

## Brief Note on FCI activities and important IT initiatives.

From the days when there was insufficient foodgrain to meet internal requirements to today's self-sufficiency, from the days of import of food grain to the days of maintaining buffer stocks and to the days of export of food grains, FCI has come a long way. In the year 1965, the allocation of food grain was only 59 Lakh tons for wheat and rice, which has increased enormously to approximately 670 lakh tons i.e. an increase more than ten times in these 46 years. FCI has played a vital role in providing food security to the nation and with the proposed Food Security Act, the role and the responsibilities of FCI will increase many folds. Keeping this and the ever changing scenario of food grains in mind, lot of initiatives have been taken by FCI in the recent past so as to keep itself ready in advance to face the new challenges effectively. Having learned from the experiences over the period of time, FCI is modernizing its operations to meet these challenges.

2. It is because of efficient monitoring of procurement operations at Minimum Support Prices announced by the Government of India that procurement has increased substantially over last few years. There has been record high level of procurement of wheat and rice in the last 3 years. Central Pool stocks reached a level of 608.79 lakh tonnes on 1<sup>st</sup> June 2010.

3. As on date, FCI is having a total covered storage capacity of 274.84 Lakh tonnes (31.12.2010). The covered storage capacity of FCI on 31.3.2010 was 258.59 lakh tonnes. Thus 16.45 lakh tonnes of covered capacity has been added since 1.4.2010. The capacity has increased by almost 5% in a short period of 7-8 months. A beginning has been made in providing sufficient storage capacity so that procurement operations as well as storage can be ensured in a scientific manner.

4. To reduce reliability on CAP (Cover and Plinth) storage and to harness the benefits of private participation, the Government has announced “Scheme for construction of Godowns for FCI – Storage requirements through Private Entrepreneurs” (PEG Scheme). A capacity of 150.80 Lakh MT has been approved by High Level Committee of FCI in 19 different states under the scheme. Out of this, a capacity of 14.30 lakh MT has been allotted to CWC/SWC for construction of godown on their own land. For the remaining capacity, tenders have already been invited for a capacity of 131.59 lakh tonnes and are at different levels in the process of being finalized. Further, during XIth Five Year Plan(2007-12), a covered capacity of 1,38,770 tonnes is also likely to be created with an estimated cost of Rs. 133 crores in the States of J & K and North East (including Sikkim) and also in the procuring states like Chhattisgarh, Orissa, Jharkhand, Bihar, West Bengal and Maharashtra.

5. With a view to minimize storage and transit losses and to introduce modern technology, the Government had approved the National Policy on Bulk Handling, Storage & Transportation of foodgrains in June, 2000. Under this policy, integrated bulk handling & transportation facilities are to be created at identified locations in procuring & consuming areas through private sector participation on Build-Own-Operate (BOO). A Special Purpose Company (SPC) for the project and the service agreements have been made between FCI & Private Operator. Under this agreement, 5.5 Lakh MT of storage capacity in the form of modern silos has been created at seven different locations.

6. The Government has also launched a new scheme under the name “Private Warehousing Scheme – 2010” for hiring of private godowns with preservation, maintenance and security by FCI, to address the problem of shortage of storage

capacity. Under this scheme, General Managers (Region) of FCI have been authorized to invite offers from private parties for hiring of godowns with preservation, maintenance and security for a period of one year.

7. Another new step taken is the sale of wheat to bulk consumers under OMSS (D) on pilot basis in Andhra Pradesh and Delhi through the electronic platform of M/s. NCDEX Spot Exchange Ltd. and M/s National Spot Exchange Ltd. After testing the response, adequacy and the effectiveness of sales of wheat to bulk consumers through spot exchange, FCI would consider extending it to other Regions.

8. In a move to bring in more transparency in bidding and tendering process, a pilot on e-procurement is being run in FCI regional office Karnataka, through the Centre for E-Governance of Government of Karnataka. Through e-procurement FCI would be able to reduce cost and bring in more efficiency and transparency in the tendering process.

9. While the last three decades has seen the turnover of foodgrains dealt by FCI increased substantially, its manpower has been drastically reduced in the wake of staff retirements to almost half. To address the problem, FCI has now embarked on a massive recruitment drive across the country to fill-up approximately 9,000 posts in various categories in a phased manner.

10. To meet the modern day challenges, a lot of thrust has been given to IT initiatives in FCI. Two major projects of FCI have got a new boost and saw major progress being made in the past one year. These are the ambitious project of the IISFM and FAP. The depot module under IISFM has been implemented successfully with the launch of its simplified On-line version i.e. IRRS on 4<sup>th</sup> August, 2010. After initial struggle with various versions of the depot module, finally complete stock

position, off take, capacity utilization are being collected on daily basis from all the 1700 depots of FCI from 01.07.2010 onwards.

11. FCI is implementing the Financial Accounting Package (FAP) in collaboration with the Tata Consultancy Services (TCS). Due to sustained and vigorous efforts in the past few months, all transactions in FCI are made in all units across the country using Oracle Applications from 1<sup>st</sup> October, 2010. Not only this, FCI has been successful in Pay-Roll Applications in all its offices beginning December, 2010.

12. After successful implementation of IRRS, FCI has launched another software i.e. Depot Code Management System (DCMS) in all its depots which would provide IT solution for effective monitoring of hiring/de-hiring of depots, effective storage capacity, storage type, the general depot profile besides other features. The information from DCMS would be interface with IRRS for generation of out-put reports. Further, FCI has recently launched software for Release Order Creation Module which would not only automatically create release order but also help in centralized monitoring of allocation-off-take.

13. Besides IISFM and FAP, many other initiatives for computerization are being taken and are in various stages of implementation or formulation. FCI is planning on having Legal Court Case Monitoring System which would help in monitoring of the court cases and linking similar cases or judgments.

14. FCI has created its own Intranet recently and which is being extensively used on daily basis by different Division. FCI would further upgrade the feature of Intranet in FCI to make it more comprehensive and user friendly.

15. All these initiatives require augmentation and strengthening of the IT infrastructure in FCI. Keeping this in view, FCI is undertaking Systems Integration across the country which among other includes upgradation of LAN/WAN, bandwidth upgradation, establishing disaster recovery sites for FAP/IISFM etc. to meet our IT requirements.

16. E-Granthalaya, library automation & networking system has been installed in the library & data entry work of all the books and the journals in the library has been completed.

17. FCI website is an integrated website which provides links to all the Zonal Offices and the Regional Offices from where one could open the web pages of the concerned Zonal or Regional Office. This website is dynamic where the concerned Divisions would be periodically updating the data pertaining to Procurement, Movement, Quality Control, Stocks, Sales etc. In this website all tenders floated in different offices of FCI across the country could be accessed through one common link. Similarly, there will be many more features which would be of immense use for everyone.