

Department of Food & Public Distribution

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Initiatives taken/Achievements made during 2016

- **Completion of implementation of National Food Security Act, 2013 in all States/UTs of the country**
- **Major reforms in automation of the Public Distribution System (PDS)**
- **Procurement processes improved through automation and decentralization to enable efficient and wider coverage of farmers**
- **Multiple policy initiatives taken for viability of the Sugar Sector.**
- **New initiatives taken to upgrade and modernize storage capacity.**

I. National Food Security Act (NFSA), 2013

The National Food Security Act (NFSA) was enacted in 2013 and was being implemented in only 11 States/UTs in May, 2014. During 2016, special attention was given for its implementation wherein remaining States/UTs were constantly pursued through meetings, conferences, video conferences (VCs), correspondence, visits etc. to expedite implementation of the Act. As a result, 13 more States/UTs joined NFSA during the year and the Act is now being implemented in all the States/UTs and covers about 80 crore persons under the Act.

For the first time under the NFSA, Rs.2200 crore has been released to State Governments as Central assistance to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. Under erstwhile TPDS, State Governments were required to either meet this expenditure on their own or pass it on to beneficiaries.

The prices of foodgrains specified under NFSA – Rs.3 per kg for rice, Rs.2 per kg for wheat and Re.1 per kg for coarsegrains – which were valid upto July, 2016, have been continued upto March, 2017. The Central Government is thus providing highly subsidized foodgrains to about 80 crore beneficiaries in the country.

Rates of foodgrains for Integrated Child Development Services (ICDS) and Mid Day Meal (MDM) schemes were also reduced to rates prescribed under NFSA from April, 2016, much lower than under erstwhile TPDS, i.e. Rs.4.15 per kg for wheat and Rs.5.65 per kg for rice.

II. Major Reforms in TPDS

- 627.99 lakh MT of foodgrains have been allocated to States/UTs for distribution under Targeted Public Distribution System (TPDS) and other Welfare Schemes during 2016-17.
- Sustained efforts have resulted in significant reforms in TPDS making it more transparent and leak proof and better targeting of food subsidy. Improvement in main components for this purpose are as follows:-

	May, 2014	Dec, 2016 (as on 06.12.2016)
Fair Price Shops automated	5,835	1,76,835
Digitization of ration cards	75%	100 %
Aadhaar seeding of ration cards	2%	71.13%
On line allocation of foodgrains started	9 States/UTs	29 States/UTs
Supply chain computerised	4 States/UTs	19 States/UTs
Toll free numbers/ online grievance redressal system implemented	25 States/UTs	36 States/UTs
Direct Cast Transfer in PDS launched	Nil	3 UTs

- Cash Transfer for foodgrains under Direct Benefit Transfer (DBT) scheme has been implemented in 3 UTs namely Chandigarh, Puducherry w.e.f. 1-9-2015 and in Dadra & Nagar Haveli (in urban areas) w.e.f. 01-03-2016. Total beneficiaries covered under the scheme is 9.14 lakh and total amount of funds transferred is Rs.11.98 crore per month.
- The Department is making all efforts to transit to a Cashless eco-system. Brainstorming sessions have been conducted under the chairmanship of the Hon'ble Minister and Hon'ble MOS on 25.11.2016 and 01.12.2016, on cashless transactions at FPSs. All the relevant stakeholders like State/UT Food Secretaries, UIDAI, Department of Financial Services, NPCI, NIC, CSC have been consulted and letters with detailed instructions have been sent to the States/UTs on 25.11.2016, 28.11.2016 and 08.12.2016. A video Conference chaired by AS & FA was also held on 28.11.2016 wherein all Food Secretaries of the States/UTs were impressed upon and instructed at length about all the 5 methods of rendering cashless transactions at the FPSs.

III. Improving Foodgrain Management

1. A High Level Expert Committee under the Chairmanship of Shri Shanta Kumar, MP, was constituted to make recommendations on re-structuring

of FCI. Based on the recommendations, several measures have been initiated to improve the functioning of FCI and to bring in cost efficiency in its operations.

