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**STANDING COMMITTEE ON FOOD, CONSUMER
AFFAIRS AND PUBLIC DISTRIBUTION (2021-2022)**

SEVENTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD
AND PUBLIC DISTRIBUTION
(DEPARTMENT OF CONSUMER AFFAIRS)**

{Action Taken by the Government on the recommendations/ observations contained in the Eleventh Report of the Committee (Seventeenth Lok Sabha) on the subject 'Price Rise of Essential Commodities – Causes & Effects' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)}

SIXTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December 2021/ Agrahayana 1943 (Saka)

(i)

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Presented to Lok Sabha on 07.12.2021

Laid in Rajya Sabha on 07.12.2021



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2021/ Agrahayana 1943 (Saka)

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Composition of the Standing Committee on Food, Consumer Affairs and Public Distribution (2021-2022)

Shri Sudip Bandyopadhyay, Chairperson

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Girish Bhalchandra Bapat
4. Shri Shafiqur Rahman Barq
5. Shri G. S. Basavaraj
6. Ms. Debasree Chaudhuri
7. Shri Sunny Deol
8. Shri Anil Firojiya
9. Shri Selvam G.
10. Shri Rajendra D. Gavit
11. Shri Sanganna Amarappa Karadi
12. Shri Bhagwant Mann
13. Shri Khagen Murmu
14. Shri Mitesh Rameshbhai (Bakabhai) Patel
15. Shri Subrat Pathak
16. Smt. Himadri Singh
17. Smt. Kavita Singh
18. Shri Nandigam Suresh
19. Shri Saptagiri Ulaka
20. Shri Rajmohan Unnithan
21. Shri Ve.Vaithilingam

Rajya Sabha

22. Shri Satish Chandra Dubey
23. Smt. Roopa Ganguly
24. Shri K. G. Kenye
25. Dr. Fauzia Khan
26. Shri Hishey Lachungpa
27. Shri Rajmani Patel
28. Shri Sakaldeep Rajbhar
29. Dr. Anbumani Ramadoss
30. Shri Ramji
31. Shri G. K. Vasani

LOK SABHA SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Dr. Vatsala Joshi - Director
3. Sh. Ginsuanlian Guite – Deputy Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2021-2022) having been authorized by the Committee to submit the Report on their behalf, present this Sixteenth Report on Action Taken by the Government on the Recommendations/ Observations contained in the Eleventh Report of the Committee (Seventeenth Lok Sabha) on the subject 'Price Rise of Essential Commodities – Causes & Effects' of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Eleventh Report was presented to Lok Sabha and laid in Rajya Sabha on 19.03.2021. The Government has furnished its replies indicating Action Taken on the recommendations contained in the Report on 21 October, 2021.

3. The Report was considered and adopted by the Committee at their sitting held on 01 December, 2021.

4. An analysis of the action taken by the Government on Recommendations/ Observations contained in the Report is given in **Appendix II**.

5. For facility of reference and convenience, the Recommendations/ Observations of the Committee have been printed in thick type in the text of the Report.

NEW DELHI;
01 December, 2021
10 Agrahayana 1943 (Saka)

SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

REPORT CHAPTER - I

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the action taken by the Government on the recommendations/observations contained in the Eleventh Report of the Committee (17th Lok Sabha) on the subject 'Price Rise of Essential Commodities - Causes & Effects' pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)

1.2 The Eleventh Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 19.03.2021. It contained 21 recommendations/observations. Action taken replies in respect of all the 21 recommendations/observations contained in the Report have been received and these have been categorized as follows:-

- (i) Recommendations/Observations which have been accepted by Government -

Rec. Nos.:- 1, 3, 4, 5, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies -

Rec. Nos.:- 2, 6, 7, 10

- (iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee -

Rec. Nos.:- NIL

- (iv) Recommendations/Observations in respect of which final replies of Government are still awaited -

Rec. Nos. :- 8

1.3 The Committee desire that action taken notes on the recommendations/ observations contained in Chapter I and final reply in respect of recommendation for which only interim replies has been given

by the Government, should be furnished to the Committee expeditiously. The Committee strongly emphasize that utmost importance should be given to the implementation of recommendation/observations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.4 The Committee will now deal with action taken by the Government on some of the recommendations.

