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**STANDING COMMITTEE ON CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION (2024-2025)**

EIGHTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2024-25)**

SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2024/Agrahayana, 1946 (Saka)

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AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(2024-2025)

(EIGHTEENTH LOK SABHA)

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(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)

DEMANDS FOR GRANTS
(2024-25)

Presented to Lok Sabha on 16.12.2024
Laid in Rajya Sabha on 16.12.2024



LOK SABHA SECRETARIAT
NEW DELHI

December, 2024/Agrahayana, 1946 (Saka)

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**Composition of the Standing Committee on Consumer Affairs, Food and Public
Distribution (2024-25)**

Smt. Kanimozhi Karunanidhi - Chairperson

MEMBERS

LOK SABHA

2. Shri Anto Antony
3. Shri Sudip Bandyopadhyay
4. Shri Jaswantsinh Sumanbhai Bhabhor
5. Smt. Malvika Devi
6. Shri Manish Jaiswal
7. Shri Saumitra Khan
8. Shri Manoj Kumar
9. Shri Sunil Kumar
10. Shri Bharat Singh Kushwah
11. Shri Ajendra Singh Lodhi
12. Shri Neeraj Maurya
13. Shri Bastipati Nagaraju
14. Shri Haribhai Patel
15. Shri Ashok Kumar Rawat
16. Shri Buntly Vivek Sahu
17. Shri Rao Rajendra Singh
18. Shri Ujjwal Raman Singh
19. Shri Bajrang Manohar Sonwane
20. Dr. Indra Hang Subba
21. Shri Rajmohan Unnithan

RAJYA SABHA

22. Smt. Sumitra Balmik
23. Shri Prakash Chik Baraik
24. Shri Rambhai Harjibhai Mokariya
25. Shri Baburam Nishad
26. Smt. Ranjeet Ranjan
27. Shri Arun Singh
28. Vacant
29. Vacant
30. Vacant
31. Vacant

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Smt. Veena Luthra - Executive Assistant

INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2024-2025) having been authorized by the Committee, to present on their behalf, this Sixth Report (Eighteenth Lok Sabha) on Demands for Grants (2024-25) 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 (2024-25) of the Ministry which were laid on the Table of the House on 31st July, 2024. 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 11th November, 2024.

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 (2024-25).

4. The Report was considered and adopted by the Committee at their sitting held on 12th December, 2024.

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;
12 December, 2024
21 Agrahayana, 1946 (Saka)

Kanimozhi Karunanidhi,
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. The main functions of the Department of Food and Public Distribution are:-

- (i) Formulation and implementation of national policies relating to procurement, movement, storage and distribution of foodgrains;
- (ii) Implementation of the Public Distribution System(PDS) with special focus on the poor;
- (iii) Provision of storage facilities for the maintenance of central reserves of foodgrains and promotion of scientific storage;
- (iv) Formulation of national policies relating to export and import, buffer stocking, quality control and specifications of foodgrains;
- (v) Administration of food subsidies relating to rice, wheat and coarse grains;
- (vi) Policy matters relating to sugar and sugarcane sector, fixation of Fair and Remunerative Price (FRP) of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology); and
- (vii) Monitoring, price control and supply of edible oils.

1.2 For carrying out its functions, the Department is assisted by one Attached Office namely Directorate of Sugar and Vegetable Oil (DS&VO) and following three subordinate offices:-

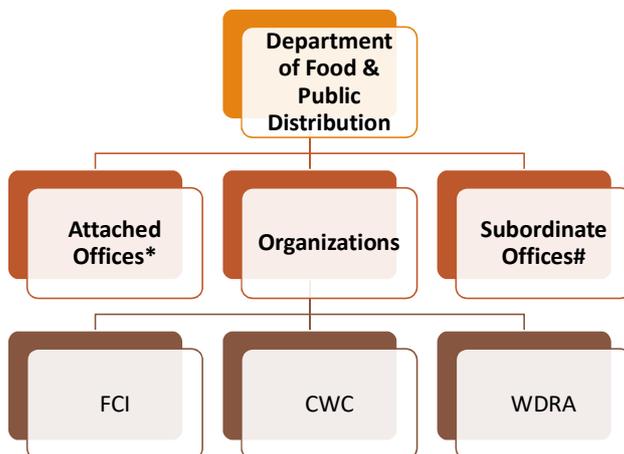
- (i) National Sugar Institute (NSI), Kanpur;
- (ii) Eleven Quality Control Cells (QCCs) located at New Delhi (headquarter), Kolkata, Hyderabad, Bengaluru, Bhopal, Bhubaneswar, Lucknow, Pune, Chennai, Guwahati and Patna.

- (iii) Indian Grain Storage Management and Research Institute (IGMRI) Headquarter located at Hapur (Uttar Pradesh) with 2 field stations located at Hyderabad, and Ludhiana.

1.3 In addition, there are two Central Public Sector Enterprises and one Regulatory Authority under the administrative control of the Department, namely:

- (i) Food Corporation of India (FCI)
- (ii) Central Warehousing Corporation (CWC)
- (iii) One Regulatory Authority viz. Warehousing Development and Regulatory Authority (WDRA)

Department, its attached/subordinate offices & other organizations



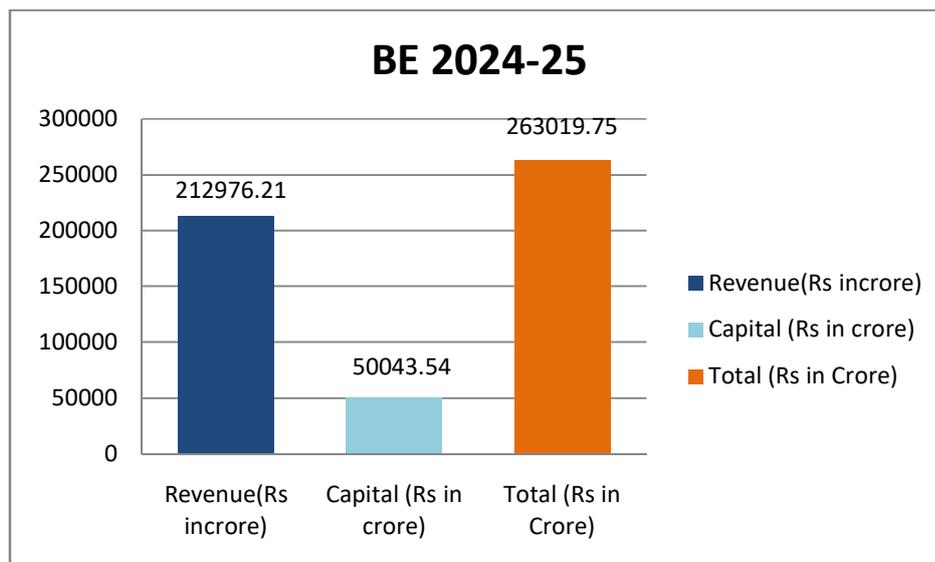
* Dte. of Sugar & Vegetable Oil

NSI, Kanpur; IGMRI, Hapur; Quality Control Cells

CWC - Central Warehousing Corporation

WDRA - Warehousing Development and Regulatory Authority

1.4 The Minister for Consumer Affairs, Food and Public Distribution laid on the Table of the Lok Sabha, the Detailed Demands for Grants (2024-25) relating to the Department of Food and Public Distribution on 31.07.2024. The Detailed Demands for Grants for the Department of Food and Public Distribution shows a budgetary provision of Rs. 263019.75 crore for the year 2024-25. This includes Rs. 212976.21 crore for Revenue section and Rs. 50043.54 crore under Capital section.



1.5 The Committee in the present Report have examined detailed Demands for Grants of the Ministry for the year 2024-25 as shown in the succeeding Chapters of the Report.

CHAPTER –II

FINANCIAL PERFORMANCE OF THE DEPARTMENT

Para 4 of the Union Budget 2024-25 states that we need to focus on 4 major castes, namely 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata' (Farmer). For Annadata, we announced higher Minimum Support Prices a month ago for all major crops, delivering on the promise of at least a 50 per cent margin over costs. Pradhan Mantri Garib Kalyan Anna Yojana was extended for five years, benefitting more than 80 crore people.

A Allocation and utilization of Budgetary Provisions

2.2 Budget Estimates (BE), Revised Estimates (RE) and Actuals for 2023-24 and the proposed Budget Estimates(BE) for 2024-25 are given as under:-

(Rs. In crore)

	Budget Estimates (BE) (2023-24)	Revised Estimates (RE) (2023-24)	Actuals (2023-24)	Budget Estimates (BE) (2024-25)	variation in BE 2024-25 w.r.t. RE (2023-24)
Revenue	205363.57	221722.71	221336.68	212976.21	-3.95%
Capital	25150.37	25201.93	22994.16	50043.54	+98.56%
Total	230513.94	246924.64	244330.84	263019.75	+6.51%

B Revenue Section

2.3 Budget Estimates (BE), Revised Estimates (RE) and Actuals 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
Total Revenue Expenditure	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	281763.48
	2023-24	205363.57	221722.71	221336.68
	2024-25	212976.21	-	-

2.4 It may be seen that Budgetary Allocation during the Financial Year 2024-25 under Revenue Section has been reduced by 3.95% than RE 2023-24.

C Capital Section

2.5 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
Total Capital Expenditure	2019-20	51326.12	37250.92	1243.10
	2020-21	51197.02	11190.72	11188.35
	2021-22	52725.96	12636.65	2630.40
	2022-23	12029.67	12029.70	12011.48
	2023-24	25150.37	25201.93	22994.16
	2024-25	50043.54	-	-

2.6 It may be seen that Budgetary Allocation during the Financial Year 2024-25 under Capital Section has been increased to Rs. 50043.54 crore than RE of 2023-24 Rs 25201.93 crore by 98.56%.

D Performance of Schemes

2.7 The Ministry in their power-point presentation has informed the Committee about the Scheme-wise Budget for FY 2024-25 as under:-

Scheme-wise Budget for FY 2024-25



(Rs. in crore)

S. No	Name of Scheme / Project	Actual Expenditure 2023-24	BE 2024-25	Actual Expenditure upto 31.10.2024	% Actual Expenditure w.r.t BE
1	Pradhan Mantri Garib Kalyan Anna Yojana	2,11,394.39	2,05,250.00	1,40,239.10	81.42%
2	Assistance to States / UTs for intra-state movement and FPS dealers' margin under NFSA	8,703.59	7,075.00	4,524.49	63.95%
3	Sugar Sector – Subsidy and SDF schemes	830.46	450.02	337.51	75.00%
4	Other Schemes	23,003.06	50,051.56	24,452.02	48.85%
5	Non-Schemes (including Establishments)	399.33	193.17	94.86	49.11%
	Total	2,44,330.83	2,63,019.75	1,69,647.98	64.50%

2.8 The scheme-wise details of Budget Estimates (BE), Revised Estimates (RE) and actual expenditure incurred by the Department of Food and Public Distribution on its Revenue activities and Capital Schemes/Programmes during 2023-24 and Budget Estimates (BE) for 2024-25 are as under:-

Scheme-wise details of Revenue/Capital Outlays and Expenditure: FY 2023-24& BE 2024-25

(Rs. In crore)

Sl. No.	Name of the Scheme / Project	Budget Estimates 2023-24	Revised Estimates 2023-24	Actual Expenditure 2023-24	Budget Estimates 2024-25
1	2	3	4	5	6
1	Secretariat (3451)	79.99	329.52	320.84	75.83
2	National Sugar Institute, Kanpur (2408)	28.00	27.70	25.78	26.32
3	<i>Other Programmes of Food Storage & Warehousing</i>				
	(i) Directorate of Sugar & Vegetable Oils (2408)	8.63	6.68	5.99	6.45
	(ii) Indian Grain Storage Management & Research Institute (2408)	17.31	17.49	6.27	29.14
	(iii) Central Grain Analysis Laboratory (2408)	0.14	0.50	0.50	0.20
	(iv) Quality Control Cell (2408)	9.49	7.84	7.00	11.52
	(v) International Cooperation (2408)	0.83	0.99	0.97	1.00
	Total - Other Programmes of Food Storage & Warehousing	36.40	33.50	20.73	48.31
4	Food Subsidy to FCI (2408)	137207.00	139662.00	139661.03	0.00
5	Food Subsidy to DCP States (2408)	59793.00	72250.00	71733.36	0.00
6	Sugar subsidy payable under PDS (2408)	350.00	420.00	420.00	0.01
7	Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	0.00	23.01	15.62	23.50

	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601)/3602/2408	7424.60	8531.77	8703.59	7075.00
8	Fortification of Rice and its Distribution under Public Distribution System (2408/3601) (Centrally Sponsored Scheme)	0.00	0.11	0.11	0.00
9	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	400.00	400.00	400.00	450.00
10	Scheme for Creation and Maintenance of Buffer Stock of Sugar	0.00	0.46	0.46	0.00
11	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	10.00	10.00	10.00	0.01
12	Storage & Godowns-Construction of Godowns by State Governments in North Eastern Region (2552/2408)	3.57	3.57	2.68	0.00
13	Strengthening of PDS Operation (2408/2552/3456)	5.00	5.00	0.91	0.54
14	Warehousing Development and Regulatory Authority (2408)	22.00	22.10	20.10	25.69
15	Project				
(a)	PDS- Evaluation, Monitoring & Research	0.34	0.30	0.29	1.00
(b)	Generating Awareness among TPDS beneficiaries	3.67	3.67	1.18	0.00
	Total-Revenue Expenditure	205363.57	221722.71	221336.68	212976.21

CAPITAL		(₹ in crores)			
1	Secretariat (4408)	3.36	4.66	6.68	5.02
2	National Sugar Institute, Kanpur (4408)	1.92	2.02	1.71	4.63
3	<i>Other Programmes of Food Storage & Warehousing</i>				
	(i) Directorate of Sugar & Vegetable Oils (4408)	0.09	0.07	0.04	0.07
	(ii) Indian Grain Storage Management & Research Institute (4408)	12.00	12.00	0.09	3.10
	(iii) Central Grain Analysis Laboratory (4408)	9.00	9.00	0.00	3.00
	(iv) Quality Control Cell (4408)	24.00	26.92	3.38	1.20
4	Storage & Godowns-Construction of godowns by FCI in North Eastern Region (4552/4408)	60.00	80.40	110.40	0.01
5	Storage & Godowns-Construction of godowns by FCI (4408)	40.00	66.86	66.86	0.00
6	Ways and Means Advance payable to FCI (6408)	25000.00	25000.00	22805.00	50000.00
	Total-Capital Expenditure	25150.37	25201.93	22994.16	50043.54

2.9 In response to a query on the status of implementation of various schemes/programmes/projects and the difficulties being faced by the Department in the process of implementation of various schemes, the Ministry furnished the following information:-

Schemes/projects for augmentation of storage capacity:-

(i) 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 01.10.2024 is 151.88 LMT. Out of this, 147.18 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.

(ii) Modernization of storage infrastructure (Steel Silos)

Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of Wheat in bulk. It ensures better preservation of Foodgrains i.e. Wheat and enhances its shelf life. Accordingly, FCI has planned to modernize its storage facilities by construction of modern steel Silos on a PPP mode.

Initially, silos predominantly with road-fed model and railway siding model were planned for development. As on 01.09.2024, Railside silos and road-fed silos of 16.75 LMT at 33 locations have already been completed in states of Punjab, Haryana, Gujarat, Bihar, Madhya Pradesh, Assam and Uttar Pradesh. In addition to above, silos of 5.5LMT capacity at 7 locations have already been constructed and put to in use in 2007-09 under circuit base model. In addition to above, rail side silos and road-fed silos of 7 LMT at 14 locations are at various stages of development. Thus, silos, as a modern storage infrastructure, have been developed and tested for their efficiency.