2. To bring all operations of FCI Godowns online and to check leakage and automate operations at the depot level, “Depot Online” system has been launched in 31 Depots on pilot basis across 27 States on 17th March, 2016. As on 30.11.2016, this system has been implemented in 494 depots.
3. FCI has developed a software for Online Procurement Management System (OPMS) which is being used for procurement in the KMS 2016-17. While FCI will use it for procurement operations in Assam in January, 2017, 12 major procuring States are now using Online Procurement Management System (OPMS) for MSP procurement operations. 3 other States are partially implementing OPMS. 3 States are expected to go online in current KMS 2016-17 by end Dec/Jan in the paddy operations.
4. Besides 15 States/UTs which are already under Decentralized Procurement (DCP), Maharashtra has become a new DCP State for procurement of rice and Jharkhand has also adopted this system partially during KMS 2016-17 to improve the efficiency of foodgrains procurement and distribution operations.
5. Sufficient food grains are available in Central Pool Stocks of FCI. Stocks as on 01.12.2016 are 275.55 lakh MT, comprising 164.96 lakh MT wheat and 110.59 lakh MT rice. Under Open Market Sale Scheme (Domestic) during 2016-17, 33.10 lakh MT of wheat and 1.12 lakh MT of rice have been sold till November, 2016.
6. Under Riverine movement of foodgrains, FCI moved 2267 MT foodgrains to Tripura via Bangladesh during August, 2016 to September, 2016 from Kolkata.
7. Indian Railways is providing wagons to FCI at priority B preference while same preference was not being provided to states food corporations in DCP states, which have taken up the role of FCI in Intra State movement of foodgrains under PDS. On the request this department Ministry of Railways has also extended the preference/facility under priority 'B' to five more States namely, Telangana, Madhya Pradesh, Andhra Pradesh Odisha and Tamil Nadu for Public Distribution System or Other Welfare Scheme sponsored by FCI, State Govt. or their agencies.
8. Adequate supply of foodgrains ensured during 2016-17 for States/UTs facing natural calamities such as drought in Andhra Pradesh,

Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Rajasthan, Telangana and Uttar Pradesh and flood in Bihar.

9. A quantity of 20,000 metric tonnes of par-boiled rice has been exported to Egyptian Government on Government to Government basis out of Central Pool Stock. The export was done in the interest of diplomatic gain for India. The Egyptian President had visited India around the time of exports.

IV. Supporting the Farmer

1. During RMS 2016-17, Govt. agencies have procured 229.32 lakh MT wheat as on 01.12.2016.
2. Enhancing procurement in Eastern India:
 - (a) State-wise 5-year Action Plans have been drawn up by FCI for Uttar Pradesh (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam. Procurement in Chhattisgarh and Odisha is already robust. Attempt is to increase procurement of rice from these States and to reach out to all farmers in various paddy growing districts of these States.
 - (b) FCI has opened 232 procurement centres in comparison to only 141 in previous season. Besides Government Agencies, FCI in consultation with States has engaged private parties to expand procurement operations in hitherto poorly covered clusters in Eastern U.P., Jharkhand and West Bengal. A total of 61837 procurement centres have been opened in this KMS 2015-16 in these States by FCI, State Govt. Agencies and private parties.
 - (c) As on 26.09.2016, 70.70 lakh MT of paddy in terms of rice has been procured in these States in this season (KMS 2015-16) compared to only 47.19 lakh MT in season KMS 2014-15 and 34.28 lakh MT in KMS 2013-14.
3. FCI has started procurement of pulses from farmers at market price under Price Stabilisation Fund operation. FCI, during on-going KMS 2016-17 has procured around 22542.85 MT of Moong and 9183.56 MT Urad as on 28.11.2016.

V. Improving Storage

- During 2016-17 (upto October 2016), *storage losses and transit losses have been contained* to (-) 0.14% and 0.39% against the MoU target of 0.15% and 0.42% respectively fixed with FCI.

- New godowns of 2,42,610 MT capacity under Private Entrepreneurs (PEG) Scheme have been completed during 2016 till October, 2016. Further, a capacity of 34,410 MT is under construction under Plan Scheme in North Eastern States. During the year 2015-16, CWC has constructed additional capacity of 1.62 lakh MTs (0.70 lakh MT for FCI under PEG Scheme and 0.92 lakh MT for other depositors).
- A road map for creation of 100 Lakh MT storage capacity in the form of Steel Silos by FCI and other agencies including State Governments on PPP mode for wheat and rice has been approved. The current status is as under:-
 - Food Corporation of India (FCI) has awarded contract for total 2.5 Lakh MT capacity at 6 locations, namely Changsari (Assam), Narela (Delhi), Sahnewal (Punjab), Kotkapura (Punjab), Katihar (Bihar) and Whitefield (Karnataka) in March, 2016.
 - FCI has floated tenders on 7.12.2016 for capacity of 1 Lakh MT (50,000 MT each at Buxar and Kaimur in Bihar) including 25000 MT of Rice Silos on pilot basis.
 - FCI has awarded contract for construction of Silos of capacity of 9.5 Lakh MT at 19 locations on 05.12.2016.
 - CWC has initiated construction of Silo of 50000 MT at Nabha in Punjab.