A. Need to implement effectively the new post-budget (2021-22) strategy for 'Operations Greens' scheme.

Recommendation (Para No. 13)

1.5 The Committee in their original report observed/recommended as follows:-

"The Department of Consumer Affairs apprised the Committee that to stabilize the prices of essential food items, the Government has taken various measures from time to time, including (i) appropriately utilizing trade and fiscal policy instruments like import duty, Minimum Export Price (MEP), export restrictions, etc. to regulate domestic availability and moderate prices; (ii) imposition of stock limits and advising States for effective action against hoarders and black marketeers; (iii) provision of higher Minimum Support Prices (MSP) to incentivize farmers for increasing production. In this regard, the Committee note that a new scheme called 'Operation Greens' was introduced by the Ministry of Food Processing Industries for integrated development of Tomato, Onion and Potato (TDP) value chain, with an outlay of Rs. 500 crore to promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management. The Committee believe that Operation Greens besides benefiting the farmers, will go a long way in augmenting domestic production and availability of tomato, onion and potato in the country, thereby stabilizing and moderating their prices for the benefit of the consumers. The Committee, therefore, desire the Government to take concerted steps to closely monitor the progress of 'Operation Greens' scheme across the States/UTs. The Government may also make an

evaluation of the progress of the scheme and make enhanced financial allocation for the scheme, if required.”

1.6 The Ministry in its action taken reply has stated as under:-

"Operation Greens Scheme was announced in the Union Budget for 2018-19 with financial outlays of Rs. 500 crores to promote FPOs, agri-logistics, processing facilities and professional management for Tomato, Onion and Potato (TOP) crops. The Scheme was launched in November 2018 on a pilot basis with the objective to promote setting up of Integrated Value Chain Development Project for TOP crops in the selected clusters. Along with, secondary processing facilities, the scheme envisage investment in farm gate infrastructure for primary processing/storages facilities. Farmer in this production clusters are being organized in to FPOs to manage production, adopt processable or dual use variety of crops, engage in post-harvest activity, value additions and marketing of TOP produce.

Brief of the scheme

Strategies of Scheme: The scheme has two-pronged strategy of Price stabilization measures (for short term) and value chain development projects (for long term).

(i) Short term: price stabilization measures (Transportation & Storage – 50% subsidy) - During the glut situation at the time of harvest, evacuation of surplus production from the producing area to the consumption centres and subsidy is provided at the rate of 50% on transportation and storage.

OG-TOP to TOTAL: The scope of short term measures under Operation Greens scheme was extended from TOP to TOTAL (41 notified fruits and vegetables) w.e.f. 11.06.2020 as a part of Aatmanirbhar Bharat Package announcement by Hon'ble Finance Minister due to supply chain disruption amid Covid pandemic, based on SFC recommendation, by Minister, FPI on 10.06.2020.

- Guidelines for providing 50% freight subsidy for movement of notified fruits and vegetables through Kisan Rail notified on 12.10.2020. Subsequently, Ministry allowed transport subsidy on any Fruit & Vegetable through Kisan rail service provided by Indian Railways.
- Guidelines for providing 50% Air freight subsidy for movement of notified fruits & vegetables from NER and Himalayan States issued

on 02.11.2020. Subsequently, Ministry allowed transport subsidy on any Fruit & Vegetable through air from NER and Himalayan States.

- Guidelines for providing 50% subsidy to eligible entities through NAFED for transportation and/or storage of apple from Jammu and Kashmir, issued on 27.11.2020.

(ii) Long term: Value chain development Projects-Projects are implemented in identified clusters for TOP crops in major producing States for development of value chain. Farmers in the production clusters are being organized into FPOs to manage production, post-harvest activities, value addition and marketing of the TOP produce. Grant-in-aid is provided on an average @ 50% of eligible project cost /70% in case of SC/ST/FPOs. So far six projects have been sanctioned under the scheme and are under implementation stage and the details of the same are provided in the table below:

Integrated value chain development projects Sanctioned under Operation Greens

(Rs. in Cr)

