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**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2021-2022)**

SEVENTEENTH LOK SABHA

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

QUALITY CONTROL CELLS (QCCs)

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2022/ Ashadha, 1944 (Saka)

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QUALITY CONTROL CELLS (QCCs)

Presented to Lok Sabha on 19.07.2022

Laid in Rajya Sabha on 07.04.2022



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2022/Ashadha, 1944 (Saka)

List of Abbreviation used in the Report

1. CAP	-	Covered and Plinth
2. CWC	-	Central Warehousing Corporation
3. DCP	-	Decentralized Procurement
4. DBT	-	Direct Benefit Transfer
5. DCC	-	District Categorization Committee
6. DS&VO	-	Directorate of Sugar and Vegetable Oil
7. FAQ	-	Fair Average Quality
8. FRP	-	Fair and Remunerative Price
9. FPS	-	Fair Price Shop
10. FIFO	-	First in First Out
11. FCI	-	Food Corporation of India
12. FSD	-	Food Storage Depot
13. FSSAI	-	Food Safety and Standard Authority of India
14. GOI	-	Government of India
15. HVOC	-	Hindustan Vegetable Oils Corporation Ltd.
16. IIFPT	-	Indian Institute of Food and Processing Technology
17. ICCS	-	Independent Consignment Certification Squad
18. MSP	-	Minimum Support Price
19. MoU	-	Memorandum of Understanding
20. MPR	-	Monthly Progress Report
21. NFSA	-	National Food Security Act
22. NABL	-	National Accreditation Board for Testing and Calibration Laboratories
23. OWS	-	Other Welfare Schemes
24. PDS	-	Public Distribution System
25. PFMS	-	Public Financial Management System
26. PPP	-	Public Private Partnership
27. PV	-	Physical Verification
28. RCC	-	Regional Categorization Committee
29. SWC	-	State Warehousing Corporation
30. TPDS	-	Targeted Public Distribution System
31. TL	-	Transit Loss
32. ZCC	-	Zonal Categorization Committee

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Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2020-2021)

Shri Sudip Bandyopadhyay, Chairperson

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Girish Bhalchandra Bapat
4. Shri Shafiqur Rahman Barq
5. Shri G. S. Basavaraj
6. Ms. Debasree Chaudhuri
7. Shri Sunny Deol
8. Shri Anil Firojiya
9. Shri Selvam G.
10. Shri Rajendra D. Gavit
11. Shri Sanganna Amarappa Karadi
12. Shri Bhagwant Mann
13. Shri Khagen Murmu
14. Shri Mitesh Rameshbhai (Bakabhai) Patel
15. Shri Subrat Pathak
16. Smt. Himadri Singh
17. Smt. Kavita Singh
18. Shri Nandigam Suresh
19. Shri Saptagiri Ulaka
20. Shri Rajmohan Unnithan
21. Shri Ve.Vaithilingam

Rajya Sabha

22. Shri Satish Chandra Dubey
23. Smt. Roopa Ganguly
24. Shri K. G. Kenye
25. Dr. Fauzia Khan
26. Shri Hishey Lachungpa
27. Shri Rajmani Patel
28. Shri Sakaldeep Rajbhar
29. Dr. Anbumani Ramadoss
30. Shri Ramji
31. Shri G. K. Vasan

Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2021-2022):-

Shri Sudip Bandyopadhyay - Chairperson

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Girish Bhalchandra Bapat
4. Shri Shafiqur Rahman Barq
5. Shri G. S. Basavaraj
6. Ms. Debasree Chaudhuri
7. Shri Sunny Deol
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16. Smt. Kavita Singh
17. Shri Nandigam Suresh
18. Shri Saptagiri Ulaka
19. Shri Rajmohan Unnithan
20. Shri Ve.Vaithilingam
21. **VACANT**

Rajya Sabha

22. Dr. Fauzia Khan
23. Shri Hishey Lachungpa
24. Shri Rajmani Patel
25. Shri Sakaldeep Rajbhar
26. Dr. Anbumani Ramadoss
27. Shri Ramji
28. Shri G. K. Vasani
29. **VACANT**
30. **VACANT**
31. **VACANT**

LOK SABHA SECRETARIAT

1. Shri Shiv Kumar - Additional Secretary
2. Dr. Vatsala Joshi - Director
3. Dr. Mohit Rajan - Deputy Secretary
4. Smt. Darshana Gulati Khanduja - Under Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2021-2022) having been authorized by the Committee to present the Report on their behalf, present this Twentieth Report (Seventeenth Lok Sabha) on the subject 'Quality Control Cells (QCCs)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The subject was selected by the Committee for examination during 2020-2021. The Committee took evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on the subject on 09.08.2021.

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 placing before them the detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 5th April, 2022.

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

NEW DELHI;
5 April, 2022
15 Chaitra, 1944 (Saka)

SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution

REPORT
PART – I
CHAPTER - I
INTRODUCTORY

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

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

- (i) National Sugar Institute, Kanpur;

- (ii) Eleven Quality Control Cells (QCCs) located at New Delhi (headquarters), Kolkata, Hyderabad, Bengaluru, Bhopal, Bhubaneshwar, Lucknow, Pune, Chennai, Guwahati and Patna.
- (iii) Indian Grain Storage Management and Research Institute (IGMRI) Headquarters located at Hapur (Uttar Pradesh) with 2 field stations located at Hyderabad, and Ludhiana.

1.3 In addition, there are three Central Public Sector Enterprises [Sl. Nos. (i), (ii) & (iii)] and one Regulatory Authority [S. No. (iv)] under the administrative control of the Department, namely:

- (i) Food Corporation of India (FCI)
- (ii) Central Warehousing Corporation (CWC)
- (iii) Hindustan Vegetable Oils Corporation Ltd.(HVOC)- The company is under liquidation.
- (iv) Warehousing Development and Regulatory Authority.

1.4 The Committee in their present Report have examined the importance of setting up of Quality Control Cells in relation to foodgrains procured for distribution to poor beneficiaries. The observations/recommendations of the Committee on various issues have been given in Part-II of the Report.

CHAPTER - II

ROLE OF QUALITY CONTROL CELLS IN 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 protected, 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.

(a) Scheme of Decentralized Procurement (DCP) of foodgrains

2.2 The scheme of Decentralized Procurement of foodgrains was introduced by the Government in 1997-98 with a view to effecting savings in the form of reduction in the outgo of food subsidy, enhancing the efficiency of procurement and Public Distribution System (PDS) and to encourage local procurement to the maximum extent thereby extending the benefit of MSP to local farmers. Under Decentralized Procurement Scheme (DCP), foodgrains are procured, stored and distributed by the State Governments themselves. Under this scheme, the States procure, store and issue foodgrains under TPDS and other welfare schemes of the Government of India. The decentralized system of procurement has the objectives to ensure that MSP is passed in a focused way on to the farmers and to encourage procurement in non-traditional States, thereby extending the benefits of MSP to local farmers, which also saves on transportation cost. This also enables procurement of foodgrains more suited to local taste for distribution under the PDS.

2.3 Under this scheme, the State Government and its agencies undertake procurement of paddy/rice and wheat on behalf of Government of India and also store and distribute these foodgrains under National Food Security Act (NFSA) and Other Welfare Schemes (OWS). The Central Government undertakes to meet the entire expenditure incurred by the State Governments on the procurement operations as per the approved costing. If the stocks procured by a DCP State is more than its requirement under NFSA/OWS, then the surplus is handed over by the State to FCI for distribution to other deficit States. In case stocks procured by a DCP State is less than its requirement, the deficit portion is supplied by FCI from other surplus States.