VI. Reforms in Sugar Sector

- Sustained surplus production over domestic consumption in the past 5 sugar seasons had led to subdued sugar prices, which had stressed the liquidity position of the industry throughout the country leading to build up cane price arrears. Due to the above, the peak cane price arrears for 2014-15 sugar season at all India level reached at Rs.21837 crore as on 15.4.2015.
- To mitigate the situation, Government has taken the following measures:
 - Extended financial assistance of Rs.4305 crore directly credited to farmers account on behalf of sugar mills through banks. About 32 lakh farmers have been benefited (2015&16).
 - Facilitated supply of ethanol under EBP programme by fixing remunerative price and waiving off excise duty on supply of ethanol during sugar season 2015-16 (up to 10th August, 2016).

- A comprehensive performance based production subsidy has been extended @ Rs.4.50 per quintal of cane crushed payable to farmers against their cane dues contingent on mills undertaking export and supplying of ethanol.
- Due to these measures, 99.2% of cane dues payments of farmers for 2014-15 sugar season and 98.5% (on FRP-basis) for 2015-16 sugar season have been cleared already. The cane price arrears of 2014-15, which was Rs. 21,837 crore at peak in April, 2015 have come down to Rs. 510 crore as on 03.12.2016.
- Ethanol Blending Programme (EBP) has achieved historical success as supplies of ethanol during the current year have reached record level of more than 110 crore litres which has never been achieved earlier. During 2014-15 and 2013-14 seasons supplies were 68 crore litres and 37 crore litres respectively.
- In order to check speculative tendencies and possible hoardings, Government has imposed stock holding and turn over limits on stockists/dealers of sugar on 29.04.2016 for six months which has further been extended for another six months i.e. upto April, 2017. Stock holding limits were also imposed on sugar mills for the months of September, 2016 and October, 2016 to remove regional imbalance in supply and availability of sugar and thereby stabilise the domestic sugar prices.
- During current FY 2016-17, as on date Rs. 2482 crores have been released towards reimbursement of sugar subsidy to participating States/UTs so far.
- During the year 2016, 60 cases of loan under SDF were processed involving 6 cases for Sugar Cane Development, 15 cases for Modernization/Rehabilitation, 24 cases for Bagasse Based Cogeneration Power Project, 14 cases for Ethanol & 1 case for Zero Liquid Discharge (ZLD). Out of these 60 cases, 41 cases were approved involving an amount of Rs.801.21 cr.
- During the year, disbursement of Rs.405.68 cr towards approved SDF loan have been made. An amount of Rs.565.63 cr recoveries have also been made against SDF loan during the period.
- Under SEFASU-2014 scheme, about Rs. 6337.00 crores of loans have been disbursed by the banks to various sugar factories for facilitating payment of cane dues of farmers. Under the scheme, the Department has

released an amount of Rs.679.95 cr., during 01.01.2016 to 8.12.2016, to the SBI for subvention of interest on the above loan availed by the sugar factories.

- Under SOFT Loan 2015 schemes, about Rs. 4213.00 crores of loans have been directly remitted into the account of farmers for payment of cane dues on behalf of the sugar mills by the banks. Under the scheme, the Department has released an amount of Rs. 288.10 cr., during 01.01.2016 to 8.12.2016, to the SBI for subvention of interest on the above loan.
- Recognising India as a major and leading player in the world sugar sector, the 50th Session of the Council Meeting of the International Sugar Organisation (ISO) held in London on 2nd Dec, 2016 unanimously decided for India to Chair a Working Group constituted to study, examine and recommend the new role to be played by ISO in the sugar economy keeping in view the current and future sugar scenario. At present, the ISO has 87 countries as members and is in force in terms of the International Sugar Agreement, 1992.

VII. Maintaining Prices in Oil

- To prevent any shortage and tendency of pushing up of the price, Government has imposed Stock Holding limits on edible oil upto 30.09.2017.
- To maintain balance in the interest of all stake holders i.e. farmers, industry and consumer, Government, vide Notification No. 51/2016-Customs dated 23rd September, 2016 has reduced import duty on Crude Palm Oil from 12.5% to 7.5% and on Refined Palm Oil from 20% to 15%. Import duty on other crude and refined oils remained at 12.5% and 20% respectively.

