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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
(2025-26)

EIGHTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

March, 2025/Phalguna, 1946 (Saka)

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DEMANDS FOR GRANTS
(2025-26)

Presented to Lok Sabha on 12.03.2025
Laid in Rajya Sabha on 12.03.2025

LOK SABHA SECRETARIAT
NEW DELHI

March, 2025/Phalguna, 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 Sukhjinder Singh Randhawa#
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 Bunty 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. Shri Ryaga Krishnaiah*
29. Vacant
30. Vacant
31. Vacant

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Dr. Mohit Rajan - Deputy Secretary
3. Smt. Veena Luthra - Executive Officer

Committee constituted w.e.f. 26.09.2024 vide Bulletin Part II, Para No. 838 dated 26.09.2024.

* Shri Ryaga Krishnaiah, MP, RS nominated to the Committee w.e.f. 23.01.2025 Vide Bulletin Part-II, Para No.1655 dated 27.01.2025.

Shri Sukhjinder Singh Randhawa, MP, LS nominated to the Committee w.e.f. 29.1.2025 Vide Bulletin Part-II, Para No.1710 dated 30.1.2025 vice Shri Saumitra Khan, MP, LS.

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 Eighth Report (Eighteenth Lok Sabha) on Demands for Grants (2025-26) 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 (2025-26) of the Ministry which were laid on the Table of the House on 13th February, 2025. 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 20th February, 2025.

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 (2025-26).

4. The Report was considered and adopted by the Committee at their sitting held on 11th March, 2025.

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;
11 March, 2025
20 Phalguna, 1946 (Saka)

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

REPORT

CHAPTER – I

INTRODUCTORY

The Department 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, foodgrain stocking norms, 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;

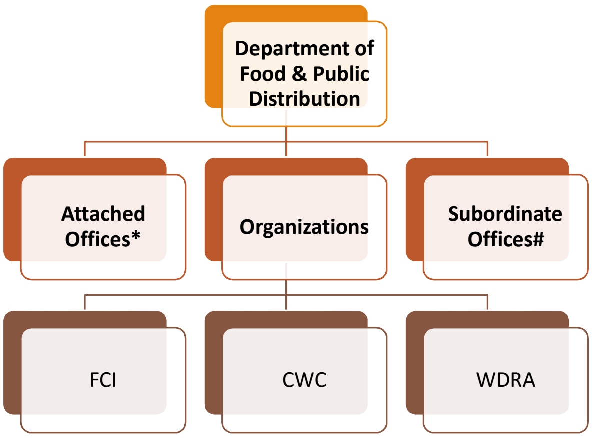
(ii) Eleven Quality Control Cells (QCCs) located at New Delhi (headquarter), Kolkata, Hyderabad, Bengaluru, Bhopal, Bhubaneshwar, Lucknow, Pune, Chennai, Guwahati and Patna.

(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:

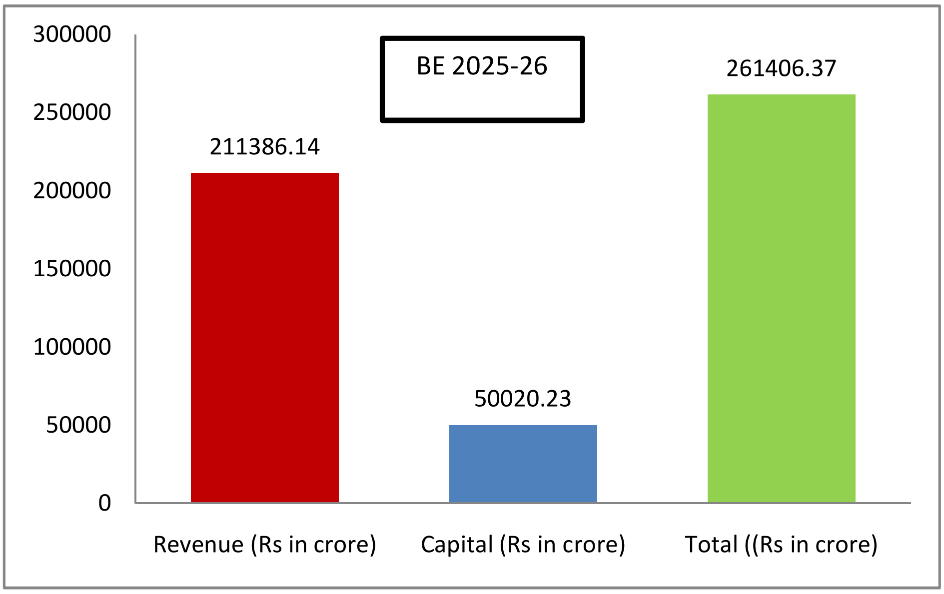
(i) Food Corporation of India (FCI)
(ii) Central Warehousing Corporation (CWC)
(iii) One Regulatory Authority viz. Warehousing Development and Regulatory Authority (WDRA)

Department, its attached/subordinate offices & other organizations



* Dte. of Sugar & Vegetable Oil
\# National Sugar Institute (NSI), Kanpur; Indian Grain Storage Management & Research Institute (IGMRI), Hapur; Quality Control Cells (11)
FCI – Food Corporation of India, **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 (2025-26) relating to the Department of Food and Public Distribution on13.02.2025. The Detailed Demands for Grants for the Department of Food and Public Distribution shows a budgetary provision of Rs.261406.37 crore for the year 2025-26. This includes Rs. 211386.14 crore for Revenue section and Rs. 50020.23 crore under Capital section.



1.5 The Committee in the present Report have examined the detailed Demands for Grants of the Department of Food and Public Distribution for the year 2025-26 as shown in the succeeding Chapters of the Report.

CHAPTER –II

FINANCIAL PERFORMANCE OF THE DEPARTMENT

A. Allocation and utilization of Budgetary Provisions

Budget Estimates (BE), Revised Estimates (RE) and Actuals for 2024-25 and the proposed Budget Estimates (BE) for 2025-26 are given as under:-

(Rs. In crore)

	Budget Estimates (BE) (2024-25)	Revised Estimates (RE) (2024-25)	Actuals (2024-25) (As on 31.01.2025)	Budget Estimates (BE) (2025-26)	Variation in BE 2025-26 w.r.t. RE (2024-25)
Revenue	212976.21	205366.31	176202.04	211386.14	+2.93%
Capital	50043.54	50108.66	24476.70	50020.23	-0.17%
Total	263019.75	255474.97	200678.74	261406.37	+2.32%

B Revenue Section

2.2 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	% Actuals w.r.t. RE
Total Revenue Expenditure	2020-21	121038.41	437458.00	554244.84	126.70%
	2021-22	251248.34	299363.35	301730.93	100.80%
	2022-23	213929.91	294274.13	281763.48	95.75%
	2023-24	205363.57	221722.71	221336.68	99.82%
	2024-25	212976.21	205366.31	176202.04 (As on 31.01.2025)	85.79%
	2025-26	211386.14			

2.3 It may be seen that Budgetary Allocation during the Financial Year 2025-26 under Revenue Section has been increased by 2.93% than RE 2024-25.

C Capital Section

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

(Rs. in crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals	% Actuals w.r.t. RE
Total Capital Expenditure	2020-21	51197.02	11190.72	11188.35	99.97%
	2021-22	52725.96	12636.65	2630.40	20.81%
	2022-23	12029.67	12029.70	12011.48	99.84%
	2023-24	25150.37	25201.93	22994.16	91.23%
	2024-25	50043.54	50108.66	24476.70 (As on 31.01.2025)	48.84%
	2025-26	50020.23			

2.5 It may be seen that Budgetary Allocation during the Financial Year 2025-26 under Capital Section has been reduced to Rs.50020.23 crore than RE of 2024-25 Rs. 50108.66 crore by 0.17%. Further, for the year 2023-24 actual expenditure was less than only 3% of RE while during 2024-25 so far actual expenditure less than 51% of RE.

D Performance of Schemes

2.6 The Department in their power-point presentation has informed the Committee about the Scheme-wise Budget for FY 2025-26 as under:-

Scheme-wise budget for FY 2023-24, 2024-25, and proposed 2025-26

PRADHANMANTRI GARIB KALYAN ANNA YOJANA

(Rs. in crore)

S. No	Name of Scheme / Project	2023-24	2024-25			2025-26
		AE	BE	RE	AE upto 15.02.2025	Proposed BE
1	Pradhan Mantri Garib Kalyan Anna Yojana	2,11,394	2,05,250	1,97,000	1,81,894	2,03,000
2	Assistance to States / UTs for intra-state movement and FPS dealers' margin under NFSA	8,704	7,075	7,075	5,884	7,075
3	Sugar Sector – Subsidy and SDF schemes	830	450	1,031	609	1,030
4	Other Schemes	23,003	50,052	50,172	24,481	50,126
5	Non-Schemes (including Establishments)	399	193	192	145	174
	Total	**2,44,331**	**2,63,020**	**2,55,471**	**2,13,013**	**2,61,405**

2.7 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 2024-25 and Budget Estimates (BE) for 2025-26 are as under:-

Scheme-wise details of Revenue/Capital Outlays and Expenditure: FY 2024-25 & BE 2025-26

(Rs. in crore)

REVENUE							
Sl. No.	**Name of the Scheme/Project**	**Budget Estimates 2024-25**	**Revised Estimates 2024-25**	**Actual Expenditure 2024-25 as on 31.01.2025**	**Budget Estimates 2025-26**	**Sl. No.**	**Name of the Scheme/Project**
1	2	3	4	5	6	7	8
1	Secretariat (3451)	75.83	88.34	70.96	-17.38	19.67	92.97
2	National Sugar Institute, Kanpur (2408)	26.32	27.81	20.30	-7.51	27.00	28.96
3	Other Programmes of Food Storage & Warehousing						
	(i) Directorate of Sugar & Vegetable Oils (2408)	6.45	6.54	5.70	-0.84	12.84	5.70
	(ii) Indian Grain Storage Management & Research Institute (2408)	26.44	15.86	6.59	-9.27	58.45	5.01
	(iii) Central Grain Analysis Laboratory (2408)	0.20	0.40	0.20	-0.20	50.00	0.65
	(iv) Quality Control Cell (2408)	14.22	12.28	7.01	-5.27	42.92	8.90
	(v) International Cooperation (2408)	1.00	1.00	0.47	-0.53	53.00	1.10

	Total - Other Programmes of Food Storage & Warehousing	48.31	36.08	19.97	-16.11	44.65	21.36
4	Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)	2,05,250.00	1,97,000.00	1,69,908.08	-27,091.92	13.75	2,03,000.00
5	Sugar subsidy payable under PDS (2408)	0.01	420.00	115.26	-304.74	72.56	420.00
6	Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	23.50	23.50	9.35	-14.15	60.21	67.00
7	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601)/3602/2408	7,075.00	7,075.00	5,695.71	-1,379.29	19.50	7,075.00
8	Production Subsidy to Sugar Mills to offset cost of cane and facilitate timely payment of cane price dues to farmers	-	1.35	-	-1.35	100.00	-
9	Scheme for extending financial assistance to sugar mills for enhancement and	450.00	600.00	337.50	-262.50	43.75	600.00

	augmentation of ethanol production capacity						
10	Credit Guarantee Scheme for electronic Negotiable Warehouse Receipts (e-NWR) based Pledge Financing (CGS-NPF)	-	50.00	-	-50.00	100.00	50.00
11	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	0.01	10.00	-	-10.00	100.00	10.00
12	Storage &Godowns-Construction of Godowns by State Governments - in North Eastern Region (2552/2408)	-	5.11	-	-5.11	100.00	-
13	Strengthening of PDS Operation(2408/2552/3456)	0.54	0.50	-	-0.50	100.00	0.50
14	Warehousing Development and Regulatory Authority (2408)	25.69	24.69	24.69	-	-	20.25
15	Project						
(a)	(a) PDS-Evaluation, Monitoring &	1.00	3.93	0.22	-3.71	94.40	0.10

	Research						
	Total-Revenue Expenditure	2,12,976.21	2,05,366.31	1,76,202.04	-29,164.27	14.20	2,11,386.14

2.8 In response to a query regarding reasons for variation of RE to Actuals for the FY 2024-25, the Department informed that reasons for savings for the FY 2024-25 is to be finalized after 31.3.2025.

2.9 In response to a query on the status of implementation of various schemes/programmes/projects relating to construction of godowns by FCI especially in North Eastern Region, the Department furnished the following information:-

Private Entrepreneurs Guarantee (PEG) Scheme

The godowns under this scheme are constructed by mobilizing private investors through open transparent bidding process. FCI gives 10 years guarantee on the godowns constructed under this Scheme at identified locations to private parties and 09 years for CWC & SWC.

On 28.7.2008, the Government of India had circulated a scheme to FCI and State Govts. (Non DCP States) vide which Assessment of the storage need was made by FCI based on the overall procurement/consumption needs of the area and existing storage capacity. In Consuming States, assessment was based on 4 months' requirements of stocks for NFSA & OWS and in Procuring States assessment was based on highest stock level in the last three years.