S. No	Name of PIA	Location of Cluster	Name of Crop	Approval date	Total Project Cost	Grant-in-aid
1	M/s Andhra Pradesh Food Processing Society	Chittor, Anantapur, Andhra Pradesh	Tomato	20.03.2019	109.99	48.82
2	M/s Nedspice Dehydration India LLP	Bhavnagar, Gujarat	Onion	20.03.2019	63.64	25.22
3	M/s Khemanand Dudh & Krishi Producer Company Ltd	Ahmednagar, Maharashtra	Onion	08.01.2020	31.33	14.60
4	M/s Banaskantha District Cooperative Producer Union Ltd	Banaskantha, Gujarat	Potato	08.01.2020	103.87	30.56
5	M/s Vangi Foods	Kheda, Gujarat	Tomato	05.03.2020	18.50	4.51
6	M/s Smartagri Agrovilla	Nashik, Maharashtra	Onion	03.02.2021	35.97	13.11
Total					363.30	136.82

Budget Announcement 2021-22: In pursuance of budget announcement 2021-22, the scope of long term strategy i.e. Value Chain Development Projects under Operation Greens Scheme is going to be expanded from **TOP to Twenty-Two Perishable**

products in order to boost value addition in agriculture and allied products and their exports.

The list of 19 perishable products identified in addition to TOP crops with the approval of Hon'ble Minister, FPI is as under.

Fruits (10): Mango, Banana, Apple, Pineapple, Kinnow/Mandarin/Orange, Grapes, Aonla/Amla, Pomegranate, Gvava, Litchi.

Vegetables (8): Peas, Carrot, Cauliflower, Beans, Bitter gourd, Okra, Garlic, Ginger.

Marine (1): Shrimp.

Strategy for implementation of budget announcement 2021-22 is as under: -

- i. Production clusters will be identified for perishable products on the basis of production data of Horticulture Division, M/o Agriculture and validation by respective States and other stakeholders.
- ii. Gaps in the value chain will be identified by conducting Infrastructure Gap Assessment Studies in selected production clusters.
- iii. In parallel, scheme guidelines are being drafted.
- iv. The intervention by Ministry would be limited to fill those gaps in value chain of 22 perishables to reduce the post-harvest losses and increase sales realization for farmers. Other concerned Ministries, State Governments and their Institutions etc. would also be requested to fill those gaps in the value chain.

Details of Expenditure Since beginning

	₹ in Crore		
Year	BE	RE	AE
2018-19	0	200	5.50
2019-20	200	32.48	2.84
2020-21	127.5	38.21	38.21
2021-22	73.4	-	39.80
Total Expenditure till date			86.35

1.7 The Committee note that for 'Operation Greens' scheme introduced in 2018-19 for integrated development of Tomato, Onion and Potato (TOP) in the country, a total expenditure of Rs. 86.35 crore has been incurred.

Given the propensity of tomato, onion and potato towards price volatility in the recent past years, the Committee would like to reiterate their recommendation that the Government should take concerted steps to continue to closely monitor the progress of 'Operation Greens' scheme across the States/UTs, and also make an evaluation of the progress of the scheme, highlighting achievements made and problems encountered. The Committee also note that in pursuant of budget announcement 2021-22, the scope of long-term strategy, i.e. Value Chain Development Projects under 'Operations Greens' scheme is going to be expanded from TOP to 22 perishable products in order to boost value addition in agriculture and allied products and their exports. The Committee also note the strategy for implementation of the budget announcement 2021-22. The Committee urge the Government to ensure effective implementation of the said strategy to achieve bumper production in the 22 identified perishable products and also boost their exports. The Committee also desire that the Government should explore the feasibility of undertaking a comparative study on post-harvest practices of a few other countries with a view to replicating such practices in India, where applicable. The Committee further note the actual expenditure achieved in respect of 'Operations Green' scheme, i.e. Rs. 5.50 crore against RE of Rs. 200 crore in 2018-19, Rs. 2.84 crore against BE of Rs. 200 crore in 2019-20, Rs. 38.21 crore against BE of Rs. 127.5 crore in 2020-21 and Rs. 39.80 crore against BE of Rs. 73.4 crore in 2021-22. The abysmally low figures on actual expenditure incurred on the scheme during the last three years speak volume about the need to make vigorous efforts by the Government, and the Committee hope to see better achievements in

regard to implementation of the 'Operation Greens' scheme in this aspect as well.