For the surplus stocks handed over by the surplus DCP States to FCI, the acquisition cost is reimbursed by FCI to the State Government on the basis of the Cost Sheet issued by Government of India. In the DCP States, FCI carries out procurement only in those areas where the State makes specific request for the same keeping in view the lack of infrastructure, manpower etc. and its inability to carry out the procurement in those areas.

2.4 During evidence, the Secretary, Department of Food and Public Distribution stated as under:-

“सर, माननीय सदस्य ने एक सही सवाल उठाया है। हमने डीसीपी स्टेट्स के लिए एक रिवाइज्ड स्टैंडर्ड ऑपरेंटिंग प्रोसीजर बनाया है। ये समस्या खास तौर से डीसीपी स्टेट्स में ज्यादा है। क्योंकि, उनके पास क्वालिटी कंट्रोल सिस्टम नहीं है। हमने सभी राज्य सरकारों से कहा है कि प्रोक्योरमेंट के समय आपको अपने क्वालिटी को इंश्योर करना है। क्योंकि हमारी जिम्मेदारी दोनों तरफ बनती है। एक तरफ किसान की तरफ बनती है कि उसको सही समय पर पैसा मिले। दूसरी तरफ, उपभोक्ता के लिए बनती है कि उसको सही तरीके का अन्न पहुंचाया जाए। उसको खराब अन्न नहीं दिया जा सकता है। इन दोनों स्थितियों को देखते हुए हमने एक नई रिवाइज्ड एसओपी बनाई है, जो इस समय राज्य सरकारों के साथ कंसल्टेशन में है। उसको अंतिम रूप से लागू करने के बाद ये समस्या काफी हद तक कम हो जाएगी। ”

2.5 The Committee enquired about policy regarding Revised Standard Operating Procedure (RSOP) for Decentralized Procurement (DCP) States and how it is going to help farmers and consumers, the Department in its written reply stated that procurement of wheat and rice for central pool is done through Centralized Procurement System (Non-DCP) and Decentralized Procurement System (DCP). The scheme of Decentralized Procurement System (DCP) was introduced by the Government with a view to enhancing the efficiency of procurement and Public Distribution System (PDS) and encouraging local procurement to the maximum extent thereby extending the benefits of Minimum Support Price (MSP) to local farmers as well as to save on transit costs. This also enables procurement of foodgrains more suited to the local taste. Under the decentralized procurement scheme, the State Government itself undertakes direct purchase of paddy and wheat. Purchase centres are opened by the State Governments and their agencies as per their requirements. Under this scheme, the State Government itself undertakes direct purchase of paddy/rice and wheat and also stores and distributes these foodgrains under National Food Security Act (NFSA) and other welfare schemes for eligible beneficiaries. The Central Government undertakes to meet the entire expenditure incurred by the State Governments on the procurement operations as per the approved costing. The Central Government also monitors the quality of foodgrains procured under the scheme and reviews the arrangements made to ensure that the procurement operations are carried out smoothly. The following initiatives/measures are taken by the Government in Procurement Operations to ensure that farmers get remunerative prices for their produce and do not have to resort to distress sale.

i). Before the onset of each marketing season, Department of Food and Public Distribution, Government of India (GOI) holds a consultative meeting with the officials of Food Corporation of India, State Governments and others to make an assessment of availability of wheat and paddy/rice for procurement at MSP based on the prospects of production and market situation.

ii) Procurement centres are opened ii) by respective State Government 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 farmers.

iii) FCI and most of the State Governments have developed their own online procurement system which ushers in transparency and convenience to the farmers through proper registration and monitoring of actual procurement. The online procurement system has largely eliminated the procurement from middlemen and has resulted in better targeting of the MSP to farmers.

iv) Direct Benefit Transfer (DBT) of MSP has been implemented across the country. This has brought in responsibility, transparency, real time monitoring and reduces pilferage in the system. DBT eliminates purchase from fictitious bogus farmers, reduces diversion and duplication of payment as payment is made directly to farmer's bank account which in many States is linked with Aadhaar number of the farmers.

(v) The payment of MSP and bonus, if any, is to be made directly to farmers' bank account online only through online procurement system by the State Govt./its agencies preferably within 48 hours of purchase of wheat. The State agencies have to also ensure the use of Expenditure Advance Transfer module (EAT) of Public Financial Management System (PFMS) while making payment, as mandated by the Ministry of Finance, GOI by integrating their online payment system with PFMS to maintain financial integrity.

(b) Monitoring Quality of Foodgrains {Quality Control Cells (QCCs)}

2.6 The main objective of Quality Control Cells is to ensure the quality of Central Pool Foodgrain Stocks from procurement to distribution. The foodgrains are inspected for quality assurance through routine inspections of Food Storage Depots and Fair Price Shops by the officers of these cells. Besides, the quality, it is also ensured during the inspections that the guidelines/instructions issued by Government about proper scientific storage and maintenance/preservation of foodgrains are followed by the

Food Corporation of India (FCI), Central Warehousing Corporation (CWC), State Warehousing Corporations (SWCs) and State agencies. Further, these cells also attend various complaints received from MPs, VIPs, State Governments, media and consumers about the quality of foodgrains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/ investigations are communicated to the concerned authorities for taking remedial measures including action against the delinquents.

Further, the Department is exploring the possibilities to introduce the latest technological interventions for quality assessment of foodgrains in collaboration with FCI.

2.7 The Secretary, Department of Food and Public Distribution, during evidence stated as under:-

“सर, भंडारण के लिए किसान से खरीदी के समय मंडी से अनाज ट्रांसपोर्ट किया जाता है और भंडारण के दौरान उसकी सेफ तरीके से मेंटेनेंस की जाती है, उसको सेफ तरीके से रखा जाता है। उसके बाद वहां से उनको फिर डिस्ट्रीब्यूशन के लिए स्टेट गवर्नमेंट गोडाउन्स के थ्रू फेयर प्राइस शॉप्स तक ले जाया जाता है। हमारा क्वालिटी कंट्रोल हर स्टेज के ऊपर होता है। हमारा प्रजेंटेशन यही दिखाने की कोशिश करेगा कि जो अलग-अलग एजेंसीज हैं, वे और फूड डिपार्टमेंट का पूरा सिस्टम यही कोशिश करता है कि हर स्टेज के ऊपर इसकी क्वालिटी को सुनिश्चित किया जाए ताकि अखिर में सार्वजनिक प्रणाली से जिन लाभार्थियों को यह अनाज दिया जा रहा है, उन तक उत्तम क्वालिटी वाला अनाज पहुंचे।”

2.8 The Central Government monitors the quality of foodgrains procured under the DCP Scheme and reviews the arrangements made to ensure that the procurement operations are carried on smoothly.

2.9 To achieve this, Eleven Quality Control Cells are functioning in the country under the direct control of the Department of Food & Public Distribution.

2.10 State/UT-wise details of Quality Control Cells as under:-

S.No.	Name of Quality Control Cell	State	Jurisdiction
1	Bengaluru	Karnataka	Karnataka, Kerala, Lakshadweep (UT)
2	Bhopal	Madhya Pradesh	MP, Rajasthan, Chhattisgarh
3	Bhubaneswar	Odisha	Odisha, Jharkhand, Bihar
4	Delhi	Delhi	Punjab, Haryana, J&K, HP, Delhi
5	Hyderabad	Andhra Pradesh	Telangana & Andhra Pradesh
6	Kolkata	West Bengal	West Bengal, Sikkim, Andaman & Nicobar Islands
7	Lucknow	Uttar Pradesh	Uttar Pradesh & Uttarakhand
8	Pune	Maharashtra	Maharashtra, Goa, Gujarat, Daman & Diu
9	Guwahati	Assam	North Eastern States
10	Patna	Bihar	Bihar, Jharkhand
11	Chennai	Tamil Nadu	Tamil Nadu & Puducherry

2.11 A series of webinars have been conducted regarding standardization of existing quality norms for procurement of foodgrains, enhancement of technological interventions in quality assessment of foodgrains meant for Central Pool Stocks and to revisit the existing process for relaxation and value cuts in order to delineate a transparent and process driven policy for the same.