VIII. Other Achievements in FCI

- **Pension Scheme:** Defined Contribution Pension Scheme for employees of FCI, which was under various stages of examination since the year 2008 has finally been approved by Union Cabinet in its meeting on 10.08.2016. Scheme will be effective from 01.12.2008. In pursuance of the decision of the Cabinet, the draft scheme has since been approved by the Department.
- **Post Retirement Medical Scheme :** Post Retirement Medical Scheme (PRMS) for serving/retired employees of FCI, which was also under

various stages of examination since the year 2008 has finally been approved by Union Cabinet in its meeting on 10.08.2016. Scheme will be effective from 01.04.2016. In pursuance of the decision of the Cabinet, the draft scheme has since been approved by the Department.

- **Watch & Ward staff in FCI:** In order to ensure the security and safety of foodgrains kept in godowns of FCI, a proposal for revision of strength of Watch & Ward Staff of FCI has been approved by the Government in May, 2016. This matter was also pending since the year 2010. As a result of this restructuring, revised strength of regular W&W staff in FCI is now 5056. As a follow up of this restructuring, FCI has initiated action for filling up of 3264 vacant posts.
- On the issue of exemption of FCI depots & railheads from provision of Contract Labour (R&A) Act, 1970, decision with regard to the exemption of FCI depots/railheads/godowns for a period of two years under Section 31 of said Act has been taken by M/O Labour & Employment in compliance to the direction No.(i) of Hon'ble Bombay High Court, Nagpur Bench, vide Gazette Notification No.S.O.2327(E) dated 06th July, 2016.

IX. Centre of Excellence for PDS

- The Government of India has signed a letter of intent on 12.01.2016 with World Food Programme (WFP) to prepare a proposal for the establishment of the Centre of Excellence (CENEX). It was decided to prepare the proposal jointly by the Government and the WFP through a Steering Committee and Working Groups. In this regard, Six Members delegation led by Hon'ble Minister of CA, F&PD had undertaken a visit to Brazil from 17th August, 2016 to 20th August, 2016 for studying the functioning of CENEX in Brazil and analysing the benefits of establishing the Centre of Excellence in India. The CENEX would inter alia work as a inter-ministerial think tank to advice on challenges of food security before the nation, initiate and execute pilot projects for improvement of food and nutrition security in India, advise on reforming public sector food security system, besides showcasing the progress made by India in food security to other developing and middle income countries. The Working Group led by JS (Impex & IC), D/o F&PD, had prepared a Memorandum of Association (MOA) which was approved by the Steering Committee in its meeting held on 21st November, 2016 and subsequently the matter has been taken up with the Ministry of Law, Department of legal Affairs for vetting of MOA.

X. Central Warehousing Corporation (CWC) & Central Railside Warehouse Company Limited (CRWC)

- CWC has achieved an all time high turnover of Rs. 1640 crore during the year 2015-16. CWC has paid a dividend of Rs. 32.93 crore (88% of equity) during 2015-16 to the Government of India.
- During the year 2015-16, CWC has constructed additional capacity of 1.62 lakh MTs (0.70 lakh MT for FCI under PEG Scheme and 0.92 lakh MT for other depositors).
- Slogan “Swachh Bharat- Swasth Bharat” were got printed in all the godowns of CWC. Cleanliness drive at Shahpurjat village was carried out by the CWC.
- Under CSR activities, CWC has contributed Rs. 2 crore towards Swachh Bharat Kosh and Rs. 133.25 lakh towards Namami Gange Programme.
- CRWC achieved a turnover of Rs.78 crore in the year 2016 (January-November 2016). CRWC has paid a dividend of Rs.6.08 crore in the year 2015-16.
- Under utilization of its CSR funds, CRWC has made a contribution of Rs. 11.37 lakh towards ‘Swachh Bharat Kosh’ for the FY 2016-17.
- As a part of its diversification initiatives, a joint venture company named “IFFCO CRWC Logistics Limited (ICLL)” has been formed with IFFCO Kisan SEZ (IKSEZ) and Indian Potash Limited (IPL) for development of Integrated Railside Warehouse Complex and Freight Terminal at Nellore. The phase-I of the project will involve construction of 5000 MT General Warehouse and 2000 MT Cold Storage along with container stacking area, truck parking space, roads, etc. in an area on 10 acres.
- CRWC has taken up a road transportation contract for transportation of Manganese Ore for Uranium Corporation of India Ltd. from MOIL mines near Nagpur to their plant at Jhaduguda.
- During the year 2016, CRWC has taken up various projects under CSR Activities in the sectors of education, health, protection of national heritage/art, Swachh Bharat Abhiyan, etc. which have really impacted the lives of people in the society at large. An amount of Rs. 11,37,000/-

has been contributed directly towards “Swachh Bharat Kosh” under the “Swachh Bharat Abhiyan” a national campaign by Government of India.