B. Price Stabilization Fund

Recommendation (Para No. 15)

1.8 The Committee in the original report observed/recommended as under:

"The Committee note that the Price Stabilization Fund (PSF) was set up in the year 2014-15, which advances interest-free loans to State Governments/UTs and Central Agencies to support their working capital and other expenses that they might incur on procurement and distribution interventions for the prescribed/stipulated commodities. The PSF is centrally managed by the Price Stabilization Fund Management Committee (PSFMC), which will approve all proposals from the State Governments and Central Agencies. The Committee desire that the proposals received by PSFMC should be processed within a fixed time frame and funds released with a view to moderating volatility in prices of commodities like onions, potatoes and pulses to prevent rise in prices and scarcity."

1.9 The Ministry in its action taken reply has stated:-

"The Central Corpus Fund for price stabilization is available for providing interest free working capital to the States/UTs for market intervention for price control based on proposal for creating State-level Price Stabilisation Fund submitted to the PSFMC. The State level Corpus is created with a sharing pattern between GoI and State in the ratio of 50: 50, and 75:25 in case the North Eastern States. Centre's share is released in 2 equal instalments.

Till date Department of Consumer Affairs has released funds to six State Governments for setting up a State Level PSF. Details of release are as under:

State	Total PSF Fund requirement (₹crore)	State's Share (₹crore)	Centre's Share Released(₹crore)		
			1 st instalment	2 nd instalment	Total
Andhra Pradesh	100	50	25 (2015-16)	25 (2017-18)	50
Telangana	18.31	9.15	4.575 (2015-16)	4.575 (2015-16)	9.15
West Bengal	10	5	2.50 (2015-16)	-	2.50
Odisha	100	50	25 (2018-19)	-	25
Tamil Nadu	10	5	2.50 (2019-20)	-	2.50
Assam	200	50	75 (2019-20)	-	75
Total Released					164.15

The Department is continuously taking up with the State/UTs to create State Level PSF through letters and in meetings such as the National Consultation Meeting of Ministers of States/UTs in-charge of Food, Civil Supplies and Consumer Affairs, Zonal Conferences on Price Monitoring and regular VC meetings on Price Monitoring with the States and UTs.”

1.10 The Committee note the Department’s reply that under the Price Stabilization Fund set up in 2014-15, the Central Corpus Fund for price stabilization is available for providing interest-free working capital to States/UTs for market intervention for price control based on proposal for creating State-level Price Stabilization Fund submitted to the Price Stabilization Management Committee (PSFMC) and that the State-level corpus is created with a sharing pattern between Government of India and State in the ratio of 50:50, and in the ratio of 75:25 in case of the North-Eastern States. Centre’s share of the fund is released in 2 equal

instalments. The Committee further note that the Department of Consumer Affairs has released Central funds totalling Rs. 164.35 crore to 6 State Governments i.e. Andhra Pradesh, Telengana, West Bengal, Odisha, Tamil Nadu and Assam for setting up State-level Price Stabilization Funds (PSFs). Surprisingly however, only 2 States, namely, Andhra Pradesh and Telangana have received the two instalments in full, while the remaining 4 States, namely, West Bengal, Odisha, Tamil Nadu and Assam are yet to get the second instalment of the Centre's share. The Committee, therefore, urge the Government to take follow-up steps to ensure that the second instalment of the Centre's share of PSF fund is released to the above-stated 4 States without delay. They also recommend that the Government pursue all the remaining States/UTs to submit proposals for creation of State-level PSFs within a stipulated time-frame in order to achieve the better moderation of price volatility of essential commodities in the country.

C. Revamping and monitoring of Public Distribution System

Recommendation (Para No. 16)

1.11 The Committee recommended as follows:-

"The Committee observe that the Public Distribution System (PDS) has evolved as a system for distribution of foodgrains at affordable prices in the country. In June, 1997, the Government introduced 'Targeted Public Distribution System' (TPDS) to focus on the poor, followed by a scheme called 'Antyodaya Anna Yojana' (AAY) introduced in December, 2000 which aims to make TPDS more focused and targeted to poor and the poorest of poor. About 2.5 crore households are presently covered under AAY across the country. Under National Food Security Act (NFSA) enacted in 2013,

eligible households/beneficiaries comprise of Antyodaya Anna Yojana (AAY) households and persons belonging to Priority Households (PHH) categories. AAY households, which constitute the poorest-of-the poor, are entitled to receive 35 kg of foodgrains per household, whereas households covered under PHH category are entitled to receive 5 kg of foodgrains per person per month at highly subsidized prices of Rs. 3/2/1 per kg for rice/wheat/coarse grains respectively. The Committee note that TPDS is presently operated under the joint responsibility of the Central and the State Governments, where the Central Government has assumed the responsibility of procurement, storage, transportation and allocation of foodgrains to all States/UTs and the operational responsibility of allocation of foodgrains within States/UTs, identification of eligible families under NFSA, issuance of ration cards, distribution of foodgrains through Fair Price Shops (FPSs) and licensing and monitoring of FPSs, etc. rests with the respective State/UT Governments. The Committee desire the Government to put in place an institutional mechanism for robust monitoring of TPDS for increasing its efficiency and utility.”