On demand of DCP States, Govt. of India circulated PEG-2009 scheme on 08-04-2010. As per Scheme, SLC is headed by the Secretary (Food) of the State and the assessment of required storage capacity is done on the basis of the highest of the sum of average stock of wheat and rice is considered as the storage capacity required if it is less than 14 months' requirement under NFSA and other welfare schemes. If sum of average stock is less than requirement of 4 months NFSA and other welfare schemes, then the requirement of 4 months has been considered.

Under PEG Scheme, following capacities are constructed in states -

(Figures in MT)

SL	State	Capacity of Tenders finalized	Capacity completed	Capacity under construction	Capacity yet to start
1	Andhra Pradesh	87,800	87,800	0	0
2	Bihar	475,000	355,000	90,000	30,000

3	Chhattisgarh	537,230	537,230	0	0
4	Gujarat	49,800	49,800	0	0
5	Haryana	3,486,589	3,486,589	0	0
6	Himachal Pradesh	70,520	57,520	0	13,000
7	Jammu & Kashmir	304,690	197,190	107,500	0
8	Jharkhand	366,000	342,670	23,330	0
9	Karnataka	241,440	241,440	0	0
10	Kerala	5,000	5,000	0	0
11	Madhya Pradesh	1,303,160	1,303,160	0	0
12	Maharashtra	562,811	562,811	0	0
13	Odisha	357,500	357,500	0	0
14	Punjab	4,468,836	4,468,836	0	0
15	Rajasthan	235,000	235,000	0	0
16	Tamilnadu	255,000	255,000	0	0
17	Telengana	319,000	319,000	0	0
18	Uttar Pradesh	1,833,857	1,685,527	128,330	20,000
19	Uttarakhand	10,000	10,000	0	0
20	West Bengal	154,090	154,090	0	0
21	Assam	25,000	25,000	0	0
22	Meghalaya	15,000	15,000	0	0
Total		**15163323**	**14751163**	**349160**	**63000**

Modified PEG scheme for NE/ hilly states-

DPFD has approved the schemes vide letter 19.12.24 for NE/hilly area in which guarantee periods under this scheme has been increased from 10 years to 15 years along with other required changes to encourage prospective investors to participate in the PEG scheme for capacity creation in NE/hilly states.

Asset Monetization-

Under Asset Monetization, godowns will be constructed on FCI vacant land. In principle approval has been granted by Govt. of India (DFPD). Accordingly, out of which 71 locations with capacity of 7.38 LMT have been selected for construction of godown under asset monetization. With respect to NE/Hilly States, 02 locations namely:

Narayanpur-10,000 MT and Archipathar- 13,360 MT are under Asset Monetization in Assam Region.

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 Department in their written replies stated as under:

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

The Department of Food & Public Distribution had allocated funds under the 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 Certificates 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.2.5 lakh
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 & 15.02.2025 for obtaining Utilization Certificates or to surrender/refund the amount sanctioned by DFPD.

So far under “Integrated Management of Public Distribution System (IM-PDS) 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.

Utilization Certificates in respect of erstwhile schemes/project, namely, Construction of Godowns and PDS-Training are pending and the brief is as under:

S.No.	Name of the State	Scheme component/project	Remarks
1.	Assam	Construction of Godowns	The Department is vigorously pursuing with concerned States/UTs through reminder letters for submission of pending Utilization Certificate as per GFR.

2.11 The Committee note that total Budget allocated to the Department of Food & Public Distribution is Rs. 261406.37 crore for the year 2025-26 which includes Rs. 211386.14 crore for Revenue section and Rs. 50020.23 crore under Capital section. The Committee further note that BE for Revenue Schemes during 2024-25 was Rs. 212976.21 crore which was reduced at RE stage to Rs. 205366.31 crore and Actual Expenditure was also reduced to Rs. 176202.04 crore. Further, for Capital Section during 2024-25, BE was Rs. 50043.54 crore which was also raised at RE Stage to Rs. 50108.66 crore but Actual Expenditure was reduced to Rs. 24476.70 crore. In light of the differences between the RE and actual expenditure under the Capital section, the Committee recommend that the Department should adopt a more accurate and informed approach when preparing future budget estimates.

(Recommendation No.1)

2.12 The Committee believe that such differences and variations between Revised Estimates and Actual Expenditure can be effectively addressed through careful and proactive planning. The Committee, therefore, urges the Department of Food and Public Distribution to actively engage with States and Union Territories, encouraging them to submit financial proposals in a timely manner. Additionally, the Department should take further initiatives to ensure that allocated funds for various schemes and programs are fully utilized within the financial year. To enhance the effectiveness and efficiency of fund utilization, the Committee recommend the Department to establish clear key performance indicators (KPIs) to quantify the achievements. These KPIs should be used to monitor the performance of schemes and projects, with a focus on ensuring their timely completion. Furthermore, the Committee emphasize the need for strengthened oversight and continuous improvement in monitoring the implementation of all schemes and projects.

(Recommendation No.2)

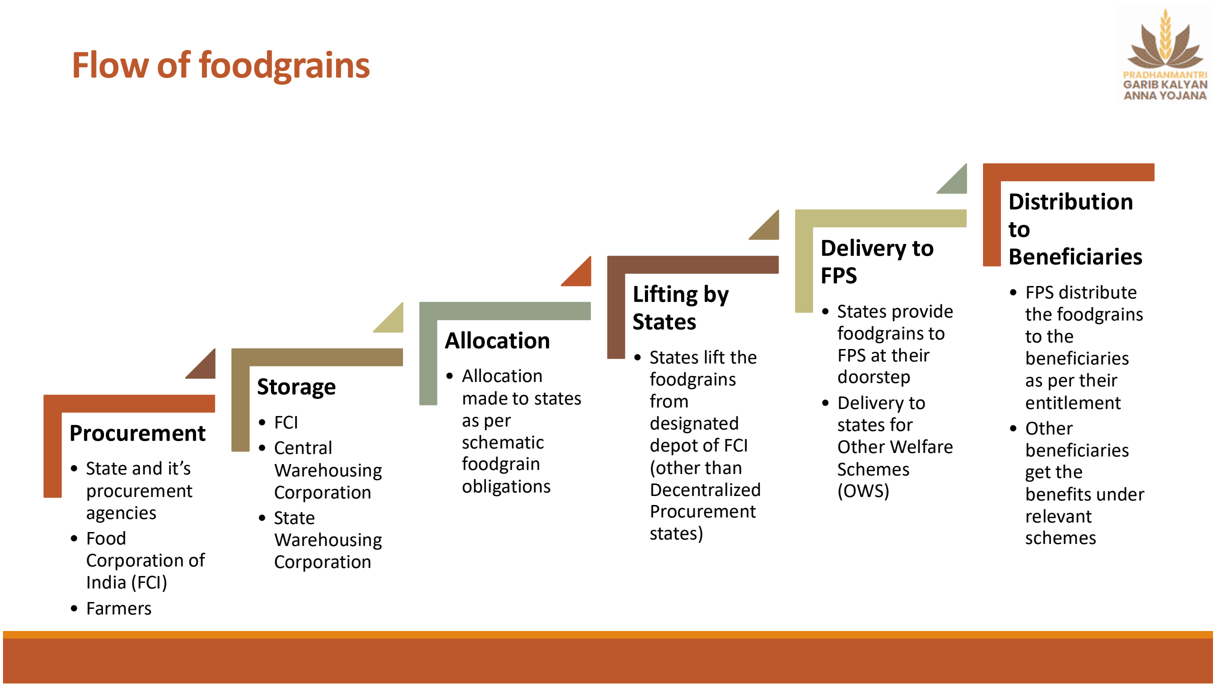
Chapter III

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.



3.3 During the evidence on Demands for Grants on 20 February, 2025 the representative of the Department of Food and Public Distribution informed about DCP and Non-DCP states as under:

List of DCP and Non-DCP States

PRADHANMANTRI GARIB KALYAN ANNA YOJANA

Paddy/ Rice

S. No.	DCP State/ UTs	Non-DCP State/ UTs
1	Uttarakhand	Chandigarh
2	Chhattisgarh	Delhi
3	Odisha	Haryana
4	Tamil Nadu	J&K
5	West Bengal	Puducherry
6	Kerala	Punjab
7	Karnataka	Rajasthan
8	Madhya Pradesh	Uttar Pradesh
9	Andhra Pradesh	Assam
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)	

Wheat

S. No.	DCP State/ UTs	Non-DCP State/ UTs
1	Madhya Pradesh	Delhi
2	Uttarakhand	Rajasthan
3	Chhattisgarh	Chandigarh
4	Gujarat	Uttar Pradesh
5	West Bengal	J&K
6	Bihar	Haryana
7	Maharashtra	
8	Punjab	
9	Himachal Pradesh	

3.4 About the objectives of the procurement policy, the representative of the Department of Food and Public Distribution appearing before the Committee on 20 February, 2025 submitted as under:

> "Regarding the procurement policy, there are main objectives of the procurement policy. One is to ensure the remunerative prices to the farmers at MSP. Every farmer should get the MSP. Second is to ensure food security to the poor and vulnerable sections of the society and third is to maintain operational and strategic reserves. This includes the buffer stock and also any stock required for the exigencies. Right now, operational stock is around 164 LMT and the strategic stock is around 50 LMT including wheat and rice. There are two major modes of procurement. One is DCP, that is decentralized procurement wherein the States procure and distribute themselves and whatever excess stock is there, that is deposited with the FCI. And second one is Non-DCP under which States procure and handover the entire quantity to FCI. So, currently, there are 17 DCP States for paddy and 9 DCP States for wheat."

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'**
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
2025-26	2425	Yet to be fixed	

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 Department in its written replies submitted as under :-

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 received from State Govts., Department 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 & paddy (in terms of Rice) for last five years and current year are given below:-

(In LMT)

KMS/RMS	Wheat		Rice	
	Procurement Estimates	**Actual Procurement**	**Procurement Estimates**	**Actual Procurement**
2019-20	356.50	341.32	529.05	518.27

2020-21	442.49	389.93	642.58	602.45
2021-22	435.34	433.44	640	575.88
2022-23	444.00	187.92	626.06	586.66
2023-24	341.5	262.02	628	525.47
2024-25	372.9	266.05	495.61 (Kharif)	439.94*

*up to 13.02.2025

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

"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 Minimum Support Price (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 received from State Governments, Department 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 MSP for the respective crop, 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. Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)

3.8 Under this Centrally Sponsored Scheme - Modernization and Reforms through Technology in Public Distribution System (SMARTPDS), Memorandum of Understandings (MoUs) have already been signed with 35 States/UTs (signing of MoU with Tamil Nadu in under process) for implementation of the SMART-PDS scheme. Funds are to be released as Central Share to States/UTs for State Project Implementation Team (SPIT), etc.

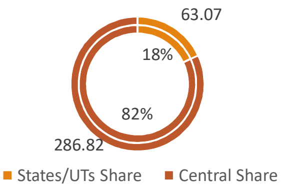
3.9 NIC has been entrusted with the task for development of the SMART PDS Application/solution to be roll out pan India. Currently, NIC is developing the application/solution Pan India and the 1st phase of the System is planned to be deployed across the country by October, 2025.

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

PRADHANMANTRI GARIB KALYAN ANNA YOJANA

SMART-PDS - Scheme for Modernization And Reforms through Technology in Public Distribution System

Approx. Rs. 350 Crore (Total Project Cost)



CENTRALLY SPONSORED SCHEME	► Most components to be implemented on cost sharing basis with States/UTs
3 YEARS DURATION	► Project implementation during FY 2023-24 to FY 2025-26
COST SHARE	Application Maintenance Costs ► 90:10 with 11 NE & Hill States/UTs ► 60:40 with 25 Other States/UTs Application Development undertaken by Centre
Project Cost (Rs.350 Cr.)	► Rs. 286.82 Crores (Centre) ► Rs. 63.07 Crores

3.10 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	15.63
	2024-25	50.00	50.00	35.92 (till date)
	2025-26	67.00		

3.11 On being asked about justification for allocation of Rs. 67.00 crore under Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) during 2025-26,the Department in its written replies submitted that :-

> "Funds are to be released to States/UTs for State Project Implementation Team (SPIT) and to NIC/NICSI for development of SMART PDS application & other services for implementation of Centrally Sponsored Scheme - Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) during 2025-26.
>
> NIC, HQ has been entrusted with the task for development of the SMART PDS Application to be roll out pan India. NIC HQ team started development of

various modules of SMART-PDS application after comprehensive consultation with States/UTs regarding requirements. Multiple rounds of data analysis has been completed under SMART-PDS scheme and detailed reports/observations have been shared with all States/UTs for their necessary action.”