In order to further augment development of silos, FCI has devised roadmap for development of 111.125 LMT silos at 249 locations to be constructed in a phased manner across the country most of which will be road-fed and will work on the Hub and

Spoke model. It is anticipated that the Hub and Spoke model will be efficient and complexities related to land acquisition for rail siding silos would not be there.

In first phase of Hub and Spoke model, a capacity of 34.875 LMT silos at 80 locations is planned to be constructed out of which 10.125 LMT capacity at 14 locations will be under Design Build Finance Operate Transfer (DBFOT mode, FCI own Land) and 24.75 LMT capacity at 66 locations under Design Build Finance Own Operate (DBFOO mode, Private Land). The tenders for DBFOT mode, (bundled as 4 projects) have been awarded. Tenders for 3 project under DBFOO mode of phase-1 have been awarded. Tenders for phase 2 for 25.125 LMT silos at 54 locations under DBFOO mode in 17 bundles/Projects have been floated on 18.09.2024 & 19.09.2024.

(iii) 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 8 years upto 31.03.2025. A total capacity of 1,11,960 MT (78,770 MT by FCI and 33,190 MT by State Governments) has been created from 01.04.2017 to 30.09.2024.

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

1. Acquisition of land: The acquisition of land from the State Government is most time consuming process in any Central Sector Scheme project. For the purposes of land acquisition, FCI is solely dependent on the State Govt and due to non-availability of suitable land, the projects sometimes get delayed for years.
2. Climate and topography: The difficult terrain and climate of North-East makes it difficult to undertake the work at full pace. During monsoon, the work gets halted for months together.
3. Resistance from the local residents: At many locations there have been instances of resistance being faced from the local residents by the Contractors during the construction of godowns. To overcome these resistances, the help from the State Governments and local police force is being taken as and when required.

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

(iv) Asset Monetization

In North Eastern region, total no. of 04 locations namely (i) FSD Narayanpur (ii) FSD Archipathar (iii) FSD Nilambazar & (iv) FSD Tangla with a total capacity of 28370 MT have been proposed for construction under Asset Monetization.

2.10 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 in their written replies stated as under:

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 a 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.

Generating Awareness amongst TPDS beneficiaries

This department had allocated funds under project i.e. "Financial Assistance to States for Generating Awareness amongst TPDS beneficiaries about their entitlement and redressal mechanism", under which financial assistance was given to States and other stakeholders based on the proposal received from them to create mass awareness regarding various aspects of NFSA and other schemes of the DFPD including PMGKAY, ONORC etc through Radio jingles, advertisement, movie, etc. The sunset date of the awareness project was 31.03.2024. The pending Utilization Certificate from States on account of funds released by DFPD are as detailed below:

State	FY	Details of UCs pending from States
Karnataka	2020-21	Rs. 7,98,920/-
Kerala	2022-23	Rs 8 lakh
Tripura	2023-24	Rs 8 lakh
Andhra Pradesh	2023-24	Rs 8 lakh

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, 19.02.2020, 03.07.2020, 28.02.2022, 04.01.2023, 15.09.2023, 30.04.2024, 10.06.2024 & 20.08.2024 for obtaining Utilization Certificates or to surrender/refund the amount sanctioned by DFPD.

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. So far, under the "Integrated Management of Public Distribution System" the utilization certificates for Rs.12.47 crore have been pending.

The Department is vigorously pursuing with concerned States/UTs through Meeting and letters for submission of pending Utilization Certificate as per GFR.

Agency-wise & State-wise statement of pending Utilization Certificates as on 30.09.2024 under Central Sector Scheme "Storage & Godowns"

(Rs. in Crore)

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
A. Projects implemented by FCI					
(1)	North Eastern Region including Sikkim	82.16	-	-	-
(2)	Other than North Eastern Region	27.14	-	-	-
Total(FCI)		109.30	-	-	-
B. Projects implemented by State Govts. Under Grants-in-Aid					
(1)	Assam	0.43	-	-	-

(2)	Arunachal Pradesh	-	-	-	-
(3)	Nagaland	-	-	-	-
(4)	Sikkim	3.58	03.58	2019-20	1
(5)	Tripura	0.23	0.23	2021-22	1
(6)	Mizoram	-	-	-	-
Total (State Govts.)		4.24	3.81	-	2
Grand Total(FCI+State Govts.)		113.54	3.81	-	2

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

2.11 It is informed in the written replies that under “Ways and Means Advance (WMA)” to FCI, Estimate (BE) for 2024-25 has been kept at Rs. 50000.00 crore which is higher than Revised Estimate (RE) of 2023-24 i.e. Rs. 25000.00 crore WMA is a temporary loan which is provided to FCI as per its cashflow requirement at a lower interest cost and it is repaid by FCI before 31st March of the same Financial Year. Hence, net release at the end of Financial Year comes to NIL.

2.12 Responding to a query that the additional budget allocation in “Ways and Means Advance (WMA)” will also bring additional burden of interest on Food Corporation of India (FCI), the Ministry submitted that the Ways and Means Advance (WMA) is allocated to meet the temporary cash flow requirement of the FCI. FCI avails it only when there is a need for it. Hence, mere allocation of WMA will not increase the interest burden. However, if FCI avails the WMA, there will be interest burden but it will be lower than the other borrowing options. Since, the rate of interest of WMA is lower than the other sources of borrowings like Short Term Loan (STL), Cash Credit Limit (CCL).

2.13 The Committee note that total budget allocated to the Department of Food & Public Distribution is Rs. 263019.75 crore for the year 2024-25 which includes Rs. 212976.21 crore for Revenue section and Rs. 50043.54 crore under Capital section. The Committee further note that BE for Revenue Schemes during 2023-24 was Rs. 205363.57 crore which was raised at RE stage to Rs. 221722.71 crore but Actual Expenditure was Rs. 221336.68 crore and for Capital Section during 2023-24, BE was Rs. 25150.37 crore which was also raised at RE Stage to Rs. 25201.93 crore but Actual Expenditure was Rs. 22994.16 crore. In regard to budget grants under Capital Section, Committee observe the difference in RE vis-

à-vis Actual Expenditure and recommend the Ministry to be more insightful in preparation of Estimates.

(Recommendation No.1)

2.14 The Committee note that the Ministry has cited various difficulties in the implementation of schemes/projects viz. identification and acquisition of land by State Governments, difficult terrain, inclement weather, lack of proposals from States/UTs, pending Utilization Certificates and other problems etc. for augmentation of storage capacity of foodgrains as well as for strengthening PDS operations in the country. The Committee, however, do not concur with the plea of the Department attributing these factors for shortfall in actual expenditure. The Committee feel that such issues can be taken care of by proper planning and better coordination with the States/UTs. The Committee, therefore, desire that the Department of Food and Public Distribution should regularly persuade the States/UTs to furnish financial proposals and also take further initiatives to ensure that the outlays earmarked for different schemes/programmes are fully utilized during the financial year. The Committee accordingly urge the department to set key performance indicators to assess the effectiveness and efficiency of fund utilization and to make all out efforts to further strengthen its monitoring over the implementation of all the schemes/projects and ensure their timely completion.

(Recommendation No. 2)

Chapter III

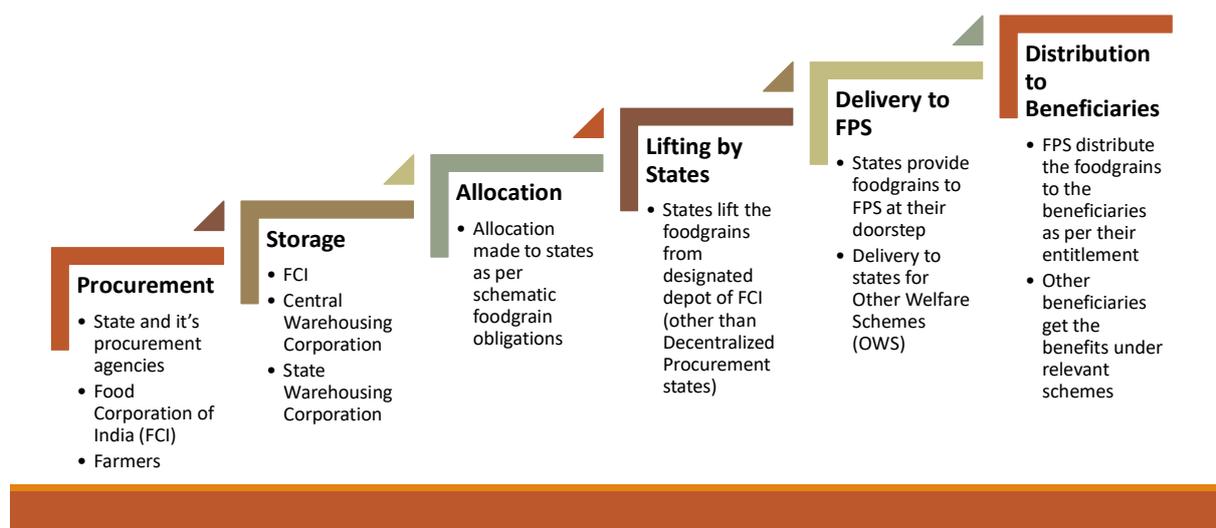
Management of Food

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 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 ensures effective market intervention thereby keeping the prices under check and also adding to the overall food security of the country.

Flow of foodgrains



3.3 In this regard, the Representatives of the Ministry on 11 November, 2024 submitted to the Committee as under:

“This is the procurement policy to ensure the remunerative price to the farmers at MSP. There are two modes of procurement primarily. There is a decentralised procurement where the States procure. They keep whatever is required for their own consumption; they distribute it among themselves and whatever is surplus, they hand over it to the Food Corporation of India. In non-DCP States, the States procure and hand it over to the FCI. Then FCI allocates it to the States where there is requirement.”

3.4 Further, the Ministry in their power-point presentation has informed about DCP and Non-DCP states as under:

List of DCP and Non-DCP States



Paddy/ Rice			Wheat		
S. No.	DCP State/ UTs	Non-DCP State/ UTs	S. No.	DCP State/ UTs	Non-DCP State/ UTs
1	Uttarakhand	Chandigarh	1	Madhya Pradesh	Delhi
2	Chhattisgarh	Delhi	2	Uttarakhand	Rajasthan
3	Odisha	Haryana	3	Chhattisgarh	Chandigarh
4	Tamil Nadu	J&K	4	Gujarat	Uttar Pradesh
5	West Bengal	Puducherry	5	West Bengal	J&K
6	Kerala	Punjab	6	Bihar	Haryana
7	Karnataka	Rajasthan	7	Maharashtra	
8	Madhya Pradesh	Uttar Pradesh	8	Punjab	
9	Andhra Pradesh	Assam	9	Himachal Pradesh	
10	Bihar				
11	Telangana				
12	Maharashtra				
13	Gujarat				
14	Tripura				
15	Himachal Pradesh				
16	Jharkhand				
17	Assam (only for two districts i.e. Bongaigaon and Bishwanath)				

3.5 Statement showing production and procurement of Wheat and in terms of Rice for the last five years and current year are given at **Annexure-I and Annexure-II**. Further, MSP of Wheat and Paddy for the last five years and current year is tabulated below:

(In Rs. per Quintal)

RMS/KMS	Wheat	Paddy	
		Common	Grade 'A'
2019-20	1840	1815	1835
2020-21	1925	1868	1888
2021-22	1975	1940	1960
2022-23	2015	2040	2060
2023-24	2125	2183	2203
2024-25	2275	2300	2320

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

“The Procurement estimate of food grains is planned for Kharif Crops in the month of July/August every year, while the same for Rabi Crops is planned in the month of February/March every year during Food Secretaries Meeting based on the inputs of State Govts., Ministry of Agriculture and Farmer Welfare, IMD and FCI, viz, area under cultivation, production, rainfall data etc.

Any fluctuation in estimated production and actual production results in variation in procurement. Procurement depends on multiple factors like Production, Market Surplus, MSP, Prevailing Market Rates, Demand Supply situation and participation of Private Traders, etc.

The estimates of procurement vis-à-vis actual procurement of wheat & in terms of Rice for last five years and current year is at **Annexure-III** and **Annexure-IV.**”

3.7 On being asked about the steps been taken or are being taken by the Government to enhance the procurement, the Ministry in its written replies submitted that :-

“There exists a transparent & uniform policy for procurement by Govt. Agencies across the country. Under this policy, wheat/paddy offered by farmers within the stipulated procurement period, conforming to the specifications prescribed by Government of India, are purchased at MSP by the Govt. agencies including FCI,

for Central Pool. The steps taken to ensure remunerative prices to farmers are as under:

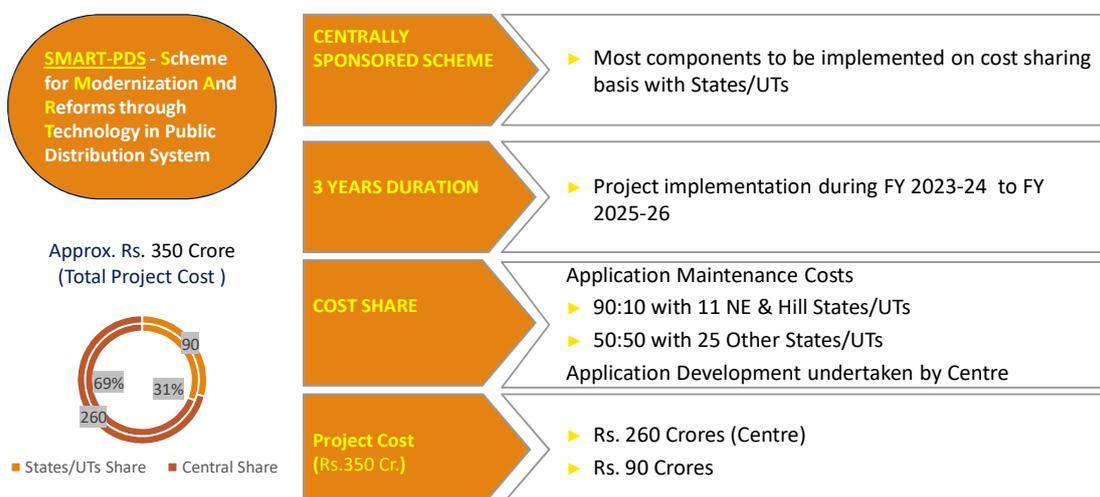
- The Government of India/ FCI along with various State Governments formulate procurement plan to procure food grains from the farmers.
- The procurement estimates and period of procurement are planned for Kharif crops in the month of July/Aug. every year, while the same for Rabi Crops is planned in the month of Feb/March every year during Food Secretaries' meeting based on the inputs of State Government, Ministry of Agriculture, IMD and FCI, viz. area under cultivation, production, rain fall data etc.
- Procurement centres are opened by respective State Govt. Agencies/ FCI taking into account the production, marketable surplus, convenience of farmers and availability of other logistics/ infrastructure such as storage and transportation etc. Large number of temporary purchase centres in addition to the existing Mandis and depots/ godowns are also established at key points for the convenience of the farmers.
- Farmers are made aware of the quality specifications and purchase system etc. to facilitate the farmers to bring their produce conforming to the specifications.
- FCI and all the procuring states have developed their own Online Procurement System which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement.
- Through e-procurement module deployed by procuring agencies, farmers get latest/ updated information regarding MSP declared, nearest purchase centre, date on which the farmer has to bring his produce to the purchase centre etc. This not only reduces the waiting period for delivery of stock by the farmers but also enables the farmer to deliver stock as per his convenience in the nearest mandi.
- Various procurement portals developed by procuring agencies have now been unified into Central Food Grains Procurement Portal (CFPP) to share identified MTP (Minimum Threshold Parameters) towards development of an application eco-system, wherein requisite information in respect of procurement is available at single source for monitoring and strategic decision making and to ensure uniformity and transparency.
- The online procurement system has largely eliminated the procurement from middlemen and has resulted in better targeting of MSP to farmers.
- "One Nation, One MSP through DBT" has been implemented across the country from RMS 2021-22 onwards. Payment of MSP has been ensured directly into farmers' account. DBT of MSP has brought in responsibility, transparency & real time monitoring in the system.