1.12 The Ministry in its action taken note has stated:-

"Institutional mechanism for robust monitoring of TPDS is already provided for under the Chapter XI of the National Food Security Act (NFSA), 2013 and mandates all State/UT Governments to conduct periodic social audits on the functioning of the Targeted Public Distribution System including the fair price shops. Accordingly, the States/UTs are periodically instructed to conduct the social audits in this regard.

28. (1) Every local authority, or any other authority or body, as may be authorised by the State Government, shall conduct or cause to be conducted, periodic social audits on the functioning of fair price shops, Targeted Public Distribution System and other welfare schemes, and cause to publicise its findings and take necessary action, in such manner as may be prescribed by the State Government.

Further, the National Food Security Act, 2013 (NFSA) also provides that

1. For ensuring transparency and proper functioning of the Targeted Public Distribution System and accountability of the functionaries in

such system, every State Government shall set up Vigilance Committees as specified in the Public Distribution System (Control) Order, 2001, made under the Essential Commodities Act, 1955, as amended from time to time, at the State, District, Block and fair price shop levels consisting of such persons, as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, women and destitute persons or persons with disability.

2. The Vigilance Committees shall perform the following functions, namely: —
- (a) regularly supervise the implementation of all schemes under this Act;
 - (b) inform the District Grievance Redressal Officer, in writing, of any violation of the provisions of this Act; and
 - (c) inform the District Grievance Redressal Officer, in writing, of any malpractice or misappropriation of funds found by it.

Further, the Targeted Public Distribution System (Control) Order, 2015 provides that the State Government shall set up vigilance committees for the Targeted Public Distribution System at the State, District, Block and fair price shop levels as per the provisions of the Food Security Act to perform functions as specified in the said Act. Meetings of the vigilance committees shall be held at least once every quarter at all levels and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity. The State Government shall send a report annually to the Central Government on the functioning of vigilance committees."

1.13 The Committee note the Department's reply that for robust monitoring of Targeted Public Distribution system (TPDS) in the country, institutional mechanism is already provided for under the Chapter XI of the National Food Security Act (NFSA), 2013 which mandates all State/UT Governments to conduct periodic social audits on the functioning of the TPDS, including the Fair Price Shops (FPSs), and that the States/UTs are accordingly periodically instructed to conduct the social audits in this regard. The Committee further note that the Targeted Public Distribution

System (Control) Order, 2015 provides for the setting up of ‘Vigilance Committees’ by the State Government at the State, District, Block and Fair Price Shop levels as per the provisions of the National Food Security Act, 2013 to perform functions specified in the said Act, viz. (a) regularly supervise the implementation of all schemes under this Act; (b) inform the District Grievance Redressal Officer, in writing, of any violation of the provisions of this Act; and (c) inform the District Grievance Redressal Officer, in writing, of any malpractice or misappropriation of funds found by it. The order also provides that meetings of the Vigilance Committees shall be held at least once every quarter at all levels, and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity, and further that the State Government shall send a report annually to the Central Government on the functioning of the Vigilance Committees. The Committee note that a very crucial mandate has been vested in the Vigilance Committees set up under NFSA, 2013 and the TPDS (Control) Order, 2015 for monitoring of TPDS in the country. They desire the Government to furnish the details about the status/working of these Committees in each State/UT since the enforcement of the Targeted Public Distribution System, including the details regarding all States/UTs which have constituted or not constituted the Committees so far. The Committee would like to be updated about this matter within three months of presentation of this Report.

