



FOOD CORPORATION OF INDIA

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Press Release

Stakeholders Meet for FCI's 2m MT Storage Modernisation Project

New Delhi, June 14: The Food Corporation of India (FCI) took a step closer to building state-of-the-art grain storage and movement facilities today when it collaborated with International Finance Corporation (IFC) to organise a consultative meeting of stakeholders of its public-private participation project to add 2 million tonne capacity Silos by 2014-15.

The meeting was addressed by Secretary (Food and Public Distribution) Shri Sudhir Kumar and inaugurated by FCI Chairman and Managing Director Shri. C Vishwanath.

The Stakeholder Consultation Workshop was aimed at bringing together the stakeholders on key design, structure and financing of the project, the first major step by the FCI and Ministry of Consumer Affairs, Food and Public Distribution towards modernizing the country's food grain storage and movement.

"This is one of the most significant projects in the food sector and a step towards modernization of food grain storage logistics," said Secretary (Food and Public Distribution) Shri. Sudhir Kumar in his keynote address to the consultation workshop held at The Imperial hotel in the national capital.

Describing the workshop as a "happy coincidence" at a time when the Government was about to promulgate the Food Security law, Shri Kumar said it was a great challenge and responsibility to ensure the annual availability of an estimated 62 million tonne food grains for distribution under the Public Distribution System (PDS).

"The most critical infrastructure in this context is storage," he said, adding the new paradigm of food security would require substantial augmentation of the country's grain storage capacity. "Our country is one of the first nations which have been transforming social welfare programmes into a rights-based approach. We would soon be empowering our people with the right to food," he said.

Explaining that the government was already taking steps to increase the grain storage capacity in a "mission mode", Shri Kumar said the 2 million tonne capacity Silos as a PPP project was a part of this strategy.

Launched in 2000 under the National Policy on handling, storage and bulk transportation of food grains, the Silos storage facility are on a 'Built, Own and Operate' (BOO) variant of PPP. The present 2 million tonne project will be



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implemented in 38 locations in 10 states (Bihar, Haryana, Madhya Pradesh, Maharashtra, Punjab, Uttar Pradesh, West Bengal, Assam, Kerala and Gujarat). Four projects are proposed under VGF-based 'BOT' model.

FCI Chairman and Managing Director Shri C Vishwanath said under the 'BOO' variant, entrepreneurs will have to bring in land, set up Silo complexes and railway sidings for movement as well as carry out operations. "The response of the private sector towards this storage creation scheme has been overwhelming," Shri Vishwanath added.

Presenting the FCI's vision on the Silos project, he said the corporation would be able to invite the bids for the 2 million tonne capacity Silos "in a month or two". The pre-bid documents prepared by the Silo Project team of FCI will be the first set of model documents of the 'BOO' model as all the previous model documents were only of 'Build, Own and Transfer', he added.

The day-long workshop began with the introduction of the Silos project to the stakeholders by FCI's Executive Director (Silo) Shri Anoop Kumar. The IFC officials made a presentation that explained the broad contours of the project while a panel of experts consisting of officials of FCI, Ministry of Food and Public Distribution, project consultant CRISIL and IFC addressed the concerns raised by the stakeholders. The meeting was also attended by Railway Board Adviser Smt. Suhas Kumar, who spelled out the Railway Ministry's policies regarding railway sidings at the Silos.

Nearly 50 private investors were present at the workshop attended by a cross section of stakeholders, including 45 companies representing Silo equipment suppliers and manufacturers, and financial institutions, Silo operators, warehousing and logistics companies.

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