

**Minutes of the National Consultation Meeting of Ministers of States/UTs in-charge of Food, Civil Supplies & Consumer Affairs held on 21.5.2016 in Vigyan Bhawan, New Delhi under the chairmanship of Hon'ble Union Minister for Consumer Affairs, Food & PD.**

A National Consultation Meeting of Ministers of States/UTs, in-charge of Food, Civil Supplies & Consumer Affairs was held on 21.5.2016 in Vigyan Bhawan, New Delhi under the chairmanship of Hon'ble Union Minister for Consumer Affairs, Food & PD. **List of participants is at Annexure-I.**

2. Secretary (CA), while welcoming the dignitaries present in the Meeting, mentioned that this is the third consecutive Consultation Meeting being held since the present Government assumed office in 2014. He proposed to deliberate on the availability of essential food items on the excellent benchmark set on two previous occasions, to the consumers at reasonable prices across the country apart from the issues that drive the demand and supply of essential commodities to enable consumers to make informed choices. He mentioned that the next six months are very critical for maintaining stability of prices, particularly pulses and off late sugar, which are going to be volatile. The government is aware that the inflation hits lower strata of the society the most. Prices of 22 essential food commodities are being monitored on daily basis by the Price Monitoring Cell under the Department of Consumer Affairs. An Inter-Ministerial Group meets on weekly basis which coordinates actions across the Ministries. On enforcement matters, a Group under chairmanship of Secretary (CA) meets twice a month to discuss enforcement actions against hoarding, black-marketing, cartelling, speculation and likewise. Action is also being taken on various fronts as market intervention through Price Stabilization Fund and strengthening action under the EC Act and PBMMSEC Act. He urged administration of States to come on front on these issues.

3. Shri Radha Mohan Singh, Hon'ble Minister of Agriculture and Farmers' Welfare (Guest of Honour), while addressing the delegates, appreciated the efforts made by Hon'ble Minister for Consumer Affairs, Food & PD on the food security etc. which has now increased from 12 States to 33 States/UTs. He recalled the drought the country faced 50 years ago which destroyed three crops. The 2015-16 has also faced similar situation. Even then the 3<sup>rd</sup> estimate of 2015-16 has indicated that the overall production of agricultural products is more than 2014-15. On agri-market, he informed that all the Agriculture Ministers of States met this year and deliberated on the APMC Acts. He expressed the concern that the farmers do not get adequate price of their produce in the Krishi mandies. In the current year, under Pradhan Mantri Krishi Sichai Yojana(PMKSY), the budgetary allocation has been enhanced and the Ministry will complete 18-20 such big irrigation projects/programmes. Rs. 12,517/- crore has been



kept for this purpose. He stated that with the help of NABARD, a corpus fund of Rs. 20,000 crore has been created. This Government intends to complete all the 89 big projects so that all the cultivable land gets irrigation water which will ensure increase in agriculture production benefiting all the 14 crore farmers of the country. He expressed satisfaction over cooperation of States in achieving distribution of soil health cards to 4.75 lakhs of farmers during 2015-16. The performance is getting acceleration during 2016-17.

He detailed the efforts made in improving the market facilities to the farmers mainly on three counts. First, the licensing system. Instead of mandi-wise licensing, there should be single license for a state as a whole. Secondly, levy of market fee should be taken at one point. Thirdly, e-trading should be encouraged so that information from different mandis/states can be made available to every farmer.

On availability of food grains, he told that though there were adverse weather conditions, the country has buffer stock of the quantity of wheat 4 times more than required. For pulses, he hailed creation of buffer stock with the help of FCI, NAFED, SFAC etc. It was initiated with Rs. 500 crore so that States can have working capital for market intervention to keep prices under control. He informed that even after 5 communications to States, only Telangana and Andhra Pradesh responded. He raised the concern on speculative trading, artificial scarcity and hoarding of pulses as the seized quantity, during anti-hoarding operations last year, was ten times more than what was imported by the government.

He appealed to all the states to utilize the assistance under the Price Stabilization Fund. Central Government provided funds for exhibition of pulses and edible oilseeds fields first time as earlier it depended on the States only. In RKSM, through 475 KVKs, the seeds are provided to farmers through district and block level Agriculture Officers in all States. For pulses, dalhan advance exhibitions are being organized. Dalhan Seeds hubs are being created, initially in 100 KVKs to be increased to 150. Weather friendly and drought tolerant seeds varieties have been developed. He also appealed to all the States to utilize the funds under the NFSM for increasing production of pulses.

4. In his inaugural address, Shri Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs, Food and Public Distribution expressed concern on the rise in prices of the specified food items like pulses, sugar, edible oilseeds commodities partly due to hoarding, profiteering, unscrupulous trading and cartelling by traders and middlemen. He pointed out that the traders hoard the stock of a commodity in a bordering State where stock limits are not imposed. Therefore, there is need that all States & UTs should impose stock limits. He also recommended that importers of pulses should display stock position on public platforms such as portals of Ministry of Consumer



Affairs or State Governments portals to bring in more transparency about availability of stock. He strongly felt that Government agencies should go for long term supply contract in place of tendering time to time for the import of pulses for building the buffer stock. He asked the States to rationalise stock limits on pulses for millers, importers and dealers. There should be logical and scientific stock limits separately for consuming states and surplus states so that supply chain mechanism remains smooth and pulses are available at reasonable prices. He also requested States to exempt pulses from VAT and other local taxes in the lean period as it may help cool the prices of the commodity by 5% to 7%.

Regarding the prices of sugar, the Minister said that he has written to the chief Ministers of Maharashtra, U.P., Karnataka and Tamil Nadu requesting them to keep a close watch on the release and stock held by sugar mills to ensure availability in the domestic market. He said that production linked export incentive has been withdrawn now midway to ensure adequate availability of the sugar in the domestic market. The states have been asked to implement stock limits effectively.

He said that the government is effectively using Price Stabilization Fund for creating buffer stock of pulses and onions. So far, about 50,000 MT Kharif pulses and about 25,000 Rabi pulses have been procured and 26,000 MT contracted for import for buffer stock. Out of this 10,000 MT have been allocated to the States demanded. Requests from other States are awaited for further allocations.

He said that the Center has further decided to strengthen price monitoring mechanism by including more markets for collecting price data. He said that State Governments have also been requested to set up price monitoring mechanism at their level and also to take timely action to ensure availability of commodities.

Appreciating the efforts of State Governments for implementing National Food Security Act, he said that now 72 crores of people across 33 States/UTs have become eligible for subsidised wheat at Rs. 2/kg and rice at Rs. 3/kg. He advised that now States should focus better targeting of food subsidy. He said End-to-End computerization of TPDS would certainly help in this venture. So far, about 56% ration cards have been seeded with Aadhaar numbers against the total Aadhaar coverage of about 83%. More than 1,15,909 FPSs have been automated across the country by installing biometric devices, and this count is likely to be increased to 3,06,526 FPSs by March, 2017. About 1.62 crore ineligible ration cards have been eliminated and foodgrains worth Rs. 10,000 crore have been better targeted.

The Minister said that the decision was also taken to ensure online allocation of foodgrains up to FPS within two months in the States where it has yet to be done. So far, it is being done in 25 States. States were also requested to expedite preparation



for online procurement of foodgrains by their agencies. Farmers' mobile numbers should be registered and their Bank account numbers should be taken for direct deposit of system generated cheques. Remaining non-DCP States were requested to take up DCP operations as it would help in saving food subsidy, enhancing the efficiency of procurement and public distribution & encouraging local procurement to the maximum extent thereby extending the benefits of MSP to local farmers.

In order to strengthen storage facilities, Government has approved a road map for construction of steel Silos of 100 LMT capacity in the next 4-5 years in three phases for both wheat and rice. **Depot-Online** scheme has already been launched for monitoring the operations in 30 FCI Depots on pilot basis and by July this year all the 554 depots will be online. He expressed hope that these efforts will result in improving food grains management. He appealed that as decided by the conference, all State Governments will work in coordinated way to ensure availability of essential food commodities at reasonable prices.

He disclosed that 50,000 tones of Tur and 5000 tones of Urad has already been procured for buffer stock under the PSF. He impressed on harmonising the interests of farmers and consumers both.

5. A booklet on Essential Commodities Regulation and Enforcement was released by Hon'ble Minister for CA, F&PD and Minister for Agriculture and Farmers Welfare. The booklet is meant for use by enforcement agencies as reference book.

## 6. PRESENTATIONS BY DIFFERENT DEPARTMENTS

All the three participating departments of Central Government made representations on briefing programmes undertaken by them and future action plan to enhance production, to improve distribution and supply and enforce the Acts. Shri K. Srinivasan, Joint Secretary, Department of Agriculture, Cooperation and Farmers Welfare made representation on the schemes taken up by the Ministry of Agriculture to increase production of pulses. The details are as per **Annexure-II**.

Ms. Chandralekha Malviya, Principal Adviser, Department of Consumer Affairs made a brief representation on the price trend of all 22 essential food items monitored by the department. She explained various factors contributing to price rise in a commodity. Details of the presentation are at **Annexure-III**.