CHAPTER II

RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1

2.1 The Committee observe that at present, there are 7 (seven) commodities included in the Schedule of essential commodities under the Essential Commodities Act (EC Act), 1955, viz. (1) Drugs; (2) Fertilizers (whether organic, inorganic or mixed); (3) Foodstuffs, including edible oilseeds and oils; (4) Hank yarn made wholly from cotton; (5) Petroleum and petroleum products; (6) Raw jute and jute textile; (7) (i) Seeds of food crops and seeds of fruits and vegetables; (ii) Seeds of cattle fodder; (iii) Jute seeds; and (iv) Cotton seeds. The Committee also observe that the Department, as and when required, in consultation with Ministries/Departments concerned as well as State Governments, take decision for listing or delisting of a commodity in the list of essential commodities. They also note that after major amendments of 2006, the only instance when amendment in the Schedule was made was in 2009 when cotton seed was notified as an essential commodity under the EC Act, 1955. The Committee are of the view that a proper mechanism may be evolved to periodically review the inclusion/deletion of commodities under the 61 Essential Commodities Act, 1955 after due consultations with the concerned Departments and State Governments/UT authorities. The Committee also recommend that the Government may consider for the inclusion of more consumables in the list of essential commodities, particularly those which directly affect the health of all consumers, and which are useful for village and town dwellers, and subsidize these products. Such items may also be included in the list of commodities monitored by the Price Monitoring Division (PMD), which may go a long way in improving the health and welfare of needy consumers at large.

Reply of the Government

2.2 Government keeps a close watch on the prices of major commodities and as and when required in consultation with the concerned Ministries/ Departments commodities are notified for inclusion in / deletion from the list of essential commodities. Presently, the following 7 commodities are notified in the list of essential commodities:

S.No.	Commodity
1	Drugs
2	Fertilizers, whether inorganic, organic or mixed

3	'Foodstuffs'* including edible oilseeds and oil
4	Hank yarn made wholly of cotton
5	Petroleum and Petroleum Products
6	Raw jute and jute textiles
7	(i) Seeds of food crops, fruits and vegetables
	(ii) Seeds of cattle fodder
	(iii) Jute seeds; and
	(iv) Cotton seed

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Consumer Affairs)
O.M. No.T-10/2/2020-PMC Section Dated the
18.10.2021]

Comments of the Committee

(Please see Para No. 1.7 of Chapter -I of the Report)

Recommendation No. 3

2.3 The Committee note that rice, wheat, atta, gram dal, arhar dal, moong dal, urad dal, masoor dal attract nil Goods and Services Tax (GST) for unbranded and 5% for branded and packed in unit container, and tea, sugar, vanaspati, groundnut oil, mustard oil, UHT (ultra high temperature) milk, soya oil, palm oil, and sunflower oil attract GST at the rate of 5%. The Committee further note that the export of wheat/rice attract no export duty, and that no redundant controls/restrictions on movement and distribution, particularly of agricultural commodities existed during the last 3 (three) years. The Committee would like the Government to take all necessary steps to further streamline the free movement of essential commodities in the country to ensure affordable prices of such items for all citizens.

Reply of the Government

2.4 The Central Government vide Order "Removal of Licensing Requirements, Stock Limits and Movement Restrictions on Specified Foodstuffs Order, 2016 dated 29.9.2016" has removed licensing requirements, stock limits and movement restrictions on certain foodstuffs. These Orders provided that any dealer may freely buy, stock, sell, transport, distribute, dispose, acquire, use or consume, any quantity of specified food stuffs and shall not require a permit or license therefor, under any order issued under the Act, save as otherwise provided under the Order. The Orders also provide that State Government shall obtain prior approval of the Central Government for issuing of any order for the

purposes of regulating by licenses, permit or otherwise, the storage, transport, distribution, disposal, acquisition, use or consumption of any of the commodities.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Consumer Affairs)
O.M. No.T-10/2/2020-PMC Section Dated the
18.10.2021]