3.12 The Scheme is to be implemented in all States/UTs for the period of 3 years (April 2023 to March 2026) with a total outlay of Rs.349.9 Crore approved by the Government of India. The cost-sharing between Centre and States would be on a 90:10 basis for North-Eastern States and Hilly States, 100:00 for UTs (except J&K) whereas for the other States/UTs costs will be shared on a 60:40 basis. Accordingly, shares of the Government of India and States Government/UT Administration are estimated at Rs.286.82 crore and Rs.63.07 crore respectively.

3.13 Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' has been approved to sustain the technology-led reforms brought in by the end-to-end computerization of TPDS operations scheme in all States/UTs and further enhance the reforms by the existing Integrated Management of Public Distribution System (IM-PDS) scheme, and to introduce future/new reforms in the functioning of the PDS and strengthening of national portability under One Nation One Ration Card (ONORC) System. Therefore, to maintain the transparency, efficiency, and effectiveness of the PDS, governed under the provisions of NFSA in the country, all activities covered under the ‘End-to-End Computerization of TPDS Operations’ Schemes must remain operational in all States/UTs and such tasks/ activities shall be implemented by new initiatives/reforms which are scalable/upgradable to aid in the distribution of subsidized foodgrains.

3.14 Further, while sustaining the above computerization reforms and building upon these technology-driven foundations, the Department has implemented a Central Sector Scheme namely- “Integrated Management of Public Distribution System” (IM-PDS), approved for implementation in all States/UTs, w.e.f. April 2018 for 2 years with a total outlay of Rs. 127 Crore for the entire project. The validity of the IM-PDS scheme was extended till 31.03.2023 without escalation in the total project cost of the scheme. The main objective of the IM-PDS scheme was to implement nationwide portability of ration cards through the One Nation One Ration Card (ONORC) plan, besides the creation of a central repository of all ration cards/beneficiaries’ data in the country, integration of all State/UT systems with the central systems, national level de-duplication of beneficiaries under NFSA using Aadhaar, use of advance data analytics for continuous improvements in PDS operations, development of user-friendly mobile/web-applications, and sharing of best practices & promoting cross-learning between States/UTs. So far, the facility of One Nation One Ration Card (ONORC), for the NFSA beneficiaries to lift their entitled foodgrains from any FPS of choice in the country by using the same/existing ration card is seamlessly enabled in all States/UTs covering entire NFSA population.

3.15 To mitigate challenges & to monitor and analyse the real-time data for enhanced and up-to-date policy decisions, the technology-driven PDS reforms in the country are now an immediate and ever-important need of the day. Therefore, the Department of Food & Public Distribution (DFPD) envisages implementing this new scheme, which would mainly focus on strengthening technology components under PDS reforms by –

Standardization of PDS operation through the usage of technology, integration with FCI, CWC, Department of Education, Women and Child Development, UIDAI, etc. and Implementation of Data-driven decision making through the data analytics/BI platforms and other ICT tools & technologies.

3.16 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 i.e April 2023 to March 2026 with a total outlay of Rs. 349.90 crore. The Committee also note that Memorandum of Understandings (MoUs) have already been signed with 35 States/UTs (signing of MoU with Tamil Nadu in under process) for implementation of the SMART-PDS scheme. Budget division has allocated funds of Rs. 67.00 crore during 2025-26 as per requirement of funds for activities provisioned in the SMART-PDS scheme. The Committee have been informed that funds are to be released to States/UTs for State Project Implementation Team (SPIT) and to NIC/NICSI for development of SMART PDS application & other services for implementation of Centrally Sponsored Scheme -Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) during 2025-26. NIC, HQ has been entrusted with the task for development of the SMART PDS Application to be roll out pan India. 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. The Committee, therefore, desire the Department to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS reaches all the eligible beneficiaries within the scheduled time frame. The Committee may be apprised about the actual progress on regular basis.

(Recommendation No. 3)

C. Pradhan Mantri Garib Kalyan Yojana (PMGKAY)

3.17 Regarding PMGKAY, Department informed the Committee in their written deposition that:

In the wake of economic disruptions caused by the unprecedented outbreak of COVID-19 in the country in early 2020, the Government in March 2020 had announced the 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 (PM-GKAY), over and above the regular monthly NFSA foodgrains i.e. regular entitlements of their ration cards. Thereby, effectively doubling 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. So far, under the PM-GKAY scheme the Department had allocated a total of about 1118 LMT foodgrains to the States/UTs (i.e. total allocation from Phase I to Phase VII).

i. Phase-I & II during 2020-21: The Phase-I and Phase-II of the scheme were implemented from April to June 2020 and from July to November 2020 respectively, wherein the Department had allocated a total quantity of 322 LMT foodgrains for the 8-month period with a subsidy layout of about Rs. 1.13 Lakh Crore,

ii. Phase-III during 2021-22: With the COVID-19 crisis continuing in the current year, the Department had initially allocated about 80 LMT foodgrains with a subsidy layout of Rs. 26,602 Crore for distribution during the 2 months of May and June 2021 to all 80 Crore beneficiaries on same pattern as implemented earlier in 2020.

iii. Phase-IV during 2021-22: With the extension of PMGKAY up to November 2021, the Department had allocated another approx 199 LMT foodgrains with a subsidy layout of Rs. 67,266 Crore to the States/UTs for the 5-month period from July to November 2021 (Phase-IV).

iv. Phase-V during 2021-22: With the extension of PMGKAY from December, 2021-March, 2022, the Department had allocated another 159 LMT foodgrains with a subsidy layout of Rs. 53,344 Crore to the States/UTs for the 4-month period from December, 2021-March, 2022 (Phase-V)

v. Phase-VI during 2022-23: With the extension of PMGKAY from April-September, 2022, the Department had allocated another 239 LMT foodgrains with a subsidy layout of Rs. 80,850.67 Crore to the States/UTs for the 6-month period from April-September, 2022 (Phase-VI). The allocation was revised in r/o 11 States/UTs in favour of rice for May-September, 2022 with a additional subsidy outlay of Rs.4987.717 Crore. Thus, the total financial implication during Phase-VI was 85838.387 Crore.

vi. Phase-VII during 2022-23: The extension of PMGKAY for a period of another three months from October to December, 2022 is having financial implication of about 44,762 Crore for the free of cost additional allocation @5kg per person per month. Total allocation may be about 119 LMT of food grains during the period of three months.

Phases of PMGKAY	**Allocation of Food grains (in LMT)**	**Financial Implication**
Phase – I (April'20 – June'20)	120	Rs. 44,834 Crore
Phase – II (July'20- Nov.'20)	201	Rs. 68,351 Crore
Phase – III (May'21 – June'21)	80	Rs. 26,602 Crore
Phase – IV (July'21- Nov.'21)	199	Rs. 67,266 Crore
Phase – V (Dec'21- Mar.'22)	159	Rs. 53,344 Crore
Phase-VI (April'22-Sep'22)	239	Rs. 85,838 Crore
Phase-VII Oct'22-Dec' 22)	120	Rs. 44,762 crore
Grand Total	**1118**	**Rs. 390997crores**

A total quantity of approx. 1118 LMT foodgrains had been allocated under PMGKAY (Phase I-VII) for the period of 28 months with a total planned financial outlay was about Rs. 3.91 lakh crore.

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 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.

As per the Central Government decision, two food subsidy schemes have been subsumed as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

Keeping in view the 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, has now decided to continue to provide free food grains to about 81.35 crores 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. Notification to this effect has been issued on 04.12.2023.

The PMGKAY Scheme would ensure effective and uniform implementation of the National Food Security Act (NFSA). Under the One Nation One Ration Card (ONORC), which is a successful initiative of portability of ration cards, any beneficiary can take delivery of food grains from any FPS at uniform NFSA entitlement and price across the country. The free food grains will concurrently ensure uniform implementation of portability under the One Nation One Ration Card (ONORC) across the country and will further strengthen this choice-based platform.

Distribution of food grains under PMGKAY during Apr-24 to Dec-24

Month	Distributed Quantity (in MT)
Apr-24	41,68,792
May-24	41,77,733
Jun-24	41,63,750
Jul-24	41,82,144
Aug-24	41,65,779
Sep-24	41,85,072
Oct-24	41,76,494
Nov-24	41,68,801
Dec-24	41,43,723

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

Allocation of foodgrains to States/Union Territories (UTs) under the National Food Security Act, 2013 (NFSA) is made based on identification of beneficiaries reported by the States/UTs within the State/UT-wise coverage of population determined by the then Planning Commission, and foodgrains entitlement prescribed under the Act i.e. 35 kg per household per month for households covered under Antyodaya Anna Yojana (AAY)and 5 kg per person per month for Priority households (PHH). The Act further provides that if on the above basis, annual foodgrains allocation to any State/UT is lower than the average annual offtake during 2010-11 to 2012-13 under the erstwhile normal Targeted Public Distribution System, the same shall be protected as Tide Over allocation. Under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), the Department of Food & Public Distribution has allocated a total of 554.94 LMT of food grains (rice, wheat and Coarse grains).AAY, PHH and Tide Over during FY 2024-25 as below;

(Fig in LMT)

Category	**Rice**	**Wheat**	**Coarse grains**	**Total**
Antyodaya Anna Yojana	70.35	29.12	1.30	100.77
Priority households	275.09	147.31	5.56	427.96
Tide Over	21.19	5.02	0	26.20
Total	366.63	181.45	6.86	554.94

3.19 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	71,733.36
3.	Pradhan Mantri Garib Kalyan Anna Yojana	2024-25	2,05,250.00	1,97,000.00	1,81,894 (Upto15.2.2025)
		2025-26	2,03,000.00		

	(PMGKAY)				

The two schemes, namely, Food subsidy to FCI under NFSA and Food subsidy to DCP States, have been subsumed under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

3.20 Responding to a query as what are the problems faced by the Department/FCI in order to implement their Schemes and dealing with beneficiaries and other State Governments, the Department in its written replies submitted the following details:-

"The NFSA is being successfully implemented in all the States/UTs. There is no report from any State/UT and FCI regarding problem faced in implementation of NFSA/ PMGKAY.

Section 9 of the National Food Security Act, 2013 (NFSA) provides that the percentage coverage under the Targeted Public Distribution System in rural and urban areas for each State shall be determined by the Central Government and the total number of persons to be covered in the State shall be calculated on the basis of the population estimates as per the census of which the relevant figures have been published. At the time of implementation of NFSA, the latest published figures of Census pertaining to the year 2011 was used to determine the coverage of all States/Union Territories (UTs). Therefore, any revision in the coverage under the NFSA shall be possible only after the relevant data of next population Census is published."

3.21 On being asked about the measures taken to update data pertaining to Census 2011 and NSS Household Consumption Survey 2011-12 for identification of eligible households under the National Food Security Act (NFSA), the Department in their written replies stated as under:-

"The National Food Security Act, 2013 provides for coverage of upto 75% of the rural population and upto 50% of the urban population, which at Census 2011 comes to 81.35 crore persons. At present, against the intended coverage of 81.35 crore persons, only 80.56 crore beneficiaries are covered. Still, there is scope for identification of 0.79 crore beneficiaries.

Sub-Section (2) of Section 10 of the Act provides that the State Government shall update the list of eligible households, within the number of persons determined under section 9 for the rural and urban areas, in accordance with the guidelines framed under sub-section (1). The Central Government has issued advisory, from time to time, to all the States/Union Territories to identify all eligible and poor persons/ households including vulnerable Sections of the Society for inclusion under the NFSA. States are undertaking cleaning up of their beneficiary database so that bogus ration cards get deleted and better targeting of rightful beneficiaries is ensured. Thus, deletion of ineligible beneficiaries and addition of eligible beneficiaries under the Act is a continuous process."

3.22 The Committee note that a total quantity of approx. 1118 LMT foodgrains had been allocated under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) (Phase I-VII) for the period of 28 months with a total planned financial outlay was about Rs. 3.91 lakh crore. The Committee also note that the Central Government, in order to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the National Food Security Act, 2013 (NFSA), 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 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. Further, it was 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 by subsuming two food subsidy schemes under 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. 1,81,894 crore has been released as on 15.02.2025 to FCI and DCP States.

The Committee acknowledge and appreciate the commendable efforts made by the Department of Food and Public Distribution (DFPD) and the Food Corporation of India (FCI) in successfully implementing the food distribution scheme, particularly during the challenging periods of the Covid-19 pandemic and its aftermath in ensuring the seamless delivery of food grains to vulnerable populations. In light of these achievements, the Committee emphasize the critical importance of ensuring that the funds allocated for food subsidy are utilized judiciously and with utmost responsibility. The Committee urge the Department to manage and monitor these grants carefully in order to ensure reach of these free food grains to the intended beneficiaries under NFSA with minimum wastage. The Committee firmly believe that such prudent utilization of funds will not only ensure the success of PMGKAY but will also contribute to the long-term food security and welfare of the population, particularly those most affected by economic and social challenges.

