

integrated Pest Management (through a combination of agronomic, chemical and biological methods) and integrated Nutrient Management (INM) envisaging conjunctive use of both inorganic and organic sources of nutrients. Besides, split application and placement of fertilizers, use of slow releasing N fertilizers and nitrification inhibitors, inclusion of legumes in cropping system, adoption of Resource Conservation Technologies (RCTs) and Fertigation are also being advocated. The ICAR also imparts training, organizes Field Demonstrations etc. to educate farmers on these aspects.

#### **Recommendations in the Shanta Kumar Committee Report**

\*201. PROF. M.V. RAJEEV GOWDA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Ministry has taken cognizance of the Shanta Kumar High Level Committee's Report on re-orienting the role and re-structuring of the Food Corporation of India (FCI);

(b) whether the Ministry has plans to implement any of the major recommendations made by this Committee, like re-evaluation of National Food Security Act, Negotiable Warehouse Receipt System and direct cash transfers in Public Distribution System (PDS);

(c) if so, the details thereof and the timeline therefor; and

(d) if not, the reasons therefor?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI RAM VILAS PASWAN): (a) to (d) The Government has taken cognizance of the Report of the High Level Committee (HLC) constituted under the Chairmanship of Shri Shanta Kumar, MP for making recommendations on the restructuring of the Food Corporation of India (FCI) and has decided to implement some of its major recommendations relating to reorientation of the role of FCI and its restructuring, the status is given in the Statement-I (*See below*). The decisions taken by the Government with regard to recommendations of the HLC, relating to implementation of the National Food Security Act, 2013, Negotiable Warehouse Receipt System (NWRS) and direct cash transfers in Targeted Public Distribution System (TPDS) is given in the Statement-II

#### ***Statement-I***

*Decisions taken by the Government with regard to implementation of major recommendations of HLC relating to reorientation of the Role of FCI and its restructuring*

1. HLC has recommended that FCI should hand over all procurement operations of wheat, paddy and rice to States that have gained sufficient experience in this regard and have created reasonable infrastructure for

procurement. These States are Andhra Pradesh, Chhattisgarh, Haryana, Madhya Pradesh, Odisha and Punjab. Government has found that FCI is already not directly involved in procurement of foodgrains in Andhra Pradesh, Telangana, Chhattisgarh, Madhya Pradesh and Odisha, as these States are decentralised procuring States (DCP) and procurement is being done by only State Agencies. Based on HLC recommendation, FCI has withdrawn from procurement of foodgrains in Haryana *w.e.f.* current year with the consent of the State Government. As Government of Punjab has requested for continuation of the participation of FCI in procurement operations, it has not withdrawn from Punjab.

2. HLC has recommended that FCI should move on to help those States where farmers suffer from distress sales at prices much below MSP, and which are dominated by small holdings, like Eastern Uttar Pradesh, Bihar, West Bengal, Assam etc. FCI is accordingly providing necessary support to the State Governments and their Agencies in Eastern States for improving procurement operations including expansion of direct procurement activities, wherever required by the State Governments concerned. FCI has drawn up action plans in consultation with the concerned State Governments for improving MSP operations in Eastern States during the forthcoming Kharif Marketing Season.
3. HLC has recommended that quality checks in procurement have to be adhered to, and anything below the specified quality will not be acceptable under Central pool. Accordingly, FCI has decided to strengthen its quality control setup and modernise its laboratories and to empanel external agencies for improvement in quality testing, wherever required.
4. HLC has recommended that FCI should outsource its stocking operations to various agencies. It should be done on competitive bidding basis, inviting various stakeholders and creating competition to bring down costs of storage. Based on this recommendation FCI has already outsourced its stocking operations to private entrepreneurs based on competitive bidding under the Private Entrepreneurs Guarantee (PEG) Scheme, based on need. for remaining requirement of hiring, FCI already has a policy of availing storage services of private agencies on least cost basis through tenders.
5. HLC has recommended that FCI should, on need basis, create a silo capacity of about 10 million MT (together for wheat and rice) in the next 3-5 years. Accordingly, FCI has assessed the feasibility and has decided to undertake creation of 43.5 lakh MT capacity under silos in various parts of the country.
6. HLC has recommended that Covered and Plinth (CAP) storage should be gradually phased out. Accordingly, FCI has decided to de-hire all its hired

CAP facilities during the current year itself. However, FCI has decided to continue the use of its own CAP facilities, as these are cost efficient.