2.12 On the Committee enquiring about the standards of judging quality of foodgrains at the time of procurement, storage and distribution separately, the Department in its written reply has stated as under:-

(A) At the time of procurement:

- I. There are well defined Quality specifications stipulated by the Govt. of India for procurement of Fair Average Quality stock meant for distribution under public distribution system and other welfare schemes.
- II. Department of Food and Public Distribution under Ministry of Consumer Affairs, Food and Public Distribution formulates uniform Specifications for foodgrain to be procured in consultation with all Stakeholders and notifies it before commencement of Rabi/Kharif marketing season.
- III. Sampling and analysis of foodgrains to judge the quality of foodgrains are being done as per BIS norms 14818(2000) & 4333(Part-I).

(B) At the time of Storage:

- I. Procured foodgrains are stored in covered, Silos & CAP (Covered and Plinth) storage (only Wheat & Paddy) and scientific code of practices are adopted for safe storage of foodgrains. Now CAP is being phased out.
- II. A dedicated Quality control wing of FCI, monitors the health of foodgrains by way of periodical inspections on fortnightly basis.
- III. Representative samples is being drawn and after physical analysis categorized under different category (A,B,C & D) and classification on the basis of live storage pest insect (clear, few & heavy).

Categorization of Rice

Variety	Refraction	Cat. A	Cat. B	Cat. C	Cat. D
Rice Gr. A/Common	Damaged	Upto 3%	Above 3 upto 4%	Above 4 upto 5%	Loose Bran <more than 0.50 or giving unpleasant smell
Raw parboiled	Discolored	Upto 3%	Above 3 upto 5%	Above 5 upto 7%	

Classification of FoodGrains

Class		Particulars
Clear	Completely free from living insect	Per 500 gms of Representative Sample
Few	Upto two living insects	
Heavy	More than two living insects	

Categorization of wheat

Category	Weevilled grains %
A	Upto 1%
B	Above 1% to 4%
C	Above 4% to 7%
D	Above 7% to 10%

(C) At the time of Distribution:

- I. There is a well-defined procedure of joint sampling and inspection of foodgrain stock by State Govt. and FCI to ensure that only good quality

foodgrains conforming to food safety standards are issued under Public Distribution system and other welfare schemes.

- II. Before issue of stock a representative sample in triplicate is drawn from stack, out of which one sample is jointly analyzed in association with representative of State Govt. & FCI. If the sample is found conforming to the specification, the stock is issued to the satisfaction of the representative of State Govt., 2nd jointly sealed sample is maintained in the warehouse for 3 month period for future references and 3rd such sample is handed over to the State Govt. representative for display in PDS shop/issue point.
- III. A PDS register is maintained at the warehouse, in which the State representative certifies that he is satisfied with quality and quantity of stock, which are being released for PDS/other welfare schemes.”

2.13 On the Committee enquiring about the details of surprise checks conducted by officers of QCCs during the last 3 years, the Department has stated that inspecting officers of these cells conduct inspections of FSDs & FPSs as per the annual target allotted by the Ministry. The Details of inspections conducted by officers of QCCs during the last 3 years viz., 2018-19, 2019-20 & 2020-21 are as under :-

Item of Work	2018-19		2019-20*		2020-21*	
	Target	Achievement	Target	Achievement	Target	Achievement
Inspection of FSDs	1140	1159	1140	940	1060	641
Inspection of FPSs	-	-	-	-	396	251

****Due to COVID pandemic/nationwide lockdown, targets could not be achieved.***

2.14 When asked whether increase in number of Quality Control Cells would certainly reduce total value of storage losses which was very high, the Department has informed that the storage losses are reported due to various reasons such as pest infestation, lack of security & surveillance at Food Storage Depots (FSDs), preservation of foodgrains by unscientific methods etc. At present 11 Quality Control Cells (QCCs) under the Department of Food & Public Distribution are functioning all over the country. Inspecting officers of these cells undertake quality control activities for minimizing losses during storage of foodgrains.

These cells play a significant role in monitoring of desired standard of foodgrains from procurement to distribution.

Further, there has been a consistent increase in the procurement of foodgrains. In view of this, the Department is of the view that in order to strengthen the entire system for quality check, the augmentation of the existing number of Quality Control Cells may play a crucial role in ensuring the Quality of foodgrains and to minimize the post harvest losses in procured foodgrains.

The shortcomings/discrepancies observed during the course of inspection of FSDs/FPSs are communicated to the concerned agencies for taking future systemic improvements to avoid recurrence of any such lapse.

2.15 The details on the shortcomings/discrepancies observed during the course of inspection which affects the quality of stored/preserved foodgrains are as under:-

A. Infrastructure related:-

1. Damaged condition of the approach & internal roads of the depots affects the movement of the grains. In addition, during rainy season it results in water logging which may enhance the moisture content of the stored grains.
2. Roof leakage.
3. Platforms of the sheds are damaged especially along the edges in some places.
4. Hygienic condition of the godown is not satisfactory.
5. Drainage system improper/clogged/completely absent
6. Patches of vegetation inside the depot.
7. Fire extinguishers not displayed.
8. Bird menace observed.
9. Gates of the sheds are not found in working condition which affects the security of the stored grains.
10. CCTV cameras are not installed in the depots which is necessary for better supervision and surveillance.

B. Technical aspects:-

1. Stacks plan not followed. Mixed stacking is also observed.
2. No Dunnage provided to the stocks preserved at respective godowns.
3. Updated stacks cards are not displayed.

4. Spillage observed in few compartments. Absence of palla bags in various sheds.
5. Rodent activity was observed, proper rodent control measures to be taken.
6. Flying infestation and crawling larvae was noticed inside the godown.
7. Lack of sufficient numbers of fumigation covers.
8. Shortfall was observed for prophylactic and curative treatment of preserved grains.
9. AL (OH)₃ (ALP residue) and dead insects were observed. Brushing was not performed post fumigation.
10. In respect to various State Government owned godowns, there is enormous lack of scientific equipments for analysis of foodgrains/skilled manpower/updated technical records etc.

2.16 Details on the foodgrain samples (wheat/rice) collected and tested by the Quality Control Cells during the last three years are as under:

S.No.	Year	No. of samples tested	No. of samples found not conforming to the set parameters
1.	2018-19	3888	162
2.	2019-20	2833	89
3.	2020-21	2855	374

2.17 Details of all food samples including foodgrains analysed and found non-confirming during the years 2018-19 to 2020-21 by FSSAI are as under:

S.No.	Year	No. of samples tested	No. of samples found not conforming
1.	2018-19	106459	30415
2.	2019-20	118775	29589
3.	2020-21	107829	28347

The parameters tested for Rice and Wheat as per FSSAI standards are as under:-

Rice.- (1) Rice shall be whole and broken kernels obtained from the species *Oryzasativa* L and shall be of the following types, namely:-

- Milled Rice is obtained by milling or polishing of dehusked rice of paddy and also removal of all or part of the bran and germ by polishing;
- Milled Parboiled rice is obtained from de- husked parboiled paddy and removal of all or part of the bran and germ by polishing.