Presentation of the Department of Food and Public Distribution was lead by Ms. Vrinda Sarup, Secretary of the department. She briefed about implications of judgment of Hon'ble Supreme Court regarding implementation of the NFS Act. If the States lag behind in compliance, it may lead to contempt of court. She advised all the State to



ensure compliance of the judgment within the required time limit. She advised all the States to appoint District Grievance Redressal Officer, State Food Commission under the NFS Act and to cover all persons under PDS in drought affected areas. She asked all the States to seed all ration cards with Aadhaar numbers by December, leakages and unsavory activities to be stopped immediately by digitizing entire supply chain from FCI godowns to the beneficiaries, to ensure complete foodgrains management, automation of FPSs, to shift to DCP by next Rabi season, to improve, modernize, enhance and upgrade storage capacity to store foodgrains to the level of their requirement, farmers online registration for transparent and efficient procurement and to develop software by all States. Details of presentations of F&PD are at **Annexure- IV.**

## **7. THE UNION MINISTERS AND MINISTERS FROM STATE GOVERNMENTS THEN DELIBERATED ON THE AGENDA ITEMS IN LENGTH.**

It was noted that;

1. Production of pulses needs to be enhanced. In addition, Import of pulses needs to be planned through long term contracts, instead of stop-gap arrangements.
2. Storage capacity for perishable and non-perishable food items needs to be augmented and upgraded. Especially, the cold storage chains for perishable food items to be strengthened to the need of respective State.
3. Imported pulses should not be allowed to be hoarded at port for unreasonably longer period after clearance from the concerned authorities.
4. Our farmers, traders and Government agencies dealing with pulses, may explore possibility of producing pulses in countries like Canada, Australia etc. for marketing in India.
5. The stock limit on pulses varies from State to State, some have no stock limits and some have very low and some very high. This needs to be harmonized and rationalized.
6. Multi –level levy of market fee in agri-products increases cost of purchase and cost of sale and also increases hardships of farmers. There is need of single point market fee in one State.
7. Pulses and edible oils/oil seeds be exempted from levy of taxes to bring down their prices in the open market.
8. All the States to undertake reforms in Agricultural Market Laws to facilitate e-National Marketing.
9. Farmers should be provided e-marketing platform to know price trends, availability etc. in different marketing centres to get better prices for their produce.



10. Importers of pulses should disclose the quantity imported, when imported, rate of imported quantity and when and how they are going to dispose it in the indigenous market.
11. States need to create PSF and buffer stock of pulses at their own to ensure real-time market intervention to keep prices under control.
12. There is need to engage a professional independent agency to collect, examine, disseminate data and offer solutions to different problems regarding demand and supply, price trends, speculation, unscrupulous trading, artificial shortage, hoarding, cartelling and black marketing in pulses and other essential food items. Thus entire information mechanism from Centre to Districts should be strengthened. States should report the prices on daily basis on Saturday and Sundays too.
13. States should lift the whole pulses procured by Government under the PSF immediately and ensure its availability to the consumers through market intervention to bring down the prices of pulses at reasonable level.
14. There is need to examine recommendations of Jha Committee on pulses.
15. The States need to use the Prevention of Detention Laws effectively against all the persons violating orders issued under the Essential Commodities Act. Tamil Nadu model of policing may be replicated in all the States to check hoarding, profiteering and black marketing of essential food items.
16. The States to make arrangements at their own for milling and stocking of the pulses lifted from the buffer stock.
17. As done by some States, all States may hold regular meetings with the dealers of pulses and fix prices at which the pulses can be sold to the primary consumers.
18. Better coordination and interaction is required between Union and State Governments and officers. As production of food items is with the Ministry of Agriculture, Ministers/Officers from Agriculture Ministries of central government and state government are required. Therefore, the consultation meetings are required twice a year instead of one.

**8. THE FORENOON SESSION CONCLUDED WITH THE FOLLOWING ACTION PLAN FOR THE YEAR;**

1. The National Consultation Meetings will be held twice a year and Ministers and officers from Agriculture Ministries will be invited.
2. Programmes on increase in production of pulses and edible oilseeds be implemented vigorously in order to minimise the gap between demand and supply of pulses and edible oilseeds.
3. Government to go for long term supply contracts in place of time to time tendering for the import of pulses for building the buffer stock.



4. The cold storage chains for perishable food items are to be strengthened to increase the capacity and be upgraded to increase the life of such commodities.
5. States should impose time limits of 45 days after landing for disposal of entire imported quantity to the indigenous market. Importers of pulses should also disclose stock position in a transparent manner.
6. States to rationalise stock limits on pulses for millers, importers and dealers. There should be logical and scientific stock limits separately for consuming states and surplus states, so that supply chain mechanism remains smooth and pulses are available at reasonable prices. States may consider imposing stock limits on pulses as per the following broad framework, subject to any specific local conditions as under;

Dealer	Item	Stock Limit	
		Producing States	Consuming States
Millers: (Average of last 3 years of utilized milling capacity)	Raw Pulses	2-3 Months during harvest (April to July) gradually reduce to 2 months and then upto one month.	1 to 11/2 Month (April to July) gradually reduces to 15 days.
		Milled Dal	1 Month (April to July)
		15 Days (August to March)	15 Days
	Traders	MT	No consensus could be formed. However, it was felt that a maximum of 200 MT (Raw or /and Milled Dal) can be allowed subject to the condition that there should not be more than 100 MT of one variety. States can also change these limits considering local factors.

7. States should strive to exempt VAT and local taxes on pulses wherever it is needed to cool the prices.
8. A State should strive to levy single point market fee in the State on agri-products and that Pulses be exempted from levy of taxes to bring down their prices in the open market.
9. Reforms in Agricultural Market Laws to facilitate e-National Marketing to be completed earliest possible by all States.
10. States should create their own PSF, if not already done and maintain buffer stock of pulses at their own and ensure real-time market intervention to keep prices under control.
11. Department of Consumer Affairs will engage a professional independent agency to collect, examine, disseminate data and offer solutions to different problems regarding demand and supply, price trends, speculation, unscrupulous trading, artificial shortage, hoarding, cartelling and black marketing in pulses and other essential food items, after completing procedural requirements.



12. States should lift the whole pulses procured by Government under the PSF immediately and ensure its availability to the consumers through market intervention to bring down the prices of pulses at reasonable level.
13. The States will examine Tamil Nadu model of policing-under the EC Act- for replication to ensure effective preventive detention in all the States to check hoarding, profiteering, cartelling, unscrupulous trading and black marketing of essential commodities.
14. The States to make arrangements at their own for milling and stocking of the pulses lifted from the buffer stock. And the pulses received from the PSF be sold not above the rates prescribed.
15. All States will hold meetings with the dealers of pulses and fix prices at which the pulses can be sold by the wholesalers to retailers and by retailers to the primary consumers.
16. All the States will submit monthly reports on implementation of the EC Act, PBMMSEC Act and LM Act regularly. Rules under the LM be notified on priority.
17. NFSA, DBT, End-to-end computerisation, DCP Scheme, Online Procurement System, Silo construction and all other programmes under the D/o Food & PD, to be implemented effectively with all components in a time bound manner.
18. Maharashtra, U.P., Karnataka and Tamil Nadu will keep a close watch on the release and stock held by sugar mills to ensure availability of sugar in the domestic market.

#### **9. DISCUSSIONS WITH OFFICERS OF STATES IN THE AFTERNOON SESSION:**

- A. **Issues related to Department of Food and Public Distribution-**The discussions with the representative officers of States/UTs were held under the chairmanship of Secretary, D/o Food, & Public Distribution Ms. Vrinda Sarup. Detailed account of discussions with decisions are at **Annexure-V**.
- B. **Issues related to Department of Consumer Affairs-** The issues related to department of consumer affairs were discussed with the representatives of State Governments and Union Territories under the chairmanship of Secretary, Consumer Affairs, Sh. Hem Pande. Details of discussions and decisions are as per **annexure-VI**.

## ANNEXURE- I

National Consultation Meeting of Ministers of States and UTs, in-charge of Food, Civil Supplies & Consumer Affairs held on 21.5.2016.

### LIST OF PARTICIPANTS

#### I. CENTRAL GOVERNMENT

##### **A. DEPARTMENT OF CONSUMER AFFAIRS**

<b>S. N.</b>	<b>Name and office address</b>	<b>Contact details</b>
1.	Ram Vilas Paswan, Hon'ble Minister for CAF&PD	
2.	Hem Pande, Secretary (CA)	
3.	Chandralekha Malviya, Principal Adviser	
4.	P.V. Rama Sastry, Joint Secretary (CA)	
5.	A.K. Chaudhary, Economic Adviser	
6.	Ravindra Kumar, Director	
7.	B.N. Dixit, Director	
8.	Zakir Hussain, Director	
9.	Bani Brata Roy, Deputy Secretary	
10.	K.C. Rout, DS	
11.	Surendra Singh, DS	
12.	S.S. Thakur, Director	
13.	Sreekumaran, Consultant	
<b>Subordinate Organizations</b>		
<b>NATIONAL TEST HOUSE</b>		
14.	S.B. Maurya, Scientist SB	
15.	M. Biswas, Scientist SB	
16.	S. Srilayraj, Scientist SB	
17.	Maymole Boben Scientist SB	
18.	S.P. Kalia, Scientist SB	
19.	Buddh Prakash, Scientist, SBT	
20.	Naresh Gupta Sc. SB	
21.	R. Arora	
22.	B.K. Singh	
<b>NCCF</b>		
23.	Pradeep Nigam, AM Legal	
24.	A.K. Singh	
25.	Vijay Singh, AM	
26.	G.P. SINGH, AM	
27.	Subodh Kumar, AM	
28.	H.P. Singh,	
29.	M.P. SINGH	
30.	HARDEEP KAUR	
31.	RAJESH KUMAR SHARMA	
32.	Vijay Singh, AM	