(Recommendation No. 4)

D. Distribution of Fortified Rice

3.23 Govt. of India launched a scheme of distribution of Fortified Rice under various welfare schemes to address the problem of anemia and malnutrition in vulnerable section of the society. Hon'ble PM of India made an announcement on 75th Independence Day (15th Aug. 2021) to provide fortified Rice to every poor citizens of country by 2024. In order to fulfil the target, set by Govt. of India, FCI/State Agencies have been procuring fortified Rice and simultaneously distributing initially under ICDS, PM POSHAN and NFSA/WIH in 291 High Burden & Aspirational districts. FCI and State Agencies distributed 17.51 LMT, 136 LMT& 173LMTof fortified Rice in the FY 2021-22, FY 2022-23 &FY 2023-24 respectively. Now this scheme covers entire TPDS and OWS including ICDS & PM POSHAN schemes.

3.24 Initially, the centrally sponsored pilot scheme on “Fortification of Rice and its Distribution under the Public Distribution System was implemented as a pilot scheme from 2019-20 for three years, with an outlay of ₹174.64 crores. During this period, 11 states distributed fortified rice in one district each, amounting to nearly 4.30 lakh MT.

3.25 Subsequently, the Cabinet Committee on Economic Affairs (CCEA) approved the scale-up of the initiative for supplying fortified rice under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) with a total outlay of ₹4269.76 crores. The initiative was rolled out in phases:

Phase I (2021-22) covered Integrated Child Development Services (ICDS) & Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) and lifted 17.51 LMT of fortified rice.

Phase II (2022-23) covered ICDS, PM-POSHAN and 291 Aspirational & High Burden districts under TPDS, and lifted/distributed 136 LMT of fortified rice.

Phase III (2023-24) covered ICDS, PM POSHAN and all districts under TPDS, and a total of 322 LMT of fortified rice was lifted/ distributed.

3.26 As of March 2024, the custom-milled rice was replaced with fortified rice under all Central Government schemes. On 9th October 2024, the Government of India approved the continuation of universal supply of fortified rice under all central government schemes from July 2024 to December 2028, with 100% funding under PMGKAY (Food Subsidy), at a budget outlay of ₹17082 crores.

3.27 The following quantities of fortified Rice has been lifted during FY 2024-25 till date 19.01.2025

(Fig. in MT.)

Sl No.	**ICDS**	**PM Poshan**	**NFSA**			**WIH**			
			Aspirational Districts	**High Burdened Districts**	**Total**	**Aspirational Districts**	**High Burdened Districts**	**Total**	**Grand total of fortified rice lifted**
1	8,81,392	14,26,684	36,59,438	74,07,375	11,066,813	28,473	32,509	60,982	1,34,35871

3.28 The Representatives of the Department appearing before the Committee on 20 February, 2025 submitted to the Committee as under:

*“*In the rice fortification initiative, we have fortified our rice with iron, folic acid and vitamin B12. This scheme we launched in a phase-wise manner. Now we have covered the entire TPDS, PM Poshan, ICDS and other welfare scheme. So, from 1st of April 2024, the entire custom mill rice in the country has been replaced with fortified rice. This is Central sector scheme, 100 per cent centrally funded by Government of India with a proposed outlay of approximately Rs. 17,082 crore over the next five years. So, our annual expenditure is estimated to be Rs. 3,796 crore….. We do not have any separate budget line for this....This is part of the food subsidy.”

3.29 The Committee are happy to note that the centrally sponsored pilot scheme on "Fortification of Rice and its Distribution under the Public Distribution System was implemented in order to address anemia and micro-nutrient deficiency in the country from 2019-20 for three years, with an outlay of ₹ 174.64 crore. Cabinet Committee on Economic Affairs (CCEA) approved the scale-up of the initiative for supplying fortified rice under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) with a total outlay of ₹4269.76 crore by March 2024 in a phased manner. The Committee have also been informed that on 9th October 2024, the Government of India approved the continuation of universal supply of fortified rice under all central government schemes from July 2024 to December 2028, with 100% funding under PMGKAY (Food Subsidy), at a budget outlay of ₹17082 crore. The Committee consider that the extension of this scheme reflects a noble commitment towards addressing malnutrition and nutritional deficiencies among beneficiaries. Therefore, the Committee strongly recommend that the Department of Food and Public Distribution to ensure the meticulous implementation of the scheme across the country, with particular emphasis on States where rice is a staple food. By doing so, the Department can significantly contribute to the eradication of malnutrition, improving the overall health and well-being of vulnerable populations.

(Recommendation No.5)

E. Transportation of foodgrains

3.30 When asked about the details of actual transit losses in terms of quantity and value for the years i.e. 2020-21, 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26 (till date) suffered by FCI, the Department in its written replies stated as under:-

"FCI moves about 600 lakh MT of food grains every year form surplus states to deficit states, to meet the requirement of the TPDS across the country and maintenance of adequate level of operational/buffer stock of food grains to ensure National food security. More than 90% of movement is undertaken by Rail. Average lead of movement is 1500 KM and 50-60 rakes are dispatched every day each carrying about 3000 MTs. of wheat or rice. During such massive movement of stocks across the country some transit losses occur and these operational losses are inevitable. 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. Transit Losses (Wheat & Rice) of last four years is mentioned as under:

FY	Total quantity moved (in LMT)	Transit loss quantity in LMT	% loss	Value (in Rs Cr.)
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* (upto Jan 25)	308.01	0.58	0.17	188.66

**Indicates provisional figures.*

3.31 Responding to a query as what measures have been/are being taken to obviate losses, the Department in their written replies stated as under:

> **"**To revamp the monitoring system of food grain transit, introduction of Independent Coordination and Certification Squad (ICCS) was done in place of Independent consignment certification (ICCO) during the year 2010 and to further strengthen the role of ICCS was upgraded during the year 2023 covering the tasks like monitoring and certification of loading and unloading of rakes to make it more objective and effective in controlling Transit Losses. In case of monitoring of food grains distribution, it is stated that as per the NFSA Act 2013 the responsibility for implementation and monitoring of the schemes of various Ministries and Departments of the Central Government in accordance with guidelines issued by the Central Government for each scheme, and their own schemes, for ensuring food security to the targeted beneficiaries in their State, lies with the concerned State Govt. For ensuring transparency and proper functioning of the Targeted Public Distribution System and accountability of the functionaries in such system, every State Government shall set up Vigilance Committees as specified in the Public Distribution System (Control) Order, 2001, made under the Essential Commodities Act, 1955, as amended from time to time, at the State, District, Block and fair price shop levels. Therefore, it is the responsibility of the concerned state Govt. to maintain a robust public distribution system to ensure smooth distribution of food grains to the targeted beneficiaries and to avoid any diversion of subsidized food grains to open market.
>
> As a result of consistent efforts made by FCI, the Transit Losses are controlled and presently are at barest minimum level."

3.32 The Department also informed that the measures taken to reduce Transit Losses are as under: -

- 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.

3.33 Responding to a query as FCI facing any type of difficulties in dealing with railway in terms of transportation of foodgrains (Loading/uploading), the Department in their written replies stated as under:

> "Some of the issues being faced with railways during Loading/Unloading of Food grains are: -
>
> Lack of proper infrastructure/covered sheds 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.
>
> Sometimes Railway Supply un-cleaned/damaged wagons due to which additional efforts are required by FCI to get wagons cleaned, so as to avoid any contamination to food grains."

3.34 The Committee are happy to note that the Government has taken several steps to control transit losses such as implementation of High Security Cable Seals, accounting of Made-up bags, Deployment of Independent Consignment Certification Squad (ICCS) at the time of loading /unloading, Monthly Performance Review Meetings etc. Due to various initiatives/measures taken, transit losses are gradually reducing. 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. 188.66 crore (upto January, 2025) respectively. 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, implementing efficient routing and scheduling upgraded transport vehicles to maintain optimum temperature and humidity control can further lessen the transit losses.

(Recommendation No.6)

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. Dues and Liabilities of FCI

4.2 When asked about the details of the outstanding dues of FCI to be recovered from various Ministries on account of foodgrains issued for various welfare schemes on the payment basis, the Department in its written replies submitted as under :-

"On The Year wise details of the outstanding dues with the ministries as detailed below:

(Rs. in Crore)

Sl. No	PARTICULARS	2024-25 (as on 31.12.2024)	2023-24	2022-23	2021-22	2020-21
1	Department of CAF&PD		-	-		
	Subsidy (Foodgrain Operations)	14,794.00	564.00	3,051.22	6,354.00	22,799.36
	Loss on Fertilizer Operations					
2	Department of External Affairs	-	-	-		
	(Issues of Foodgrains to Afghanistan/Korea	17.64	17.64	107.01	56.46	60.43

	/Egypt)					
3	Department of HRD / Department of Education	-	-	-		
	Dues against State Govts. Under MDM Scheme	257.33	141.48	227.09	371.41	236.77
4	Department of RD	-	-	-		
	(Issues under SGRY, SGRY-SC, NFFWP & FFW) **	-	-	2,454.03	2,454.03	2,454.03
5	Department of Defence	0.12	0.35	0.35	0.43	0.42
TOTAL		**15069.09**	**723.47**	**5,839.70**	**9,236.33**	**25,551.01**

4.3 The Committee enquired whether any time limit has been fixed by which, Ministries are required to make payment of outstanding dues, the Department in its written reply submitted as under :-

> **"**The lifting of quantity of food grains by various Ministries / Department under 'Other Welfare Scheme' category and reimbursement of amount against such quantity is a continuous process. The real time data may keep on changing from time to time."

4.4 Responding to a query as to what steps have been taken or are proposed to be taken to liquidate the outstanding dues of FCI over the years, the Department in its written replies submitted that :-

> **"**Department of Food & PD and FCI has been pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI. After regular follow-up, Department of Finance under RE-2023-24, has allocated Rs.2454.03 crore {equivalent to outstandings with Department of Rural Development towards supply of foodgrains to them by FCI under Food for Work Scheme/ SGRY. The same has been released to FCI on 18.03.2024. Further, FCI/ DFPD has been regularly pursuing the matter with all concerned Ministries/ Departments."

4.5 The Committee has observed that the Food Corporation of India (FCI) is responsible for providing food grains for various welfare schemes administered by the Ministries of the Union Government, on a payment basis. However, the information provided by the Department highlights a significant issue of substantial outstanding dues owed by several Ministries. These arrears have accumulated over time, and the Committee are concerned that the recovery of these outstanding payments has remained an unresolved matter for an extended period.

The Committee believe that the prolonged delay in settling these dues is detrimental to the efficient functioning of the food distribution system and undermines the financial management. In light of this, the Committee strongly recommend that the Department to take immediate and effective action to recover the outstanding dues from the relevant Ministries without further delay. The Committee emphasizes the importance of pursuing this matter at the highest levels, engaging with the concerned Ministries directly, and making joint Committee at the highest level to resolve the matter in time bound manner.

(Recommendation No.7)

B. Construction of godowns

4.6 The Department informed that the total Covered storage capacity available as on 01.01.2025 for keeping the Central pool stock with FCI and State agencies is 847.23 LMT(including CAP) against which stock of 475.03 LMT is available. This capacity is 2.06 times the peak Buffer Norms of 411.20 LMT (as on 1st July).

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

> The total Covered storage capacity available as on 01.01.2025 for keeping the Central pool stock with FCI and State agencies is 847.23LMT(including CAP) against which stock of 475.03 LMT is available. This capacity is 2.06 times the peak Buffer Norms of 411.20 LMT (as on 1st July).
>
> However, FCI continuously assesses and monitors the storage capacity and based on the storage gap assessment, storage capacities are created/ hired.
>
> FCI is augmenting its storage capacity through following schemes: -
>
> 1. Private Entrepreneurs Guarantee (PEG) Scheme
> 2. Centre Sector Scheme (CSS).
> 3. Construction of SILO's under PPP mode
> 4. Hiring of godown from CWCs/SWCs/State Agencies
> 5. Hiring of godown under Private Warehousing Scheme (PWS)
> 6. Construction under asset monetization

4.8 The Department 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):Capacity utilization as on 30 June is also given:

(Fig. in LMT)

Year	Capacity/ Stocks	Covered Capacity (As on 30 June)			CAP Capacity (As on 30 June)			Grand Total	% Utilization
		Owned	Hired	Total	Owned	Hired	Total		
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	374.53	
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	366.96	
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	424.41	
2022-23	Capacity	148.25	264.75	413.00					
	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					

4.9 In written reply to a query on the reasons for FCI having lesser owned storage capacity vis- a – vis hired one, the Department 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."

4.10 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 Department stated that there is no specific assessment made with regard to expenditure on rental liability vis-à-vis owned storage capacity in all the states/UTs. Although all India rate is being derived with respect to owned godowns and hired godowns based on actual expenditure incurred and capacity utilized in order to assess the current year's storage cost and to project the storage cost for subsequent year.