XI. Winding up HVOC

In order to expedite liquidation of HVOC and relieve all the remaining employees of HVOC with a better compensation package, a proposal was submitted to the Cabinet Committee on Economic Affairs (CCEA) for offering Improved Voluntary Retirement Schemes (IVRS) at 2007 notional pay scales with a non plan grant of Rs.27.56 crore. The proposal was approved by CCEA on 18.05.2016. Accordingly, IVRS was notified on 16.08.2016. Out of total 83 remaining employees, 82 employees opted for IVRS. One employee has been retrenched.

XII. WDRA

Achievements of WDRA:

Item	Total upto 3.11.2016	01/01/2016 to 30/11/2016
Number of Registered Warehouses	1,326	373
Negotiable Warehouse Receipts (NWRs) issued	62,364	14826
Value of commodities deposited against NWRs	Rs.4789.91 Crore	Rs. 765.03 Crore
Loan availed against NWRs	Rs. 1516.18 Crore	Rs. 211.04 Crore

- Four Warehousemen training programmes have been conducted and 96 warehousemen have been trained in the warehousing producers and WDRA Act and related activities.66 Farmer awareness programmes for farmer; traders, millers have been conducted where 3350 participant were made aware about WDRA Act, NWR, scientific storage, pledge etc.
- Guidelines on Repositories and caution and management of electronic negotiable warehouse receipt have been issued by WDRA on 20th October,2016.
- Warehousing Development and Regulatory Authority (Conditions of service of the Officers and other Employees) Regulation, 2016 have been notified on 14.07.2016.

XIII. NSI, Kanpur

A new course, namely, “Certificate Course in Industrial Instrumentation & Process Instrumentation” was introduced during the current academic session 2016-17 in NSI Kanpur. Conversion of existing class rooms to “Smart Classrooms”, setting up of instrumentation and auto-CAD laboratories, Nano-brewery & ethanol unit and extension of better hostel facilities resulted in attracting students of other countries viz. Bhutan, Nepal and Yemen to seek admission in various regular courses and customized training programmes during the current academic year. The institute also conducted many such customized training programmes for the sugar factories in India and Kenya as well.

XIV. Other Achievements

- In a measure to boost working on e-Office, all the officers/ officials of the Department had been imparted necessary training on e-Office followed by hands-on with the help of NIC and e-Office Support Personnel. Further, necessary equipment for implementation of e-Office has also been provided based on requirement of individuals. During the year considerable progress has been observed in implementation of various components of e-Office. Number of e-files has been increased to 55% during the month of November, 2016 while it was 14% in the month of December, 2015.
- Digital Signature Certificates has been provided to the more than 190 officers/officials of the Department and that for the rest of the employees is being procured.
- A twitter account has been opened for the Department (<https://twitter.com/fooddeptgoi>). Further, a core team has been constituted in the Department under the charge of a Joint Secretary & consisting of 3 Director level officers to deal with Social Media Activities.

XV. Swachh Bharat Abhiyan

Swachhta Pakhwadas were organised by the Department and its associated organisations on 16.04.2016 to 30.04.2016, 16.06.2016 to 30.06.2016 and 16.10.2016 to 31.10.2016. During the occasions, in order to generate mass awareness various activities such as taking of Swachhta Oath, cleanliness drives/rallies, street plays in public spaces,

improvement of hygiene and cleanliness in office spaces, essay/painting competitions, institution of cleanest section award, blood donations camps, felicitation of sanitation workers etc. were organised.