33	G.P. SINGH, AM	
34	Subodh Kumar, AM	
	<b>BIS</b>	
35	C.B. SINGH, Addl. DG	23385625
<b>B. Department Of Food &amp; Public Distribution</b>		
36	Ms Vrinda Sarup, Secretary (Food&PD)	
37	Prabhas Kumar Jha, SS&FA	9999604998
38	T.K. Manoj Kumar, JS Rachna Chopra, Adviser (Cost)	
39	N. Sharan, Economic Adviser	8826588300
40	Rama Kant Singh, Director	23097050
41	M.K. Gupta, Director	8017769450
42	Pankaj Mishra, Principal Consultant	9873679031
43	Roop Singh, DS	
44	Jagdish Gosai, Under Secretary	
45	Kumaran Murugesan, CPMU	
46	P.K. Dash	
47	Amit Kumar Rawat	
<b>Subordinate Organizations</b>		
<b>Food Corporation of India</b>		
48	G.N. Raju, DGM	
49	U.T. Dani	
50	R.K. Chaturvedi, ED, Sales	
52.	Seema Kakar, ED	
53.	Deepak Sinha, GM (Funds)	
54.	Aseem Chhabra, GM IT	
55.	R.K. Maindiratta, GM(Cost)	
56.	P. Muthumaranm, GM (QC)	
57.	K.K.Paliwal, GM (Proc)	
58.	Abhishek singh, ED	
<b>Central Warehousing Corporation</b>		
59.	Yatin Patel, DGM	
60.	J.S. Kaushal, MD, CRWC	
61.	V.R. Gupta	
<b>C. Ministry Of Agriculture &amp; Farmers' Welfare</b>		
62.	Shri Radha Mohan Singh, Hon'ble Minister for Agriculture & FW	
63.	K.S. Srinivas, JS (Marketing)	
65.	Vijay Pratap Singh, Under Secy..	
66.	Sunil Kumar	
<b>Subordinate Organizations</b>		
<b>Directorate of Marketing and Inspection</b>		
67.	B.K. Prusty, Dy. Adviser (Marketing)	
68.	B.K. Tiwari, Dy. AMA	
69.	Dr. S.K. Singh, DY AMA	
<b>D. Ministry Of Finance</b>		
70.	Naveen Kumar, Project Manager, PFMS	
71.	Vishnu Singh, PFM	
<b>E. Department of Commerce</b>		
72.	Santosh Soren, Joint Secretary, Deptt. of Commerce	



II. STATE GOVERNMENTS			
S. N.	Name	Office Address	Contact details
1.	N.C. Semwal,	Chief Marketing Officer , Food & Civil Supplies Department, Uttarakhand.	9410587155
2.	Ajay Chauhan,	Commissioner, F&CS, Uttar Pradesh.	894807855
3.	Dr Debasish Basu,	Addl. Secy, FCS&CA, Deptt. Tripura.	9402137297
4.	Keshar Singh,	Dy Director, Dept. of Agri. Marketing, Rajasthan	9799050921
5.	Ms. M. Sudha Devi,	Director , FCS&CA, Himachal Pradesh	8894735555
6.	K.C. Gaur,	Joint Director, FCS&CA, H.P.	9418127691
7.	Sher Singh	Joint Director, FCS&CA, HP	9968653673
8.	Samyu Rai,	Minister, F&CS , Jharkhand	9431105352
9.	Pankaj Joshi,	PS (F&CS), Govt. of Gujarat	9978405961
10.	Naveen Kumar,	DFPD&CA, Govt. of Jharkhand	
11.	Richa Sharma, Secy,	FCS&CA, Govt. of Chhattisgarh.	
12.	Sunil Devassy,	Programme Policy Officer, Civil Supplies Commissionerate, Kerala.	
13.	Sanjay M. Kavl,	Secretary - Food and Civil Supplies, Kerala	
14.	Arunesh Kant, Manager	Punjab Agro Industries Corporation	
15.	Sanjoy Kumar Mukerjee	NPCI	
16.	Pradeep Negi	NPCI	
17.	Suarta Majumdar	FCS&CA, Govt. of Tripura	
18.	P.W. Ingty,	Pr. Secretary-.Food Civil Supplies &CA, Meghalaya	9436105253
19.	Wilfred Khylerp	Secy & Director- Food , Meghalaya	9863028845
20.	Dr Suchisnita Sengupta Pandey,	Joint Commissioner, Food & CS, Uttarakhand.	9411110793
21.	Anita Sahay,	Secretary, JSAMB, Jharkhand	9431563588
22.	R.N. Mangla,	Secretary- DAMB, Delhi	9818316633
23.	M.H. Khan,	Principal Secretary, CA F&PD, MANIPUR	9917472900
24.	S.S. Prasad,	Secretary, F&CS, HARYANA	8860150745
25.	Dr. A. Sharath, IAS	Agri. Mkt Dept, Telengana	
26.	Ms Gitanjali Gupta	Resident Commissioner , Arunachal Pradesh.	8447000114
27.	M. Sudhaden,	Director (F&CS), Govt. of H.P.	8894735555
28.	Praveen Pareek,	Consultant, PeMT, Dept. of Food & CS, M.P.	
29.	Shafiz AA. Raina,	Secy., CA, F& PD , J&K	9419131617
30.	Mohd. Farooq,	OSD to HM CA, F&PD, J&K	9419137242
31.	Manoj Prabhakar,	Dy. Controller of Legal Metrology, J&K	
32.	Lallu Ram Meena,	DSO (HQ), Food & CS, Rajasthan	9414663698
33.	Asar Pal Singh,	Addl. Res. Commissioner , UT of Lakshadweep.	9873869600
34.	Dr N.S. Kalsi,	Addl. Chief Secretary, Punjab.	999997861
35.	Shiv Das Meena,	Principal Secy , F&CS Deptt., Tamil Nadu	9445030000
36.	D.K. Chakravarty,	ECIL	7838666225



37	V.K. Balakrishnan,	Director ,Civil Supplies, Kerala	9446404111
38	Pinto Chupel Lepcha,	Parliamentary Secretary, Sikkim	
39	S.K. S.K. Shilal,	Secretary, Food, Sikkim	
40	Pinto Namgyal,Dy.	Director , Sikkim	9733271222
41	Shravanth Shanker,	Commissioner, Civil Supplies Corp., Telangana.	9711211221
42	Amjad Talk,	Commissioner, Food & CS, GNCT DELHI.	8130698269
43	B.R. Singh,	Secretary, CS&F, Goa.	9075088399
44	P. Mallikarjun Rao,.	Commissioner, Agri . Mktg, Govt. of AP.	
45	A.S. Prasad,	MD. APMARKFED, Govt. of AP	
46	S. Bagaria,	Secretary to Minister, Govt. of NCT of Delhi	
47	Ranbir Singh,	AGM (Exports), Punjab Agro Industries Corp.	
48	M. Sanjay,	DD (CS&CA), A&N Administration	
49	Umesh K. Tyagi,	Director, UT Administration of Daman &Diu	
50	A. Kartikey,	Director, Agriculture, Bihar.	
51	Alun Hangsing,	Director , F&CS, Nagaland	9936001998
52	C.D. Joshi	PS to Minister, Maharashtra	

**D/o AGRICULTURE, COOPERATION AND FARMERS WELFARE**

**I. Agriculture Marketing**

- States enacted APMR Acts to regulate agri-market practices.
- However, the Mandis have become monopolistic & restrictive due to problems of
  - fragmentation, multiple licensing, multiple levy of fees, opaque bidding, information asymmetry, high incidence of market fees/other charges.
- Hence, DAC&FW advocating reforms.
- Model Act 2003, Model Rules 2007 and advisories from time to time.

**Priority areas for Reforms**

- The Seven major areas of reforms :
  - Establish Markets in private / cooperative sector
  - Direct marketing (direct purchase of produce from farmers by processors/exporters/bulk buyers, etc out the market yard)
  - Contract Farming
  - Farmer - Consumer markets (direct sale by farmers to consumers) to be set-up by a person other than a Market Committee
  - E-Trading
  - Single point levy of market fee
  - Single license for traders

**Status of Marketing Reforms**

States	Private Market	Direct Marketing	Contract Farming	E-Trading	Farmer Markets in private sector	Single Point Levy	Unified License
1. AP							
2. Arunachal							
3. Assam							
4. Bihar							
5. Chhattisgarh							
6. Delhi							
7. Goa							
8. Gujarat							
9. Haryana							
10. HP							
11. J & K							
12. Jharkhand							
13. Karnataka							
14. Kerala							
15. MP							

States	Private Market	Direct Marketing	Contract Farming	E-Trading	Farmer Markets	Single Point Levy	Unified License
16. Maharashtra							
17. Manipur							
18. Meghalaya							
19. Mizoram							
20. Nagaland							
21. Orissa							
22. Punjab							
23. Rajasthan							
24. Sikkim							
25. Tamil Nadu							
Telangana							
26. Tripura							
27. UP							
28. Uttarakhand							
29. WB							

**Status of Marketing Reforms**

States / UT	Private Market	Direct Marketing	Contract Farming	E-Trading	Farmer Markets in private sector	Single Point Levy	Unified License
30. A & N Islands							
31. Chandigarh (UT)							
32. Dadar & Nagar Haveli							
33. Daman & Diu							
34. Lakshwadeep							
35. Puducherry							

**e-NAM -**

**National Agriculture Market (NAM)**

- NAM Scheme approved on 01.07.2015, to be implemented during 2015-16 to 2017-18, with a budget of Rs.200 crore.
- NAM to be implemented through deployment of e-trading software in 585 wholesale markets across States and UT's.
- Software to be provided free of cost and maximum grant of Rs.30 lakh per mandi for hardware and other infrastructure.
- To be implemented by SFAC and Strategic Partner.
- Till date DPRs of 12 States/UT's approved for integration of 365 mandis.
- E-NAM has been launched on pilot basis on 14<sup>th</sup> April 2016 in 21 mandis across 8 States for trading in 25 commodities