- GOI has also promoted and encouraged Decentralised procurement of Food grains by the State Govt. and their agencies to widen penetration of MSP operations to every nook & corner of country. “

B Smart Public Distribution System (PDS)

3.8 The Department is implementing a Centrally Sponsored Scheme (CSS) – “Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)” from April 2023 to March 2026. The SMART-PDS scheme envisages not only introducing major technological reforms but also strengthening the technology infrastructure in the Public Distribution System (PDS) which will lead the technology-driven transformative change in the entire PDS ecosystem covering NFSA and State schemes. Thus, the new scheme SMART-PDS is proposed to sustain the Information Technology-led Reforms to be brought in the functioning of Public Distribution System (PDS) Operations by overcoming the state-level technological limitations of PDS operations in all States/UTs with respect to IT Hardware and software, Technical Manpower and to institutionalize an integrated central system covering all PDS related operations across all States/UTs.

Reforms in the Public Distribution System (PDS): SMART-PDS



3.9 BE, RE and Actuals for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) is given as under:

(Rs. in crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
Modernization and Reforms through Technology in Public Distribution System(SMART-PDS)	2023-24	0.0	23.01	15.62
	2024-25	50.00	50.00	35.85 (13.12.2024)

3.10 The Ministry informed that Budget division has allocated funds of Rs. 50.00 crore during 2024-25 as per requirement of funds for activities provisioned in the SMART-PDS scheme. Accordingly, NIC has submitted its financial proposal for development of SMART-PDS System. This Department has to release funds to NIC and concerned States/UTs for technical support. So far expenditure made during the first two quarters of 2024-25 is Rs.6.48Crore (12.96%).

3.11 During the financial year 2023-24 under the scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' RE was Rs 23.01 crore which was reduced at AE stage to Rs 15.62 crore Responding to a query regarding reasons for not utilizing Budget allocated at RE stage during the year 2023-24, the Ministry submitted as under:-

F.Y	RE	AE	Reasons
2023-24	23.01	15.62	Proposal submitted by some States/UTs does Not fulfill requisite conditions for release of instalment under SMART-PDS

3.12 The Ministry also submitted that so far 35 States/UTs have signed a MoU with the Department for implementing the SMART-PDS scheme and the remaining State of Tamil Nadu will sign the MoU in the coming months.

3.13 The Committee observe that the 'Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' has been approved to be implemented in all States/UTs for the period of 3 years (April 2023 to March 2026) and Budget division has allocated funds of Rs. 50.00 crore during 2024-25 as per requirement of funds for activities provisioned in the SMART-PDS

scheme. Expenditure made during the first two quarters of 2024-25 is Rs. 6.48 crore (12.96%) so far.

The Committee also note that during the financial year 2023-24 under the scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' RE was Rs 23.01 crore out of which Actual Expenditure has been only Rs 15.62 crore due to non fulfilment of requisite conditions for release of instalment under SMART-PDS in proposal submitted by some States/UTs. The Committee have also been informed that the Department is concerned with the implementation of SMART-PDS scheme in all States/UTs. Only State of Tamil Nadu has not signed MoU under SMART-PDS for its implementation in the State. The Committee 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. They, therefore, recommend the Ministry to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS should reach all the eligible beneficiaries.

(Recommendation No. 3)

C Electronic Point of Sale device

3.14 In response to the underweight complaints in various States, the Representatives of the Ministry appearing before the Committee on 11 November, 2024 submitted as under:

“काफी कंप्लेंट्स आती हैं कि अंडर weighment होती है। आपने पांच किलो बोला, लेकिन जब व्यक्ति घर पर जाकर देखता है, तो वह 4.5 किलो ही होता है। इस कंप्लेंट को रिज़ॉल्व करने के लिए अब हमने कई राज्यों में यह शुरू किया है कि जो उनका इलेक्ट्रॉनिक वे-स्केल है, जिस इलेक्ट्रॉनिक मशीन से वे वज़न करते हैं, उसको हम लिंक कर रहे हैं with the electronic Point of Sale device.....

....., the pilot has just started. यूपी में शुरू किया गया है, मैंने आंध्र प्रदेश में भी देखा है, कई राज्यों में इसे शुरू किया गया है।

.....We have told the States that in case they do not link the electronic weigh-scale with the electronic Point of Sale device, then the additional dealer margin that the States are entitled to get from the Government of India will be withheld. So, we are hoping that if not by the end of December as some States will still lag behind, but by the end of March 2025 all the States would be integrating their electronic weigh-scale with an electronic Point of Sale device.”

3.15 With regard to current status of electronic Point of Sale (ePoS) devices at the FPSs of States/UTs and percentage of FPSs in North East been equipped with electronic ePoS, the Ministry submitted that at present 49,433 (99%) out of total 49,464 total FPSs in North Eastern States East have been equipped with electronic ePoS. A state-wise statement showing electronic Point of Sale (ePoS) devices at the FPSs of States/UTs is given as under:-

S.No.	State/UT	Total Fair Price Shops	Operational FPS with ePOS devices
1	Andaman And Nicobar Islands	416	416
2	Andhra Pradesh	29,791	29,791
3	Arunachal Pradesh	1,680	1,680
4	Assam	34,300	34,286
5	Bihar	50,951	50,951
6	Chandigarh	NA	NA
7	Chhattisgarh	13,675	13,675
8	Dadar & Nagar Haveli & Daman & Diu	114	114
9	Delhi	1,993	1,993
10	Goa	452	452
11	Gujarat	16,949	16,949
12	Haryana	9,434	9,434
13	Himachal Pradesh	5,219	5,155
14	Jammu And Kashmir	6,737	6,737
15	Jharkhand	25,228	25,228
16	Karnataka	20,403	20,325
17	Kerala	13,913	13,905
18	Ladakh	404	404
19	Lakshadweep	39	39
20	Madhya Pradesh	27,377	27,127
21	Maharashtra	52,642	52,642
22	Manipur	2,339	2,339
23	Meghalaya	4,735	4,727
24	Mizoram	1,258	1,258
25	Nagaland	1,783	1,774
26	Odisha	12,044	12,044
27	Puducherry	NA	NA
28	Punjab	18,150	18,150
29	Rajasthan	27,062	25,579
30	Sikkim	1,312	1,312
31	Tamil Nadu	34,805	34,805
32	Telangana	17,246	17,246

33	Tripura	2,057	2,057
34	Uttarakhand	9,059	9,059
35	Uttar Pradesh	79,216	79,216
36	West Bengal	20,476	20,476
	Total	5,43,259	5,41,345

3.16 The Committee observe that at present 5,41,345 out of total 5,43,259 Fair Price Shops (FPSs) of States/UTs (FPSs) have been equipped with electronic ePoS. The Committee also note that at present 49,433 (99%) out of total 49,464 total FPSs in North Eastern States have been equipped with electronic ePoS. The Committee, therefore, reiterate their earlier recommendation [40th original report (17th LS) and commented again in 2nd ATR (18th LS)] and strongly recommend that Department should make all possible efforts to ensure that all ePoS are connected with weighing machines and synchronized in time bound manner and ensure that all the beneficiaries start getting the exact quantity of ration in every part of the country. The Committee also desire that remaining 1914 FPSs should also be equipped with ePoS device. They further recommend the Ministry should develop a mechanism to calibrate already installed weighing scales by Legal Metrology Department on regular intervals. The Committee may also be apprised about the State-wise progress made in this direction.

(Recommendation No. 4)

3.17 The Committee observe that there are a large number of complaints regarding under weighment by the fair price shops dealers. The Committee appreciate the decision of linking the electronic weigh-scale with the Electronic Point of Sale Device (ePoS) but are not satisfied with the pace of implementation of this decision by the States even after giving a strong message of withholding the additional dealer margins that the States are entitled to get from the Government of India. The Committee, therefore, desire that the Government should take all necessary steps to persuade the States to integrate all the electronic weigh-scale with every Electronic Point of Sale Device. The Committee may be apprised accordingly.

(Recommendation No. 5)

D Pradhan Mantri Garib Kalyan Yojana (PMGKAY)

3.18 The Central Government, in order to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the programme for support of the poor had decided to provide food grains free of cost to about 81.35 crore beneficiaries (i.e, Antyodaya Anna Yojana (AAY) households and Priority Households (PHH) beneficiaries), beginning from 1 January 2023 under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). The Government further decided to continue to provide free food grains under the PMGKAY for a period of five years with effect from 1st January, 2024.

3.19 Regarding PMGKAY, Ministry informed the Committee in their written deposition that:

- In the wake of economic disruptions caused by unprecedented outbreak of COVID-19 in the country, the Government in March 2020 had announced distribution of additional free-of-cost foodgrains (Rice/Wheat) to about 80 Crore National Food Security Act (NFSA) beneficiaries at the scale of 5 Kg per person per month under the PM Garib Kalyan Anna Yojana (PMGKAY), over and above the regular monthly NFSA foodgrains i.e. regular entitlements as per their ration cards. This effectively doubled the quantity of monthly foodgrains being normally delivered to the NFSA households so that the poor, needy and the vulnerable households/beneficiaries do not suffer on account of non-availability of adequate foodgrains during the times of economic crisis.
- The scheme was initially launched for eight (8) months in year 2020 [i.e. phase- I (April to June 2020) & Phase-II (July to November 2020)] which was again operationalised for seven months during Financial Year 2021-22 covering Phase-III (May to June 2021) & Phase-IV (July to November 2021). Further, the scheme was extended for a period of four (4) months from December 2021 to March 2022 (Phase-V). During Financial Year 2022-23, extension was given for another nine (9) months under Phase-VI & Phase-VII (i.e. April to September 2022 and October to December 2022).
- With its last extension, PM-GKAY had completed 28-month period over 7 phases with an earmarked total financial outlay of approximately Rs.3.91 Lakh Crore. Total food grain allocation was nearly 1118 LMT. A total of about 1015 LMT (Lakh Metric Ton) foodgrains had been distributed under PMGKAY (all phases) and about Rs 3.42 Lakh crore total subsidy incurred in the implementation of PMGKAY.
- Phase-wise allocation & distribution of foodgrains under the PM-GKAY implementation phases I to VII:

PMGKAY	Duration	Quantity Allocated in LMTs	Quantity Lifted in LMTs	Quantity Distributed in LMTs	Financial Outlay planned	Subsidy incurred so far (provisional)
Phase – I (3 months)	April'20 – June'20	120 LMT	117.9 LMT	112.6 LMT	Rs. 44,834 Crore	Rs.42,378.8 Crore
Phase – II (5 months)	July'20- Nov.'20	201 LMT	187.01 LMT	186.2 LMT	Rs. 68,351 Crore	Rs.63,438.6 Crore
Phase – III (2 months)	May'21 – June'21	80 LMT	78.3 LMT	75.2 LMT	Rs. 26,602 Crore	Rs. 25,000 Crore
Phase – IV (5 months)	July'21- Nov.'21	199 LMT	191.6 LMT	186.7 LMT	Rs. 67,266 Crore	Rs. 62,380 Crore
Phase – V (4 months)	Dec'21- Mar.'22	159 LMT	153.54 LMT	149 LMT	Rs. 53,344 Crore	Rs 48,702 Crore
Phase-VI (6 months)	April'22- Sep'22	239 LMT	217 LMT	217 LMT	Rs. 85,838 Crore	Rs 71,848 Crore
Phase-VII (3 months)	Oct'22- Dec'22	120 LMT	92 LMT	88.27 LMT	Rs. 44,762 Crore	Rs 28,352 Crore
Total (28 months)		1118 LMT	1037 LMT	1015 LMT	Rs. 3.91 Lakh Crore	Rs 3.42 Lakh Crore

Post Covid PMGKAY (w.e.f. January, 2023)

- The Central Government, in order to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the Act, had decided to provide food grains free of cost to NFSA beneficiaries i.e. AAY households and PHH beneficiaries, for a period of one year beginning from 1st January 2023 under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Prior to that, under NFSA, subsidized food grains were distributed at Rs 3 per kg for rice, Rs 2 per kg for wheat and at Rs 1 per kg for coarse grains to beneficiaries.
- Keeping in view welfare of the beneficiaries and in order to strengthen the provisions of NFSA, 2013 in terms of accessibility, affordability and availability of food grains for the poor and to maintain uniformity across the States, the Central Government, decided to continue to provide free food grains to about 81.35 crore NFSA beneficiaries (i.e. Antyodaya Anna Yojana (AAY) households and Priority

Households (PHH) beneficiaries) under the PMGKAY for a period of five years with effect from 1st January, 2024, as per entitlement under NFSA.

- The annual food subsidy borne by Government of India towards distribution of food grains to AAY households and PHH beneficiaries, Other Welfare Schemes and Tide Over is to the tune of Rs. 2.13 lakh crore. Assuming growth in Economic cost, the Central Government will spend approx Rs. 11.80 lakh crore during the period of next five years as food subsidy under PMGKAY, to remove the financial burden of the poor and the poorest of the poor.
- The provision of free food grains under PMGKAY for next five years with effect from 1st January 2024 reflects the long-term commitment and vision of the Government for addressing National Food and Nutrition Security. Provisions of free food grains shall mitigate any financial hardship of the affected strata of society in a sustainable manner and ensure long term pricing strategy with zero cost to the beneficiaries which is vital for effective penetration of the Public Distribution System.

Total monthly Allocation and Distribution under PMGKAY for FY 2024-25

Total Monthly Allocation – 44,05,022 MT

Total Distribution:

- o April 2024- 41,43,412 MT
- o May 2024- 41,73,381 MT
- o June 2024- 41,52,952 MT

3.20 With regard to the total planned financial allocation for the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), the Ministry stated as follows :-

“Assuming growth in Economic cost, the Central Government will spend approx Rs11.80 lakh crore during the period of next five years as food subsidy under PMGKAY, to remove the financial burden of the poor and the poorest of the poor.

It has been noted that the identification of eligible households under the National Food Security Act (NFSA) continues to rely on data pertaining to Census 2011 and NSS Household Consumption Survey 2011-12, which has not been updated since 2011.”

3.21 Responding to a query as whether the Government has assessed the yearly foodgrains requirement for the poor people under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), the Ministry stated that :-

During the year 2024-25 the annual allocation for beneficiaries under NFSA and OWSs (Other Welfare Schemes) has been estimated as 397.30 LMT of rice, 202.18

LMT of wheat and 4.32 LMT of nutri-cereals (coarse-grains) (as per foodgrain bulletin September, 2024).

As per the latest revised allocation orders issued by DFPD, GoI; the monthly allocation of Wheat & Rice under PMGKAY (NFSA incl. Tide Over) is 17.12 LMT & 29.17 LMT respectively.

Accordingly, a total of nearly 555 LMT foodgrains (205.40 LMT Wheat & 350.07 LMT Rice) is required annually under PMGKAY/NFSA (incl. Tide Over).

It has been noted that the identification of eligible households under the National Food Security Act (NFSA) continues to rely on data pertaining to Census 2011 and NSS Household Consumption Survey 2011-12, which has not been updated since 2011.