(2) They shall conform to the following standards for rice, namely:

S.No.	Requirements	Limits	
		Milled Rice	Milled Parboiled Rice
(i)	Moisture per cent by mass, (Not more than)	15.5	15.5
(ii)	(a)Organic extraneous matter (per cent by mass)	0.8	0.8
	(b)Inorganic extraneous matter [out of this impurities of animal origin (including dead insects) shall not be more than 0.1 per cent] (per cent by mass)	0.2	0.2
(iii)	Weevilled kernels(per cent by count), not more than	5	5
Defective Kernels			
(iv)	Heat – Damaged Kernels (per cent m/m), not more than	5	8
(v)	(a)Damaged Kernels (per cent m/m) , not more than		
	(b)Kernels with Pin point (per cent m/m) , not more than	4	4
(vi)	Immature Kernels(per cent m/m) , not more than	0.5	0.5
(vii)	Chalky Kernels(per cent m/m) , not more than	5	0.1
(viii)	Uric acid (mg per kg), maximum	100	100

Explanation. - For the purposes of this clause,-

- a) "Heat-Damaged" means kernels, whole or broken, that have changed their normal colour as a result of heating;
- b) "Damaged Kernels" means kernels, whole or broken, showing obvious deterioration due to moisture, pests, diseases, or other causes, but excluding heat-damaged kernels;
- c) "Immature Kernels" are unripe or undeveloped whole or broken kernels;
- d) "Chalky Kernels" means whole or broken kernels except for glutinous rice, of which at least three quarters of the surface has an opaque and floury appearance;
- e) "Kernels with Pinpoint" are kernels or pieces of kernels having minute black spot of pin point size.

Wheat

Wheat shall be the dried mature grains of *Triticum aestivum* Linn. or *Triticum vulgare* Vill., *Triticum durum* Desf., *Triticum sphaerococcum* Perc., *Triticum dicoccum* Schubl., *Triticum compactum* Host. It shall be sweet, clean and wholesome.

It shall also conform to the following standards namely:—

Sl.No.	Parameter	Limit
(i)	Moisture	Not more than 14 per cent by weight (obtained by heating the pulverised grains at 130°C-133°C for two hours)
(ii)	Foreign matter — (Extraneous matter)	Not more than 1 per cent by weight of which not more than 0.25 per cent by weight shall be mineral matter and not more than 0.10 per cent by weight shall be impurities of animal origin.
(iii)	Other edible grains	Not more than 6 per cent by weight.
(iv)	Damaged grains	Not more than 6.0 per cent by weight including kernel bunt affected grains and ergot affected grains. The limit of kernel bunt affected grains and ergot affected grains shall not exceed 3.0 per cent and 0.05 per cent by weight, respectively.
(v)	Weevilled grains	Not more than 10 per cent by count.
(vi)	Uric acid	Not more than 100mg.per kg
(vii)	Deoxynivalenol (DON)	Not more than 1000 micrograms per kilogram

Provided that the total of foreign matter, other edible grains and damaged grains shall not exceed 12 per cent by weight.

2.18 The Department has also informed about the year-wise number of samples found to be of sub-standard quality at FCI and CWC godowns during the last three years which are given as under:-

A. FCI

S.No	Year	Commodity	No. of samples declared beyond specifications	Total
1	2018-19	Wheat	30	46
		Rice	16	
2	2019-20	Wheat	05	142
		Rice	137	
3	2020-21	Wheat	02	78
		Rice	76	

B. CWC

S.No	Year	Commodity	No. of samples declared beyond specifications	Total
1	2018-19	Wheat	23	25
		Rice	02	
2	2019-20	Wheat	09	17
		Rice	08	
3	2020-21	Wheat	02	57
		Rice	55	

2.19 When asked about the details of action taken as well as corrective measures taken by FCI and CWC in each case, the Department has informed the details of Disciplinary action taken for the purchase of substandard stock as follows:

In the year 2018-19, disciplinary action was taken against delinquents with 6 major penalties and 55 minor penalties were imposed. Likewise in year 2019-20, 3 major and 63 minor penalties and 2020-21, 02 major and 103 minor penalties were

imposed. In respect to CWC investigation of each case has been carried out and defaulting officials have been penalized. In case of stock received as such, quality complaints have been lodged and depositors have taken steps for disposal.

Corrective action taken by FCI to procure stock strictly conforming to Govt. of India specification are as under:-

- i. Inspection of supervisory officer is intensified in centre, where such cases are reported.
- ii. In case of repeated delivery of stock not conforming to specification, such Millers are blacklisted and State Govt. are being requested to take suitable action against them.
- iii. The defaulting staff involved in acceptance of stock not conforming to specification have been removed from the procurement operation. Besides, suitable administrative action is being taken against them.
- iv. In order to sensitize the Quality control staffs engaged in procurement operation, regular training/workshop are being conducted.
- v. Third Party Assessment: Samples of foodgrains procured & stored in FCI godowns are periodically referred to FSSAI notified NABL accredited Labs for quality checks as FSS rules 2011. During 2018-19, 2019-20 & 2020-21 3810, 7545 & 9825 samples of foodgrains respectively were sent for chemical testing on Food Safety and Standard Authority of India (FSSAI) parameters. All the samples were found conforming to FSSR 2011 parameters.
- vi. Creation of benchmark for development of Ideal Rice Mill Plant : Memorandum of Understanding (MoU) has been signed between FCI and Indian Institute of Food and Processing Technology (IIFPT) for Creation of benchmark for development of Ideal Rice Mill Plant, Thanjavur, Tamil Nadu.
- vii. Development of Rice Age testing method: IIFPT, Thanjavur has been entrusted for validation of the chemical method by using mixed pH indicators to determine the age of raw rice.

2.20 On being asked about complaints received by Quality Control Cells from MPs, VIPs, State Governments and consumers during the last three years, the Department has stated as under:-

Year	State	Complaint	Action Taken by the Government
2020-21	No complaint received during 2020-21.		
2019-20	Andaman & Nicobar	Complaint was received from Secretary, Directorate of Civil Supplies & Consumer Affairs regarding supply of sub-standard quality of wheat (wheat bags contain considerable size of stones) from one of the Principal Distributor.	Taking the cognizance of the complaint, that Wheat stocks under reference when jointly analysed by FCI and Andaman & Nicobar Islands UT Officials, the same were, found well within specifications. It has been further informed that only FAQ foodgrains are being supplied to Andaman & Nicobar Islands. However, GM (Region) Andhra Pradesh has also been advised to ensure supply of good quality stocks to the Andaman & Nicobar administration following the joint sampling procedure. Thus the complaint has been resolved.
2018-19	No complaint received during 2018-19.		

2.21 When enquired about the road map to set-up Quality Control Cells in different States/UTs in the year 2021-22, the Department has stated that States are being encouraged to set up Quality control cells for which DFPD will extend all possible help.

CHAPTER – III
STORAGE AND TRANSIT LOSS

The Department has furnished the following details of actual Storage, Transit and Pilferage losses in terms of Quantity and Value for the last three years suffered by FCI:-

Storage losses

(Qty. in MT, Value in Rs. Crore)

Agency	FCI			CWC			
	Year	Qty	%age loss	Value	Qty	%age loss	Value
	2018-19	4084	0.01	33.30	3344	0.05	15.26
	2019-20	11611	0.04	55.93	3589	0.05	17.70
	2020-21	5708	0.02	39.25	3296	0.03	16.91

Theft & Pilferage losses

Commodity	2018-19		2019-20		2020-21	
	Quantity (in Tonnes)	Value (in Lakh)	Quantity (in Tonnes)	Value (in Lakh)	Quantity (in Tonnes)	Value (in Lakh)
Wheat	125.06	24.87	84.340	17.55	38.07	8.25
Rice	130.64	38.85	83.400	25.80	84.16	26.62
Paddy	0.00	0.00	0.00	0.00	0.00	0.00

3.2 The Department has stated that following measures are taken to curb storage loss :-

- Covered storage capacity has been added so that foodgrains can be stored in scientific covered storage and CAP storage can be totally avoided. (SLOP Q 4.)
- The position of storage losses is being reviewed in every monthly meeting and monitored regularly at HQ level and EDs (Zone)/GMs(R) are instructed to intensify inspections of depots showing higher storage losses.
- Periodical Prophylactic and curative treatment of stocks is undertaken from time to time to keep the stocks Pest-Free.
- Security staffs of FCI, Home-Guards and other external agencies are being deployed at depots to ensure safety and security of the stock.

