stoppage of further funding by the Ministry for want of UCs in various states. The Committee further note that Ministry/ FCI have been pursuing the matter with the concerned State Governments. The Committee suggest that the matter be taken up with the Ministry concerned of the State Government to impress upon the need for furnishing UCs.</p>
3	<p>To encourage procurement and production of Millets</p> <p>3.14</p>	<p>The Committee observe that as per Guidelines for procurement, allocation, distribution and disposal of coarse grains/millets, States are allowed to procure coarse grains/millets (Jowar, Bajra, Maize & Ragi etc.) from farmers at MSP under central pool subject to the prior approval of GOI on the detailed procurement plan prepared by State Governments in consultation with FCI. The procured quantity shall be distributed under TPDS (Targeted Public Distribution System)/OWS(Other welfare Schemes) in the State/UT. Further, it is informed that Department has revised the guidelines for allocation, distribution and</p>

		<p>disposal of coarse grains procured by the State Agencies/FCI and enhanced the distribution period to 6-10 months from earlier period of 3 months. Provision of advance for subsidy inter-state transportation of surplus millets through FCI is also incorporated. The Department has also informed that the millet promotion is being done by the Agriculture Ministry in coordination with the Agriculture Departments of various States and Department's role is confined only to procure them and distribute it for various schemes such as PDS, MDM scheme and Integrated Child Development Scheme (ICDS). The Committee, understand that millets have been an integral part of our diet for centuries and in addition to plethora of health benefits, millets are also good for environment with low water and input requirement. The Committee, therefore, feel that there is need to create awareness about millets amongst consumers and farmers for its health benefits and nutritious value, thereby, promoting its production and consumption. The Committee recommend the Ministry to encourage production and procurement of millets in all the States specially the States having significant tribal population such as Rajasthan, MP and Chattisgarh etc. and provide all possible aid/assistance/bonus to farmers opting to grow millets. Similarly, the procurement of wheat and rice may be enhanced from the States having higher</p>
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		<p>production of wheat and rice. Further, in order to encourage the consumption of millets, the Committee further suggest that the beneficiaries of different schemes should be given option to bundle millets alongwith wheat and rice within their entitled quantity.</p>
4	<p>To expedite implementation of proposed Smart PDS</p> <p>3.18</p>	<p>The Committee note that Public Distribution System is an important part of Government Policy under management of food by providing foodgrains to the eligible beneficiaries at subsidized rates. The PDS is operated under the Joint responsibility of the Central and the State Government. The Committee appreciate the Proposed Smart Public Distribution System by modernization and reforms through technology in Public Distribution System. The Ministry informed the objectives of SMART-PDS as strengthening e- Gov; PDS software-as-Service (Saas); Creation of Roust & Scalable Cloud IT Infrastructure; Mainstreaming of Data Analytics, Institutional Framework; Open API Platform for PDS and Sustainability of Existing Technology-Led Reforms. In this proposed SMART-PDS scheme, all procedural stages such as procurement of foodgrains, sending it to depots and central pool, allocation for NFSA and distribution by FPS will be fully automated. The Committee, therefore feel that Smart PDS is an amalgamation of technology and conventional distribution system which would not only bring transparency in the PDS but also help in efficient monitoring and fast delivery.</p>

		The Committee expect that an Advance, Standard & Scalable SaaS solution for entire PDS operations from Ration Card Management to last mile delivery at FPSs should be developed expeditiously and implemented at the earliest.
5	Computerization of Supply Chain Management 3.27	The Committee note that so far, the Computerization of Supply Chain Management has been implemented in 31 States/UTs. Its implementation is still to be completed in Arunachal Pradesh, Lakshadweep & Manipur due to network related issues. Further, the activity is not applicable in Chandigarh & Puducherry, as DBT cash is implemented in both the UTs. The Committee, therefore, desire the Department to take all necessary steps to resolve all network related issues in the areas of low connectivity to ensure that the entitle household are not be deprived of their legitimate entitlement of foodgrains on the ground of failure of biometric authentication.
6	FPS Transformation 3.28	The Committee note that as per the Clause 9(9) of the TPDS (Control) Order 2015, the State Governments can allow the sale of commodities other than the foodgrains through their Fair Price Shops (FPSs) to improve the viability of fair price shop operations. The Ministry while recognising the need for economic viability of FPSs and enhancing beneficiary experience, has initiated

		<p>suitable steps. The Committee appreciate that DFPD is facilitating partnerships and coordination with other Departments, service providers and private stakeholders to provide additional services at FPS. ~40,000 FPS has been on boarded as CSCs and similar efforts are ongoing with India Post Payment Bank (IPPB) to provide financial services at FPS. These PDS shops alongwith supplying foodgrains to targeted beneficiaries will provide host of services such as registration for Aadhaar and Pan card, booking of train tickets, checking of bank balance and accessing information relating to eligibility of various schemes. The Committee suggest that this initiative be expanded to cover all FPSs in a time bound manner. The Committee also would like to be apprised of the roadmap drawn if any, for FPS transformation. Further, the Committee also suggest to explore the possibility of offering incentives, may be non financial ones to the states to complete the project without any delay.</p>
7	<p>Outstanding dues and liabilities of various Ministries</p> <p>4.5</p>	<p>The Committee find that FCI is providing foodgrains for various welfare schemes of respective Ministries of Union Government on payment basis. The information provided by the Ministry indicate that there are huge outstanding dues against various Ministries. The Committee feel that recovery of outstanding dues from various Ministries has been a long pending issue. The Committee in</p>