### Willingness received from States

S.No.	State	Mandis	S.No.	State	Mandi
1	Andhra Pradesh	40	13	Manipur	Consented
2	A & N(UT)	8	14	Mizoram	Willing
3	Arunachal Pradesh	5	15	Nagaland	13
4	Assam	6	16	Orissa	10
5	Chhattisgarh	14	17	Pondicherry (UT)	2
6	Chandigarh (UT)	1	18	Punjab	12
7	Jharkhand	19	19	Rajasthan	25
8	Gujarat	40	20	Telangana	44
9	Haryana	54	21	Tamil Nadu	100
10	Karnataka	100	22	Uttarakhand	5
11	Maharashtra	30	23	Uttar Pradesh	100
12	Madhya Pradesh	50		<b>Total</b>	<b>678</b>

### Approved Proposals [Rs. in Crores]

State/UT	No. of Mandis	Max. assist. admissible
Gujarat	40	12.00
Maharashtra	30	9.0
Telangana	44	12.165
Jharkhand	19	5.70
Chhattisgarh	05	01.50
Madhya Pradesh	50	15.00
Rajasthan	25	7.50
UT of Chandigarh	01	0.30
Haryana	54	16.20
Uttar Pradesh	66	19.80
Himachal Pradesh	19	5.70
Andhra Pradesh	12	3.60
<b>TOTAL</b>	<b>365</b>	

- ### Pilot NAM Details
- Launched on 14-4-2016
  - 21 mandis in 8 states
  - Gujarat (Patan, Botad, Himmatnagar)
  - Telangana (Thirumalagiri, Nizamabad, Malakpet, Warangal, Badepalli)
  - Uttar Pradesh (Sultanpur, Lakhimpur, Lalitpur, Bahraich, Saharanpur & Mathura)
  - Rajasthan (Ramganj Mandi),
  - Madhya Pradesh (Karond)
  - Haryana (Ellanabad, Karnal)
  - Himachal Pradesh (Solan, Shimla)
  - Jharkhand (Pandra)

### 2. Total Production (Million Tonnes)

Crop	2013-14 (Final)	2014-15 (Final)	2015-16 3 <sup>rd</sup> Advance Estimate
Wheat	95.85	86.53	94.04
Rice	106.65	105.48	103.36
Coarse Cereals	43.29	42.86	37.78
Arhar	3.17	2.81	2.60
Gram	9.53	7.33	7.48
Urad	1.70	1.96	1.88
Moong	1.61	1.50	1.59
Total Pulses	19.25	17.15	17.06
Total Food grains	265.04	252.02	252.23

Release of 3<sup>rd</sup> Advance Estimate as on 09.05.2016

### Pulses Production, Trade and Consumption (000 tons)

	2012-13	2013-14	2014-15	2015-16
Production	18340	19250	17350	17060*
Imports	3840	3530	4580	5790
Export	200	340	220	260
Total Availability	21980	22440	21510	22590
Demand#	20900	21770	22680	23660
Surplus/Deficit	1080	670	-1170	-1070

\* Third Advance Estimate # Estimated by Niti Aayog

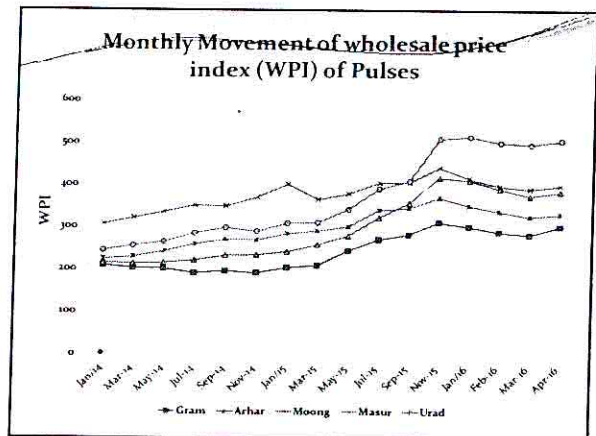
### All India Average Wholesale prices of Pulses (Rs. Per Quintal)

Pulses	May, 2016 (upto 20 <sup>th</sup> )	April, 2016	May, 2015	May, 2014	% inc/dec over last month	% inc/dec over one year	% inc/dec over two year
	1	2	3	4	5	6	7
Gram dal	6775	6316	5226	4357	7.3	29.6	55.5
Arhar dal	13295	12980	8687	6592	2.4	53.0	101.7
Urad dal	14269	13320	8646	6427	7.1	65.0	122.0
Moong dal	9332	9326	9552	8370	0.1	-2.3	11.5
Masur dal	7652	7510	7302	5981	1.9	4.8	27.9

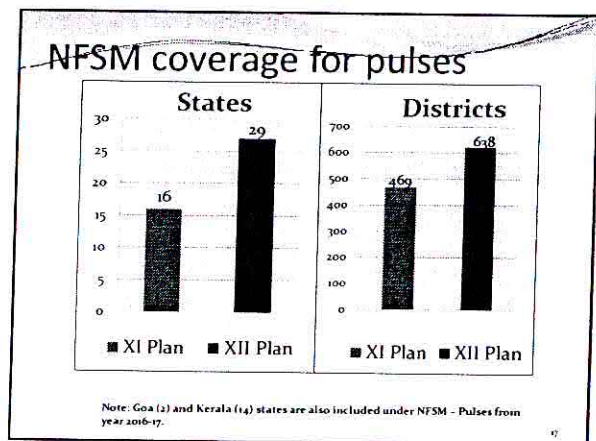
### All India Average Retail prices of Pulses

(Rs. Per Quintal)

Pulses	May, 2016 (upto 20 <sup>th</sup> )	April, 2016	May, 2015	May, 2014	% inc/dec over last month	% inc/dec over one year	% inc/dec over two year
1	2	3	4	5	6	7	8
Gram dal	72.9	68.3	56.5	48.6	6.8	28.9	50.0
Arhar dal	121.4	138.2	91.9	70.4	2.3	53.9	100.9
Urad dal	151.6	141.4	91.3	69.1	7.2	66.0	119.5
Moong dal	101.2	100.9	102.3	89.1	0.3	-1.1	13.6
Masurda	82.9	81.1	77.8	64.8	2.2	6.5	27.9



## Steps taken to improve Production of Pulses



- ### Cafeteria of cluster demonstration of pulses
- o Seed of higher yielding newer varieties
  - o Seed treatment with fungicides/trichoderma
  - o Use of Micro Nutrients ( Zinc, Boron , Iron , Molybdenum)
  - o Bio-fertilizers :Rhyzobium and PSB, Potash mobilizing bacteria and zinc solubilizing bacteria
  - o Use of Sulphur as a nutrient
  - o Use of pre and post emergence weedicide
  - o Use of IPM technology including mechanical devices
  - o Foliar spray of nutrients
  - o Vermi-compost

### Funds allocation for NESM-Pulses

(Rs. in crores)

Year	NFSM	Pulses Release
2011-12	1350	614.30
2012-13	1850	951.03
2013-14	2250	1243.10
2014-15	2030	818.66
2015-16	1300	617.033
2016-17	1800	1100 (allocation)



### Initiatives to increase pulses production

- ❖ NFSM-50% allocation to pulses, additional allocation for rabi pulses
- ❖ BGREI to target rice fallows in Eastern India from 2015-16 onwards
- ❖ Promotion of summer moong
- ❖ Cultivation of arhar on rice bunds-NFSM, BGREI
- ❖ Demonstration through KVKs from rabi 2015-16
- ❖ At least 30 % of cluster demonstration of rice under NFSM and BGREI- cropping system approach to increase area under pulses particularly rice fallows
- ❖ Pulses as intercrop with cereals, oilseeds and commercial crops
- ❖ FLDs of pulses -IPR through its AICRP centres
- ❖ Formation of Farmer-Producer Organization (FPO)-SFAC
- ❖ Primary processing of pulses- Mini Dal Mills

### Recent initiatives to be under taken

- ❖ States
  - Subsidy on production of seeds
  - Distribution of Seed Minikits of newer varieties
  - Promotion of INM and IPM
  - Targeting Rice fallow areas
  - Provision for irrigation for pulses through PMKSY
- ❖ ICAR
  - Creation of 150 seed hubs at KVKs and SAUs
  - Enhancement of breeder seed production at ICAR and other centres
  - Bio-fertilizer and bio-control agent units at SAUs
  - Technology demonstrations through KVKs

### Actionable points for States

- Create own Price Stabilisation Funds- Centre will provide 50% share
- Create Buffer stock of Pulses
- Purchase pulses from Centre's buffer stock
- Improve Storage capacity with own funds
- Increase area under pulses to enhance production
- Undertake reforms in Agri marketing
- Join National Agriculture Market

**DEPARTMENT OF CONSUMER AFFAIRS**

FOOD INFLATION

➤ Food inflation remains a cause of concern

➤ Prices of pulses, sugar and potato show a rising trend.