- Security inspections and Surprise checks of depots are undertaken at various levels.
- CCTV cameras are installed in selected FCI owned depots for surveillance and better supervision.
- Physical measures like installation of barbed wire fencing of the boundary walls, provision of street lights for illumination of godowns and proper locking of the sheds are taken to secure the godowns.
- Disciplinary action is taken against the FCI staff/officers responsible for unjustified losses if any reported from FCI depots.
- Unjustified losses, noticed, are recovered from the agencies like CWC/SWC and State Agencies and PEG godowns as per existing norms.
- Physical Verifications (PV) also done by external agencies like SBI, CAG etc. to verify the book balance of the stock holding.
- Govt. is also working on strategy for augmenting the covered & Silo capacity with a view to phase out the CAP storage.

3.3 The following Measures are taken to curb Transit Loss:

- HQ/ ED (Zones)/ GM (Regions) are being continuously pursued to closely monitor the trend and take effective steps to bring down the losses. Region-wise trend of TL is being reviewed in every monthly meeting and monitored regularly.
- Spreading of Polythene Sheet on the floor of railway wagons to retrieve the spilled-over grains has been introduced.
- An 'SOP' regarding Joint Verification of High TL cases has been laid down to establish reasons and fix responsibility.
- Special Squad for loading/unloading of rakes is being undertaken by the field offices.
- Proper weighment and accounting of the stocks at the time of receipt and issue is ensured.
- Disciplinary actions initiated against delinquents wherever abnormal/unjustified transit losses are reported after due investigation.
- Deployment of Independent Consignment Certification Squad (ICCS) at the time of loading and unloading of every rake is being ensured.

3.4 The following measures have been taken/are being taken to obviate pilferage losses:

- (i) CCTV Cameras have been installed in 515 owned depots of FCI.
- (ii) Security Guards have been deployed round the clock to prevent theft/ misappropriation.
- (iii) Live web feeding of all the CCTV Cameras is on card and is actively in progress.
- (iv) Security Inspections are being carried out as per Security Manual/instructions in vogue.
- (v) Surprise checks are being conducted by HQrs/Zonal Offices/Regional Offices.
- (vi) Recovery on account of loss due to theft and pilferage is also effected from the concerned agency.

3.5 During evidence, the Committee enquired about phasing out plan of CAP Storage Capacity, the Secretary, Department of Food and Public Distribution stated as under:-

“फिल्म्स में, रिपोर्ट्स में यह दिखाया जाता था कि अनाज खुले में रखा हुआ है, तिरपाल से ढका हुआ है और खराब हो रहा है। गेहूं के लिए यह एक व्यवस्था थी, क्योंकि गेहूं का प्रोक्योरमेंट बहुत ज्यादा क्वांटिटी में होता है। उस समय हमारे पास भंडारण की सुविधा उतनी नहीं थी, जितना प्रोक्योरमेंट हो रहा था। अभी तक 2 तरह की कैप फैसिलिटीज़ को यूज़ किया जा रहा था। पहला होता था साइंटिफिक कैप स्टोरेज और दूसरा होता था अनसाइंटिफिक स्टोरेज। साइंटिफिक में नीचे सीमेंट का एक पार्टिकुलर हार्ड का प्लिंथ बनाकर उसके ऊपर अनाज को रखा जाता था और फिर उसे तिरपाल से ढककर स्टोर किया जाता था। जो अनसाइंटिफिक होता था, उसमें सीमेंटेड प्लिंथ नहीं होता था, बल्कि किसी भी सुरक्षित जगह पर अनाज का ढेर बोरियों में लगाकर, उसे तिरपाल से ढका जाता था। इसमें नुकसान भी ज्यादा होता था, चोरी की संभावना भी ज्यादा होती थी और इमेज बहुत खराब होती थी कि आज भारत इस तरह के भंडारण को इस्तेमाल कर रहा है। हमने इस साल यह फैसला लिया कि हम कैप की फैसिलिटी को अब इस्तेमाल नहीं करेंगे और सबसे पहले हम अनसाइंटिफिक कैप को खत्म करेंगे। जुलाई का जो पिछला महीना गया है, मेरी जानकारी के मुताबिक हमने अनसाइंटिफिक कैप को पूरा का पूरा खत्म कर दिया है। बहुत थोड़ा सा बाकी है, हमारा लक्ष्य वही था। एक-डेढ़ महीने के अंदर वह बिल्कुल खत्म हो जाएगा। आगे से हम अनसाइंटिफिक कैप को स्टोरेज की तरह यूज़ नहीं करेंगे। दूसरी व्यवस्था साइंटिफिक स्टोरेज की है। इसमें काफी क्वांटिटी है। इसके लिए हमने एक फेज आउट प्लान बनाया है, जो हम आपसे शेयर करेंगे। हमारी कोशिश यह है कि उस साइंटिफिक कैप स्टोरेज को भी हम एक सीमा के अंदर बिल्कुल खत्म कर देंगे।”

3.6 The Department in a written reply stated that the year-wise action plan for conversion of CAP storage capacity is as under:

(Fig. in LMT)

State	2021-22	2022-23	2023-24	2024-25	Total
Madhya Pradesh	1.72	2.03	5.10	2.86	11.71
Punjab	16.04	22.19	24.68	-	62.91
Haryana	7.78	7.78	7.77	7.77	31.10
Total	25.54	32	37.55	10.63	105.72

No CAP storage capacity has been phased out till now. Madhya Pradesh and Haryana State Govts. have reported that the work for conversion of CAP into covered godowns has started.

3.7 When enquired about action taken against FCI and CWC officials found responsible for such losses, the Department has informed that in Storage losses for the year 2018-19, 3 major penalties and 263 minor penalties were imposed. Likewise in year 2019-20, 10 major and 248 minor penalties and 2020-21, 03 major and 254 minor penalties were imposed. In Transit losses for the year 2018-19, 4 major penalties and 149 minor penalties were imposed. Likewise in year 2019-20, 04 major and 110 minor penalties and in 2020-21, 01 major and 91 minor penalties were imposed. In respect of CWC, strict disciplinary action has been taken against the officials responsible.

3.8 With a view to reduce storage and transit losses at farm and commercial levels and to modernize the system of handling and transportation of foodgrains for meeting the requirement of the Public Distribution System, the Government of India announced a national policy for handling, storage and transportation of foodgrains in July, 2000. Under the above-noted policy, steel silos at 7 locations with capacity of 5.5 lakh MT have been created from 2007-09 under BOO mode on Public Private Partnership (PPP) basis. The specialized wagons required for movement of foodgrains from Procuring to Consuming Regions are also a part of implementation of silos.

3.9 The EGOM in its meeting held on 07.02.2012 approved creation of 20 LMT capacity in the form of silos throughout the country where land has to be made available by State Govt. State Govts. were not able to identify land for construction of silos. Consequently, the proposal was changed to invite bids from Private Investors for construction of silos in Non-VGF mode where land parcel was to be brought in by the Pvt. Investors. Due to poor response, the tender enquiry was scrapped.

3.10 In August 2014, High Level Committee for restructuring of FCI was set up under the chairmanship of Shri Shanta Kumar, Hon'ble MP (LS) submitted its report in January, 2015. On the issue of storage of foodgrains, it recommended modernizing storage with bulk handling facility to the tune of 100 LMT within 3-5 years with private sector participation. As per recommendations of HLC, Government of India chalked out an Action Plan for construction of steel silos across the country for a capacity of 100 LMT to be executed by FCI, State Govts & CWC under public private partnership (PPP) mode. These silos will have facilities for storage and handling of grains in bulk.