The Department further stated that storage cost in Rs. per qtl. Per month of average capacity for different types of hiring for 2024-25 (RE) and 2025-26 (BE) are as under: -

Rate rs / Qtl of Average Capacity per month

Particulars	2024-25 (RE)	2025-26 (BE)
1. COVERED		
a) Owned	6.83	6.83
b) CWC(including PEG)	10.30	10.29
c) SWC(including PEG)	10.30	10.29
d) Pvt. Parties	12.01	11.95
e) Pvt. Parties (PEG)		
f) Pvt. Parties (PEG) by FCI		
g) PWS 2010		
h) State Govt.	10.58	10.52
i) Silo	10.15	10.69

4.11 When asked about storage capacity constructed by FCI since 2020-21 year wise and physical and financial targets and actual achievement for construction of godowns in the wake of implementation of NFSA 2013, the Department informed as under:-

The Year-wise target and achievement (Physical and Financial) for the construction of Godowns by FCI under Central Sector Scheme is as follows:

Year	Physical (in MT)		Financial (in Rs. Cr.)	
	Target	Achievement	Target	Achievement
2020-21	36640	0	61.00	34.69
2021-22	36640	20000	65.00	21.97
2022-23	16640	11140	90.00	46.49
2023-24	50100	1760	133.75	52.75
2024-25 (as on 31.01.2025)	58540	10000	132.66	47.30

2020-21 and 2021-22 were COVID affected years where targets got rolled over to next years. In 2023-24, the balance on hand remaining project sites were mainly affected due to land disputes and natural disasters etc which got rolled over to next year.

4.12 Responding to a query as what efforts made by Department to increase storage capacity of foodgrains in states/UTs, the Department also informed that Government of India is implementing a Central Sector Scheme for the construction of godowns with a focus on augmenting storage capacity in the States of the North-Eastern (NE) Region and a few other states, i.e. Other than NE head. Under this Scheme, funds are released directly to FCI in the form of equity for land acquisition and construction of food storage godowns and other infrastructure entities like Railway Sidings, electrification, installation of Weighbridge, labour shed, ancillary structure etc. in the godown complex.

Under the Central Sector Scheme (2017-20), which has been extended up to 31.03.2025, a total capacity of 1,05,890 MT in NE regions and 54,760 in Other than NE regions have been approved to be completed with a financial outlay of Rs. 484.08 Cr (Rs. 379.50 Cr for NE & Rs. 104.58 Cr for Other than NE).

Under this scheme, a total capacity of 88,770 MT (57,550 MT in NE regions and 31,220 MT in Other than NE regions) has been created by FCI from 01.04.2017 to 31.12.2024. Apart from this, in NE regions, there are 4 works (48,340 MT) which are currently in progress. In Other than NE regions, a total of 3 works (23,540 MT) are under progress.

Storage capacity of FCI depends upon the level of procurement, requirement of buffer norms and PDS operations. Storage gap is assessed in the procuring States based on the highest stock levels in the last three years and in the consuming States on the basis of 4 months (6 months in case of North Eastern States and in some other states like J&K, Ladakh, Himachal Pradesh, Uttarakhand, Andaman & Nicobar and Lakshadweep) requirement of NFSA and OWS.

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: -

a) Private Entrepreneurs Guarantee (PEG) Scheme
b) Centre Sector Scheme (CSS).
c) Construction of SILO's under PPP mode

d) Hiring of godown from CWCs/SWCs/State Agencies
e) Private Warehousing Scheme (PWS)
f) Creation of godown under Asset Monetization.

4.13 Responding to a query as what difficulties Department is facing in execution of augmentation work of storage capacity in states/UTs, the Department stated that following difficulties faced by the FCI in execution of augmentation work of storage capacity in states:

i. Acquisition of land: The acquisition of land, which is done through the respective State Governments, is the most difficult task associated with any godown construction project in Central Sector Scheme. Due to non-availability of suitable land, the projects at times get delayed.

ii. Climate and topography: The difficult terrain and climate of North-East and other Hilly states like Himachal Pradesh makes it difficult to execute the work at full pace. During extended monsoons, the work gets halted for longer duration.

iii. Resistance from the local residents: At some locations, there have been instances of resistance being faced from the local residents during the construction of godowns. To overcome these resistances, the help from the State Governments and local police is being taken as and when required.

4.14 The Committee are concerned to note that during the years 2021-22, 2022-23, 2023-24 and 2024-25 (as on 31.01.25), 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. 133.75 crore, but achievement was only Rs 52.75 crore. Physical target set during the Financial Year 2024-25 was 58540 MT but its achievement was only 1000 MT (as on 31.01.2025).Financial target set during the year 2024-25 was Rs. 132.66 crore, but achievement was only Rs 47.30 crore.

The Department has submitted that in case of Central Sector Scheme "Storage & Godowns", land acquisition from the State Governments is the most difficult task associated with any godown construction project in Central Sector Scheme. Due to non-availability of suitable land, the projects at times get delayed. Along with that, the difficult terrain and climate of North-East and other Hilly states like Himachal Pradesh makes it difficult to execute the work at full pace. During extended monsoons, the work gets halted for longer duration. 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, a practical implementation strategy of the plans should have been formulated. The Committee, therefore, recommend the Department to formulate a better implementation strategy to achieve the targets and solve these issues effectively and timely manner.

(Recommendation No.8)

4.15 The Committee note that during the year 2024-25, FCI has an owned storage capacity of 147.00 Lakh Metric Tons (LMT) compared to a significantly higher hired storage capacity of 261.09 LMT. The Committee has been informed that the reason for FCI's reliance on hired storage is that hiring or constructing godowns through warehousing corporations and private investors is more cost-effective than building and maintaining FCI-owned storage facilities. The Committee further observe that, despite the substantial disparity between owned and hired storage capacities, there has been no comprehensive assessment or evaluation regarding the total expenditure incurred on rental liabilities compared to the cost of maintaining owned storage capacities across various States and Union Territories (UTs). This lack of a systematic analysis makes it difficult to fully assess whether the current approach of relying heavily on hired storage is indeed more cost-efficient in the long run, or not.

The Committee, therefore, strongly recommend that a detailed survey or study be conducted to assess the expenditure on rental liabilities associated with hired storage facilities as compared to the costs of maintaining owned storage capacity in all States and UTs. Such a study will provide valuable insights into the true cost-effectiveness of FCI's storage strategy and enable informed decision-making regarding future investments in storage infrastructure.

(Recommendation No. 9)

C. Construction of Silos

4.16 Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing food grains in bulk. It ensures better preservation of food grains and enhances its shelf life. If food grains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to food grains storage in bags in conventional warehouses.

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

Steel Silos: present scenario

PRADHANMANTRI GARIB KALYAN ANNA YOJANA

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**

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

> **"**As on 16.02.2025, construction of railway siding Silos with total capacity of 23.25 LMT at 42 locations [Circuit Base Silos (5.50LMT) 07 locations and Railway Siding Silos(17.75LMT)] 35 locations Completed Silos) are completed and in operation in the state of Punjab Haryana, Madhya Pradesh, Uttar Pradesh, Maharashtra, Tamil Nadu, Karnataka, Bihar, Gujarat, West Bengal and Assam."

4.19 With regard to the future constructions of silos which are in pipeline, the Department submitted as under :-

> **"**The future construction of silos currently in the pipeline includes rail-siding silos with a capacity of 6.5 LMT at 13 locations in the states of Punjab, Haryana, UP, Gujarat, Bihar and West Bengal. Additionally, under the Hub & Spoke Model Phase-1, there are silos with a capacity of 10.125 LMT at 14 locations under DBFOT mode, and 24.75 LMT at 66 locations under DBFOO mode, both of which are under construction.
>
> Furthermore, tenders for Phase-II of the Hub & Spoke Model, which involves silos with a capacity of 25.125 LMT at 54 locations under DBFOO mode, were opened on 23.01.2025 and are currently under evaluation for finalization."

4.20 The Representatives of the Department appearing before the Committee on 20 February, 2025 submitted to the Committee as under:

> "The Department has taken a positive step of scientific and cost-effective storage of food grains by constructing steel silos. Since 2008-09, we have started this initiative and I would like to say that the major savings in silo is due to bulk handling and we have weeded out the use of gunnies at procurement stage. Further, savings are possible due to reduced loss in storage, reduced handling and losses due to transportation to silos. Transit loss is also very less. Silos are visualized also as procurement centres where small and marginal farmers can bring directly the produce for purchase there, thus simplifying operational complexities.
>
> Additionally, silos are mechanically operated, turnaround time for intake and offtake of agri-produce is significantly reduced as against a full day required for mandi purchases. The other advantage of silo is that it occupies very less area, that is, one third of the land area compared to conventional storage. We have achieved 23.25 LMT capacity already, which are functional and I would like to share with you that work of 41.37 LMT is under process and we are evaluating 25.15 LMT at present and tenders will be awarded soon for construction."

4.21 The Committee note that Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing food grains in bulk. This ensures better preservation of foodgrains and enhances its shelf life. The Committee also note that if food grains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to food grains storage in bags in conventional warehouses. The Committee have been informed that Silos with capacity of 23.25 LMT at various locations throughout country are under implementation, out of which a capacity of 17.75 LMT are completed and remaining 5.50 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 emphasize 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 and desire that during the development process in various models this should be ensured positively.

(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 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 three 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	Sugar season 2024-25
Carryover stocks	145.00	110.00	85.00	70 (as per actual stock verification by Cane Commissioners)	57	79
Production of sugar	274(after discounting diversion of 9 LMT)	310.00 (after discounting diversion of	308.00 (after discounting diversion of	330 (after discounting diversion of 43 LMT)	320 (after discounting diversion of 24 LMT)	275 (after discounting diversion of 40 LMT)

		24 LMT)	35 LMT)			
Imports	-	-	-	-	-	-
Availability	419	420.00	393.00	400	377	354
Consumption/ demand	249.00	265.00	270.00	280	298	290
Exports	60.00	70.00 (10 LMT more than target)	50.00	63	0	10

5.3 In written reply to a query on the present rate of Statutory Minimum Price (SMP) for Sugarcane, the Department stated thatthe 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 Department submitted thatFRP 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/qtl 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 2020-21 and onwards is tabulated below:

Sugar Season	**FRP (Rs. per quintal)**	**Basic Recovery Level**
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 Four years & Current Year is as under:

Sugar Season	Area under sugarcane cultivation (Lakh Hect.)	% Increase/ Decrease over previous Sugar Season
2020-21	48.51	+5%
2021-22	51.75	+6.6%
2022-23	58.85	+13.7%
2023-24	57.40	-2.5%
2024-25	53.69	-6.9%

Source: Department of A & FW

5.6 On being asked about the steps taken by the Department to increase Sugarcane Production, the Department 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 Department stated thatThe 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 were 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. During the current season 2024-25, out of 765 sugar mills, only 514 sugar mills are operating.

B. Sugarcane Arrears

5.8 The Department has intimated that total amount of cane Price arrears in the country as on 10.02.2025 is Rs 14481 Crores. Current position of State-Wise Arrears is as under:

S.No	Name of State	Cane Price Arrears (in Rs Cr)		
		2022-23	2023-24	2024-25 (as on 10.02.2025)
1	Uttar Pradesh	103	151	4017
2	Maharashtra	1	2	2595
3	Karnataka	0	0	3750
4	Gujarat	0	8	1352
5	Tamil Nadu	0	1	39
6	Bihar	0	0	220
7	Haryana	0	0	528
8	Punjab	0	0	506
9	Madhya Pradesh	0	0	532
10	Uttrakhand	0	10	309
11	Andhra Pradesh	0	8	34
12	Telangana	0	0	167
13	Chhattisgarh	0	0	148
14	Odisha	0	0	0
15	Rajasthan		0	
	All India	**104**	**180**	**14197**

5.9 On being asked about the measures taken by the Department to liquidate the Cane Price Arrears, the Department 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 99.9% of cane dues up to sugar seasons 2022-23 have been cleared. For the previous sugar season 2023-24, about 99.8% cane dues have been cleared as on 10.02.2025.

5.10 The Department further submitted as under :-

> "The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are vested with the State Governments/UT Administrations. Further, the Central Government advises the State Governments/UTs from time to time to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills."

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 10.02.2025 is Rs 14481 crore. 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 remaining Cane price arrears to the farmers at the earliest and apprise the Committee accordingly.

(Recommendation No.11)

C. Ethanol blending programme

5.12 Ethanol blended with petrol (EBP) Programme in India was launched with the objectives of reducing import dependency on crude oil, conserving foreign exchange, reducing carbon emission and providing boost to agriculture sector. Government of India has been implementing Ethanol Blended Petrol (EBP) Programme throughout the country wherein OMCs sell petrol blended with ethanol. Under EBP Programme, the Government has fixed the target of 20% blending with petrol by Ethanol Supply Year (ESY) 2025-26. In order to achieve 20% ethanol blending target by ESY 2025-26, anticipated requirement of ethanol for blending and other uses is about 1350 crore litres which requires about 1700 crore litres ethanol production capacity by ESY 2025-26 considering that plant runs at 80% efficiency.

5.13 Government initiatives to facilitate setting up of Ethanol Production plants: 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 270-290 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.