7. HLC has recommended for de-notifying the depots of FCI, which have been notified under the Contract Labour (Abolition and Regulation) Act or handing them over to States or private sector on service contracts, and to fix a maximum limit on the incentives per labourer that will not allow him to work for more than say 1.25 times the work agreed with him. If need be, FCI should be allowed to hire people under direct payment system or "no work no pay" system. FCI has already applied for de-notification of its depots notified under the CLA & RA, but FCI has not found the fixation of maximum limit on incentive to be practical, as it will severely affect its operations due to lack of adequate work force. FCI has already implemented mechanisation in some godowns to see its impact and utility.

#### ***Statement-II***

*Decisions taken by the Government with regard to recommendations relating to implementation of the National Food Security Act, 2013, Negotiable Warehouse Receipt System (NWRS) and Direct Cash Transfers in Targeted Public Distribution System (TPDS)*

1. HLC has recommended to have a relook at the current coverage of 67 per cent of population; priority households getting only 5 kgs./person as allocation; and central issue prices being frozen for three years at ₹ 3/2/1/kg. for rice/wheat/coarse cereals respectively. HLC's examination of these issue reveals that 67 per cent coverage of population is on much higher side, and should be brought down to around 40 per cent, which will comfortably cover BPL families and some even above that; 5 kg. grain per person to priority households is actually making BPL households worse off, who used to get 7kg. person under the TPDS on central issue prices, HLC has recommended that while Antyodaya households can be given grains at ₹ 3/2/1/ kg. for the time being, but pricing for priority households must be linked to MSP, say 50 per cent of MSP.

Government has examined these recommendations and decided not to implement them as there is no proposal at present to make amendments in the National Food Security Act, 2013.

2. HLC has recommended that, as leakages in PDS range from 40 to 50 per cent, and in some States go as high as 60 to 70 per cent, Gol should defer implementation of NFSA in States that have not done end to end computerization; have not put the list of beneficiaries online for anyone to verify, and have not set up vigilance committees to check pilferage from PDS.

Government has already decided that States and Union Territories should implement end to end computerisation, put the list of beneficiaries in public domain and set up vigilance committees etc. before implementing the NFSA.

3. HLC has recommended for gradual introduction of cash transfers in PDS, starting with large cities with more than one million population; extending it to grain surplus States, and then giving option to deficit States to opt for cash or physical grain distribution.

Government has decided to implement this recommendation with an appropriate strategy to maintain a balance between the cash transfer of subsidy and availability of foodgrains in the market. Further, Government has decided to implement it only in those States/UTs, which are agreed to and ready for it.

4. HLC has recommended that Negotiable Warehouse Receipt System (NWRS) should be taken up on priority and scaled up quickly. Under this system, farmers can deposit their produce to the registered warehouses, and get say 80 per cent advance from banks against their produce valued at MSP, they can sell later when they feel prices are good for them. This will bring back the private sector, reduce massively the costs of storage to the Government, and be more compatible with a market economy. GoI, through FCI and Warehousing Development Regulatory Authority (WDRA) can encourage building of these warehouses with better technology, and keep an on-line track of grain stocks with them on daily/weekly basis in due course, GoI can explore whether this system can be used to compensate the farmers in case of market prices falling below MSP without physically handling large quantities of grain.

The WDRA is already implementing a plan to scale up the NWRS and some banks are already providing credit facility against the stocks deposited in warehouses. The Government has not found the idea of procurement of foodgrains by FCI at MSP against the NWRs from the farmers after a period of time to be very practical.

#### **Allocation of pending amount to Chhattisgarh for agricultural schemes**

†\*202. DR. BHUSHAN LAL JANGDE: Will the Minister of AGRICULTURE be pleased to state:

- (a) whether approval for the seven new Krishi Vigyan Kendras at Bemtara, Balod, Mungeli, Sarguja, Kondagaon, Raipur and Sukma in Chhattisgarh is pending with Centre, if so, by when this approval will be accorded;

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† Original notice of the question was received in Hindi.