3.22 BE, RE and Actuals for two food subsidy schemes & PMGKAY is given as under:

(Rs. in crore)

S. No.	Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
1.	Food Subsidy to FCI under NFSA (2408)	2021-22	2,02,616.00	2,10,929.00	2,08,929.00
		2022-23	1,45,919.90	2,14,696.00	2,00,219.20
		2023-24	1,37,207.00	1,39,662.00	1,39,661.03
2.	Food Subsidy for DCP states	2021-22	40,000.00	75,290.11	79,789.54
		2022-23	60,561.19	72,282.50	72,282.49
		2023-24	59,793.00	72,250.00	71733.36
3.	Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)	2024-25	2,05,250.00	-	-

It has been noted that two food subsidy schemes (at s.no.1 & 2) have been subsumed as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). With regard to details of expenditure made so far during the first two quarters of 2024-25, the Ministry stated that Food subsidy of Rs. 1,21,436.77 Crore has been released as on 30.09.2024

to FCI and DCP States under PMGKAY. Regarding justification for allocation of Rs. 205250 crores under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) during 2024-25, the Ministry submitted that Annual allocation of rice and wheat under various schemes of food grains is 397.30 LMT and 202.18 LMT respectively. In addition, 4.32 LMT of nutri-cereals (coarse-grains) has also been allocated. While calculating the budget estimates, economic cost of foodgrains has been considered.

3.23 The Committee note that PMGKAY completed 28 month period over 7 phases starting from April 2020 till December, 2022 with an earmarked total financial outlay of approximately Rs. 3.91 Lakh Crore, and total food grains allocation of nearly 1,118 Lakh Metric Tons (LMTs) out of which 1015 LMTs were distributed. Further, the Central Government, decided to provide food grains free of cost to about 81.35 crore beneficiaries (i.e, Antyodaya Anna Yojana (AAY) households and Priority Households (PHH) beneficiaries), beginning from 1 January 2023 under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which has been extended for a period of five years with effect from 1st January, 2024. For the same, Rs. 11.80 lakh crore will be spent during the period of next five years as food subsidy under PMGKAY.

The Committee have been informed that two food subsidy schemes have been subsumed as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Total Allocation for the year 2024-25 under PMGKAY is Rs 2,05,250 as out of which Rs. 1,21,436.77 crore has been released as on 30.09.2024 to FCI and DCP States, the Ministry have stated that Annual allocation of rice and wheat under various schemes of food grains is 397.30 LMT and 202.18 LMT respectively.

The Committee are satisfied with the efforts put in by the Department of Food and Public Distribution and also Food Corporation of India (FCI) in making the scheme successful which went a long way in addressing the food grains requirements of the poor throughout the country during the extremely difficult period of Covid-19 and post Covid PMGKAY, however, would desire that the funds allocated for food subsidy should be judiciously utilized and an unhindered availability of foodgrains to all the beneficiaries should be ensured.

(Recommendation No.6)

E Rice Fortification Initiative

Centrally Sponsored Pilot Scheme on "Fortification of Rice & its Distribution under Public Distribution System"

3.24 In order to address anaemia and micro-nutrient deficiency in the country, Government of India approved Centrally Sponsored Pilot Scheme on "Fortification of Rice & its Distribution under Public Distribution System" for a period of 3 years beginning in 2019-20 with a total budget outlay of Rs.174.64 Crore. Rice is fortified by mixing the normal rice, with the Fortified Rice Kernels (FRK) with added micro-nutrients namely Iron, Folic Acid and Vitamin B-12, in the ratio of 100:1. The decentralized model of fortification by States/UTs had been approved in the Pilot Scheme with blending at the milling stage. Fifteen State Governments i.e. Andhra Pradesh, Kerala, Karnataka, Maharashtra, Odisha, Gujarat, Uttar Pradesh, Assam, Tamil Nadu, Telangana, Punjab, Chhattisgarh, Jharkhand, Uttarakhand & Madhya Pradesh consented and identified their respective Districts (1 District Per State) for implementation of the Pilot Scheme. Out of these, 11 States namely Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu, Uttarakhand, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Odisha, Jharkhand and Telangana had distributed the fortified rice in their identified districts under the pilot scheme. Approximately 4.3 Lakh MT of fortified rice was distributed till 31st March 2022 under the pilot scheme.

(Rs. in crores)

Scheme/Project	FY	Funds allocated	Funds utilized/Actual Achievement	Reasons for not achieving the targets
Centrally Sponsored Pilot Scheme on "Fortification of Rice and its Distribution under Public Distribution System (PDS)"	21-22	70.00	10.01	1. Lack of maturity in the Rice Fortification ecosystem.
	22-23	10.13	9.83	2. COVID-19 pandemic and Resistance by Rice Millers due to policy uncertainty, CAPEX requirement for blending infrastructure.
	23-24	0.11	0.11	3. New Concept to the community. 4. Procurement of FRK processes delayed due to the tendering process as

				states need to do suitable tendering process for procurement of FRKs for the rice millers to ensure the quality of FRKs.
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3.25 Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 7th April 2022 approved the supply of fortified rice through the Food Corporation of India (FCI) and State Agencies in the entire Targeted Public Distribution System (TPDS) and Other Welfare Schemes including Integrated Child Development Services (ICDS) and Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN) and other Schemes of Government covering all States and Union Territories (UTs) by March 2024 in a phased manner. The Rice Fortification Initiative was approved as a central sector initiative to be 100% funded by the Government of India as part of food subsidy in the form of incidental charge in the Provisional Cost Sheet prepared for procurement operations under food subsidy up to June 2024.

Custom-milled rice has been replaced with fortified rice in every scheme of the Government and 100% coverage of distribution of fortified rice has been achieved by March 2024. All three Phases have been completed as of 31.03.2024 and the status is as under;

Phase I (2021-2022) - Covered ICDS & PM-POSHAN and nearly 17.5 Lakh Metric Ton of fortified rice was lifted.

Phase II (2022-23) - Under TPDS nearly 106 Lakh Metric Ton of fortified rice was lifted in 291 Aspirational & High Burden districts and under ICDS & PM POSHAN nearly 30 Lakh Metric Ton fortified rice was lifted.

Phase III (2023-24) - Under TPDS nearly 296 Lakh Metric Ton fortified rice was distributed in 675 districts and under ICDS & PM POSHAN nearly 26 Lakh Metric Ton fortified rice was lifted.

3.26 The following quantities of fortified Rice has been lifted during FY 2024-25 till date 04.08.2024

(Fig. in MT.)

ICDS	PM Poshan	NFSA			WIH			Grand Total of Fortified Rice Lifted
		Aspirational Districts	High Burdened Districts	Total	Aspirational Districts	High Burdened Districts	Total	
3,66,436	5,81,319	15,70,325	32,24,584	47,94,909	9,348	4,811	14,159	57,56,823

3.27 Responding to a query as whether Government has approved the supply of fortified rice under PMGKAY and other welfare schemes, the Ministry stated that:

Cabinet in its meeting held on 09.10.2024 has approved the continuation of rice fortification initiative in the following manner:

- i. Rice fortification initiative beyond June 2024 and up to 31.12.2028.
- ii. Implementation of the Rice Fortification initiative under the various schemes of the government as a Central Sector Initiative to be 100% funded by the Government of India.
- iii. Existing mechanism of meeting the cost towards the supply of fortified rice as a part of PMGKAY (Food Subsidy) under the already approved allocation of ₹11,79,859 Cr of the PMGKAY Scheme.

3.28 The Representatives of the Ministry appearing before the Committee on 11 November, 2024 submitted to the Committee as under:

“राइस फोर्टिफिकेशन में उपलब्धि के बारे में पूछा गया। यह वर्ष 2021 में शुरू किया गया। पहले चरण में पीएम पोषण और आईसीडीएस में वितरण किया। दूसरे चरण में पीएम पोषण, आईसीडीएस एवं एसप्रेशनलडिस्ट्रिक्ट्स और तीसरा चरण जो 31 मार्च, 2024 में खत्म हुआ उसमें पूरे देश में पीएमजीकेवाई का खाद्यान्न आयरन, फोलेट और विटामिन-बी दिया जा रहा है। एक स्टडी की गई है कि इसके देने के बाद पुरुष, महिलाओं और बच्चों के पोषण में कोई इजाफा हुआ है या नहीं। इस स्टडी की रिपोर्ट हमें वर्ष 2025-26 में उपलब्ध होगी। जो छोटी-मोटी स्टडी की गई है, उसके हिसाब से हमें इस योजना से फायदा हुआ है। यह बहुत मैसिव प्रोग्राम था। 18 हजार मिलों में ब्लैंडर्स लगाए गए। दो-तीन सालों में राज्यों के सहयोग से यह बहुत मैसिव प्रोग्राम था। दूसरे देश जब सुनते हैं तो चकित हो जाते हैं कि दो-तीन सालों में यह काम कैसे किया। यह हमारी सरकार की उपलब्धि है।”

3.29 The Committee are happy to note that in order to address anemia and micro-nutrient deficiency in the country, the Government of India had approved a Centrally Sponsored Pilot Scheme on 'Fortification of Rice and its distribution under PDS' for a period of 3 years beginning from 2019-20 with a total outlay of Rs. 174.64 crore. Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 7th April 2022 approved the supply of fortified rice through the Food Corporation of India (FCI) and State Agencies in the entire Targeted Public Distribution System (TPDS) and Other Welfare Schemes including Integrated Child Development Services (ICDS) and Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN) and other Schemes of Government covering all States and Union Territories (UTs) by March 2024 in a phased manner.

The Committee have also been informed that the Cabinet in its meeting held on 09.10.2024 has approved the continuation of rice fortification initiative beyond June 2024 and up to 31.12.2028, implementation of the Rice Fortification initiative under the various schemes of the government as a Central Sector Initiative to be 100% funded by the Government of India and existing mechanism of meeting the cost towards the supply of fortified Rice as a part of PMGKAY (Food Subsidy).

The Committee feel that the Scheme is simple, cost-effective and aims to eliminate mal-nutrition and nutritional deficiency among its beneficiaries. The Committee, therefore, strongly recommend the Department to implement the Scheme throughout the country meticulously in order to effectively address the problem of malnutrition especially in States where rice is the staple diet. The Committee also suggest the Department that while preparing the plan to implement the Scheme of distribution of Fortified Rice in all the states, the States opting Decentralized Procurement of rice should be encouraged to distribute Fortified Rice through PDS.

(Recommendation No.7)

Chapter IV

Food Corporation of India

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 Construction of godowns

4.2 The Ministry informed that the total Covered storage capacity available as on 01.10.2024 for keeping the Central pool stock with FCI and State agencies is 776.49 LMT against which stock of 548.42 LMT is available. This capacity is 1.89 times the peak Buffer Norms of 411.20 LMT (as on 1st July).

4.3 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: -

- i. Private Entrepreneurs Guarantee (PEG) Scheme
- ii. Centre Sector Scheme(CSS).
- iii. Construction of SILOs under PPP mode
- iv. Hiring of godown from Central Warehousing Corporation (CWC)/ State Warehousing Corporations (SWCs)/State Agencies
- v. Hiring of godown under Private Warehousing Scheme (PWS)”

4.4 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 th June)			CAP Capacity (As on 30 th June)			Grand Total	% Utilization
		Owned	Hired	Total	Owned	Hired	Total		
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	After receiving the Action plan of phasing out of CAP from Ministry vide letter dated 10.05.2022 all CAP capacities are deleted from the statement by FCI.				
	Stocks	94.04	229.97	324.01					
2023-24	Capacity	147.46	224.48	371.94					
	Stocks	113.93	217.87	331.79					
2024-25	Capacity	147.00	261.09	408.09					
	Stocks	118.51	265.76	384.27					

4.5 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 other hilly/ tough states budgetary resources are utilized for

developing storage capacity under Central Sector Scheme where private investors do not come forward.”

4.6 The Committee further enquired whether FCI has made any assessment with respect to expenditure on Rental Liability vis-a-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.

4.7 When asked about storage capacity constructed by FCI since 2019-20 year wise 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:-

The Year-wise target and achievement (Physical and Financial) of FCI in respect of Central Sector Scheme "Storage & Godowns" 2019-25 is as follows:

Year	Physical (in MT)		Financial (in Rs. Crore)	
	Target	Achievement	Target	Achievement
2019-20	27,240	2500	45.00	32.24
2020-21	36,640	0	40.00	34.69
2021-22	36640	20000	30.00	21.97
2022-23	16640	11140	51.50	46.49
2023-24	50100	1760	100.00	52.75
2024-25 (as on 30.09.2024)	58540	0	132.66	21.67

4.8 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.

4.9 The Representatives of the Ministry appearing before the Committee on 11 November, 2024 submitted to the Committee w.r.t. storage capacity in the North East as under:

“नॉर्थ ईस्ट के बारे में कहा था कि नॉर्थ ईस्ट में हमारी केपेसिटी बहुत कम है। हमारी एक सेंट्रल सेक्टर स्कीम है। It is primarily for creation of capacity in the North-East, which is entirely funded by the Government of India. उसमें अभी 1,64,000 मीट्रिक टन की हमने केपेसिटी क्रिएट की है और जैसा कि मैंने बताया, हमारी और केपेसिटी क्रिएट हो रही है, at the level of PACS.”

4.10 The Representatives of the Ministry appearing before the Committee on 11 November, 2024 submitted to the Committee w.r.t. storage facility as under:

“With regard to the storage facility, यह भी कहा गया कि काफी राज्यों में, काफी जिलों में इसकी कमी है। / This is actually a fact that some places have shortage of storage. उसके लिए समन्वय विभाग की तरफ से एक नई योजना की संरचना की गई है, world's largest grain storage programme, जिसमें पैक्स के स्तर पर, कोऑपरेटिव सोसाइटीज़ के स्तर पर अब गोदाम बनाए जा रहे हैं। So, we are also collaborating with them to ensure that these godowns are coming up. It is because the idea is local procurement, local storage, local distribution, न कि हम लोकल प्रोक्योरमेंट करके हम उस अनाज को 200 किलोमीटर दूर लेकर जाएं, वहां पर उसे स्टोर करें और फिर से उसको वापस लेकर आएं, जहां उसका कनज़म্পशन है। So, the idea is local procurement, local storage, local distribution, and under that particular scheme the Cooperation Department of Government of India is having a very large programme of doing a massive storage creation all over the country.

.....11 Centres have already come up and more are coming up. We are in constant touch with them, and whenever these PACS setup these storage godowns, we will be giving preference to hiring those godowns that are taken up by the cooperatives.”

4.11 With regard to details of local procurement, local storage, local distribution under world' largest grain storage programme, the Ministry submitted as under :-

“Ministry of Cooperation envisages to create godowns at Primary Agriculture Cooperative Society level (PACS) by convergence of various Government schemes i.e. World's largest grain Storage Plan. The plan envisages storage of locally procured stocks at local PACS level and distribution thereafter in the same area. MOC has signed MOU with DFPD, FCI and NCDC for the same.”

Funds proposed for 2024-25 by the Department under Storage & Godowns - Construction of Godowns by FCI in North Eastern and other than North Eastern Region

4.12 The Ministry informed in the written replies that funds proposed for 2024-25 by the Department under Storage & Godowns - Construction of Godowns by FCI in North Eastern and other than North Eastern Region were Rs. 89.53 crore and Rs. 26.55 crore respectively. However, in BE (2024-25), no fund has been allocated by the Ministry of Finance.

4.13 Responding to query as how will Food Corporation of India (FCI) manage to construct godowns in North Eastern and other than North Eastern Region without funds and requirement of funds under these heads, the Ministry submitted as under:-

“In order to enhance FCI’s Storage Infrastructure, funds are released by the Department under Storage & Godowns - Construction of Godowns by FCI in North Eastern and other than North Eastern Region.

For FY 2024-25, FCI already had an opening balance of Rs 89.55 Cr. in North-East and Rs. 41.43 Cr. in Other than North-East as on 01.04.2024. During current financial year 2024-25, no equity has been allocated, however as on 31.10.2024, FCI has fund of Rs. 74.51 Cr. in North-East and 23.02 Cr. for Other than North-East at its disposal.