The Government 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 sugar mills and distilleries to enhance their ethanol production capacities. Under all these subvention schemes, Government is facilitating project proponents to avail loans from banks/financial institutions for which interest subvention @ 6% or 50% of the interest charged by the banks/financial institutions, whichever is lower, is being borne by the Government for a period of five years including one year moratorium period. As a result of ethanol interest subvention schemes, ethanol production capacity in the country has increased significantly and has reached to 1713 crore litres(which includes 945 crore litres of sugarcane based capacity and 768 crore litres of grain based capacity) (status as on 31.12.2024).

Similarly, Production of fuel grade ethanol and its supply to OMCs has increased by more than 18 times from ESY 2013-14 to ESY 2023-24. In ESY 2023-24(Nov-Oct), about 707 crore litres of ethanol has been blended by OMCs thereby achieving blending of 14.60%. In current ESY 2024-25, blending of 16.52% has been achieved by blending about 148 crore litres of ethanol(as on 05.01.2025).

5.14 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.

5.15 The Department further submitted as under :-

> "In order to find a permanent solution to address the problem of excess sugar, Government has been encouraging sugar mills to divert excess sugarcane to ethanol. The Government of India has been implementing Ethanol Blended with Petrol (EBP) Programme throughout the country wherein Oil Marketing Companies (OMCs) sell petrol blended with ethanol. Under EBP Programme, Government has fixed the target of 20% blending of ethanol with petrol by 2025.
>
> In the SS 2023-24, due to estimated drop in the production of sugar in the country, the diversion of sugar to ethanol produced from sugarcane juice and B-Heavy molasses has been restricted to 24 LMT. However, for SS 2024-25, the diversion of 40 LMT of sugar to ethanol has been allowed."

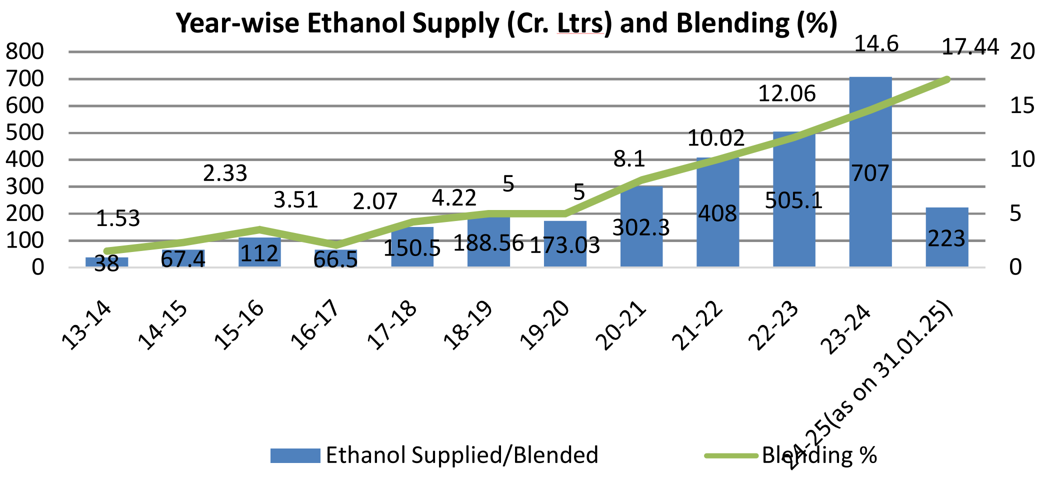
5.16 The Department informed that production of ethanol by sugar mills and its sale to OMCs has generated a new stream of revenue for sugar mills which has helped in making the sugar industry more viable and farmers are getting their dues paid on time. During last 11 sugar seasons i.e. from SS 2013-14 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 form 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	254	15447
Total	**2130**	**108559**

5.17 The Department in their power point presentation has informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 14.60% in current Ethanol Supply Year (ESY) 2024-25:-



5.18 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 240 sugar mills with ethanol distilleries having an estimated ethanol production capacity of about 782 crore liters per annum. Out of Rs. 4687 crores allocated, so far, DFPD has released Rs. 1385 crores to NABARD for payment of interest subvention to the lending banks/financial institutions of eligible projects and NABARD has released about Rs. 1272 crores as on 31.01.2025 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. 1272 crores which is as under:-

Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity

Total Budget Outlay (in Cr. Rs.)	4687
Total Funds released to NABARD (Nodal Agency)(in Cr. Rs.) (upto 31.01.2025)	1272.50
Total Funds Utilized by NABARD (in Cr. Rs.) (upto 31.01.2025)	1271.86

Summary regarding State-wise Utilization of Funds by NABARD is as under:

Sl .No.	**State**	**Amount Released by NABARD (in Cr. Rs.)**
1	Uttar Pradesh	324.12
2	Andhra Pradesh	8.03
3	Assam	5.25
4	Bihar	69.78
5	Chhattisgarh	6.12
6	Gujarat	8.67
7	Haryana	45.59
8	Jharkhand	10.25
9	Karnataka	293.03
10	Madhya Pradesh	66.70
11	Maharashtra	263.58
12	Odisha	14.33
13	Punjab	87.01

14	Rajasthan	0.82
15	Tamil Nadu	6.00
16	Telangana	17.57
18	Uttarakhand	11.38
19	West Bengal	33.62
Grand Total		**1,271.86**

5.19 The Department 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 sugar Mills for enhancement and augmentation of ethanol production capacity	2020-21	50	150	150
	2021-22	300	160	160
	2022-23	300	259.83	175
	2023-24	400	400	400
	2024-25	450	600	
	2025-26	600		

5.20 On being asked about the reasons for allocating larger amount of Rs. 600 crores at RE stage during the year 2024-25, the Department submitted that the budget for FY 2024-25 was increased to Rs. 600 crores at RE stage from Rs. 450 crores 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. 600 crores allocated during FY 2024-25, an expenditure of Rs. 450 crores has been done by releasing funds to NABARD (status as on 31.01.2025).

5.21 On being asked about the Department plan to spend Rs 600 crore allocated as BE during 2025-26, the Department stated that the Department has requested for allocation of Rs 800 crore for BE 2025-26. 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, are raising their claims to NABARD for releasing interest subvention, therefore, the demand of funds from NABARD will increase in upcoming FY 2025-26.

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 1722 cr. Ltrs. as on 31.1.2025 fostering their efforts towards achieving target of 20% ethanol blending. The Committee have been informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 17.44% in current Ethanol Supply Year (ESY) 2024-25 upto 31.1.2025. 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 Department 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)

Chapter VI

Edible Oils

Edible oils and Fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. The Directorate of Sugar and Vegetable Oils (DSVO) under this Department assists in coordinating management of edible oils in the country through a multi-pronged strategy, namely, (i) assessment of the domestic demand for edible oils and its availability from domestic sources. Mismatch of demand and supply is met through import of edible oils so as to maintain their prices at reasonable level; (ii) It also closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures whenever necessary.

6.2 Domestic production of edible oils is unable to meet domestic demand. As per the Final Advance Estimates released on 25.09.2024 by the Department of Agriculture and Farmers Welfare, the estimated production of oilseeds for 2023-24 is 396.69 LMT as against 413.55 LMT in 2022-23. The total availability of edible oils from all sources (primary and secondary) for 2023-24 is estimated at 121.75 LMT as against 124.23 LMT in 2022-23. The gap between demand and supply of edible oils is around 55% and is met through imports. The major oils imported are Crude Palm oil, Refined Palm Oils, Crude Soyabean oil and Crude Sunflower oil.

6.3 The Department also furnished the details of production, demand, supply, consumption, availability & import of edible oils in the country during the last four years is given in the table below:

(Qty in Lakh tons)

Year (Nov.-Oct.)	Area Under Cultivation of Oil Seeds (LHa)	Production of Oilseeds (LMT)	Domestic Availability of Edible Oils	Imports of Edible Oils*	Total Availability/ Consumption	% Self sufficiency	% Share of imports
2020-21	288.2	359	111.51	134.52	246.03	45.3	54.7
2021-22	291.6	379.63	116.5	141.93	258.44	45.1	54.9
2022-23	302.3**	413.55**	124.23**	165.00	289.23	42.95	57.04
2023-24	301.9**	396.69**	121.75**	156.55	278.3	43.74	56.25

Note – Data for 2024-25 is not available, as the first advance estimate of DAFW (release on 5.11.2024) only cover Kharif oilseeds crops

* Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce)

**Based on the Final Advance Estimates declared by DACFW released on 25.09.2024

Import Policy on Edible Oils

6.4 Import of edible oils is under Open General License (OGL). In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. The Country has to rely on imports to meet the gap between demand and supply. In a bid to control the continuous rise in the cooking oil prices since past one year, the Central Government had reduced the Basic Custom Duty on Crude Palm Oil, Crude Soyabean Oil and Crude Sunflower Oil from 2.5% to Nil. The Agri-cess on these Oils was brought to 5%.The Basic Custom Duty on Refined Soyabean oil and Refined Sunflower Oil was reduced to 17.5% from 32.5% and reduced from 17.5% to 12.5% for Refined Palm Oils. The basic duty on Refined Soyabean oil and Refined Sunflower Oil was reduced to 12.5% from 17.5% on 15.06.2023 and above duty structures were extended up to 31st March 2025.

6.5 Recently on 13th September, 2024, the Basic Custom Duty on has been increased from nil to 20% for Crude Edible oils (crude soybean oil, crude palm oil and crude sunflower oil) , making the effective duty on crude oils 27.5% (including 5% AIDC) with a view to strengthen the domestic oilseed farmers. The new edible oil prices will enhance domestic oilseeds prices and support increased production.

For Refined oils (refined soybean, refined palm oils, and refined sunflower oil) the Basic Custom Duty has been increased from 12.5% to 32.5%. This makes the effective duty on refined oils 35.75%. The Government has extended the free import of Refined Palm Oils till further orders.

Export Policy on Edible Oils

6.6 In order to ensure availability of edible oil in the country, export of edible oil has been banned w.e.f. 17.03.2008, which was extended from time to time. With effect from 06.02.2015, export of rice bran oil in bulk has been permitted. With effect from 27.03.2017, export of groundnut oil, sesame oil, soyabean oil and maize (corn) oil has been permitted. With effect from 06.04.2018, export of all edible oils except mustard oil was made free without quantitative ceiling; pack size etc, till further orders. Export of mustard oil is permitted in packs of up to 5 Kg with a Minimum Export Price (MEP) of USD 900 per MT. Except for Mustard Oil, Export of edible oils is permitted without any restrictions.

6.7 Exports of Vegetable Oils and Oilseeds during the last five years are as under: -

(Qty.in lakh tons)

Year(April-March)	Oil Seeds	Vegetable Oils
	Qty.	Qty.
2020-21	10.15	3.02
2021-22	8.22	0.98
2022-23	9.64	2.01
2023-24	9.57	2.13
2024-25 (April – December)	5.29 (April – October)	2.27

Note-Export Data is available till Dec. 2024,Source: DGCIS

6.8 On being asked about the specific steps taken by DSVO in the line with Governments commitment for achieving Aatmanirbharta for edible oil, the Department in its written replies submitted the following details :-

"DSVO's mandate is to coordinate management of edible oils in the country through a multi-pronged strategy and closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures such as import duty calibration, fixation of tariff values, stock limits, allocation of Tariff Rate Quotas TRQs) etc whenever necessary.

The Government increased the Basic Customs Duty (BCD) on various edible oils to support domestic oilseed prices. Effective September 14, 2024, the Basic Customs Duty on Crude Soybean Oil, Crude Palm Oil, and Crude Sunflower Oil has been raised from 0% to 20%, making the effective duty on crude oils to 27.5%. Additionally, the Basic Customs Duty on Refined Palm Oil, Refined Sunflower Oil, and Refined Soybean Oil has been increased from 12.5% to 32.5% making the effective duty on Refined oils as 35.75%.

These adjustments are part of the government's ongoing efforts to bolster domestic oilseed farmers, especially with the new soybean and groundnut crops were expected to arrive in markets from October 2024. The decision follows comprehensive deliberations and is influenced by several factors: increased global production of soybean, oil palm, and other oilseeds; higher global ending stocks of edible oils compared to last year; and falling global prices due to surplus production. By raising the landed cost of imported edible oils, these measures aim to enhance domestic oilseed prices, support increased production, and ensure that farmers receive fair compensation for their produce."

6.9 The Department further submitted as under :-

"Department of Agriculture & Farmers Welfare (DA&FW) is implementing National Mission on Edible Oils-Oilseeds (NMEO-OS) scheme to focus on enhancing the production of key primary oilseed crops such as Rapeseed-Mustard, Groundnut, Soybean, Sunflower, and Sesamum, as well as increasing collection and extraction efficiency from secondary sources like Cottonseed, Rice Bran, and Tree Borne Oils. Also, National Mission on Edible oil – Oil palm(NMEO-OP) is committed to escalating oil palm cultivation and elevating Crude Palm Oil production to 11.20 lakh ton by 2025-26."