After 2016, Silos with capacity of 10.625 LMT have been completed and put to use and 19.125 LMT silo capacity is under various stages of implementation as under:

Fig. In LMT (No. of Locations)

Agency	Target	Completed Capacity/ No. of locations after 2016	Under Implementation			Total
			Under Construction	LoC to be issued	Total	
FCI	29.00	4.625(9)	11.625(23)	6(12)	17.625(35)	22.25(44)
CWC	2.50	0	0	0	0	0
State Govt.	68.50	6.00(12)	0	1.5(3)	1.50(3)	7.50(15)
Total	100	10.625(21)	11.625(23)	7.5(15)	19.125(38)	29.75(59)

Earlier approach of development of railway siding silos was reconsidered due to problems of land acquisition for railway siding. On the basis of a professional study, DFPD accorded in-principal approval in January 2020 for construction of silos under the Hub & Spoke model to fast track the progress of construction of steel silos. Hub & Spoke model allows for road/ rail movement between Hub and Spoke silos. On the basis of this strategy, a capacity of 108.375 LMT at 249 locations under Hub & Spoke model along with bid documents has been recommended to Ministry for appraisal and approval.

Summary for 108.375 LMT capacity under Hub & Spoke (Capacity in LMT)															
Sr. No.	Name of State	DBFOO				DBFOT				Total					
		Hub		Spoke		Hub		Spoke		Hub		Spoke		Total	
		Nos	Capacity	Nos	Capacity	Nos	Capacity	Nos	Capacity	Nos	Capacity	Nos	Capacity	Nos	Capacity
1.	Punjab	2	1	44	17	1	1	0	0	3	2	44	17	47	19
2	Haryana	6	3	31	8	0	0	0	0	6	3	31	8	37	11
3	MP	0	0	10	4.25	0	0	0	0	0	0	10	4.25	10	4.25
4	UP	7	6.5	29	8	3	2	4	1.5	10	8.5	33	9.5	43	18
5	Rajasthan	6	3	14	6.75	0	0	1	0.5	6	3	15	7.25	21	10.25
6	Gujarat	0	0	16	8	1	0.375	2	0.5	1	0.375	18	8.5	19	8.875
7	Maharashtra	3	2.25	18	9.5	1	1	1	0.25	4	3.25	19	9.75	23	13

8	Bihar	1	0.5	23	12	0	0	1	0.5	1	0.5	24	12.5	25	13
9	West Bengal	5	3	13	5.75	0	0	0	0	5	3	13	5.75	18	8.75
10	Jammu	0	0	2	1.25	0	0	0	0	0	0	2	1.25	2	1.25
11	Uttarakhand	0	0	2	0.5	0	0	0	0	0	0	2	0.5	2	0.5
12	Kerala	0	0	2	0.5	0	0	0	0	0	0	2	0.5	2	0.5
	Total	30	19.25	204	81.5	6	4.375	9	3.25	36	23.625	213	84.75	249	108.375

7 locations earlier approved by HLC have been proposed to be augmented with additional capacity of 2.50 LMT Includes: Bihar-4 (1.50 LMT), Gujarat- 1 (0.5 LMT), West Bengal-2(0.50 LMT).

Damaged Foodgrains

3.11 Government of India has issued guidelines mentioned below to the Food Corporation of India, Central Warehousing Corporation, State Government & other state agencies to be followed to avoid damage during preservation of the grains.

- (i) All godowns are constructed as per specifications.
- (ii) Foodgrains are stored by adopting proper scientific code of storage practices.
- (iii) Adequate dunnage materials such as wooden crates, bamboo mats, polythene sheets are used to check migration of moisture from the floor to the foodgrains.
- (iv) Fumigation covers, nylon ropes, nets and insecticides for control of stored grain insect pests are provided in all the godowns.
- (v) Prophylactic (spraying of insecticides) and curative treatments (fumigation) are carried out regularly and timely in godowns for the control of stored grain insect pests.
- (vi) Effective rodent control measures, both in covered godowns as well as in CAP storage are used.
- (vii) Foodgrains in 'Cover and Plinth' (CAP) storage are stored on elevated plinths and wooden crates are used as dunnage material. Stacks are properly covered with specifically fabricated low-density black polythene water-proof covers and tied with nylon ropes/nets. However, CAP storage is being phased out.
- (viii) Regular periodic inspections of the stocks/godowns are undertaken by qualified and trained staff and all senior officers. The health of the foodgrains is monitored at regular intervals by a system of checks and super checks at different levels. Following Checks

and Super checks are conducted in the godowns by FCI to ensure proper preservation of foodgrains in the storage.

- a) Fortnightly inspection of stocks on 100% basis by Technical Assistant.
- b) Monthly inspection by Manager(QC)
- c) Quarterly inspection by AGM(QC)
- d) Super Checks by Regional, Zonal and FCI Hqrs Squads.

- (ix) The principle of “First in First Out” (FIFO) is followed to the extent possible so as to avoid longer storage of foodgrains in godowns.
- (x) Only covered rail wagons are used for movement of foodgrains so as to avoid damage during transit.
- (xi) Damage Monitoring Cells have been set up at District, Regional and Zonal levels to regularly monitor quality of stocks and reduce damages.
- (xii) Identify & repair all the leakage point in the roof.
- (xiii) Cleaning of drainages in the godown premises ensured.
- (xiv) Ensure no seepage inside the godowns.
- (xv) No clogging up of water in the premises.
- (xvi) Immediate action to segregate & recondition of the stocks whenever it gets affected.

3.12 When asked about details of accrual of damage foodgrains with FCI and CWC, separately and the reasons therefore during the last 3 years i.e 2018-19, 2019-20 & 2020-21, the Department has furnished the following:-

(quantity in LMT)

Year	FCI	CWC	SWC	Private Godowns		Total
				ARDC	PEG	
2018-19	1566	2650	964	2	31	5213
2019-20	255	705	966	0	5	1931
2020-21	340	1484	9	0	17	1850

Total quantity damaged	2018-19	2019-20	2020-21
REASONS OF DAMAGE			
A. NATURAL CALAMITIES			

Rain	0	15	2
Flood	4390	993	1447
Cyclone	0	689	67
A. TOTAL	4390	1697	1516
B. OPERATIONAL REASONS	823	233	334
Total quantity damaged	5213	1931	1850

3.13 The Committee also enquired about how the disposal of damaged foodgrains is managed, the Department stated that on identification of damaged foodgrains by concerned Technical Assistant at the depot the following procedures of categorization/ disposal are followed:

1. The three tier categorization at Depot level, Regional level and Zonal level shall be as under:
 - a) On identification/categorization of damaged foodgrains by Technical Assistant/Manager (Quality Control) at the depot, 100% stock should be further categorized by the District Categorization Committee (DCC) consisting of Area Manager, M (QC), District Lab, Manager(QC) of concerned depot and Manager (Finance/Accounts) within 15 days from the date of detection/categorization of damaged foodgrains at depot.
 - b) Regional Categorization Committee(RCC) consisting of Assistant General Manager (QC), Assistant General Manager (Finance/Accounts) of Regional Office concerned and Area Manager/Assistant General Manager (QC) of concerned District will test check 20% of the total stock categorized by the District Categorisation Committee.
 - c) Zonal Categorization Committee(ZCC) consisting of QC officers nominated by Executive Director(Zone), Assistant General Manager (QC) of Regional Offices & Assistant General Manager (QC)/Area Manager of the concerned District will test check 5% of the stocks categorized by the District Categorization Committee(DCC) within 15 days from the receipt of the report from General Manager (Region) concerned.