FCI has demanded additional fund of Rs.59.53 Cr. for North-East and 7.44 Cr. for Other than North-East based on the balance financial outlay for the scheme for remaining period of 2024-25.”

4.14 The Committee are concerned to note that during the years 2021-22, 2022-23, 2023-24 and 2024-25 (as on 30.9.24), FCI could not achieve physical target of construction of godowns in the wake of implementation of NFSA 2013. During the Financial Year 2023-24, the target was set as 50100 MT, but its achievement was only 1760 MT. Financial target set during the year 2023-24 was Rs. 100 crore, but achievement was only Rs 52.75 crore. Physical target set during the Financial Year 2024-25 was 58540 MT but achievement till 30.09.2024 has been Nil.

The Ministry has 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 further note with surprise that in J&K, A&N and Lakshadweep, no godowns are being constructed by FCI under Central Sector Scheme. The Committee are of the view that these factors are not new thus the planning should have taken into consideration these realities of NE and for hilly states and accordingly, the implementation strategy of the plans should have been formulated. The Committee, therefore, recommend the Ministry to constitute a high level Committee including officials of all such State Governments in order to address these issues effectively, expedite the progress and achieve the targets.

(Recommendation No.8)

B Storage and Transit losses

4.15 The details of savings in Foodgrains movements as furnished by the Ministry is as follows:-

- 4.7 1800 containerized rake movement undertaken during 2016-17 to 2024-25 (upto Jun'24), supplementing Rail movement which resulted in saving of Rs. 44.46 Crores approx. (upto Jun'24).
- Demurrage and Wharfage have been brought down from Rs. 195.73 Cr in 2012-13 to Rs. 19.91 Cr in 2024-25 (upto Jun'24).
- Number of Rebooking(s)/ Diversion(s) have been reduced from 904 rakes (Rs.77.97 Cr) in 2012-13 to 0 rakes in 2024-25 (upto Jun'24).
- Demurrage per MT has been reduced from Rs. 25.10 / MT in 2012-13 to Rs. 11.70/MT in 2024-25 (upto Jun'24).

4.16 On being asked by the Committee about the Storage and Transit Losses, the Department in its written reply has stated the trend of Storage and Transit Losses for foodgrains (Wheat, Rice & Paddy) during last five year as follows:

Operational losses occur during storage and transportation of food grains. These operational losses are inevitable due to change in moisture, longer storage and multiple handling of Stock during procurement, Storage & Movement.

The Trend of Storage and Transit Losses (Wheat & Rice) of last Five years is mentioned as under:

Storage Losses: -

4.17 The Storage Loss/Gain occurs in Food grain due to Release/Absorption of moisture. However, due to regular monitoring at every level, FCI is able to keep its losses at lowest possible level and net gain in Operation Losses is being reported (408.02 Crores during 2023-24) details mentioned as under: -

Year	Qty. Received (in LMT)	Qty. of Loss (In LMT)	Loss (In %)	Value (in Rs Cr.)
2019-20	868.50	-1.17	-0.14	-171.37
2020-21	1312.95	-1.74	-0.13	-267.03
2021-22	1420.63	-3.25	-0.23	-683.73
2022-23	1183.78	-1.41	-0.12	-243.31
2023-24*	853.14	-1.87	-0.22	-408.02
2024-25 (Till Sep'24)*	380.92	-0.19	-0.05	-18.83

Transit losses

4.18 Transit Losses occurs due to multiple handling of food grains during movement. However, due to consistent efforts and new initiatives like introduction of High Security Cable Seal, accounting of Made-up bags etc. Transit losses are curtailed to barest minimum level. Details of TL for the last 5 years is mentioned as under: -

Year	Qty. Moved (In LMT)	Qty. of Loss (In LMT)	Loss (In %)	Value (in Rs Cr.)
2019-20	409.64	0.94	0.23	257.92
2020-21	618.74	1.49	0.24	426.85

2021-22	646.89	1.41	0.22	403.83
2022-23	585.84	1.30	0.22	401.76
2023-24	434.20	0.71	0.16	217.22
2024-25 (Till Sept-24)*	206.28	0.36	0.17	115.42

Note: (*) indicates Provisional figures

4.19 The Committee enquired about the measures that have been/are being taken to obviate such losses, the Department stated as under:-

As a result of consistent efforts made by FCI, the Storage and Transit Losses are controlled and presently are at barest minimum level.

The following measures have been taken to reduce Operational Losses: -

1. Storage Losses: -

- The position of Storage Losses is reviewed in Monthly Performance Review Meetings (MPR) at HQ level and EDs (Zone)/GMs(R) are instructed to intensify inspections/monitoring of Depots showing higher Storage & Transit Losses.
- Covered Storage Capacity has been augmented to avoid CAP Storage of Foodgrains.
- Periodical prophylactic and curative treatment of Foodgrains Stocks is undertaken to keep them free from pests/infestations i.e. to minimize Losses due to biotic factors.
- Depots exhibiting High Storage Losses in a month are inspected at the level of ED (Zones), GM (Regions) and other senior officers.
- Security staff of FCI, Home Guards and other external agencies is being deployed at FCI Depots to ensure safety and security of the Stock.
- CCTV cameras are installed in owned Depots for better surveillance and supervision.
- Physical measures like installation of barbed wire fencing of the boundary walls, provision of street lights for illumination of Godowns and proper locking of the sheds are taken to secure the Godowns.
- Disciplinary action is being initiated against delinquents wherever abnormal/unjustified Losses are reported after due investigation.

2. Transit Losses: -

- Transit Losses are reviewed in Monthly Performance Review (MPR) Meeting at Hqrs level.
- Investigation of High Transit Losses at HQ/Zone/Region/District levels at regular intervals.

- Spreading of Polythene Sheet on the floor of railway wagons to retrieve the spilled-over grains.
- Joint Verification of high Transit Loss cases to fix responsibility. The lower limit of TL for JV's has been reduced from 1% to 0.75% and further 0.50% w.e.f 1.10.2022.
- Implementation of High Security Cable Seals to seal the wagons at the time of loading of Foodgrains to avoid tempering enroute pilferage w.e.f. 1.10. 2022.This has led to 92% reduction in number of Rakes reporting abnormal Transit Losses i.e. more than 0.5%.
- Made-up bags accrued at railhead are being accounted.
- Disciplinary action is being initiated against delinquents wherever abnormal/unjustified Transit Losses are reported.
- Deployment of Independent Consignment Certification Squad (ICCS) at the time of loading /unloading.

4.20 In written reply to a query as to the steps taken for safe storage and preservation of foodgrains in FCI godowns, the Ministry also stated that :-

Steps taken by FCI to safeguard the quality of foodgrains and to prevent wastage of foodgrains:-

- (i) Foodgrains are stored by adopting proper scientific code of storage practices and stored in scientifically built godowns.
- (ii) Adequate dunnage materials such as wooden crates, bamboo mats, polythene sheets are used to check migration of moisture from the floor to the foodgrains.
- (iii) Fumigation covers, nylon ropes, nets and insecticides for control of stored grain insect pests are provided in all the godowns.
- (iv) Prophylactic (spraying of insecticides) and curative treatments (fumigation) are carried out regularly and timely in godowns for the control of stored grain insect pests.
- (v) Effective rat control measures are taken and bird infestation is controlled by using door nets.
- (vi) Regular periodic inspections of the stocks/godowns are undertaken by qualified and trained staff. The health of the foodgrains is monitored at regular intervals by a system of checks and super checks at different levels.
- (vii) The principle of "First in First Out" (FIFO) is followed so as to avoid longer storage of foodgrains in godowns.
- (viii) Only covered rail wagons are used for movement of foodgrains so as to avoid damage during transit.
- (ix) Damage Monitoring Cells have been set up at District, Regional and Zonal levels to regularly monitor quality of stocks and reduce damages. In case any negligence is reported suitable action is taken against officers / officials found responsible.
- (x) Identify & repair all the leakage point in the roof is done periodically.
- (xi) Cleaning of drainages in the godown premises ensured.

- (xii) Ensure no seepage inside the godowns.
- (xiii) No clogging up of water in the premises.

4.21 Responding to a query as are FCI facing any type of difficulties in dealing with railway in terms of transportation of foodgrains(Loading/uploading), the Ministry informed that some of the issues being faced with railways during Loading/Unloading of Food grains are: -

- Lack of proper infrastructure/covered shed at most of the rail heads, so as to safeguard grains from Rain etc.
- Non availability of Pucca/CC surface at many Rail heads, due to which it becomes difficult to retrieve spilled over grains, which resulted in wastage of valuable grains.
- Non availability of Weighbridge at Rail head at many places, due to which proper weighment/accounting of losses gets difficult.

The Ministry also stated that sometimes Railway Supply uncleaned/damaged wagons due to which additional efforts are required by FCI to get wagons cleaned, so as to avoid any contamination to food grains.

4.22 The total no. of Regular/surprise checks undertaken by HQ's Vigilance Squad during the last five years are as follow:

Year	No. of checks by Hqrs. Vig. Squad
2019-20	76
2020-21	31
2021-22	69
2022-23	72
2023-24	63
2024-25 (till 25.10.2024)	23

Frequency of Inspections/Checks is primarily related to Procurement of Foodgrains in Kharif/Rabi Marketing Seasons in the identified Sensitive Districts, and increase in frequency of inspections depends on various inputs including complaints.

4.23 The Department has also informed that the cases of abnormal Transit losses and unjustified Storage Losses are investigated and action is initiated against the delinquent officials, if found responsible. Following are number of cases in which departmental

action has been initiated against the delinquent officials in the last five years (2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 (till 30.09.2024):

Year	Storage Loss	Transit Loss
2019-20	258	114
2020-21	257	92
2021-22	327	190
2022-23	244	144
2023-24	334	240
2024-25 (till 30.09.2024)	137	102

Departmental action is initiated soon after the investigation of losses, and there is no pendency as on date.

4.24 The Representatives of the Ministry on 11 November, 2024 apprised the Committee as under:

“Overtime, Food Corporation of India and our systems have improved a great deal. The earlier images of foodgrains rotting in the open and people being given a very poor quality of foodgrains, those are not happening as a routine now. I am not saying it is not happening at all. There is a very stray case. We are handling about 800 lakh tonnes of foodgrains every year. It is about 550 lakh tonnes of rice and about 300 lakh tonnes of wheat. Last year, the total damaged foodgrains were of about 10,300 tonnes which is 0.0003 per cent of the total foodgrains handled. Even 10,300 tonnes is not acceptable to us. We are still trying to ensure that it becomes zero. But it is not that the foodgrains being supplied are of poor quality and we are not able to take care of the foodgrains because the storage capacity in the country has gone up over the past ten years. In storage capacity, there is some scope to develop it. We are not fully self-sufficient yet. However, we are ensuring that the foodgrains are not damaged because that is the hard work of our farmers and we need to ensure that the foodgrains are kept in the scientific storage. “

4.25 Further, the Representatives of the Ministry stated as under:

“पहले हमारा जितना फूड ग्रेन्स डैमेज होता था, जैसे वह ओपन में पड़ा हुआ है, उसकी ट्रांसपोर्टेशन ठीक प्रकार से नहीं हो रहा है, उसकी स्टोरेज ठीक प्रकार से नहीं हो रहा है, अब उसमें काफी सुधार लाई गई है। उसके कारण हमारा जो टोटल फूड ग्रेन्स वेस्ट हुआ, वह पिछले साल करीब 10,300 टन था। इसको भी कम करने के लिए हमारा प्रयत्न चल रहा है। “

4.26 The Committee note that the Government has taken several steps to control storage, transit and pilferage losses such as periodical prophylactic and curative treatment, deployment of security staff, regular periodic inspections, installation of CCTV cameras etc. However, despite various initiatives/measures taken, the storage, transit and pilferage losses in respect of wheat and rice are still there. The Committee also note that during Financial Years 2022-23, 2023-24 and 2024-25, value of Transit Losses is Rs. 401.76 Crore, Rs. 217.22 Crore and Rs. 115.42 Crore (till September, 2024) respectively. Though, in terms of value, Transit Losses are coming down, the Committee feel that these Transit losses need to be reduced to the minimum and desire that leveraging technology to monitor foodgrains losses during transportation, exploring innovation packaging solutions, capacity building for monitoring and inspection, implementing efficient routing and scheduling upgraded transport vehicles to maintain optimum temperature and humidity control can further lessen the transit losses.

(Recommendation No.9)

C. Construction of Silos

4.27 Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of Wheat in bulk. It ensures better preservation of Foodgrains i.e. Wheat and enhances its shelf life. Accordingly, FCI has planned to modernize its storage facilities by construction of modern steel Silos on a PPP mode.

4.28 Further, the Ministry in their power-point presentation has informed about present scenario of steel silos as under:

Steel Silos: present scenario



S. No.	Status	Capacity (LMT)
1.	Work Completed (a) Circuit Based Model (7 Locations- 5.50LMT) (b) Road Fed Model (12 Locations- 6.00LMT) (c) Railway siding Model (20 Locations- 10.25LMT)	23.25
2.	Work awarded and Letter of Commencement issued by FCI/State Govt. 2(a) Railway Siding Model – 15 locations 2(b) Hub & Spoke Model(phase-I) – 10 locations	6.5 5.87
3.	Work awarded by FCI/State Govt, but CPs not fulfilled by selected bidders 3(a) Hub &Spoke model(DBFOT mode) phase-I– 14 locations 3(b) Hub &Spoke model DBFOO (phase-II) – 66 locations	4.25 24.75
4.	Total wheat silos including 0.25 LMT pilot rice silos	64.625
5.	Planned capacity for Hub & Spoke Phase-II (DBFOO, 54 locations)	25.125
	Grand Total	89.75

4.29 With regard to status of storage capacity of Silos in all States/UTs, the Ministry submitted as under :-

“In order to upgrade and modernize the storage facilities, Government of India approved Action Plan for construction of steel silos on PPP (Public Private Partnership) mode in the country. Under this plan Silos with capacity of 24.25LMT at various locations throughout country are under implementation. Out of which a capacity of 17.75LMT are completed and remaining 6.5LMT are under various stages of development. In addition to above, silos of 5.5LMT capacity at 7 location have already been constructed and put to in use in 2007-09 under circuit base model.

Moreover, under phase-I of Hub & Spoke model Silos of 10.125 LMT at 14 locations on FCI own land awarded and 24.75 LMT at 66 locations on private land have been awarded and are in development stage. Tenders for phase II for 25.125 LMT silos at 54 locations under DBFOO mode in 17 bundles/Projects have been floated on 18.09.2024 & 19.09.2024.

Silo storage being mechanized and automated, aids in curtailing losses. Further Silos are being constructed on Public Private Partnership(PPP)basis and Concessionaire is liable for any abnormal loss. Maximum loss to the extent of 0.05 % of intake quantity only is permissible in storage of wheat in Silos in case storage period is more than 1 year.”

4.30 The Committee note that Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of Wheat in bulk. This ensures better preservation of Foodgrains i.e. Wheat and enhances its shelf life. The Committee also note that in order to upgrade and modernize the storage facilities, Government of India approved Action Plan for construction of steel silos on PPP (Public Private Partnership) mode in the country. The Committee have been informed that Silos with capacity of 24.25 LMT at various locations throughout country are under implementation, out of which a capacity of 17.75 LMT are completed and remaining 6.5 LMT are under various stages of development. In addition to above, silos of 5.5 LMT capacity at 7 location have already been constructed and put to in use in 2007-09 under circuit base model. The Committee have also been informed that under phase-I of Hub & Spoke model Silos of 10.125 LMT at 14 locations on FCI own land awarded and 24.75 LMT at 66 locations on private land have been awarded and are in development stage.