➤ Rising prices-

- ✓ impact poor/vulnerable sections more
- ✓ reduce purchasing power
- ✓ reduce consumption /quantity intake

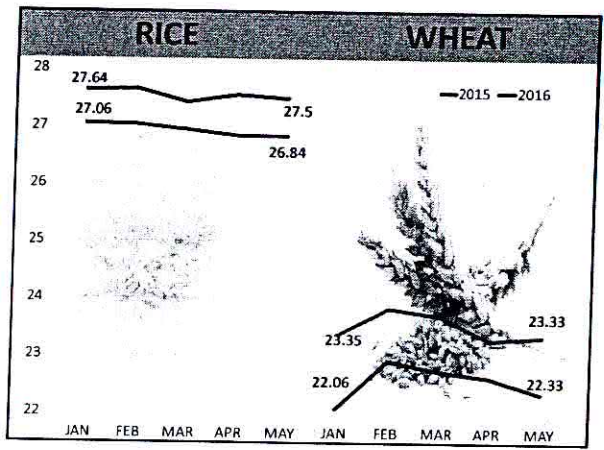
REASONS FOR PRICE RISE

- Mismatch between demand and supply
- Adverse weather conditions and resultant crop loss
- Poor post-harvest infrastructure i.e. cold chains, storage facilities etc.
- Lack of adequate transport facilities
- Hoarding & Black Marketing

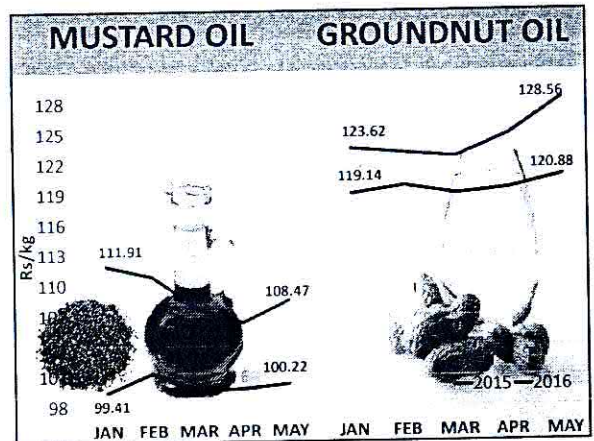
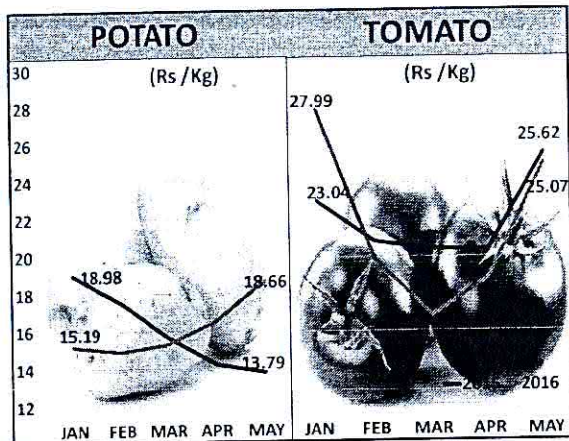
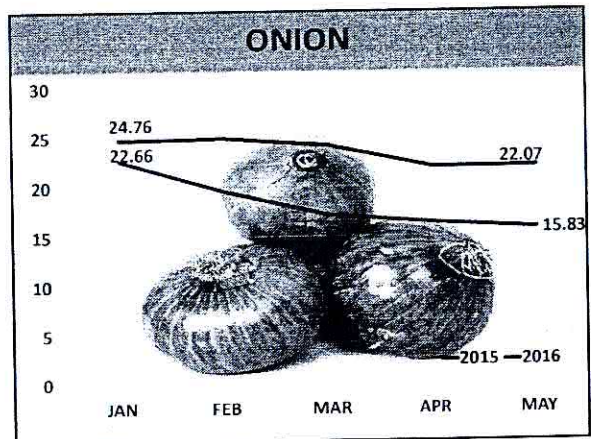
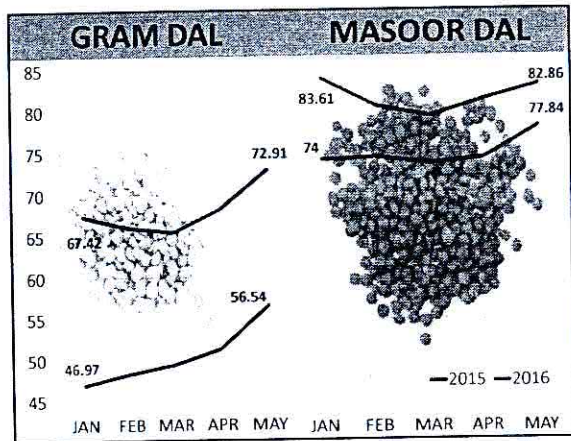
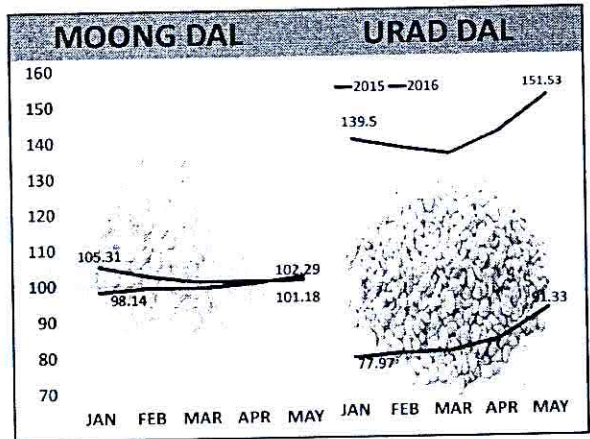
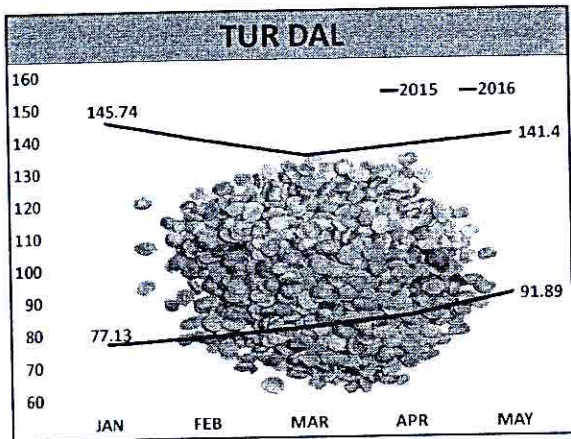
PRICE MONITORING				
✓ 22 Essential Commodities from 93 centres <a href="#">(LINK)</a>				
Cereals (2)	Pulses (5)	Edible Oil (6)	Vegetables(3)	Others (6)
Rice	Chana	Groundnut	Potato	Sugar
Wheat	Arhar	Mustard	Onion	Milk
	Urad	Vanaspati	Tomato	Atta
	Moong	Soya		Gur
	Masoor	Sunflower		Tea Loose
		Palm		Salt Pack

Department of Consumer Affairs(Price Monitoring Cell)				
Zone wise list of reporting centres from States/UT's across the country (93 Centres)				
North Zone(27)	West Zone(23)	East Zone(10)	North-East Zone(6)	South Zone(27)
CHANDIGARH	KAPUR	PATNA	TANAGAR	PORT BLAIR
DELHI	DELHI	BHARUAPUR	BHUVANESHWAR	HYDERABAD
HISAR	JAMSHEDPUR	PURBA	SHILLONG	KANUNGAR
KANAK	BILASPUR	RANCHI	ALWAL	VAISHANVA
PANCHKULA	JAGDALPUR	BHUBANESHWAR	DIMAPUR	VISAKHAPATNAM
BURDWAR	PAVAG	CUTTACK	AGARTALA	MADRAS
SHIMLA	SHIMLAGARH	BHARUAPUR		ZURKHOOL
MAANDI	RAJEND	KOLKATA		ADILABAD
DHARAMSALA	SURAT	KOLKATA		TRIPURATI
KOLINI	BIHAR	SHIBPUR		SHRIPATI
SHIMLAGAR	BHOJPAR			BADCHERLA
KANAK	MIDOH			BEHAGALPUR
KANAKPUR	DHARWAD			SHARWAD
LUDHIANA	FAJALPUR			MANGALORE
BATHINDA	NEWA			MYSORE
LUCKNOW	SAGAR			T.PURAM
KANPUR	MUMBAI			ERNAKULAM
MARANASI	KANPUR			KOCHIN
ROSA	PUNE			THIRUVAR
SHANSHI	NAGPUR			PALAKKAD
MEERUT	KANPUR			MATANAD
BILAHARAD	KOCHUPUR			PUDUCHERRY
DEHRADUN	KOTA			CHENNAI
HALDWARI				CHENNAI
ROZUPUR				THIRUCHIRAPPALLI
HARIDWAR				COIMBATORE
				TIRUNELVELI

