

तार : 'फूडकॉर्प'
Gram : 'FOODCORP'
फैक्स नं.: एचएफसीआई एनडी
००६९९२३४९३२४९
००६९९४३५२७४३३

भारतीय
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16-20, BARAKHAMBA LANE, NEW DELHI-110001, PHONE : 43527697, 43527698

Press Release

High-level panel scans 4 studies on bettering FCI operations

New Delhi, Sep 15: Food Corporation of India (FCI) made a major stride in taking forward its big-time plans to improve food-grains management, as a high-level committee (HLC) discussed today all the key reports of earlier committees set up for streamlining the operation of the PSU behemoth.

Constituted by the Union government for "Restructuring of FCI", the HLC's second meeting was chaired by its head Shri Shanta Kumar, MP. The day-long sessions had their focus on presentations made on four studies conducted in the past on food policy and improving the functioning of FCI.

The meeting, which also confirmed the minutes of the first HLC meeting held on September 8, was attended by Dr. Ashok Gulati, former Chairman of the Commission for Agricultural Costs and Prices; Prof G Raghuram, IIM Ahmedabad Dean, Prof. Gunmadi Nancharaiah, Dean of School of Economics in Hyderabad University, besides Food Secretaries of Punjab and Chhattisgarh and officials of FCI led by FCI CMD Shri C. Viswanath.

The chairman exhorted all the Members to study the decentralized procurement system, which would be discussed in the next meeting of the Committee on September 26 and 27.

One among the studies taken up for discussion today was by McKinsey & Company in 2006 with the objective of giving suggestions on how to bring about substantial and sustainable efficiency in the operations of FCI. It was done in two stages. The report suggested financial restructuring through multi-tiered debt structure to reduce the interest burden. It also had suggested refinancing of buffer stocks and receivables through issue of bonds. It also had recommended network optimization by linear programming of rail movement. It also suggested consolidation of handling and transport contracts; reduction in gunny cost by use of once used gunnies, exploring avenues for revenue generation by optimum utilization of assets and renting out/de-hiring of excess storage capacity and revision of staffing norms and better performance management system. It also advocated the use of smart trading options in

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export/import and creation of a price monitoring cell for management of operational costs. Lastly, it also recommended increase in procurement in non-traditional assets and also the management of idle assets.

The second study which was presented before the committee was done by IIM, Ahmedabad in 2012 on "Food Subsidy in India". This study discussed reasons for increase in food subsidy and policy options for containing this increase. These policy options were decentralized procurement, stopping open ended procurement, periodic increase in CIP (Central Issue Price) and reduction in procurement incidentals.

The third study discussed by the Committee was on "Investment, Subsidies and Pro-poor Growth in Rural India" done in 2007 by International Food Policy Research Institute. The emphasis of the report was on increasing subsidies over the years and reduction in the level of public investments in areas like agricultural research, education and rural infrastructure etc.

The fourth study was on Long Term Food Grain Policy done in 2002 which was discussed threadbare by the HLC. The Committee had given wide ranging recommendations regarding the core functional areas of FCI as well as on functioning of public distribution system besides giving recommendations on MSP, procurement, decentralized procurement, levy on millers, quality issues in procurement, alternative price and income stabilization measures, dealing with deficit situations, anti-crop parity, OMSS, exports and imports, encouraging private trade. They also gave recommendations on cost control, storage and transit losses and credit management of FCI. Their recommendations were both short-term and long-term.

The Committee discussed the creation of modern storage facilities and bulk handling of food grains. It also viewed the presentation by M/s. Adani Logistics Private Limited on Bulk Storage and Movement of Food Grains.

ENDS

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