The Committee emphasizes the importance of ensuring the uniform distribution of these silos across the country especially in wheat consuming States, in a systematic and well-coordinated manner. It is crucial that the construction of the silos is completed within a specified time period. Additionally, the Ministry should encourage to actively promote the involvement of private enterprises in this endeavour and achieve the targets set in this regard to improve efficiency of Silo operations.

(Recommendation No. 10)

Chapter V

Management of Sugar Sector

Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and their families 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 the second largest producer of sugar in the world and is the largest consumer. Today Indian sugar industry's annual output is more than about Rs. 1,00,000 crores.

A Production of Sugar

5.2 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 were 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 such 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, buffer stock, import-export of sugar in the country during the last five years are given below:

(Figures in Lakh MT)

Particulars	Sugar season 2019-20	Sugar season 2020-21	Sugar season 2021-22	Sugar season 2022-23	Sugar season 2023-24
Carryover stocks	145.00	110.00	85.00	70 (as per actual stock verification by Cane Commissioners)	57
Production of sugar	274(after discounting diversion of 9 LMT)	310.00 (after discounting diversion of 24 LMT)	308.00 (after discounting diversion of 35 LMT)	330 (after discounting diversion of 43 LMT)	320 (after discounting diversion of 24 LMT)

Imports	-	-	-	-	-
Availability	419	420.00	393.00	400	377
Consumption/ demand	249.00	265.00	270.00	280	298
Exports	60.00	70.00 (10 LMT more than target)	50.00	63	0

5.3 In written reply to a query on the present rate of Statutory Minimum Price (SMP) for Sugarcane, the Ministry stated that the Central Government fix Fair and Remunerative Price (FRP) of sugarcane, earlier called Statutory Minimum Price (SMP), having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966 based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders. It is the benchmark price below which no sugar mill can purchase sugarcane from the farmers. FRP of sugarcane, linked to recovery rate, is uniform throughout the country and not fixed state-wise. However, four states namely Uttar Pradesh, Uttarakhand, Punjab and Haryana fix State Advise Price (SAP) which is higher than the FRP.

5.4 Further, The Ministry submitted that FRP for current sugar season 2024-25 is Rs. 340/- per quintal for a basic recovery rate of 10.25; providing a premium of Rs. 3.32/qrtl for each 0.1% increase in recovery over and above 10.25% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate. There will be no deduction for the mills with recovery level of 9.5% or less than 9.5%. The FRP of sugarcane payable by sugar factories for each sugar season from 2019-20 and onwards is tabulated below:

Sugar Season	FRP (Rs. per quintal)	Basic Recovery Level
2019-20	275.00	10.00%
2020-21	285.00	10.00%
2021-22	290.00	10.00%
2022-23	305.00	10.25%
2023-24	315.00	10.25%
2024-25	340.00	10.25%

5.5 The Acreage under sugarcane cultivation during last Five years is given as under:

Sugar Season	Area under sugarcane cultivation (Lakh Hect.)	% Increase/ Decrease over previous Sugar Season
2019-20	46.03	-9%
2020-21	48.51	+5%
2021-22	51.75	+6.6%
2022-23	58.85	+13.7%
2023-24	57.40	-2.5%

5.6 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 and ensure timely payment of cane dues to farmers by sugar mills.

5.7 Responding to a query as what is the present scenario regarding Sick Sugar Units in the country, the Ministry stated that the main reasons for sickness of the sugar mills are non-availability of adequate raw material, poor recovery from sugarcane, uneconomic size, lack of modernization, up-gradation and diversification, high cost of working capital, declaration of high State Advised Price (SAP) of sugarcane by some States, lack of professional management, overstaffing etc. During previous sugar season 2023-24, out of 765 installed sugar mills in the country, 535 mills are in operation and 230 sugar units had not operated due to various reasons including financial crunches, non-availability of raw material and obsolete Plant & Machinery etc.

B Sugarcane Arrears

5.8 The Ministry has intimated that total amount of cane Price arrears in the country as on 23.10.2024 is Rs 3171 Crores. Current position of State-Wise Arrears is as under:

(Figures in Crore Rs.)

State	SS 2019-20	SS 2020-21	SS 2021-22	SS 2022-23	SS 2023-24
Uttar Pradesh	0	0	37	164	2256
Maharashtra	0	55	32	25	54
Karnataka	0	0	0	0	2
Gujarat	0	0	0	0	295
Tamil Nadu	0	0	0	0	74
Bihar	39	4	0	0	11
Haryana	0	0	0	0	23
Punjab	0	0	28	0	17
Madhya Pradesh	0	0	0	0	0
Uttarakhand	0	0	0	0	11
Andhra Pradesh	36	0	0	0	8
Telangana	0	0	0	0	0
Chhattisgarh	0	0	0	0	0
Odisha	0	0	0	0	0
Total	75	59	97	189	2751

5.9 On being asked about the measures taken by the Ministry to liquidate the Cane Price Arrears, the Ministry in their written replies submitted that in order to find a permanent solution to address the problem of excess sugar and reduction of cane arrears to the farmers, Government is encouraging sugar mills to divert excess sugarcane to ethanol. Further, MSP of sugar was also revised from Rs. 29/- per Kg to Rs. 31/- Per Kg along-with the imposition of stockholding limits on the sugar mills. As a result of these measures, significant reduction has been seen in cane price arrears. About more than 99% of cane dues up to sugar seasons 2022-23 have been cleared. For the previous sugar season 2023-24, more than 96% cane dues have been cleared as on 18.10.2024.

5.10 The Ministry further submitted as under :-

“Cane payment to farmers is a continuous process. All out efforts are being made to clear the Cane price arrears of the earliest. In order to safeguard the interest of the cane farmers, the Central Government fixes Fair and Remunerative Price (FRP) of sugarcane. The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply. State Governments are having sufficient powers, which can be used against the defaulting sugar mills for timely payment of sugarcane dues to the farmers.”

5.11 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. The Committee have been informed that total outstanding amount of cane Price arrears in the country as on 23.10.2024 is Rs 3171 Crores. While appreciating the efforts of the Department for timely payment of sugarcane to the farmers, the Committee wish that the Department would continue their efforts in this direction to clear all the Cane price arrears to the farmers at the earliest.

(Recommendation No.11)

C Ethanol blending programme

5.12 Ethanol Blended with Petrol (EBP) Programme was launched in 2003 with an aim to promote the use of renewable and environmentally friendly fuels and reduce India's import dependence for energy security. Government has been implementing EBP Programme throughout the country except Union Territories of Andaman Nicobar and Lakshadweep islands, wherein OMCs sell blended petrol. Government has fixed target of 20% blending of fuel grade ethanol with petrol by 2025.

5.13 The Committee enquired whether production of Ethanol has adversely affected the production of sugar and decreased its availability, the Department in its written reply has stated that in every Sugar Season (SS), production of sugar is around 320-360 Lakh Metric Tonne (LMT) (excluding diversion of sugar to ethanol) as against the domestic consumption of 280-300 LMT which results in huge carry over stock of sugar with mills. Due to excess availability of sugar in the country, the ex-mill prices of sugar remain subdued resulting in cash loss to sugar mills. This excess stock of sugar leads to blockage of funds & affects the liquidity of sugar mills resulting in accumulation of cane price arrears.

5.14 The Ministry further submitted as under :-

“During Sugar Season (SS) 2023-24, due to estimated drop in the production of sugar in the country to about 320 LMT, the diversion of sugar to ethanol produced from sugarcane juice and B-Heavy molasses was restricted to about 24 LMT. However, for current SS 2024-25, due to better estimates regarding production of sugar, there will be no restriction on the diversion of sugar to ethanol in current Ethanol Supply Year (ESY) 2024-25.”

5.15 The Ministry informed that production of ethanol by sugar mills and its sale to OMCs has generated a new stream of revenue for sugar mills which has helped in making the sugar industry more viable and farmers are getting their dues paid on time. During last 11 sugar seasons i.e. from SS 2013-14 onwards, a total of about Rs. 1,08,559/- crores revenue has been generated by sugarcane based distilleries from sale of ethanol to OMCs produced from different feed-stocks which has helped sugar mills in making timely payment of cane dues of farmers.

The year-wise details of the ethanol supplied along with revenue generated from the sale of ethanol produced from sugarcane based distilleries are as under:

Ethanol Supply Year(ESY)	Quantity Supplied/Blended (in crore liters)	Revenue from the Molasses based Ethanol (Rs. Cr.)
2013-14	38	1368
2014-15	67	3303
2015-16	112	5514
2016-17	67	2594
2017-18	151	6148
2018-19	189	8089
2019-20	173	7822
2020-21	302	14763
2021-22	408	20522
2022-23	369	22990
2023-24(as on 6.10.2024)	254	15447
Total	2130	108559

5.16 The Ministry informed that Government has been fixing remunerative ex-mill price of ethanol derived from C-heavy & B-heavy molasses & ethanol derived from sugarcane juice/ sugar/ sugar syrup for ethanol season to encourage mills to divert excess sugarcane to ethanol. To increase production of fuel grade ethanol, Govt. is also encouraging distilleries to produce ethanol from food-grains such as broken rice, maize etc. OMCs have been fixing remunerative price of ethanol from grains such as damaged food grains, maize & FCI rice. The remunerative price of ethanol from different feed stocks for ESY 2023-24 are as under:

Feedstock wise Ethanol Price

(Rs. Per litre)

Feed stock/ESY	2023-24(Nov-Oct)
Sugarcane juice	65.61
B- Hy molasses	60.73
C-Hy molasses	56.28
Damaged food grains(DFG)	64.00
Maize	71.86
Rice from FCI	58.50

5.17 Further, the Ministry submitted as under :-

“In order to achieve the target of 20% blending of ethanol with petrol set under EBP Programme, DFPD has notified various Ethanol Interest Subvention Schemes from 2018 to 2022 (in 2021 ethanol production from grain was also included under these schemes), to encourage entrepreneurs to enhance ethanol production capacities by setting up of new distilleries or expansion of existing distilleries throughout the country.

Under all these interest subvention schemes, Government is facilitating project proponents to avail loans from banks for which interest subvention @ 6% or 50% of the interest charged by the banks/financial institutions whichever is lower is being borne by Government for the period of five years including one year of moratorium.

As a result, ethanol production capacity in the country has reached to 1683 cr. ltrs. against the requirement of 1700 crltrs, capacity to achieve 20% blending of ethanol.

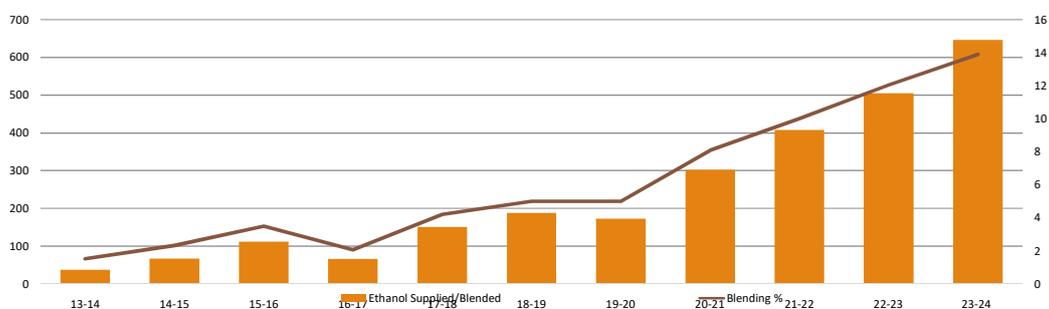
Department of Food & Public Distribution is also promoting the use of maize as a major feedstock for ethanol production. To develop a smooth Supply Chain mechanism for supply of maize to ethanol distilleries, Central Cooperative Agencies i.e. NAFED/NCCF have been on-boarded to procure maize from farmers at Minimum Support Price (MSP) for its supply to distillers for ethanol production.”

5.18 The Ministry in their power point presentation has informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 13.9% in current Ethanol Supply Year (ESY) 2023-24 upto 20.10.2024:-

Year wise Ethanol blending



Year-wise Ethanol Supply (Cr. Ltrs) and Blending (%)



Note: Ethanol Year 2023-24 is from November 2023 to October 2024)

5.19 When asked about the details of sugar mills with Ethanol Distilleries and how many sugar mills have been assisted financially for setting New Distillers or upgrading the existing ones, the Department in its written replies stated that there are a total of 242 sugar mills with ethanol distilleries having an estimated ethanol production capacity of about 788 crore litres per annum. Out of Rs. 4687 crores allocated, so far, DFPD has released Rs. 1272.50 crores to NABARD for payment of interest subvention to the lending banks/financial institutions of eligible projects and NABARD has released about Rs. 1260 crores as on 15.10.2024 to sugar mills/distilleries including grain based distilleries. The state-wise utilization of funds released in the form of interest subvention to eligible sugar mills/distilleries attached with sugar mills/molasses based standalone distilleries from FY 2019-20 to FY 2024-25 is about Rs. 1260 crores which is as under:-

State-wise utilization of funds from FY 2019-20 to FY 2024-25

State	No. of sugar mills/distilleries	Amount of interest subvention released (In Crore Rupees)(as on 15.10.2024)
Uttar Pradesh	69	321.5
Andhra Pradesh	3	8.0

Assam	2	5.3
Bihar	16	68.7
Chhattisgarh	1	6.1
Gujarat	5	8.7
Haryana	9	44.3
Jharkhand	5	10.3
Karnataka	52	293.0
Madhya Pradesh	18	65.8
Maharashtra	76	260.3
North Delhi	1	2.4
Odisha	9	14.3
Punjab	13	82.4
Rajasthan	2	0.8
Tamil Nadu	3	6.0
Telangana	1	17.6
Uttarakhand	5	11.4
WEST BENGAL	6	33.6
Total	296	1260.6

5.20 The Ministry informed that BE, RE and Actuals for Scheme for extending financial assistance to sugar Mills for enhancement and augmentation of ethanol production capacity is given as under :-

(Rs. in crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
Scheme for extending financial assistance to	2019-20	100	50	50
	2020-21	50	150	150

sugar Mills for enhancement and augmentation of ethanol production capacity	2021-22	300	160	160
	2022-23	300	259.83	175
	2023-24	400	400	400
	2024-25	450	-	337.50 (as on 30.09.2024)

5.21 On being asked about the reasons for allocating larger amount of Rs. 450 crores at BE stage during the year 2024-25, the Ministry submitted that the budget for FY 2024-25 was increased to Rs. 450 crores from Rs. 400 crores in previous FY 2023-24 due to increase in the demand of funds from NABARD (Nodal Agency) which releases the amount of interest subvention to eligible sugar mills/distilleries. Since, more number of sugar mills/distilleries approved for grant of interest subvention under the ethanol interest subvention schemes have got their loans disbursed from banks/financial institutions, which in turn, raise their claims to NABARD for releasing interest subvention, therefore, the demand of funds from NABARD has increased in current FY 2024-25. Out of the total budget Rs. 450 crores allocated during FY 2024-25, an expenditure of Rs. 337.50 crores has been done by releasing funds to NABARD (status as on 30.9.2024).

5.22 The Committee note that Government has fixed a target of 20% blending of fuel grade ethanol with petrol by 2025. The Committee also note ethanol production capacity in the country has reached to 1683 cr. ltrs. against the requirement of 1700 cr. ltrs, capacity to achieve 20% blending of ethanol. The Committee have been informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 13.9% in current Ethanol Supply Year (ESY) 2023-24 upto 20.10.2024. 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 sugar mills 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.

(Recommendation No.12)

D National Sugar Institute, Kanpur

5.23 National Sugar Institute (NSI), Kanpur is a premier Scientific & Technical Institute in the country which conducts Fellowship, Post Graduate Diploma & Certificate level courses in Sugar Technology, Sugar Engineering and Alcohol Technology related disciplines. Besides undertaking research and development work in sugar and allied fields, it also renders advice to Sugar, Alcohol and allied industry from “Concept to Commissioning”.