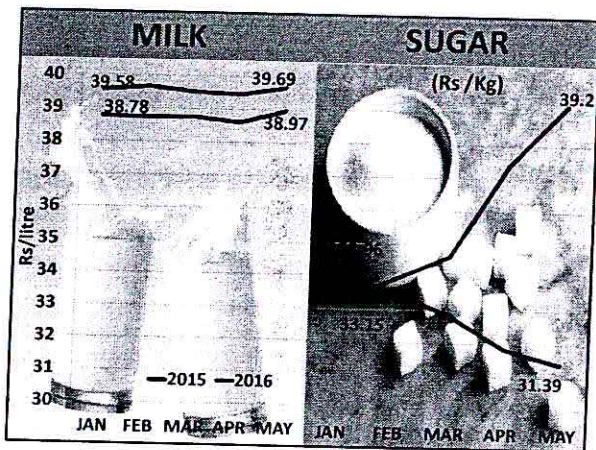
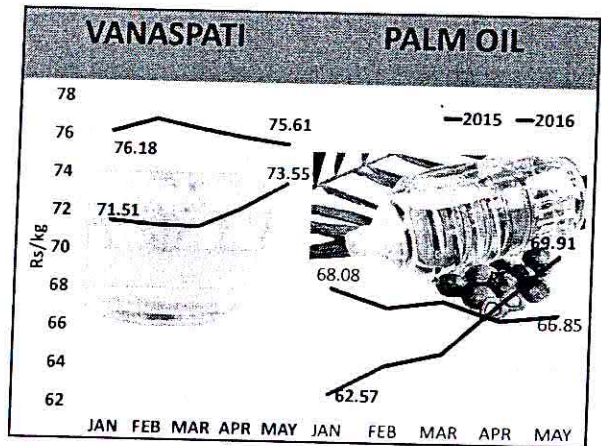
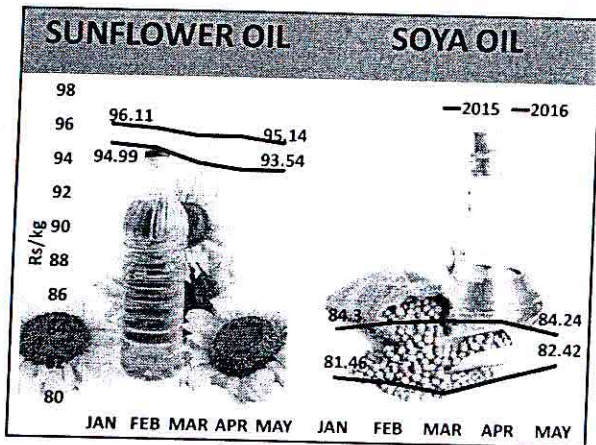
COMPARATIVE ANALYSIS OF PRICE TREND OF FOOD ITEMS (JANUARY TO MAY)











### PRICE STABILISATION FUND SCHEME

- 12<sup>th</sup> Plan Scheme set up with initial corpus of Rs 500 crore.
- Scheme approved by SFC on 23<sup>rd</sup> Dec' 14.
- Transferred to DoCA w.e.f. 1st April, 2016
- Objective - ensure availability and stability of prices of onion, potato and pulses in the interest of consumers and farmers.
- Funds released for creation of buffer stock of onion and pulses as well as to state government on proposals approved.
- As of now, a total amount of Rs 881.5 crore has been released to Central agencies & State governments. [\[link\]](#)

### OUTLAY/EXPENDITURE - PSF

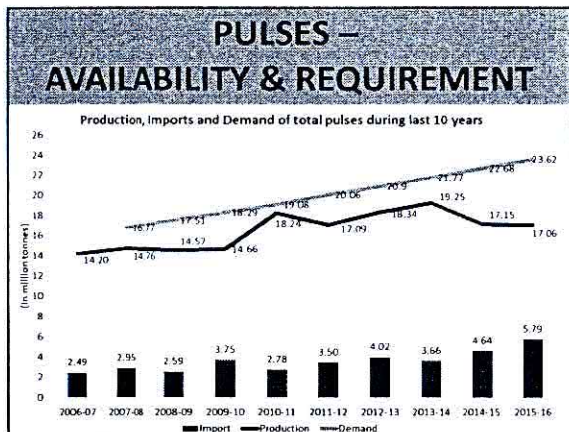
IN RS. CRORE

2014-15		2015-16			2016-17	
BE	ACTUALS	BE	RE	ACTUALS**	BE	ACTUALS
50	0.00	450	660	710*	900	171.5

\*Includes Rs 50 crore from 2014-15, it being revolving fund  
 \*\*Includes allocation to States for setting up State level PSF (Rs 32.075 crore)

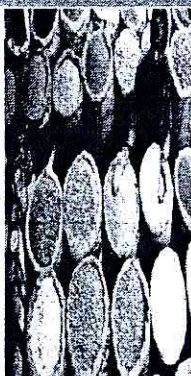
## SPECIFIC MEASURES TAKEN TO CONTROL PRICES





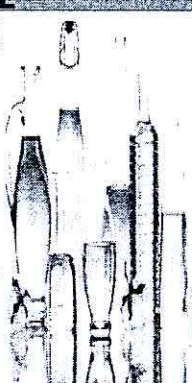
### PULSES

- Creation of buffer stock of 1.5 lakh tonnes.
- Allocation of 10,000 MT of pulses from buffer stock to States/ UTs for retailing @ Rs 120/- per kg.
- Import of 18500 MT of Tur and 15000 MT of Urad.
- Increased MSP for kharif and rabi pulses.
- Ban on export of all pulses, except Kabuli Chana and Organic pulses & lentils up to 10,000 MTs
- Import allowed at zero import duty
- Stock limits imposed up to 30.9.2016, under EC Act, 1955
- Group of Officers set up for regular monitoring and exchange of information on hoarding, cartelization etc.



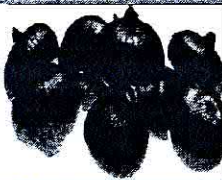

### EDIBLE OIL

- More than 50% of the consumption requirement is met through imports major share of which is palm oil.
- Production of oilseeds during 2015-16 is estimates to be lower than 2014-15.
- These may put pressure on prices of oil.
- To improve availability & moderate prices of oil
  - export of edible oil in bulk is prohibited except coconut oil.
  - other edible oil in branded consumer pack of up to 5kgs is permitted with MEP of USD 900 per MT.
  - MSP increased for various rabi and kharif oil seeds




### OTHERS

- **ONION**
  - ✓ Creation of buffer stock of 15000 MT of onions has been approved.
  - ✓ Expert team sent to Madhya Pradesh & Rajasthan for evaluating feasibility of procurement of onions.
  - ✓ Stock limits extended up to 2nd July 2016 under the Essential Commodities Act
- **SUGAR**
  - ✓ Order on imposition of stock limits notified on 29.4.2016

### PROPOSED ACTION PLAN

- Strengthening of price reporting mechanism. [LINK](#)
- Focus on availability and prices of essential food items including pulses, edible oils & vegetables.
- Special focus on areas prone to shortages.
- Augmenting existing storage capacity.
- Engaging independent private agency for forecasting prices, demand, supply including global trends.
- Long term contracts to be explored for import of pulses.
- Strong action to prevent hoarding and black marketing.
  - Stock limits [link](#)
  - Enforcement Actions [link](#)
  - Pricing policy [link](#)



### ISSUES IN PRICE MONITORING

- Information is voluntary and non-regular.
- Low representation from Eastern and North-Eastern region.
- ACTION PROPOSED/INITIATED:
  - ✓ Increasing the number of reporting centres from 93 to 100 by the end of 2017 and better spread of these centres across region.
  - ✓ Ensure regular reporting including on Saturdays and Sundays.
  - ✓ On the spot inspection [link](#)



## IMPOSITION OF STOCK LIMITS

### • STATUS

- Currently stock limits can be imposed on Pulses, Edible Oils, Edible Oilseeds, Onions and Sugar under the EC Act.
- Pulses: Except NE-States, West Bengal and Uttarakhand . MP has imposed stock limits on Tur, Moong, Urad and Masoor only.
- Edible oils & Edible Oilseeds: Except Assam, Gujarat, Kerala, MP, UP, Uttarakhand and WB, all other states have imposed stock limits.
- Onions: only A&N Islands, Chandigarh, HP, J&K, Jharkhand, Odisha, Telangana and WB have imposed stock limits.
- Sugar: order notified on 29.4.2016. States yet to decide

### • ISSUES ASSOCIATED WITH IMPOSITION

- Non Uniformity
- More clarity required on imposition in respect of Importers and Millers
- Different criteria for Producer states and Consumer states
- Geographical contiguity would require some uniformity

## ENFORCEMENT ACTION UNDER THE EC ACT AND PBMMSEC ACT

- During 2015 a total of 134438 raids conducted , 1835 arrests made, 822 prosecuted, but convictions only 59
- Preventive detention of 227 persons(196 by TN and 28 by GJ)
- Special drive by the states from October to December 2015 -14 484 raids were conducted, 1,33,884 MT of pulses was seized
- Issues associated with Enforcement actions
  - Monthly ATRs not being received regularly
  - Preventive detentions being done only by three ,four states
  - Disposal of pulses seized during special drive remain pending for a long time
  - Frequency, coverage and continuity of raids
  - Dedicated police units like in Tamil Nadu

## PRICING POLICY OF ESSENTIAL COMMODITIES

- Section 3(2) (c ) empowers government to fix the purchase and selling prices of essential commodities
- States can consider the feasibility and desirability of invoking this provisions
- In case the provisions are invoked, commensurate regulation and enforcement action would be required

## PROGRESS IN PROCUREMENT

### PULSES

- Procurement of 50424 MT of kharif pulses i.e. Tur and Urad against the target of 50000 MT.
- Procurement of Rabi pulses i.e. Chana & Masoor is being under taken from RMS-2016-17. As on 19.05.2016, 31036.53 MT of rabi pulses have been procured.

### ONION

- Against the target of procurement of 15000 MT of onions, 11431.299 MT has been achieved by SFAC & NAFED.