- d) Regional Categorization Committee/Zonal Categorization Committee (ZCC) will test check and submit the report with specific recommendations to the General Manager (Region), through their respective offices.
 - e) The categorization of damaged foodgrains will be deemed / treated as final only on the receipt of categorization reports of Regional Categorization Committee & Zonal Categorization Committee by the General Manager (Region).
2. Food Corporation of India (FCI), Headquarters deposes Vigilance Squads in case accrual of damaged foodgrain is more than 1,000 MT in a particular Region.

Categorization of damaged foodgrains is based on the % of sound grain.

Category : %age of sound grains other than foreign matter & damaged foodgrains

- Feed-I : (i) 85% to less than 94% (**in wheat**)/ 95% (**in rice**)
(ii) Weevilled grains alone exceeding 10%
(iii) Uric Acid content alone found exceeding 100 ppm.
- Feed-II : 70% to less than 85%
- Feed-III : 55% to less than 70%
- Industrial Use : 30% to less than 55%
- Manure Use : 10% to less than 30%
- Dumping : less than 10% (to be offered as Manure before dumping)

Disposal of damaged foodgrains:

- (i) General Manager (Region) is competent Authority for disposal of damaged foodgrains for quantity where the price received in the tender/auction is above the reserve price.
- (ii) Wherever, the rates of damaged foodgrains received in tender inquiry/ auction are below the reserve price, such rates shall invariably be approved by the next higher authority i.e. Executive Director (Zone).

3. **RESERVE PRICES**

The Reserve Price of damaged foodgrain is as under:-

- (I) Feed –I 60% of MSP of the Crop Year for Wheat.

		60% of derived MSP of the Crop Year for Rice.
(II)	Feed-II –	50% of MSP of the Crop Year for Wheat.
		50% of derived MSP of the Crop Year for Rice.
(III)	Feed-III -	40% of MSP of the Crop Year for Wheat.
		40% of derived MSP of the Crop Year for Rice.
(IV)	Industrial Use –	30% of MSP of the Crop Year for Wheat.
		30% of derived MSP of the Crop Year for Rice.
(V)	Manure –	10% of MSP of the Crop Year for Wheat.
		10% of derived MSP of the Crop Year for Rice.

Generally, following steps are taken by FCI to bring transparency in disposal of damaged foodgrains:-

- (i) Non issuable/ damaged foodgrains in FCI are sold only to the “Registered Parties” registered with FCI for purchase of damaged foodgrains.
- (ii) Wide Publicity is given by way of publication on Central Public Procurement Portal and also uploaded on FCI Website.
- (iii) All Registered parties are given intimation at the time of floating of tenders.
- (iv) E-tendering procedure for all contracts with value above Rs. 2 Lakhs is followed.
- (v) E-payment system adopted.

PART – II

OBSERVATIONS/RECOMMENDATIONS

1. *Setting up of more Quality Control Cells (QCCs)*

The Committee note that Quality Control Cells (QCCs) are responsible for ensuring the quality of Central Pool foodgrains stock from procurement to distribution. Till date, only 11 Quality Control Cells have been set up in different States covering minimum 2 States/UTs. The Committee feel that number of QCCs is too less in the wake of implementation of the National Food Security Act, 2013 which has been implemented in all States/UTs of the country under which large proportion of the population is entitled to receive highly subsidized foodgrains. The Committee, therefore, recommend setting up more QCCs expeditiously for addressing the issue of quality check/control comprehensively and to prevent losses arising due to damaged foodgrains.

2. *Revised Standard Operating Procedure for DCP States*

The Committee note that the Department has prepared Revised Standard Operating Procedure (RSOP) for DCP States keeping in view the concerns/interests of the farmers as well as beneficiaries. The Department has also requested State Governments to ensure quality of foodgrains at the time of procurement.

The RSOP is still under consultation with the State Governments. The Committee, therefore, recommend the Department to give final shape to RSOP and implement the same at the earliest to ensure timely payment to farmers and good quality foodgrains to poor beneficiaries.

3. *Streamlining the functioning of helpline numbers*

The Committee note that as per Public Distribution System (Control) Order, 2001, the State Government/UT Administration are to ensure that during storage, transportation and in distribution chain, the foodgrains retain their required quality specifications. The Committee are surprised that despite their being joint inspection of foodgrains stock in FCI godowns and presence of QCCs in the Department of Food and Public Distribution, there are so many complaints of beneficiaries getting inferior quality of foodgrains. The Committee feel that this could be the handiwork of some intermediaries which leads to diversion of good quality foodgrains i.e. wheat and rice and making the poor people getting inferior quality of foodgrains. Sometimes, beneficiaries cannot communicate their grievances to the agencies concerned. The Committee also noted that the 24 X 7 toll free grievance redressal at Tel. No. 1967 and 1800 have already been set up in different States/UTs but Committee are constrained to note that these helpline numbers are not helpful in solving day-to-day problems being faced by the beneficiaries and everybody knows that these toll-free numbers are not responsive to the needs of the users and most of the time the calls go unattended by the authorities. Proper functioning of these helpline numbers will enhance transparency and public accountability in the implementation of Targeted Public Distribution System (TPDS). The Committee, therefore, strongly recommend that the Department should make independent surprise visit and inspection at Fair Price Shops (FPSs) or entrust the job to some other independent agencies or vigilance committees to evaluate the situation and to take action thereon. The Committee also desire that CCTV monitoring of Fair Price Shop (FPS) can also be helpful to monitor the

distribution and diversion of PDS items at FPS. The Committee, therefore, urge upon the Department and also the State Governments/UTs to streamline the functioning of these helpline numbers so as to make them functional/operational in the interest of poor beneficiaries.

4. Sufficient allocation of funds

While examining the Demands for Grants in 2021-22, the Committee observed that on the scheme of Quality Control Cells (QCCs), the budgetary allocation during the year 2021-22 was Rs. 7.38 crore. The Committee note that there are only 11 QCCs all over the country. Keeping in view the implementation of National Food Security Act in the entire country, setting up of sufficient number of QCCs is very much important to prevent losses due to sub-standard quality of foodgrains that leads to their damage. The Committee are of the view that strengthening of quality control mechanism is very important for the socio-economic development of the poor people of the country. The Committee, therefore, strongly recommend the Department to vigorously pursue the matter with Ministry of Finance to make sufficient allocation of funds for setting up of more QCCs in the country.

5. *Inspections conducted by QCCs*

The Committee note that the foodgrains are inspected for quality assurance through inspections of Food Storage Depots (FSDs) and Fair Price Shops (FPSs) by the officers of Quality Control Cells (QCCs). The Committee also note that the number of inspections carried out by QCCs at FSDs during 2018-19, 2019-20 and 2020-21 were 1159, 940 and 641 respectively as against the targets of 1140, 1140 and 1040 respectively. Due to COVID pandemic/nationwide lockdown, the targets could not be achieved during 2019-20 and 2020-21. The Committee are dismayed to note that during 2018-19 and 2019-20, no target for inspection of Fair Price Shops (FPSs) was fixed and no inspection thereof was carried out. Details on the number of foodgrains samples (wheat/rice) collected and tested by the Quality Control Cells (QCCs) during the above three years were 3888, 2833 and 2855 respectively. The Committee also note the various infrastructure related shortcomings and also the shortcomings related to technical aspects which have been observed during the course of inspections which affect the quality of foodgrains. The Committee feel that in a vast country like ours, where storage losses due to damaged foodgrains are very high and also to ensure good quality of foodgrains to ultimate beneficiaries, the number of inspections and sample analysis should be increased and strict action should be taken against the offenders.