6.10 Responding to a query as to what efforts has the Department made to reduce the dependency on imports, the Department in its written replies submitted as under :-

"Domestic demand for edible oils has been increasing at a pace faster than that of production due to growth in population and improvement in the living standards of people i.e 10 LMT per annum, hence domestic production is insufficient to meet the demand. The short fall which is around 56% is met through imports.

In order to protect domestic oilseed farmers and reduce the dependency on imported edible oils, the government calibrates the Basic Customs Duty from time to time keeping in view the interest of the farmers & consumers and the international prices of edible oils. For instance, as of September 2024, the Basic Customs Duty (BCD) on crude oils has been increased from 0% to 20%, and the BCD on refined oils has been raised from 12.5% to 32.5% with an aim to make imported oils less competitive compared to domestic produced oils, thus encouraging local production."

6.11 Responding to a query as to what is the mechanism adopted by the Department to monitor and regulate the price of edible oils in the market, the Department in its written replies submitted the following details :-

"Division closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures such as rationalizing Basic Customs duty structure. Imposition of stock limits, fixation of Tariff Values on imported oils etc. Department also advises Edible oil industries and associations from time to time to align the domestic prices with the international prices so as to reduce the burden on the consumers."

6.12 On being asked about the measures been taken taken measures to ensure sufficient supply of edible oils across different regions of the country and how is the government addressing potential shortages of edible oils in specific areas, the Department in its written replies submitted that Department regularly monitor edible oil prices across regions of the country to ensure the availability and that the prices remain stable. If prices rise excessively, the department considers necessary policy intervention such as rationalizing Basic Customs duty structure. Imposition of stock limits, fixation of Tariff Values on imported oils etc.

6.13 Responding to a query as to what is the current policy on edible oil imports, and are there plans to adjust it based on market demand, the Department in its written replies submitted the following facts :-

"India's current policy on edible oil imports is "Free" with applicable Basic Customs Duty and Tariff value which is designed to regulate the import of edible oils, promote domestic production, and reduce the dependency on imports while ensuring fair pricing. The policy is aimed at balancing the needs of domestic consumers, farmers, and importers, with the long-term goal of reducing the country's reliance on imported oils.

The current Basic Customs Duty (BCD) on crude oils has been increased from 0% to 20%, and the BCD on refined oils has been raised from 12.5% to 32.5% with effect from 14th Sept. 2024. This aims to make imported oils less competitive compared to domestic products, thus encouraging local production. India's policy on edible oil imports is dynamic and is adjusted based on market demand, global price fluctuations, and domestic production levels.

6.14 It has been noted that on 13th September, 2024, effective custom duty on crude edible oil has been increased to 27.5% and 35.75% on refined oils. When asked will the increase in import duty hamper the supply of edible oils in the country while our supply is dependent on imports, more than 50%, the Department informed as under:-

> "The increase in Basic Customs Duty has resulted in an increase in the domestic prices, however, there is no evident hamper in the supply of edible oils in the country as usually both the importing country and the exporting country absorb the increase by 50% each in a well-supplied market."

6.15 Responding to a query as to what are the criteria used to select edible oil importers, and are there measures to prevent unfair practices, the Department in its written replies submitted that the Import of edible oil is under Open General License (OGL) and any importer with the requisite documents can import edible oils. However, Department tracks the market behavior of edible oil importers to ensure that they do not indulge in hoarding or profiteering, especially during periods of high demand.

6.16 The Committee note that Directorate of Sugar and Vegetable Oil (DSVO) coordinates the management of edible oils in the country through a multi-pronged strategy and closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures such as import duty calibration, fixation of tariff values, stock limits, allocation of Tariff Rate Quotas (TRQs) etc whenever necessary. Further, they observe that the gap between demand and supply of edible oils is around 55% and is met through imports. On the matter of controlling continuous rise in the cooking oil prices since past one year, they have been apprised that Central Government had reduced Basic Custom Duty on Refined Soyabean oil and Refined Sunflower Oil to 17.5% from 32.5% and from 17.5% to 12.5% for Refined Palm Oils up to 31st March 2025. In view of ongoing challenges related to the rise in cooking oil prices, the gap between domestic demand and supply of edible oils, and the recent policy changes regarding import duties, the Committee recommend the Department to consider a balanced approach to ensure the sustainability of both domestic oilseed farmers and consumer price stability specifically by monitoring and defining import duty structures, stock management and strengthening domestic oilseed production.

(Recommendation No. 13)

NEW DELHI;
<u>11 March , 2025</u>
20 Phalguna, 1946 (Saka)

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

Annexure I

Statement showing Production and procurement of Wheat under MSP last five years and current year

Fig. in LMT

S.N.	STATES/ UTs	RMS 2020-21		RMS 2021-22		RMS 2022-23		RMS 2023-24		RMS 2024-25	
		Production	Procurement	Production	Procurement	Production	Procurement	Production	Procurement	Production	Procurement
1	Telangana	0.09	0.00	0.16	0.00	0.14	0.00	0.00	0.00	0.07	0.00
2	Assam	0.14	0.00	0.13	0.00	0.11	0.00	0.12	0.00	0.13	0.00
3	Bihar	55.80	0.05	61.50	4.56	62.24	0.03	65.06	0.01	71.68	0.10
4	Chhattisgarh	1.15	0.00	2.48	0.00	1.92	0.00	1.90	0.00	1.81	0.00
5	Gujarat	33.27	0.77	32.59	1.71	33.34	0.00	34.64	0.00	37.73	0.00
6	Haryana	118.76	74.00	123.94	84.93	104.47	41.86	109.29	63.17	111.91	71.50
7	H.P.	5.63	0.03	5.70	0.13	5.49	0.03	5.92	0.03	7.88	0.03
8	J&K	4.88	0.00	4.84	0.24	5.84	0.00	5.87	0.00	5.87	0.00
9	Jharkhand	4.39	0.00	5.44	0.00	5.19	0.00	4.39	0.00	4.81	0.00
10	Karnataka	1.80	0.00	2.62	0.00	2.12	0.00	2.00	0.00	1.90	0.00
11	M.P.	196.07	129.42	181.82	128.16	229.78	46.04	227.30	70.97	225.81	48.39
12	Maharashtra	17.94	0.00	20.71	0.01	21.44	0.00	23.74	0.00	19.88	0.00
13	Odisha	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Punjab	176.16	127.14	171.86	132.22	148.61	96.45	167.83	121.17	177.37	124.56
15	Rajasthan	109.16	22.25	110.35	23.40	100.96	0.10	106.36	4.38	97.00	12.06
16	UP	338.16	35.77	355.07	56.41	339.50	3.36	336.10	2.20	353.40	9.31
17	Uttrakhand	9.04	0.38	9.55	1.44	8.63	0.02	8.31	0.00	8.69	0.02
18	West Bengal	5.10	0.00	5.95	0.00	6.56	0.00	5.57	0.00	5.93	0.00
19	Others	1.06	0.11	1.14	0.23	1.08	0.03	1.14	0.09	1.05	0.08
	TOTAL	**1078.61**	**389.92**	**1095.86**	**433.44**	**1077.42**	**187.92**	**1105.54**	**262.02**	**1132.92**	**266.05**

Note: No production or target for ensuing RMS 25-26 is available.

Annexure II

Statement showing Production and procurement of Paddy/rice under MSP last five years and current year

Figure 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. (in LMT) Rice	Proc. (in terms of rice)	Prod. (in LMT) Rice	Proc. (in terms of rice)	Prod. (in LMT) Rice	Proc. (in terms of rice)	Prod. (in LMT) Rice	Proc. (in terms of rice)	Prod. (in LMT) Rice	Proc. (in terms of rice)	Prod (as per 1st adv.estimates) Rice	Proc. (in terms of rice)
1	A.P.	86.59	55.33	78.87	56.66	77.40	44.61	79.42	27.55	73.42	20.39	45.18	14.13
2	Telangana	74.28	74.54	77.00	95.25	120.30	73.94	158.77	88.35	168.74	63.86	81.74	36.15
3	Assam	49.85	2.11	52.55	1.42	52.67	3.79	56.24	4.01	55.39	2.64	39.71	1.33
4	Bihar	62.98	13.41	68.82	23.84	71.02	30.09	70.23	28.17	79.02	20.63	78.25	23.3
5	Chattisgarh	67.75	50.53	71.61	47.62	76.19	61.65	98.12	58.65	97.03	83.00	93.03	70
6	Gujarat	19.83	0.15	21.47	0.74	23.30	0.82	23.96	1.18	24.07	0.57	23.97	0.24
7	Haryana	48.24	43.07	44.25	37.89	46.18	37.06	51.09	39.77	59.76	39.49	60.70	35.99
8	H.P.	1.44	0.00	1.46	0.00	1.40	0.18	1.31	0.09	1.73	0.15	1.62	0.25
9	Jharkhand	30.13	2.55	30.23	4.28	29.07	5.12	14.94	1.17	15.16	0.50	24.12	0.11
10	J&K	5.87	0.10	0.00	0.25	0.00	0.27	6.04	0.22	6.41	0.16		0.22
11	Karnataka	36.34	0.41	40.53	1.38	40.67	1.46	42.80	0.14	31.27		27.59	0
12	Kerala	6.06	4.83	6.51	5.20	6.79	5.09	5.96	4.97	4.98	3.80	1.00	1.02
13	M.P.	47.78	17.40	44.15	24.97	48.84	30.70	70.22	31.02	72.40	28.25	76.95	29.16
14	Maharashtra	28.98	11.67	34.48	12.72	34.31	12.27	38.99	12.38	39.00	7.80	34.39	5.95
15	Odisha	83.60	47.98	87.65	52.58	91.91	48.31	82.50	53.83	84.74	48.20	67.79	37.66
16	Punjab	117.79	108.76	121.77	135.89	128.73	125.48	129.91	122.01	143.56	124.14	146.82	116.13
17	Tamilnadu	71.71	22.04	72.83	30.53	80.26	18.76	75.57	23.01	67.99	23.77	20.85	9.42
18	Rajasthan	4.81	0.00	6.34	0.00	4.78	0.05	5.77	0.00	7.46	0.00	7.81	0
19	U.P.	155.18	37.90	156.64	44.79	152.73	43.91	161.43	43.89	159.90	36.05	217.43	37.45
20	Uttrakhand	6.58	6.82	7.14	7.18	6.81	7.74	6.34	6.00	6.44	4.89	5.15	4.51
21	WB	158.81	18.38	166.49	18.90	168.81	24.01	154.84	21.82	156.87	16.79	120.75	16.63
22	Others	24.10	0.29	31.86	0.36	34.30	0.57	23.10	0.43	22.91	0.39	24.49	0
	Total	**1188.70**	**518.27**	**1222.65**	**602.45**	**1296.47**	**575.88**	**1357.55**	**568.66**	**1378.25**	**525.47**	**1199.34**	**439.94**

#Upto 13.02.2025

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025) HELD ON THURSDAY, 20TH FEBRUARY, 2025

The Committee sat from 1100 hrs. to 1315 hrs. in Committee Room No. 1, Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

Members

Lok Sabha

2. Shri Manish Jaiswal
3. Shri Manoj Kumar
4. Shri Sunil Kumar
5. Shri Bharat Singh Kushwah
6. Shri Neeraj Maurya
7. Shri Ashok Kumar Rawat
8. Shri Rao Rajendra Singh
9. Shri Bajrang Manohar Sonwane

Rajya Sabha

10. Smt. Sumitra Balmik
11. Shri Prakash Chik Baraik
12. Smt. Ranjeet Ranjan

SECRETARIAT

1. Dr. Ram Raj Rai - Joint 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 (2025-26).

Representatives of the Ministry of Consumer Affairs, Food and Public Distribution

(Department of Food and Public Distribution)

Sl. No.	Name	Designation
1.	Ms. Tanuja Thakur Khalkho	JS & FA
2.	Ms. C. Shikha	JS (Policy & FCI)
3.	Shri Ashutosh Agnihotri	CMD, FCI
4.	Shri Santosh Sinha	MD,CWC
5.	Smt. Anita Praveen	Chairman, WDRA
6.	Smt. Anita Karn	JS (Storage), DFPD
7.	Ms. Nandita Mishra	Sr. Economic Advisor, DFPD
8.	Shri Rajendra Kumar	Joint Secretary (Admn., CVO & IC),DFPD
9.	Shri Ashwani Srivastava	JS (Sugar & DSVO),DFPD
10.	Shri Ravi Shanakar	JS(PD, BP and NFSA), DFPD
11.	Shri Sangeet	JS(S&R and PMC), DFPD
12.	Shri Anirudh Kumar	JS, WDRA
13.	Smt. Vanita Rattan Sharma	ED (Finance), FCI
14.	Shri Akhilesh Misra	ED(E&P, IFS, Personnel, RPI, SPB, Training), FCI
15.	Shri A.S. Arunanchalam	ED(Purchase, QC, Stocks, ICAR), FCI
16.	Dr. Ajit Kumar Sinha	ED (Proc/Stock/S&C), FCI
17.	Shri Sudeep Singh	ED (Coordination, I&E, IRL, P &R, PR), FCI
18.	Shri Manoj Kumar Jain	ED (Engg, IT, Silos, Movement), FCI
19.	Shri Ashutosh Joshi	ED(Sales), FCI
20.	Dr. H.B. Das	Sr. GM (Finance), CWC
21.	Ms. Jenny Kiloung	CCA, DFPD
22.	Shri Pankaj Singh	Director(Finance & Budget), DFPD
23.	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 (2025-26). 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 2025-26 w.r.t Department of Food and Public Distribution, details of major programmes/schemes to be implemented by the Department during the year 2025-26, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), sugar sector

schemes, storage and godowns, 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, scheme-wise budget for FY 2023-24, 2024-25 and proposed 2025-26, procurement policy, storage capacity, rice fortification initiative, initiatives in the sugar sector, reforms in Public Distribution System-Smart PDS, food subsidy under PMGKAY scheme, creation of steel silos etc.