5.24 The Ministry informed that under National Sugar Institute, Kanpur Budget Estimate (BE) for 2024-25 has been kept at Rs. 26.32 crore which is less than Revised Estimate (RE) of 2023-24 i.e. Rs. 27.70 crore due to non-finalization of recruitment of various posts.

5.25 The Representatives of the Ministry appearing before the Committee on 11 November, 2024 also submitted to the Committee w.r.t. Recruitment of various posts in National Sugar Institute, Kanpur as under:

“एनएसआई, कानपुर में वैकेंसीज़ हैं। नेशनल शुगर इंस्टीट्यूट के रिक्रूटमेंट रूल्स रिवाइज किये जा रहे हैं। साथ ही वैकेंसी भरने का काम भी शुरू कर दिए गए हैं।”

5.26 Responding to a query as to what steps are being taken by the Department to fill up recruitment of various posts in National Sugar Institute, Kanpur, the Ministry submitted that in order to have a pyramidal hierarchy and to include various modes of recruitment including promotion, direct recruitment, etc., various divisions of the National Sugar Institute (NSI), Kanpur has been merged. After merger of the divisions, the Recruitment Rules (R/Rs) for various posts of the merged divisions are being amended/revised in consultation with the Department of Personnel & Training (DoP&T) and Union Public Service Commission (UPSC). Simultaneously, filling up of the vacant posts is being processed in line with the provisions of the existing R/Rs. However, in various cases, the method of recruitment is deputation/composite and hence the process of filling up of vacant posts become infructuous due to non-receipt of application from eligible candidate.

5.27 The Committee observe that for National Sugar Institute, Kanpur the Budget Estimate (BE) for 2024-25 has been kept at Rs. 26.32 crore which is less than Revised Estimates (RE) of 2023-24 i.e. Rs. 27.70 crore due to non-finalization of recruitment of various posts. The Committee have been informed that in order to have a pyramidal hierarchy and to include various modes of recruitment including promotion, direct recruitment, etc., various divisions of the National Sugar Institute (NSI), Kanpur has been merged and after merger of the divisions, the Recruitment Rules (R/Rs) for various posts of the merged divisions are being amended/revised in consultation with the Department of Personnel & Training (DoP&T) and Union Public Service Commission (UPSC). They have further informed that simultaneously, filling up of the vacant posts is being processed in line with the provisions of the existing Recruitment Rules. However, in various cases, the method of recruitment is deputation/composite and hence the process of filling up of vacant posts become infructuous due to non-receipt of application from eligible candidate. In this regard, the Committee strongly recommend that to attract a larger pool of eligible candidates for the vacant positions in the National Sugar Institute, Kanpur, the Ministry should widely advertise the same. Further, the selection process should also be completed within a specified time frame and the Committee may also be apprised accordingly.

(Recommendation No.13)

NEW DELHI;
12 December, 2024
21 Agrahayana, 1946 (Saka)

Kanimozhi Karunanidhi,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution

Annexure I

Production and Procurement of Wheat for Central Pool

Fig. in LMT

S.N.	STATES/UTs	RMS 2019-20		RMS 2020-21		RMS 2021-22		RMS 2022-23		RMS 2023-24		RMS 2024-25	
		Production	Procurement										
1	Bihar	64.66	0.03	55.80	0.05	61.50	4.56	62.24	0.03	65.06	0.01	71.68	0.10
2	Gujarat	24.07	0.05	33.27	0.77	32.59	1.71	33.34	0.00	34.64	0.00	37.73	0.00
3	Haryana	125.74	93.2	118.76	74	123.94	84.93	104.47	41.86	109.29	63.17	111.91	71.50
4	H.P.	5.65	0.01	5.63	0.03	5.70	0.13	5.49	0.03	5.92	0.03	7.88	0.03
5	J&K	6.72	0	4.88	0	4.84	0.24	5.84	0.00	5.87	0.00	5.87	0.00
6	M.P.	165.21	67.25	196.07	129.42	181.82	128.16	229.78	46.04	227.30	70.97	225.81	48.39
7	Maharashtra	12.49	0	17.94	0	20.71	0.01	21.44	0.00	23.74	0.00	19.88	0.00
8	Punjab	182.62	129.12	176.16	127.14	171.86	132.22	148.61	96.45	167.83	121.17	177.37	124.56
9	Rajasthan	100.83	14.11	109.16	22.25	110.35	23.40	100.96	0.10	106.36	4.38	97.00	12.06
10	UP	327.41	37	338.16	35.77	355.07	56.41	339.50	3.36	336.10	2.20	353.40	9.31
11	Uttarakhand	9.52	0.42	9.04	0.38	9.55	1.44	8.63	0.02	8.31	0.00	8.69	0.02
12	Others	1.04	0.13	1.06	0.11	17.93	0.23	17.12	0.03	1.14	0.09	1.05	0.08
TOTAL		1025.96	341.32	1078.61	389.92	1095.86	433.44	1077.42	187.92	1091.56	262.02	1118.27	266.05

Annexure II

Production and Procurement in terms of Rice for Central Pool

Fig in LMT

S.No.	STATES/ UTs	KMS 2019-20		KMS 2020-21		KMS 2021-22		KMS 2022-23		KMS 2023-24		KMS 2024-25	
		Prod.	Proc.	Prod.*	Proc.§								
1	A.P.	86.59	55.33	78.83	56.66	77.64	44.61	79.42	27.55	73.42	20.39		
2	Telangana	74.28	74.54	102.17	95.25	124.10	73.94	158.77	88.35	168.74	63.86		
3	Assam	49.85	2.11	52.15	1.42	43.82	3.79	56.24	4.01	55.39	2.64		
4	Bihar	62.98	13.41	67.47	23.84	77.17	30.09	70.23	28.17	79.02	20.63		
5	Chattisgarh	67.75	50.53	71.61	47.62	80.22	61.65	98.12	58.65	97.03	83.00		
6	Gujarat	19.83	0.14	21.46	0.74	21.01	0.82	23.96	1.18	24.07	0.57		
7	Haryana	48.24	43.07	44.25	37.89	46.18	37.06	51.09	39.77	59.76	39.49		29.58
8	H.P.	1.44	0	1.4	0	1.68	0.19	1.31	0.09	1.73	0.15		0.09
9	Jharkhand	30.13	2.55	27.53	4.28	29.30	5.12	14.94	1.17	15.16	0.50		
10	J&K	5.87	0.1	5.81	0.26	4.93	0.27	0.00	0.22	6.41	0.16		0.05
11	Karnataka	36.34	0.41	42.92	1.38	43.18	1.46	42.80	0.14	31.27			
12	Kerala	6.06	4.83	6.34	5.2	4.87	5.09	5.96	4.97	4.98	3.80		0.01
13	M.P.	47.78	17.4	44.14	24.97	48.15	30.70	70.22	31.02	72.40	28.25		
14	Maharashtra	28.98	11.67	32.92	12.72	35.98	12.27	38.99	12.38	39.00	7.80		
15	Odisha	83.60	47.98	88.1	52.58	92.91	48.30	82.50	53.83	84.74	48.17		
16	Punjab	117.79	108.76	127.84	135.89	128.85	125.48	129.91	122.01	143.56	124.14		38.15
17	Rajasthan	4.81	0	6.34	0	4.79	0.05	5.77	0.00	7.46			
18	Tamilnadu	71.71	22.04	68.81	30.53	79.07	18.76	75.57	23.01	67.99	23.77		2.89
19	U.P.	155.18	37.9	155.2	44.78	152.72	43.91	161.43	43.89	159.90	36.05		0.24
20	Uttarakhand	6.58	6.82	7.15	7.18	7.16	7.74	6.34	6.00	6.44	4.89		0.43
21	WB	158.81	18.38	135.24	18.9	167.29	24.01	154.84	21.82	156.87	16.79		
22	Others	24.10	0.29	56.00	0.36	23.69	0.57	29.13	0.43	22.91	0.39		0.12
Total		1188.70	518.26	1243.68	602.45	1294.71	575.88	1357.55	568.66	1378.25	525.44	0.00	71.56

* 1st Advance Estimates yet to be published by MoA&FW

§ KMS 2024-25 is under progress. Data up to 28.10.2024

Annexure III

Estimates and Procurement of Wheat for Central Pool

Figures in LMT.

S.N.	STATES/ UTs	RMS 2019-20		RMS 2020-21		RMS 2021-22		2022-23		RMS 2023-24		RMS 2024-25	
		Estimate	Procurement	Estimate	Procurement	Estimate	Procurement	Estimate	Procurement	Estimate	Procurement	Estimate	Procurement
1	Bihar	2.00	0.03	2.00	0.05	7.00	4.56	10.00	0.03	10.00	0.01	2.00	0.10
2	Gujarat	0.50	0.05	1.25	0.77	2.00	1.71	2.00	0.00	2.00	0.00	0.10	0.00
3	Haryana	85.00	93.20	95.00	74.00	80.00	84.93	85.00	41.86	75.00	63.17	80.00	71.50
4	H.P.	0.00	0.01	0.33	0.03	0.13	0.13	0.27	0.03	0.30	0.03	0.10	0.03
5	J&K	0.00	0.00	0.00	0.00	0.22	0.24	0.35	0.00	0.20	0.00	0.20	0.00
6	M.P.	75.00	67.25	130.00	129.42	135.00	128.16	129.00	46.04	80.00	70.97	80.00	48.39
7	Maharashtra	0.00	0.00	0.17	0.00	0.05	0.01	0.00	0.00	0.00	0.00	0.00	0.00
8	Punjab	125.00	129.25	135.00	127.25	130.00	132.39	132.00	96.48	132.00	121.26	130.00	124.65
9	Rajasthan	17.00	14.11	21.74	22.25	23.25	23.40	23.00	0.10	5.00	4.38	20.00	12.05
10	UP	50.00	37.00	55.00	35.77	55.00	56.41	60.00	3.36	35.00	2.20	60.00	9.31
11	Uttrakhand	2.00	0.42	2.00	0.38	2.20	1.44	2.20	0.02	2.00	0.00	0.50	0.02
12	Delhi	0.00	0.00	0.00	0.00	0.50	0.06	0.18	0.00	0.00	0.00	0.00	0.00
TOTAL		356.50	341.32	442.49	389.92	435.34	433.44	444.00	187.92	341.50	262.02	372.90	266.05

Annexure IV

Estimate and Procurement of in terms of Rice for Central Pool

Figures in LMT

S.No.	STATES/ UTs	KMS 2019-20		KMS 2020-21		KMS 2021-22		KMS 2022-23		KMS 2023-24		KMS 2024-25 #	
		Estimate	Procurement	Estimate	Procurement								
1	A.P.	63.37	55.33	72.00	56.66	58.50	44.61	51.49	27.55	50.00	20.39	25.00	
2	Telangana	91.92	74.54	105.00	95.25	86.20	73.94	104.00	88.35	100.00	63.86	36.00	
3	Assam	1.67	2.11	5.60	1.42	6.69	3.79	6.32	4.01	8.06	2.64	2.30	
4	Bihar	12.00	13.41	30.00	23.84	30.50	30.09	30.00	28.17	21.44	20.63	30.00	
5	Chattisgarh	48.00	50.53	60.00	47.62	61.65	61.65	61.00	58.65	83.00	83.00	70.00	
6	Gujarat	0.35	0.14	0.84	0.74	1.14	0.82	1.36	1.18	1.37	0.57	0.34	
7	Haryana	40.00	43.07	44.00	37.89	40.00	37.06	40.00	39.77	40.00	39.49	40.00	29.58
8	H.P.	0.01	0.00	0.00	0.00	0.38	0.18	0.33	0.09	0.15	0.15	0.18	0.09
9	Jharkhand	2.00	2.55	3.00	4.28	5.36	5.12	5.00	1.17	3.00	0.50	2.50	
10	J&K	0.00	0.10	0.27	0.26	0.75	0.27	0.45	0.22	0.27	0.16	0.19	0.05
11	Karnataka	2.12	0.41	12.25	1.38	3.47	1.46	3.45	0.14	1.86	0.00	1.50	
12	Kerala	4.50	4.83	5.80	5.20	5.05	5.09	5.30	4.97	5.30	3.80	1.94	0.01
13	M.P.	14.00	17.40	27.00	24.97	30.15	30.70	31.00	31.02	34.00	28.25	30.00	
14	Maharashtra	12.70	11.67	15.88	12.72	14.39	12.27	14.02	12.38	13.79	7.80	9.00	
15	Odisha	43.50	47.98	48.00	52.58	53.00	48.31	48.71	53.83	54.28	48.17	40.00	
16	Puducherry	0.84	0.00	0.10	0.00	0.09	0.00	0.09	0.00	0.10	0.001	0.01	
17	Punjab	114.00	108.92	113.00	136.08	125.48	125.66	125.00	122.14	124.14	124.31	124.00	38.27
18	Rajasthan	0.00	0.00	0.00	0.00	0.34	0.05	0.34	0.00	0.00	0.00	0.00	
19	NEF (Tripura)	0.63	0.14	0.34	0.16	0.39	0.39	0.44	0.30	0.64	0.22	0.15	
20	Tamilnadu	13.44	22.04	29.00	30.53	33.82	18.76	22.83	23.01	23.73	23.77	16.00	2.89
21	U.P.	33.00	37.90	37.00	44.78	46.90	43.91	40.00	43.89	44.00	36.05	41.00	0.24
22	Uttarakhand	5.00	6.82	6.70	7.18	7.79	7.74	6.00	6.00	5.56	4.89	5.00	0.43
23	WB	26.00	18.38	26.80	18.90	27.00	24.01	29.00	21.82	14.04	16.79	17.00	
	Total	529.05	518.27	642.58	602.45	639.03	575.88	626.13	568.66	628.73	525.44	492.11	71.56

#KMS 2024-25 is under progress. Data reported upto 28.10.2024

APPENDIX I

MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025) HELD ON MONDAY, 11TH NOVEMBER, 2024

The Committee sat from 1100 hrs. to 1300 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

Members

Lok Sabha

2. Shri Jaswantsinh Sumanbhai Bhabhor
3. Smt. Malvika Devi
4. Shri Saumitra Khan
5. Shri Manoj Kumar
6. Shri Sunil Kumar
7. Shri Neeraj Maurya
8. Shri Haribhai Patel
9. Shri Ashok Kumar Rawat
10. Shri Buntty Vivek Sahu
11. Shri Rao Rajendra Singh
12. Shri Ujjwal Raman Singh
13. Dr. Indra Hang Subba
14. Shri Rajmohan Unnithan

Rajya Sabha

15. Shri Arun Singh

SECRETARIAT

1. Dr. Ram Raj Rai - 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 (2024-25).

**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 (F&PD)
2.	Smt. Vanita Rattan Sharma	C& MD (Additional Charge), FCI
3.	Shri Santosh Sinha	MD, CWC
4.	Shri T K Manoj Kumar	Chairman, WDRA
5.	Shri Shantmanu	AS & FA, DFPD
6.	Ms. Nandita Mishra	Sr. Economic Advisor, DFPD
7.	Smt. Anita Karn	JS (Policy & FCI/ Storage & PG), DFPD
8.	Shri Rajender Kumar	Joint Secretary (Admn., CVO & IC), DFPD
9.	Shri Aswani Srivastava	JS (Sugar), DFPD
10.	Shri Ravi Shanakar	JS (PD,BP and NFSA), DFPD
11.	Ms. Jenny Kiloung	CCA, DFPD
12.	Shri Ashutosh Joshi	ED (Movement/Sales), FCI
13.	Shri A.S. Arunachalam	ED (Purchase/QC/Stocks), FCI
14.	Shri Akhilesh Misra	ED (E&P, IFS, Personnel, RPI, Training), FCI
15.	Shri Pankaj Singh	Director (Finance & Budget), DFPD
16.	Shri Samit Datta Gupta	Director (Finance), DFPD

[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 (2024-25). 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 2024-25 w.r.t Department of Food and Public Distribution, details of major programmes/schemes to be implemented by the Department during the year 2024-25, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), Assistance for transportation and FPS dealers' margin under NFSA, sugar sector schemes, storage and godowns, strengthening of PDS Operations, creating awareness amongst TPDS beneficiaries, Modernization and Reforms through Technology in Public Distribution System (SMART-PDS), effort made by Department to supply free foodgrains under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), steps taken by Department for achieving the target of 20% ethanol blending by 2025, implementation of Rice Fortification initiative under the various schemes 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 2023-24 Scheme-wise allocation for FY 2024-25, initiatives in Sugar Sector, Impact of Government Policies-Increase in Ethanol Blending, reforms in Public Distribution System- Smart PDS, storage capacity, creation of steel silos etc.