- Hon'ble MoS (CA,F&PD) Shri C.R. Chaudhary participated in the cleanliness drive organized at Ghewara Depot of FCI. Message of Swacchta was delivered by the Hon'ble MOS (CA, F&PD).
- Banners & Stickers advocating swachhta were placed by this Department and its all organizations to create awareness in the public
- Running trophy was given to the most clean Section of the Department by the Hon'ble MOS for CA,F&PD.
- Nose mask and caps with swachhta logo were distributed by the Hon'ble MoS for CA,F&PD to the Sanitation workers working in the Krishi Bhawan, New Delhi.
- Drawing competition and essay writing competition were organized by the Department for the wards of the officials of this Department and its organizations and winners of competition were awarded and caps with printed logo were given to the participants by the Hon'ble MoS for CA,F&PD.
- A blood donation camp with the help of Red Cross Society was organized in this Department on 27.10.2016.
- Nukkad Nataks were organized by the Department and its organizations on 17.10.2016 and 27.10.2016 at public places for awareness on cleanliness. Video of the same are also available on the you tube.
- Weeding out and recording of old records were carried out including review of recorded files in the record room. Total 946 files were reviewed during the Swachhhta Pakhwada out of them 449 files have been weeded out and 497 files have been retained for further retention.
- Obsolete furniture items were disposed off through tender.
- To improve hygiene in the office spaces, dustbins, oxygen emitting plants have been placed in rooms/ corridors.
- To create awareness on a sustained basis, Swachh Bharat Logo has been printed on stationery items.
- Digital Notice Boards have been installed for continuous display of messages on the importance of swachhta.
- FCI HQ employees visited Central Park, Connaught Place and carried out a drive for removal of plastic, polythene garbage. Dustbins have been placed in the public places near FCI offices for use by general public.

- Cleanest section was awarded in FCI.
- Talks were organized by FCI on the importance of hygiene and cleanliness for its staff.
- During the pakhwada on 22.10.2016 awareness processions and cleanliness drives in public spaces were carried out by FCI and DFPD officers in Connaught Place.
- All members of DFPD and its associated organisations were exhorted to take up swachhta activities and create awareness at their individual level in their residential areas. Sh.T.C.Gautam, Manager(A/cs) along with RWA representatives of the colony where he resides in Dwarka have installed 04 dustbins in their Society and also carried out cleanliness drive in the surrounding areas.
- Similar activities were also carried out by some other employees in their residential areas.
- A debate on the topic ‘The success of our country clean solely depends on educating the general public’ was organized by FCI and winners were felicitated with certificates.
- 10 Best Sanitation workers were felicitated by FCI for their outstanding work.
- A blood donation camp was organized by FCI and NSI, Kanpur.
- Slogan “ Swachh Bharat- Swasth Bharat” were got printed in all the godowns of CWC.
- Cleanliness drive at Shahpurjat village was carried out by the CWC.
- Nukkad Nataks were organized by FCI, Delhi and National Sugar Institute, Kanpur.
- Letters were issued by NSI, Kanpur to sugars mills and distilleries to undertake cleanliness drive in and surrounding areas .
- Some of the photographs of the activities undertaken have been uploaded on the SBM portal.
- A press conference was held by the Hon’ble Minister of CA,F&PD and Hon’ble MoS for CA,F&PD on 04.11.2016 after successful completion of ‘Swachhta Pakhwada’.

XVI. Policy Changes

- **Fortification of Staple Food**

To address acute malnutrition in the population, a strategy of Fortification in Food has been adopted. As a consequence of inputs and proactive initiatives taken by DFPD in consultation with all Stakeholders, FSSAI

has operationalized the standards for fortification of Wheat Flour, and Oil w.e.f. 16th October, 2016. Technology & cost for rice fortification are under review.

- **Wheat-Rice Policy**

Government of India formulated a wheat-rice policy in June 2016 with an objective that the States, which annually procure more wheat or rice than their present annual entitlement/demand for wheat and rice respectively, will be allocated the preferred foodgrains as per their requirement in the normal NFSA allocation i.e. AAY and Priority category. The allocation in the tide over category will be at the discretion of the Department and subject to availability of food grains in the Central Pool and impact on food subsidy.

- To augment/restrict the stock of wheat in the Central Pool, foodgrains stocking norms that includes strategic reserve of 30 lakh MT of wheat and 20 lakh MT of rice have been revised to 20 lakh MT of wheat and 30 lakh MT of rice with effect from November, 2016 to June, 2017.

XVII. Budgetary Position

- With respect to MEP (Monthly Expenditure Plan) of **Rs.115687.15 crore**, the Department of Food & PD has achieved an expenditure of **Rs.127050.24 crore** achieving a percentage expenditure of 109.82 % against MEP upto 30th November 2016.
- As a consequence of persistent efforts, full release of budget to FCI led to interest savings of about Rs. 512 crore which otherwise would have been borne by FCI.
- A proposal has been moved by Ministry of Finance to grant NSSF loan of Rs. 45,000 crore at a reduced rate of interest to FCI to meet its arrears and interest cost requirements.