## ALLOCATION TO STATES FROM PSF

State	Total Working capital advance from PSF to be released	Agri Commodity	Release (Rs. Crore)
Telangana	Rs.9.15 crore	Onion	9.15
Andhra Pradesh	Rs.50.0 crore	Onion, Pulses & potatoes	25.00
West Bengal	Rs.5.00crore	Onion	2.50
<b>GRAND TOTAL</b>	<b>Rs.54.15 crore</b>		<b>32.075</b>

## FOOD ITEMS OF CONCERN

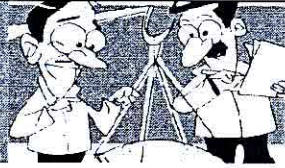
(for year 2015-16)

PULSES		SUGAR	
AREA (MILLION HECTARE)	24.85	PRODUCTION (MT)	24.6 (27.6)
PRODUCTION (MMT)	17.06 (17.33)	CONSUMPTION ESTIMATE(MT) *	25.6
IMPORTS (MMT)	5.79	<b>POTATO</b>	
EXPORTS (MMT)	0.26	AREA (MILLION HECTARE)	2.085
TOTAL AVAILABILITY (MMT)	22.59	PRODUCTION (MMT)	48.096 (48.03)
DEPENDENCY RATIO (%)	25.63		
DEMAND (MMT)	23.66		
SURPLUS/DEFICIT (MMT)	-1.07		

\* 2014-15



## PSF GUIDELINES/ FACTS



- Provides for extending assistance to States on 50:50 sharing basis for setting up of State level PSF to facilitate market intervention operations by them.
- The assistance to North Eastern states is given on 75:25 sharing basis.
- Assistance under the scheme already provided to Andhra Pradesh, Telangana and West Bengal, based on the proposals received

**ANNEXURE-IV**

**DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**National Food Security Act**

- o Being implemented in 33 States/UT, covering more than 72 crore persons.
- o Remaining 3 States - Kerala, Tamil Nadu, Nagaland - to apprise their status of preparedness and likely date of implementation
- o Implementation issues – women head of family, grievance redressal mechanism, transparency in distribution of 'tide over' allocation, framing of Rules
- o Directions of the Supreme Court on Food Security

**Aadhaar Seeding in Ration Cards**

56.05% (13.35 Cr./23.82 Cr.) Ration Cards seeded with Aadhaar numbers

Status	States/UTs
Completed (3 States/UTs)	100% AP, Chhattisgarh, Rajasthan, Telangana, and Chandigarh.
Near Completion (3 States/UTs)	> 90% Goa, Himachal Pradesh, Kerala, DeB, Puducherry
Advance Stage (3 States/UTs)	> 80% Punjab, Tripura, Maharashtra, Haryana, Daman & Diu
Progressing Stage (21 States/UTs)	0-80% Timelina States/UTs
	Jul' 2016 8 States/UT: Jharkhand, Gujarat, Odisha, J&K, WB, MP, and UK, and Lakshadweep
	Sept' 2016 1 State: Bihar
	Dec' 2016 2 States: Arunachal Pradesh and Tamil Nadu
	Jan' 2017 1 State: Uttar Pradesh
Mar' 2017 9 States/UT: Assam, Meghalaya, Karnataka, Manipur, Mizoram, Nagaland, Sikkim, and Dadra & Nagar Haveli, A&N Islands	

**Supply-chain Automation**

- Computerization of Godowns and Offices
- Online reports of Stock Position in Godowns
- Stock movement: FCI – Store Godowns – FPS
  - Online generation of Release Order, Delivery Order, Truck Challans, Gate Pass, etc.
- Online payments and
- SMS alert to FPS dealer/registered beneficiaries

Completed (13 States/UT)	Partially Completed (3 States/UT)	Committed Date for Completion (8 States/UT)	Not given any plan (9 States/UT)
Andhra Pradesh, Bihar, Chhattisgarh, Delhi, Goa, Gujarat, Karnataka, MP, Odisha, TN, Telangana, Tripura, West Bengal	Daman & Diu, Jharkhand, Maharashtra	Jun'16: Haryana, HP, Kerala Jul'16: Meghalaya, Rajasthan, Sikkim Sep'16: Manipur Dec'16: Arunachal Pradesh	A&N, Assam, D&NH, J&K, Mizoram, Nagaland, Punjab, Umarakhand & Uttar Pradesh

**Fair Price Shop (FPS) automation**

Status	No. of States / UTs	Name of States/UTs
Advance (>90%)	4	Andhra Pradesh, Daman & Diu, Gujarat, Madhya Pradesh
Progressing (50-90%)	2	Chhattisgarh & Rajasthan
Initial Stage (<50%)	11	A&N, Tamil Nadu, Delhi, Goa, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Lakshadweep, Sikkim, Telangana
No Tender	17	Assam, Arunachal Pradesh, Bihar, D&N Haveli, J & K, Kerala, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Odisha, Tripura, Umarakhand, Uttar Pradesh, West Bengal

**Decentralized/ Online Procurement**

- Mandatory implementation of online procurement system by Kharif 2016-17
- Adoption of Decentralized Procurement System is a priority for efficient procurement

S. N.	Non-DCP States		
1	Uttar Pradesh	Wheat	Rice
2	Maharashtra	Wheat	Rice
3	Rajasthan	Wheat	Rice
4	Haryana	Wheat	Rice
5	Jammu & Kashmir	Wheat	Rice
6	Punjab	----	Rice
7	Jharkhand	----	Rice
8	Assam	----	Rice
9	Gujarat	----	Rice
10	Himachal Pradesh	----	Rice

**Online Procurement of Foodgrains**

States with full e-procurement	States with partial e-procurement	States without e-procurement
1. Andhra Pradesh 2. Chhattisgarh 3. M.P. 4. Telangana	1. Haryana 2. Karnataka 3. Odisha 4. Punjab 5. Rajasthan 6. W.B.	1. Assam 2. Bihar 3. Gujarat 4. Jharkhand 5. Maharashtra 6. Tamil Nadu 7. U.P.



**Action Plan for construction of 100 LMT Silos**

Year	Phase	Selection of Silo Operator (LMT)	Silo Completion (LMT)
2016-17	1	36.25 LMT	5 LMT
2017-18	2	29.0 LMT	15 LMT
2018-19	3	34.75 LMT	30 LMT
2019-20			50 LMT
<b>Total</b>		<b>100 LMT</b>	<b>100 LMT</b>

**State Wise targets for construction of Silos:**

State	Phase I	Phase II	Phase III	Total
Punjab	12.25		5.00	17.25
UP			5.00	5.00
MP	5.00		5.00	10.00
Haryana			4.50	4.50
Bihar		4.00		4.00
West Bengal			3.00+0.50	3.50
Rajasthan		3.50	1.25	4.75
AP & Telangana			5.00	5.00
Gujarat			2.00	2.00
Odisha			2.00	2.00
Madhya Pradesh	0.50			0.50
Delhi				
Chhattisgarh				
Assam				
Karnataka				
FCI	18.00	20.00	1.00	39.00
CWC	0.50	1.50	0.50	2.50
<b>Total</b>	<b>36.25</b>	<b>29.00</b>	<b>34.75</b>	<b>100.00</b>

**DISCUSSIONS WITH OFFICERS OF STATES**

**Issues related to D/o Food & PD**

**Haryana**

BEL and Visiontech are deploying E-PoS in the state. Though, the timeline committed by the State for deployment of e-PoS in all FPS was December 2016, the state Government is attempting to complete it before 1 November 2016. Aadhaar seeding is currently 87%. Seeding attempted through SRDH is not generating good matching percentage. Village names and names of households are not matching in the records. Further seeding is proving difficult as there are chances that many of the un-seeded ration cards are bogus and that's why the card holders are not coming forward with Aadhaar details. If the Aadhaar Act is notified then the entire seeding exercise can be done in a period of one month. DG, UIDAI, stated that the regulations are under preparation and the Act will be notified in few weeks time. In the meanwhile, State Govts can ask for more proofs from beneficiary to prove his/her bonafide and this will help in identifying bogus cards and also help in aadhaar seeding process. Secretary, DFPD, suggested learning from the experiences of other states, like Telangana and Andhra Pradesh, who have managed 100% seeding.

2. Regarding the requirement of bank account in the name of women head for introducing cash DBT, the state felt that in case of elderly women this provision would create difficulties. State Govt was advised to make provision for joint accounts in such cases.

**Maharashtra**

3. State Govt. suggested provisions to be made by UIDAI to seed Aadhaar using demographic authentication and comparison of photographs. Since demographic matching results in around 30% matching only, it may be useful to use photographs to match databases and seed Aadhaar. Suggestion was also made for use of Fuzzy logic for Aadhaar seeding.

4. DG, UIDAI, shared that there is already a provision for bulk demographic authentication, though the facility to match photograph is not available. He further informed that UIDAI tried out fuzzy logic technique and found it unreliable. He also noted that since the names of persons in different databases (e.g. Ration card database and PAN database) may be spelt differently, there is low probability of finding right matches in these cases. In order to overcome some of the problems encountered during demographic match, the states can also collect (a) name as in



Aadhaar, and (b) photocopy of Aadhaar, during collection of Aadhaar number. This will help to verify cases where names do not match.

### Odisha

5. State Govt. is using NPR as a base for generating ration cards. 64% of the ration cards have been seeded with Aadhaar using NPR records shared by RGI. RGI has been requested to share the rest of the data. However, the state is yet to receive the data from RGI. State is looking forward to seed the data using organic seeding process.

### Chhattisgarh

6. Unit level Aadhaar Seeding in ration cards is still low. Many members of the families are not seeded or their Aadhaar number is not generated. There are also gaps in terms of application for enrolment and generation of Aadhaar number.

7. DG, UIDAI shared that in most states 90 % of the adult population have their Aadhaar generated. However in the age group of 5-18 and 0-5 a sizable population is yet to be covered. Hence the current focus on enrolment is on 5-18 and 0-5 year's age group through special drives in Anganwadi Centres and Schools. UIDAI is aggressively targeting to complete this exercise in next 2-3 months. The pendency (gap between enrolment and generation) is largely owing to rejected applications. Otherwise the UIDAI's have the capacity to generate 20 lakh Aadhaar in a day (against current burden on 5-6 lakh Aadhaar in a day).