Discrepancies/shortcomings noticed during inspection of FSDs/ FPSs are communicated to the concerned agencies for making future systematic improvements to avoid recurrence of any such lapse. Further, the Committee are happy to note that the Department is exploring the possibilities to introduce the latest technological interventions for quality assessment of foodgrains in collaboration with FCI. The Committee, therefore, recommend that Department should make vigorous steps/efforts in this regard to minimize the storage losses of foodgrains to prevent the food subsidy from rising further and also to reduce the burden on public exchequer and tax payer of the country.

6. Action against delinquent officials

The Committee note that during 2018-19, 2019-20 and 2020-21, 46, 142 and 78 samples respectively were found to be of sub-standard quality in FCI godowns. The number of such samples in CWC godowns were 25, 17 and 57 respectively. The Government has also apprised the Committee that during the year 2018-19, disciplinary action was taken against delinquents and 6 major penalties and 55 minor penalties were imposed. Likewise in year 2019-20, 3 major and 63 minor penalties and 2020-21, 02 major and 103 minor penalties were imposed. In respect to CWC, investigation of each case has been carried out and defaulting officials have been penalized. In case of stock received as such, quality complaints have been lodged and depositors have taken steps for disposal. The Committee feel that strict action should be taken against the delinquent officials and they should not escape accountability for such unjustified losses as FCI is incurring huge amount on the food subsidy. The Committee, therefore, recommend that FCI should fix its own standards/checklist by framing State-wise SOP for ensuring safe storage of foodgrains so that employees may become extra vigilant in the matter of procurement of good quality of foodgrains and for its safe storage to mitigate the losses to these public corporations acting for the benefit of community for distribution of subsidized foodgrains. The Committee also desire that it should be continuous endeavour of FCI to minimize the operational cost by controlling the operational losses and other overheads.

7. *Phasing out of CAP Storage*

The Committee note that Department has taken/ taking various steps/measures to obviate storage losses. The Department has also informed that covered storage capacity has been added so that foodgrains can be stored in scientific covered storage and CAP storage can be totally avoided. The Committee also note that road map has been drawn by the Government for phasing out of CAP storage capacity. In view of the implementation of the National Food Security Act in the entire country and ever increasing Food Subsidy Bill, the Committee strongly recommend that work for phasing out of CAP storage capacity be taken up expeditiously to minimise storage losses so that every paisa earmarked for poor people reaches at grass root level.

**NEW DELHI;
5 April, 2022
15 Chaitra, 1944 (Saka)**

**SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution**

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2020-2021) HELD ON MONDAY, 09 AUGUST, 2021

The Committee sat from 1500 hrs. to 1620 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

2. Shri Karadi Sanganna Amarappa
3. Shri Girish Bhalchandra Bapat
4. Shri Anil Firojjiya
5. Shri Rajendra Dhedya Gavit
6. Shri Khagen Murmu
7. Shri Subrat Pathak
8. Smt. Kavita Singh
9. Shri Rajmohan Unnithan
10. Shri Ve. Vaithilingam

Rajya Sabha

11. Smt. Shanta Chhetri
12. Smt. Roopa Ganguly
13. Dr. Fauzia Khan
14. Shri Sakaldeep Rajbhar

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri Khakhai Zou - Additional Director

WITNESSES

SI No.	Name	Designation
1.	Sh. Sudhanshu Pandey	Secretary
2.	Sh. Gudey Srinivas	AS & FA
3.	Sh. Sanjiv Kumar	Joint Secretary (Policy & FCI)
4.	Ms. Nandita Gupta	Joint Secretary (Storage & PG)
5.	Sh. S. Jagannathan,	Joint Secretary (BP & PD)
6.	Sh. Subodh Kumar	Joint Secretary (Sugar, Admin & CVO)
7.	Ms. Manisha Sen Sharma	Economic Adviser
8.	Sh. Vishwajeet Haldar	Deputy Commissioner (S & R)
9.	Sh. Atish Chandra	Chairman & Managing Director (FCI)
10.	Sh. A.K. Srivastava	Managing Director (CWC)
11.	Sh. Sudeep Singh	Executive Director (QC) FCI
12.	Sh. A S Arunachalam	CGM (QC) FCI
13.	Sh. C L Ram	Executive Director (P&R) FCI
14.	Sh. Rabindra Agarwal	Executive Director (S &C) FCI

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Food and Public Distribution on the subject 'Quality Control Cells (QCCs).'

[The witnesses were then called in.]

3. The Chairperson then welcomed the representatives of Department of Food and Public Distribution to the sitting and apprised them about Direction 55 (1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. Thereafter, the witnesses introduced themselves and then briefed the Committee through a power point presentation on various

aspects of the subject 'Quality Control Cells (QCCs)'. The Committee then held detailed discussion on various issues pertaining to the subject. The main issues covered, *inter-alia*, included broad functions of FCI, Mode of Procurement, Status of Procurement – Wheat, Status of Procurement – Paddy, Stock Position in Central Pool, Standard of quality for Procurement, Storage and Distribution, Causes of Damage, Accrual of damaged foodgrains in FCI, Reasons for accrual of non-issuable foodgrains, Disposal of damaged foodgrains, steps taken to control damage of foodgrains, Objective, No. and functioning of QCCs, Silos, Movement of foodgrains, Measures to control losses, factors contributing to storage loss, reforms and initiatives, operations during COVID-19 pandemic, etc. The queries raised by the Chairperson and the Members on various issues during the course of discussion were responded to by the witnesses.

4. The Hon'ble Chairperson then thanked the Secretary, Department of Food and Public Distribution and other witnesses for their free and frank discussion and directed the Secretary, Department of Food and Public Distribution to furnish information to the Committee on the issues that remained unanswered/partially answered and also some further clarifications in connection with detailed examination of the subject.

[The *Witnesses* then *withdrew*.]

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2021-2022) HELD ON TUESDAY, 05 APRIL, 2022

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room '1', First Floor, Block- A, Parliament House Annexe Extension Building, New Delhi.

PRESENT

Dr. Farooq Abdullah - Acting Chairperson

Members

Lok Sabha

2. Shri Karadi Sanganna Amarappa
3. Shri Girish Bhalchandra Bapat
4. Shri Shafiqur Rahman Barq
5. Ms. Debasree Chaudhuri
6. Shri Anil Firojjiya
7. Shri Khagen Murmu
8. Shri Mitesh Rameshbhai (Bakabhai) Patel
9. Shri Saptagiri Ulaka
10. Shri Rajmohan Unnithan
11. Shri Ve. Vaithilingam

Rajya Sabha

12. Shri Satish Chandra Dubey
13. Smt. Roopa Ganguly
14. Dr. Fauzia Khan
15. Shri Rajmani Patel
16. Dr. Anbumani Ramadoss
17. Shri Ramji
18. Shri G.K.Vasan

SECRETARIAT

- | | | | |
|----|--------------------|---|---------------------|
| 1. | Shri Shiv Kumar | - | Joint Secretary |
| 2. | Dr. Vatsala Joshi | - | Director |
| 3. | Shri Ram Lal Yadav | - | Additional Director |
| 4. | Dr. Mohit Rajan | - | Deputy Secretary |

2. At the outset, the Committee were informed that due to certain exigencies, the Hon'ble Chairperson was not in a position to preside over the sitting of the Committee and were requested to choose one amongst themselves to preside over the day's sitting. Accordingly, the Members present chose Dr. Farooq Abdullah, MP (Lok Sabha) to preside over the sitting of the Committee for the day in terms of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Hon'ble Acting Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the Draft Report on the subject 'Quality Control Cells (QCCs)' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

4. Thereafter, the Committee took up for consideration the Draft Report. After some deliberations, the Committee unanimously adopted the said Draft Report without any amendment/modification and authorized the Chairperson to finalize the aforesaid Draft Report in the light of verbal and consequential changes and also in the light of factual verification from the concerned Department and present the same to Parliament in the current Budget Session of Parliament.

The Committee, then, adjourned.