6. The Secretary also briefed the Committee on various aspects of the Demands for Grants (2024-25) 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, 20% Ethanol

Blending by 2025, food subsidy scheme, procurement policy, rice fortification initiative etc. were also discussed.

7. The Members then sought certain clarifications on the issues related to the Demands for Grants (2024-25) of the Department regarding budgetary allocations for 2024-25, Strengthening of PDS Operations, problems related to storage, sugar mills, construction of silos 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 FIFTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025) HELD ON THURSDAY, 12 DECEMBER, 2024

The Committee sat from 1530 hrs. to 1600 hrs. in Committee Room No. '3', Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

Members

Lok Sabha

2. Shri Anto Antony
3. Shri Jaswantsinh Sumanbhai Bhabhor
4. Smt. Malvika Devi
5. Shri Manish Jaiswal
6. Shri Manoj Kumar
7. Shri Sunil Kumar
8. Shri Bharat Singh Kushwah
9. Shri Ajendra Singh Lodhi
10. Shri Neeraj Maurya
11. Shri Bastipati Nagaraju
12. Shri Haribhai Patel
13. Shri Buntly Vivek Sahu
14. Shri Rao Rajendra Singh
15. Shri Ujjwal Raman Singh
16. Dr. Indra Hang Subba
17. Shri Rajmohan Unnithan

Rajya Sabha

18. Smt. Sumitra Balmik
19. Shri Prakash Chik Baraik
20. Shri Rambhai Harjibhai Mokariya
21. Shri Baburam Nishad
22. Shri Arun Singh

SECRETARIAT

- | | |
|----------------------|--------------------|
| 1. Dr. Ram Raj Rai | - 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 following Draft Reports of the Committee:

i. xxxxx xxxxx xxxxx xxxxx xxxxx

ii. Draft Report on Demand for Grants (2024-25) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)

3. Thereafter, the Committee took up for consideration the above mentioned Draft Reports of the Committee.

4. After deliberations, the Committee adopted the above mentioned Draft Reports without any amendments/modifications.

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

The Committee then adjourned.

xxxxx Matter does not relate to the Report

APPENDIX III**IMPORTANT OBSERVATIONS/ RECOMMENDATIONS OF THE COMMITTEE**

Sl.No.	Para No.	Recommendation
1	2.13	<p>The Committee note that total budget allocated to the Department of Food & Public Distribution is Rs. 263019.75 crore for the year 2024-25 which includes Rs. 212976.21 crore for Revenue section and Rs. 50043.54 crore under Capital section. The Committee further note that BE for Revenue Schemes during 2023-24 was Rs. 205363.57 crore which was raised at RE stage to Rs. 221722.71 crore but Actual Expenditure was Rs. 221336.68 crore and for Capital Section during 2023-24, BE was Rs. 25150.37 crore which was also raised at RE Stage to Rs. 25201.93 crore but Actual Expenditure was Rs. 22994.16 crore. In regard to budget grants under Capital Section, Committee observe the difference in RE vis-à-vis Actual Expenditure and recommend the Ministry to be more insightful in preparation of Estimates.</p>
2	2.14	<p>The Committee note that the Ministry has cited various difficulties in the implementation of schemes/projects viz. identification and acquisition of land by State Governments, difficult terrain, inclement weather, lack of proposals from States/UTs, pending Utilization Certificates and other problems etc. for augmentation of storage capacity of foodgrains as well as for strengthening PDS operations in the country. The Committee, however, do not concur with the plea of the Department attributing these factors for shortfall in</p>

		<p>actual expenditure. The Committee feel that such issues can be taken care of by proper planning and better coordination with the States/UTs. The Committee, therefore, desire that the Department of Food and Public Distribution should regularly persuade the States/UTs to furnish financial proposals and also take further initiatives to ensure that the outlays earmarked for different schemes/programmes are fully utilized during the financial year. The Committee accordingly urge the department to set key performance indicators to assess the effectiveness and efficiency of fund utilization and to make all out efforts to further strengthen its monitoring over the implementation of all the schemes/projects and ensure their timely completion.</p>
3	3.13	<p>The Committee observe that the 'Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' has been approved to be implemented in all States/UTs for the period of 3 years (April 2023 to March 2026) and Budget division has allocated funds of Rs. 50.00 crore during 2024-25 as per requirement of funds for activities provisioned in the SMART-PDS scheme. Expenditure made during the first two quarters of 2024-25 is Rs. 6.48 crore (12.96%) so far.</p> <p>The Committee also note that during the financial year 2023-24 under the scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' RE was Rs 23.01 crore out of which Actual Expenditure has been only Rs 15.62 crore due to non fulfilment of requisite</p>

		<p>conditions for release of instalment under SMART-PDS in proposal submitted by some States/UTs. The Committee have also been informed that the Department is concerned with the implementation of SMART-PDS scheme in all States/UTs. Only State of Tamil Nadu has not signed MoU under SMART-PDS for its implementation in the State. The Committee 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. They, therefore, recommend the Ministry to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS should reach all the eligible beneficiaries.</p>
4	3.16	<p>The Committee observe that at present 5,41,345 out of total 5,43,259 Fair Price Shops (FPSs) of States/UTs (FPSs) have been equipped with electronic ePoS. The Committee also note that at present 49,433 (99%) out of total 49,464 total FPSs in North Eastern States have been equipped with electronic ePoS The Committee, therefore, reiterate their earlier recommendation [40th original report (17th LS) and commented again in 2nd ATR (18th LS)] and strongly recommend that Department should make all possible efforts to ensure that all ePoS are connected with weighing machines and synchronized in time bound manner and ensure that all the beneficiaries start getting the exact quantity of ration in every part of the country. The Committee also desire that remaining 1914 FPSs should also be equipped with ePoS device. They further recommend the Ministry should develop a mechanism to calibrate already installed weighing scales by Legal</p>

		Metrology Department on regular intervals. The Committee may also be apprised about the State-wise progress made in this direction.
5	3.17	The Committee observe that there are a large number of complaints regarding under weightment by the fair price shops dealers. The Committee appreciate the decision of linking the electronic weigh-scale with the Electronic Point of Sale Device (ePoS) but are not satisfied with the pace of implementation of this decision by the States even after giving a strong message of withholding the additional dealer margins that the States are entitled to get from the Government of India. The Committee, therefore, desire that the Government should take all necessary steps to persuade the States to integrate all the electronic weigh-scale with every Electronic Point of Sale Device. The Committee may be apprised accordingly.
6	3.23	The Committee note that PMGKAY completed 28 month period over 7 phases starting from April 2020 till December, 2022 with an earmarked total financial outlay of approximately Rs. 3.91 Lakh Crore, and total food grains allocation of nearly 1,118 Lakh Metric Tons (LMTs) out of which 1015 LMTs were distributed. Further, the Central Government, decided to provide food grains free of cost to about 81.35 crore beneficiaries (i.e, Antyodaya Anna Yojana (AAY) households and Priority Households (PHH) beneficiaries), beginning from 1 January 2023 under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which has been extended for a period of five years with effect from 1 st January, 2024. For the same, Rs. 11.80 lakh crore will be spent during the period of next five

		<p>years as food subsidy under PMGKAY.</p> <p>The Committee have been informed that two food subsidy schemes have been subsumed as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Total Allocation for the year 2024-25 under PMGKAY is Rs 2,05,250 as out of which Rs. 1,21,436.77 crore has been released as on 30.09.2024 to FCI and DCP States, the Ministry have stated that Annual allocation of rice and wheat under various schemes of food grains is 397.30 LMT and 202.18 LMT respectively.</p> <p>The Committee are satisfied with the efforts put in by the Department of Food and Public Distribution and also Food Corporation of India (FCI) in making the scheme successful which went a long way in addressing the food grains requirements of the poor throughout the country during the extremely difficult period of Covid-19 and post Covid PMGKAY, however, would desire that the funds allocated for food subsidy should be judiciously utilized and an unhindered availability of foodgrains to all the beneficiaries should be ensured.</p>
7	3.29	<p>The Committee are happy to note that in order to address anemia and micro-nutrient deficiency in the country, the Government of India had approved a Centrally Sponsored Pilot Scheme on 'Fortification of Rice and its distribution under PDS' for a period of 3 years beginning from 2019-20 with a total outlay of Rs. 174.64 crore. Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 7th April 2022 approved the supply of fortified rice through the Food Corporation of India (FCI) and State Agencies in the</p>

		<p>entire Targeted Public Distribution System (TPDS) and Other Welfare Schemes including Integrated Child Development Services (ICDS) and Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN) and other Schemes of Government covering all States and Union Territories (UTs) by March 2024 in a phased manner.</p> <p>The Committee have also been informed that the Cabinet in its meeting held on 09.10.2024 has approved the continuation of rice fortification initiative beyond June 2024 and up to 31.12.2028, implementation of the Rice Fortification initiative under the various schemes of the government as a Central Sector Initiative to be 100% funded by the Government of India and existing mechanism of meeting the cost towards the supply of fortified Rice as a part of PMGKAY (Food Subsidy).</p> <p>The Committee feel that the Scheme is simple, cost-effective and aims to eliminate mal-nutrition and nutritional deficiency among its beneficiaries. The Committee, therefore, strongly recommend the Department to implement the Scheme throughout the country meticulously in order to effectively address the problem of malnutrition especially in States where rice is the staple diet. The Committee also suggest the Department that while preparing the plan to implement the Scheme of distribution of Fortified Rice in all the states, the States opting Decentralized Procurement of rice should be encouraged to distribute Fortified Rice through PDS.</p>
8	4.14	<p>The Committee are concerned to note that during the years 2021-22, 2022-23, 2023-24 and 2024-25 (as on 30.9.24), FCI could not achieve physical target of</p>

		<p>construction of godowns in the wake of implementation of NFSA 2013. During the Financial Year 2023-24, the target was set as 50100 MT, but its achievement was only 1760 MT. Financial target set during the year 2023-24 was Rs. 100 crore, but achievement was only Rs 52.75 crore. Physical target set during the Financial Year 2024-25 was 58540 MT but achievement till 30.09.2024 has been Nil.</p> <p>The Ministry has 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 further note with surprise that in J&K, A&N and Lakshadweep, no godowns are being constructed by FCI under Central Sector Scheme. The Committee are of the view that these factors are not new thus the planning should have taken into consideration these realities of NE and for hilly states and accordingly, the implementation strategy of the plans should have been formulated. The Committee, therefore, recommend the Ministry to constitute a high level Committee including officials of all such State Governments in order to address these issues effectively, expedite the progress and achieve the targets.</p>
9	4.26	<p>The Committee note that the Government has taken several steps to control storage, transit and pilferage losses such as periodical prophylactic and curative treatment, deployment of security staff, regular periodic</p>

		<p>inspections, installation of CCTV cameras etc. However, despite various initiatives/measures taken, the storage, transit and pilferage losses in respect of wheat and rice are still there. The Committee also note that during Financial Years 2022-23, 2023-24 and 2024-25, value of Transit Losses is Rs. 401.76 Crore, Rs. 217.22 Crore and Rs. 115.42 Crore (till September, 2024) respectively. Though, in terms of value, Transit Losses are coming down, the Committee feel that these Transit losses need to be reduced to the minimum and desire that leveraging technology to monitor foodgrains losses during transportation, exploring innovation packaging solutions, capacity building for monitoring and inspection, implementing efficient routing and scheduling upgraded transport vehicles to maintain optimum temperature and humidity control can further lessen the transit losses.</p>
10	4.30	<p>The Committee note that Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing of Wheat in bulk. This ensures better preservation of Foodgrains i.e. Wheat and enhances its shelf life. The Committee also note that in order to upgrade and modernize the storage facilities, Government of India approved Action Plan for construction of steel silos on PPP (Public Private Partnership) mode in the country. The Committee have been informed that Silos with capacity of 24.25 LMT at various locations throughout country are under implementation, out of which a capacity of 17.75 LMT are completed and remaining 6.5 LMT are under various stages of development. In addition to above, silos of 5.5</p>

		<p>LMT capacity at 7 location have already been constructed and put to in use in 2007-09 under circuit base model. The Committee have also been informed that under phase-I of Hub & Spoke model Silos of 10.125 LMT at 14 locations on FCI own land awarded and 24.75 LMT at 66 locations on private land have been awarded and are in development stage.</p> <p>The Committee emphasizes the importance of ensuring the uniform distribution of these silos across the country especially in wheat consuming States, in a systematic and well-coordinated manner. It is crucial that the construction of the silos is completed within a specified time period. Additionally, the Ministry should encourage to actively promote the involvement of private enterprises in this endeavour and achieve the targets set in this regard to improve efficiency of Silo operations.</p>
11	5.11	<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. The Committee have been informed that total outstanding amount of cane Price arrears in the country as on 23.10.2024 is Rs 3171 Crores. While appreciating the efforts of the Department for timely payment of sugarcane to the farmers, the Committee wish that the Department would continue</p>

		their efforts in this direction to clear all the Cane price arrears to the farmers at the earliest.
12	5.22	<p>The Committee note that Government has fixed a target of 20% blending of fuel grade ethanol with petrol by 2025. The Committee also note ethanol production capacity in the country has reached to 1683 cr. ltrs. against the requirement of 1700 cr. ltrs, capacity to achieve 20% blending of ethanol. The Committee have been informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 13.9% in current Ethanol Supply Year (ESY) 2023-24 upto 20.10.2024. 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 sugar mills 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.</p>
13	5.27	<p>The Committee observe that for National Sugar Institute, Kanpur the Budget Estimate (BE) for 2024-25 has been kept at Rs. 26.32 crore which is less than Revised Estimates (RE) of 2023-24 i.e. Rs. 27.70 crore due to non-finalization of recruitment of various posts. The Committee have been informed that in order to have a pyramidal hierarchy and to include various modes of recruitment including promotion, direct recruitment, etc., various divisions of the National Sugar Institute (NSI), Kanpur has been merged and after</p>

		<p>merger of the divisions, the Recruitment Rules (R/Rs) for various posts of the merged divisions are being amended/revised in consultation with the Department of Personnel & Training (DoP&T) and Union Public Service Commission (UPSC). They have further informed that simultaneously, filling up of the vacant posts is being processed in line with the provisions of the existing Recruitment Rules. However, in various cases, the method of recruitment is deputation/composite and hence the process of filling up of vacant posts become infructuous due to non-receipt of application from eligible candidate. In this regard, the Committee strongly recommend that to attract a larger pool of eligible candidates for the vacant positions in the National Sugar Institute, Kanpur, the Ministry should widely advertise the same. Further, the selection process should also be completed within a specified time frame and the Committee may also be apprised accordingly.</p>
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