6. The Representatives also briefed the Committee on various aspects of the Demands for Grants (2025-26) of the Department and highlighted various initiatives taken by them concerning the Department of Food and Public Distribution. Besides, the matters such as reforms in the Public Distribution System, Construction of Godowns, 20% Ethanol Blending by 2025, rice fortification initiative, construction of silos etc. were also discussed.

7. The Members then sought certain clarifications on the issues related to the Demands for Grants (2025-26) of the Department regarding budgetary allocations for 2025-26, Strengthening of PDS Operations, problems related to storage, sugar mills, rice fortification initiative, etc.

8. The Representatives, Department of Food and Public Distribution replied to some of the queries. The Chairperson thanked the Joint 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.

APPENDIX II

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025) HELD ON TUESDAY, 11TH MARCH, 2025

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room No. 62, Samvidhan Sadan, 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 Sukhjinder Singh Randhawa
6. Shri Manoj Kumar
7. Shri Sunil Kumar
8. Shri Bharat Singh Kushwah
9. Shri Neeraj Maurya
10. Shri Bastipati Nagaraju
11. Shri Haribhai Patel
12. Shri Bunty Vivek Sahu
13 Shri Rao Rajendra Singh
14. Shri Ujjwal Raman Singh
15. Shri Bajrang Manohar Sonwane
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. Smt. Ranjeet Ranjan
23. Shri Arun Singh
24. Shri Ryaga Krishnaiah

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. 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) xxxx xxxx xxxx xxxx

(ii) Draft Report on Demand for Grants (2025-26) 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 during ongoing session.

The Committee then adjourned.

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xxxx Matter does not relate to the Report

APPENDIX III

IMPORTANT OBSERVATIONS/ RECOMMENDATIONS OF THE COMMITTEE

Sl.No.	Para No.	Recommendation
1	2.11	The Committee note that total Budget allocated to the Department of Food & Public Distribution is Rs. 261406.37 crore for the year 2025-26 which includes Rs. 211386.14 crore for Revenue section and Rs. 50020.23 crore under Capital section. The Committee further note that BE for Revenue Schemes during 2024-25 was Rs. 212976.21 crore which was reduced at RE stage to Rs. 205366.31 crore and Actual Expenditure was also reduced to Rs. 176202.04 crore. Further, for Capital Section during 2024-25, BE was Rs. 50043.54 crore which was also raised at RE Stage to Rs. 50108.66 crore but Actual Expenditure was reduced to Rs. 24476.70 crore. In light of the differences between the RE and actual expenditure under the Capital section, the Committee recommend that the Department should adopt a more accurate and informed approach when preparing future budget estimates.
2	2.12	The Committee believe that such differences and variations between Revised Estimates and Actual Expenditure can be effectively addressed through careful and proactive planning. The Committee, therefore, urges the Department of Food and Public Distribution to actively engage with States and Union Territories, encouraging them to submit financial proposals in a timely manner. Additionally, the Department should take further initiatives to ensure that allocated funds for various schemes and programs are fully utilized within the financial year. To enhance the effectiveness and efficiency of fund utilization, the Committee recommend the Department to establish clear key performance indicators (KPIs) to quantify the achievements. These KPIs should be used to monitor the performance of schemes and projects, with a focus on ensuring their timely completion. Furthermore, the Committee emphasize the need for strengthened oversight and continuous improvement in monitoring the implementation of all schemes and projects.
3	3.16	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 i.e April 2023 to March 2026 with a

		total outlay of Rs. 349.90 crore. The Committee also note that Memorandum of Understandings (MoUs) have already been signed with 35 States/UTs (signing of MoU with Tamil Nadu in under process) for implementation of the SMART-PDS scheme. Budget division has allocated funds of Rs. 67.00 crore during 2025-26 as per requirement of funds for activities provisioned in the SMART-PDS scheme. The Committee have been informed that funds are to be released to States/UTs for State Project Implementation Team (SPIT) and to NIC/NICSI for development of SMART PDS application & other services for implementation of Centrally Sponsored Scheme -Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) during 2025-26. NIC, HQ has been entrusted with the task for development of the SMART PDS Application to be roll out pan India. 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. The Committee, therefore, desire the Department to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS reaches all the eligible beneficiaries within the scheduled time frame. The Committee may be apprised about the actual progress on regular basis.
4	3.22	The Committee note that a total quantity of approx. 1118 LMT foodgrains had been allocated under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) (Phase I-VII) for the period of 28 months with a total planned financial outlay was about Rs. 3.91 lakh crore. The Committee also note that the Central Government, in order to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the National Food Security Act, 2013 (NFSA), 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 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. Further, it was 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 by subsuming two food subsidy schemes under 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. 1,81,894 crore has been released as on 15.02.2025 to FCI and DCP States. The Committee acknowledge and appreciate the commendable efforts made by the Department of Food and Public Distribution (DFPD) and the Food Corporation of India (FCI) in successfully implementing the food distribution scheme, particularly during the challenging periods of the Covid-19 pandemic and its aftermath in ensuring the seamless delivery of food grains to vulnerable populations. In light of these achievements, the Committee emphasize the critical importance of ensuring that the funds allocated for food subsidy are utilized judiciously and with utmost responsibility. The Committee urge the Department to manage and monitor these grants carefully in order to ensure reach of these free food grains to the intended beneficiaries under NFSA with minimum wastage. The Committee firmly believe that such prudent utilization of funds will not only ensure the success of PMGKAY but will also contribute to the long-term food security and welfare of the population, particularly those most affected by economic and social challenges.
5	3.29	The Committee are happy to note that the centrally sponsored pilot scheme on "Fortification of Rice and its Distribution under the Public Distribution System was implemented in order to address anemia and micro-nutrient deficiency in the country from 2019-20 for three years, with an outlay of ₹ 174.64 crore. Cabinet Committee on Economic Affairs (CCEA) approved the scale-up of the initiative for supplying fortified rice under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) with a total outlay of ₹4269.76 crore by March 2024 in a phased manner. The Committee have also been informed that on 9th October 2024, the Government of India approved the continuation of universal supply of fortified rice under all central government schemes from July 2024 to December 2028, with 100% funding under PMGKAY (Food Subsidy), at a budget outlay of ₹17082 crore. The Committee consider that the extension of this scheme reflects a noble commitment towards addressing malnutrition and nutritional deficiencies among beneficiaries. Therefore, the Committee strongly

		recommend that the Department of Food and Public Distribution to ensure the meticulous implementation of the scheme across the country, with particular emphasis on States where rice is a staple food. By doing so, the Department can significantly contribute to the eradication of malnutrition, improving the overall health and well-being of vulnerable populations.
6	3.34	The Committee are happy to note that the Government has taken several steps to control transit losses such as implementation of High Security Cable Seals, accounting of Made-up bags, Deployment of Independent Consignment Certification Squad (ICCS) at the time of loading /unloading, Monthly Performance Review Meetings etc. Due to various initiatives/measures taken, transit losses are gradually reducing. 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. 188.66 crore (upto January, 2025) respectively. 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, implementing efficient routing and scheduling upgraded transport vehicles to maintain optimum temperature and humidity control can further lessen the transit losses.
7	4.5	The Committee has observed that the Food Corporation of India (FCI) is responsible for providing food grains for various welfare schemes administered by the Ministries of the Union Government, on a payment basis. However, the information provided by the Department highlights a significant issue of substantial outstanding dues owed by several Ministries. These arrears have accumulated over time, and the Committee are concerned that the recovery of these outstanding payments has remained an unresolved matter for an extended period. The Committee believe that the prolonged delay in settling these dues is detrimental to the efficient functioning of the food distribution system and undermines the financial management. In light of this, the Committee strongly recommend that the Department to take immediate and effective action to recover the outstanding dues from the relevant Ministries without further delay. The Committee emphasizes the

		importance of pursuing this matter at the highest levels, engaging with the concerned Ministries directly, and making joint Committee at the highest level to resolve the matter in time bound manner.
8	4.14	The Committee are concerned to note that during the years 2021-22, 2022-23, 2023-24 and 2024-25 (as on 31.01.25), 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. 133.75 crore, but achievement was only Rs 52.75 crore. Physical target set during the Financial Year 2024-25 was 58540 MT but its achievement was only 1000 MT (as on 31.01.2025).Financial target set during the year 2024-25 was Rs. 132.66 crore, but achievement was only Rs 47.30 crore. The Department has submitted that in case of Central Sector Scheme "Storage & Godowns", land acquisition from the State Governments is the most difficult task associated with any godown construction project in Central Sector Scheme. Due to non-availability of suitable land, the projects at times get delayed. Along with that, the difficult terrain and climate of North-East and other Hilly states like Himachal Pradesh makes it difficult to execute the work at full pace. During extended monsoons, the work gets halted for longer duration. 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, a practical implementation strategy of the plans should have been formulated. The Committee, therefore, recommend the Department to formulate a better implementation strategy to achieve the targets and solve these issues effectively and timely manner.
9	4.15	The Committee note that during the year 2024-25, FCI has an owned storage capacity of 147.00 Lakh Metric Tons (LMT) compared to a significantly higher hired storage capacity of 261.09 LMT. The Committee has been informed that the reason for FCI's reliance on hired storage is that hiring or constructing godowns through warehousing corporations and private investors is more cost-effective than building and maintaining FCI-owned storage facilities. The Committee further observe that, despite the substantial disparity between owned

		and hired storage capacities, there has been no comprehensive assessment or evaluation regarding the total expenditure incurred on rental liabilities compared to the cost of maintaining owned storage capacities across various States and Union Territories (UTs). This lack of a systematic analysis makes it difficult to fully assess whether the current approach of relying heavily on hired storage is indeed more cost-efficient in the long run, or not. The Committee, therefore, strongly recommend that a detailed survey or study be conducted to assess the expenditure on rental liabilities associated with hired storage facilities as compared to the costs of maintaining owned storage capacity in all States and UTs. Such a study will provide valuable insights into the true cost-effectiveness of FCI's storage strategy and enable informed decision-making regarding future investments in storage infrastructure.
10	4.21	The Committee note that Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing food grains in bulk. This ensures better preservation of foodgrains and enhances its shelf life. The Committee also note that if food grains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to food grains storage in bags in conventional warehouses. The Committee have been informed that Silos with capacity of 23.25 LMT at various locations throughout country are under implementation, out of which a capacity of 17.75 LMT are completed and remaining 5.50 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 emphasize 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 and desire that during the development process in various models this should be ensured positively.
11	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 10.02.2025 is Rs 14481 crore. 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 remaining Cane price arrears to the farmers at the earliest and apprise the Committee accordingly.
12	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 1722 cr. Ltrs. as on 31.1.2025 fostering their efforts towards achieving target of 20% ethanol blending. The Committee have been informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 17.44% in current Ethanol Supply Year (ESY) 2024-25 upto 31.1.2025. 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 Department 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.
13	6.16	The Committee note that Directorate of Sugar and Vegetable Oil (DSVO) coordinates the management of edible oils in the country through a multi-pronged strategy and closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures such as import duty calibration, fixation of tariff values, stock limits, allocation of Tariff Rate Quotas (TRQs) etc whenever necessary. Further, they observe that the gap between demand and supply of edible oils is around 55% and is met through imports. On the matter of controlling continuous rise in the cooking oil prices since past one

		year, they have been apprised that Central Government had reduced Basic Custom Duty on Refined Soyabean oil and Refined Sunflower Oil to 17.5% from 32.5% and from 17.5% to 12.5% for Refined Palm Oils up to 31st March 2025. In view of ongoing challenges related to the rise in cooking oil prices, the gap between domestic demand and supply of edible oils, and the recent policy changes regarding import duties, the Committee recommend the Department to consider a balanced approach to ensure the sustainability of both domestic oilseed farmers and consumer price stability specifically by monitoring and defining import duty structures, stock management and strengthening domestic oilseed production.