		<p>their 18th Report also recommended that Department should make sincere efforts towards the settlement of dues. It is imperative for the Department to pursue the matter at the highest level especially with the Ministry concerned.</p>
8	<p>Non achievement of physical and financial target of construction of godowns</p> <p>4.15</p>	<p>The Committee are concerned to note that during the year 2019-20, 2020-21, 2021-22 and 2022-23, FCI could not achieve physical target of construction of godowns in North Eastern States, Himachal Pradesh, Kerala and Jharkhand.</p> <p>During the Financial Year 2022-23, the target set for North Eastern States was 10020 MT, but its achievement was only 6400 MT(till 31.12.2022). Financial targets set during the year 2022-23 was Rs. 60 crore, but achievement was only Rs 20.52 crore. Similarly, in Himachal Pradesh, physical target set during the Financial Year 2022-23 was 6620 MT but achievement was only 2240 MT (till 31.12.2022). The progress in achievements of the targets in NE states and Himachal Pradesh, Kerala, Jharkahand ,etc till the end of the third quarter of the financial year shows that it is unlikely that the Ministry will be able to achieve the set targets for the year 2022-23.</p> <p>The Ministry submitted that in case of Central Sector Scheme “Storage & Godowns” , land acquisition from the State Governments is a major hurdle, which consumes a lot of time. Along with that, the</p>

		<p>harsh topographical conditions and inclement weather conditions of NE as well as Himachal Pradesh contribute to the slow pace of progress of work. The Committee are of the view that these factors are well known and the planning should have taken into consideration these harsh realities of NE and hilly states and accordingly, the implementation strategy of the plans should have been formulated. The Committee, therefore request the Ministry to address these issues and take suitable action.</p> <p>In J&K, A&N and Lakshadweep, no godowns are being constructed by FCI under Central Sector Scheme. Ministry, further informed that they have no plan for construction of mini godowns. Creation of adequate storage capacity especially in far flung areas such as J&K, A&N Islands, Lakshadweep, etc the Committee believe to have uninterrupted supply of essential commodities to the people living there. In this context, suggest the Ministry to explore the possibility of building mini godowns.</p>
9	<p>Procurement of Jute bags 4.17</p>	<p>The Committee note that the Ministry has given a commitment to Textile Ministry for procurement of all the jute bags that are made available by the jute industry. Further, it was informed that in coordination with the BIS they are trying to produce smart jute bags with 75% jute and 25% mixture that will improve quality and life span of jute bag. While appreciating the efforts of the Department in the direction of</p>

		<p>creating sustainable and locally produced jute bags for the storage of foodgrains, the Committee desire that the Department should continue with the practice of using jute bags for the packaging of foodgrains and expedite the finalization of smart jute bags so that the use of smart jute bags may be started at the earliest.</p>
10	<p>Shortage of empty rakes for transportation of foodgrains 4.21</p>	<p>The Committee are concerned to note that FCI is facing shortage of empty rakes for transportation of food grains (loading/unloading) under PDS in Madhya Pradesh, Chattisgarh and Odisha. Such a shortage might be driving FCI to opt road transport which is costly compared to rail transportation. The Committee, therefore, desire the Ministry to take up the matter with Ministry concerned immediately to address the issue.</p>
11	<p>To motivate farmers for higher sugarcane production 5.9</p>	<p>The Committee are happy to note that the country has been producing sugar more than the domestic requirement for the last several years, which has not only ensured sufficient sugar supply but also encouraged exports. The Committee also note that due to availability of excess sugar, Government is encouraging sugar mills to divert excess sugarcane to ethanol, which has resulted in reduction of All-India cane price arrear of farmers for sugar season 2019-20, and payment of about Rs. 75,764 crore have been done against total cane dues of about Rs. 75,845 crore and cane arrears of only Rs. 81 crore are pending, as on 15.02.2023. Similarly, for the sugar season</p>

		<p>2020-21 and 2021-22, out of total cane dues payable of about Rs. 93,075 crore and Rs 1,18,271 crore, cane arrears of only Rs. 86 crore and Rs 1,141 crore respectively are pending. During the current sugar season 2022-23 (as on 15.2.2023), out of total cane dues of Rs. 60,607 crore, an amount of Rs. 46,155 crore have been paid and cane arrears of Rs. 14,452 crore are due for payment. While appreciating the efforts of the Department for timely payment of sugarcane to the farmers, the Committee wish the Department would continue their efforts in this direction and would motivate farmers, for higher sugarcane production, by declaring timely and adequate Fair and Remunerative Price (FRP)of sugarcane so that sugarcane remain equally competitive crop with other food/cash crops thereby boosting exports.</p>
12	<p>Efforts to achieve targets of 20% ethanol blending</p> <p>5.13</p>	<p>The Committee note that in past eight years, due to the policy changes and effective steps taken by the Government, the capacity of molasses-based distilleries has become almost triple and currently is 639 crore litres. Capacity of grain-based distilleries presently is about 328 crore litres. The Committee believe that higher production of ethanol will not only reduce the dependency on fossil fuel but also encourage the sugarcane farmers for increased production and sugarmills in maintaining their liquidity. The Committee, therefore, hope that the Ministry will continue their efforts in assisting the sugarcane farmers which will</p>

		eventually lead to high ethanol and sugar production; and finally help in achieving the target of 20% ethanol blending in motorable fuel by 2025 as per National Bio-Fuel Policy, 2018.
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