### Uttar Pradesh

8. Aadhaar Seeding in ration card data base stands at 40%. The State Govt. is looking for a tie-up with CSC for organic seeding. However they charge Rs. 5 /- for seeding each person. Hence if GOI could allow utilization of funds from component I for this purpose then the state could speed-up the seeding process. The state is having regular meeting with the Chief Secretary to monitor the progress. State Govt. also requested for funds for implementing online procurement.

9. State Govt. was requested to send a proposal for utilisation of TPDS computerisation funds for Aadhaar seeding.

10. State Govt. also made a request for allocation of additional foodgrains to cover population beyond NFSA in Bundelkhand region, which is drought affected. State Govt. was requested to send a proposal at the earliest.

11. As regards silos, it was stated that the State Govt. is interested in non-railway siding silos. It was clarified that State Govt, can do this, with the bagging facility.

### **Tripura**

12. Currently 93 % Aadhaar seeding in ration cards has been achieved. Organic seeding through fair price shops will be done cover the remaining.

### **Andhra Pradesh**

13. State Govt. has spent nearly Rs 200 crore in automating the PDS system and requested Government of India to release its share on reimbursement basis.

### **Jharkhand**

14. Due to the switch over to the NFSA, foodgrains for October- November months could not lifted on time. State Govt. requested sympathetic consideration on their request for extension of time. State Govt. also requested for faster movement of rakes so that there is no shortage of foodgrains in any district.

### **Karnataka**

15. State Govt. requested for simplification in the process of DCP payments and accounts finalization. Early release of Central assistance under NFSA for intra-State movement of foodgrains and FPS dealers margin was also requested.

### **Haryana**

16. Stat Govt. expressed its reluctance to join DCP as the quality control system of the State Govt. is not as equipped as that of FCI

### **17. AFTER DETAILED DISCUSSION, FOLLOWING ACTION POINTS EMERGED:**

- (i) State Govt. of Tamil Nadu, Kerala and Nagaland should expedite implementation of NFSA and send a proposal in this regard to DFPD at the earliest, after completing necessary preparatory activities.
- (ii) All the NFSA States/UTs should ensure compliance with provision regarding women empowerment and grievance redressal mechanism under the Act.
- (iii) States/UTs in receipt of 'tide over' allocation must have a transparent policy for its distribution, a separate list of such beneficiaries should be placed on the PDS portal



- (iv) Target date for completion of Aadhaar seeding and FPS automation is March, 2017. All States/UTs should prepare their action plan to achieve this target and share the same with DFPD
- (v) In States/UTs where e-PoS machines have been installed and are operational should ensure that transaction details and summary reports are visible on the PDS portal.
- (vi) Gaps in NFSA/TPDS beneficiaries data base such as non-segregation of NFSA and non-NFSA beneficiaries, lack of drill down facility etc should be addressed quickly
- (vii) All NFSA implementing States/UTs should ensure online allocation of foodgrains upto fair price shop levels, if not already done, within two months.
- (viii) All the procuring States should adopt online procurement from KMS 2016-17
- (ix) State-wise phased construction plans for silos should be adhered to. State Govts are however free to advance the timelines that envisaged.
- (x) FCI should ensure adequate and timely availability of foodgrains to meet the distribution requirement in each State. The issues raised in this regard by Govts of Jharkhand and Bihar should be specifically looked into.
- (xi) For meeting additional requirement of foodgrains for State scheme of J&K, to be launched from July, 2016, FCI should ensure availability of foodgrains in its depots in the State.
- (xii) States/UTs should send, by first week of June, 2016, action taken report in compliance of the order dated 13.05.2016 of the Supreme Court in the Swaraj Abhiyan case.

DISCUSSIONS WITH OFFICERS OF STATES

Issues related to D/o Consumer Affairs

Secretary(CA) initiating the discussion mentioned that the in the last meeting an action plan was prepared and States might have acted on it. This year a buffer stock of pulses has been created under the Price Stabilisation Fund. But there are few takers of pulses out of the buffer stock. He requested all the non-demanding States to give reasons for not submitting requisition for purchasing and lifting pulses. State wise comments are as under;

1. **Maharashtra:** 500 MT of pulses was demanded which has been received, rest is being procured by the State itself.
2. **Haryana:** The State consumes Chana more than other pulses. The stock limits have been revised for Millers. Now instead of average of sanction capacity, it is average of last year's actual consumption which taken for deciding stock limits.
3. **Odisha:** 5000 MT Tur is demanded. Some bigger quantity of Tur is required. They requested for information on stock limits on pulses by other States.
4. **Jharkhand:** Last year the State government held meeting with all the major dealers of pulses and discussed the issue. It then decided the maximum retail price for different pulses. The State Government has involved cooperatives for this purpose. They suggested that it is better to negotiate the prices with whole salers and retailers.
5. **Bihar:** Bihar has no milling facility. 95% of Tur is procured from other States. The State mainly consumes Masur, 50% of the total pulses consumption. It also grows Masur as major pulse, rest is imported from other States.
6. **Madhya Pradesh:** A demand for 5000 MT of Tur is given. 15 cases under PBMMSEC booked.
7. **Karnataka:** The state raised some issues pertaining to Legal Metrology. Expansion of the schedule of the LM Act was demanded. State suggested some kinds of guidelines on stock limits are required.
8. **Uttarakhand:** There is no dal mil in the State. They have not submitted any demand as the prices are under control in the State.



9. **Arunachal Pradesh:** The State has no dal mil and there is no price problem in the State. They have not submitted any demand for pulses.
10. **Himachal Pradesh:** No dal mil and no demand is sent so far. The State has no price problem.
11. **Kerala:** There is no issue of stock limits. The State has not favoured stock limits on pulses. The regular meetings with traders of pulse are held to keep prices under control. Prices are under control. 6 centres are reporting to PMC.
12. **Sikkim:** There is no problem of prices in pulses. The State is going organic in production of pulses, production is increasing. No dal mil in the State. No demand submitted.
13. **Tripura:** No dal mills in the State. Masur dal is preferred. They suggested if the imported pulses can be routed through FCI after milling.
14. **Maharashtra:** The State supports rationalisation of stock limits. The suggested that rationalisation in enforcement action is also required. The 45 days for importers was supported for first stage transaction by the importers i.e. from date of landing to reaching to the market. Pulses demanded have already been supplied. The State last year fixed retail price after discussions with the dealers. The State has drafted a pulses prices bill which will come to the Central Government after approval of Governor. Offences under the EC Act be made non-bailable.
15. **Meghalaya:** The State is sending requirement for pulses. Stock limits not imposed. The state is not having mills.
16. **Andhra Pradesh:** The state has taken pulses and distributing through sale points and not through PDS. The State supports rationalisation of stock limits.
17. **Uttar Pradesh:** The State has constituted State Advisory Board under the PBMMSEC Act. Raids are being conducted but detentions are not ordered.
18. **Assam:** There is no dal mil in the State. The State is not in favour of stock limits. Prices are under control. Regularly meetings held with traders and raids conducted. Masoor and Moong pulses are required. The State will project its requirement.

**AFTER CONSULTATIONS WITH THE REPRESENTATIVES OF STATES FOLLOWING DECISIONS WERE TAKEN ON PULSES:**

1. The States should send information on how much is production, how much consumption and how to fill up the gap.
2. The buffer stock under the PSF is meant for strategic market intervention by States and not to be used for PDS or to control market. Alternate mechanism be explored for PDS. The States should keep buffer stock for real time market intervention to keep the prices at reasonable level. It may be that whatever is asked is not available with the Government. If a State can contain prices of pulses without buffer stock or pulses from the buffer stock, it should intimate so in writing, then the responsibility will lie with the State itself for rise in prices.
3. Regarding Chana/Gram, States were advised to project their demand then it will be procured and made available to the States.
4. After lifting the pulses from the buffer stock, payments be made by the States quickly.
5. To contain prices of pulses, States should have long term plan to enhance availability of pulses.
6. Those States who do not have dal mills, may take help from the PMC and States with dal mills to get in contact with the millers.
7. Since Section 3(2)( c) of the EC Act, empowers to fix prices of any essential commodity at which it can be bought or sold, States should hold regular meetings with the traders of pulses and fix prices as done by some States successfully e.g. Jharkhand, Maharashtra.
8. If the States do not need pulses, it should come as NIL demand, in writing with the assurance that they can contain the prices of pulses without pulses from the buffer stock of Central Government. The information may be given through e-mail also.
9. All the States should submit their monthly report on enforcement of the EC Act, PBMMSEC Act and LM Act. The administration should not only exist but be felt by the people. Therefore the State administration should act effectively.
10. The States should frame the rules under the Legal Metrology and send to the Central Government as required.
11. The States should submit their comments on rationalisation of stock limits of pulses on importers, wholesalers, retailers, millers etc., keeping into account the factors of maximum-minimum limits, producing and non-producing States, consumptions pattern etc.
12. States to comment on replication of Tamil Nadu model of dedicated policing for essential commodities under the EC Act. The State of TN has a department known as Tamil Nadu Civil Supplies Criminal Investigation Department and works under the control of Principal Secretary of Food, Cooperation and Consumer Protection department.



13. The States should ensure that the price reporting centres are sending reports daily and realistic. The information should be sent on Saturday and Sunday as well.
14. All the criminals arrested under the EC Act, for any kind of violation of any order issued under the Act, be detained for six months under the Prevention of Black Marketing And Maintenance of Supply of Essential Commodities Act, 1980. The beginners may consult the Tamil Nadu CSCID of Police on implementation of the PBMMSEC Act etc.