Recommendation No. 4

2.5 The Committee note that Producer Price Index (PPI) is an index designed to measure the average change in the price of goods and services from the point of view of the producer, either as they leave the place of production (called 'Output PPI'), or as they enter the production process (called 'Input PPI'). It is stated to be an improvement over the Wholesale Price Index (WPI), which is currently in use in the country, being free from the bias of multiple counting inherent in an aggregate commodity based index like WPI. The Committee also note that a Working Group on PPI was constituted on 21st August, 2014 under the Chairmanship of Dr. B.N. Goldar, exMember, National Statistics Commission, which submitted its report on 31st August, 2017, which has been uploaded in the website of the office of Economic Advisor. The Committee further note that the technical decision of migration from WPI to PPI will be examined by the Working Group and Technical Advisory Committee on Series of Prices and Cost of Living, and that the final decision of feasibility of shifting and its modalities will be decided by the Committee of Secretaries. They also note that the exercise for revision of base year has commenced with the setting up of Working Group for revision of WPI on 25th June, 2019 under the Chairmanship of Prof. Ramesh Chand, which was to submit its report in June, 2020, but its term has been extended for another year, i.e. till June, 2021. While appreciating the fact that PPI would provide a more accurate reflection of the price changes of the relevant economic activities, and give a reliable and internationally comparable picture of prices fixed by producers, the Committee nevertheless, desire that the Government should consider the subject of switch-over from WPI to PPI after making proper study and examination of the entire ramifications and also after making wide consultations with the States/UTs, i.e. after the requisite modalities have been duly completed. The Committee further hope that the Working Group under the Chairmanship of Prof. Ramesh Chand will submit its report within the extended term, i.e. June, 2021. The Committee also desire to be apprised of the gist of recommendations of the Working Group under Prof. Ramesh Chand in the matter.

Reply of the Government

2.6 The year 2017-18 may be considered as the new base year of Wholesale Price Index (WPI). The Input Output Table (IOT) and Supply Use Table (SUT) are currently available up to 2015-16, and not available for the new base year 2017-18. The PPI weight of 2017-18 may be updated once the MOSPI release the Use Table.

The Working Group has recommended to release PPI on experimental basis and its weight of 2017-18 may be updated once the MOSPI release the IOT and SUT. The Business Services Price Index (BSPI) may be disseminated separately and it will be merged with WPI/PPI, once stability and robustness is achieved. In Phase-I, six service price indices namely; BSPI- Banking, BSPI-Insurance, BSPI-Securities, BSPI- Telecom, BSPI- Air Transport and BSPI- Railways may be released as separate indices and a combined BSPI may also be explored based on the price indices of the above services and their weights as per their value of output in National Account Statistics.

The Report of the Working Group will be technically examined by Technical Advisory Committee on Series of Prices and Cost of Living, Ministry of Statistics and Programme Implementation (MOSPI) and also by National Statistical Commission, an autonomous body. The final decision of feasibility of shifting and its modalities will be decided by the Committee of Secretaries (CoS).

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Comments of the Committee

(Please see Para No. 1.10 of Chapter -I of the Report)

Recommendation No. 5

2.7 The Committee observe that the Food Safety and Standards Authority of India (FSSAI) was established in 2008 under Section 4 of Food Safety and Standards Act (FSS Act), 2006 to carry out the mandate of the Act, viz. to make regulations on food standards. The Committee were informed that FSSAI interacts with State Governments through meetings of Central Advisory Committee (CAC) in which Food Safety Commissioners of all States/UTs are represented, and a total of 27 CAC meetings have been held from 2010-11 to 2019-20. Further, as per the information provided by the Department of Consumer Affairs, Food Safety Officers are taking samples of food regularly for analysis in food laboratories, based on which designated officers launch

prosecution against defaulting food business operators under FSS Act, 2006. A look at the data provided by the Department, however, revealed that while between the years 2016-17 and 2019-20, there was an increase in the number of food samples analyzed from 78340 to 118775, the number of samples found non-conforming from 18325 to 29589, and the number of civil/criminal cases launched from 13080 to 27412, but the number of convictions actually fell from 1605 to 821 during the same period. The Committee are of the opinion that these trends undoubtedly indicate a slackening of efforts by FSSAI regarding enforcement work on food safety standards in the country. The Committee are convinced that the qualitative and safety aspect of food items is as important as its quantitative aspect, and they, therefore, urge the Government to add vigour to existing efforts on testing and analysis of food items, and ensure that there is no slackening of enforcement of food safety standards against the defaulting food business operators and stringent action is taken against them. They also feel that the total number of 27 meetings held by CAC between 2010-11 and 2019-20 is too few and far between, and that more interactions by CAC with State Governments/UT Administrations will be helpful for FSSAI to fulfill its mandate in a more efficient manner. Noting that FSSAI has its presence at 22 points of entry at six locations, viz. Delhi, Mumbai, Kolkata, Chennai, Tuticorin and Kochi, the Committee desire that efforts should be made to increase the number of such locations from 6 at present to atleast 10 numbers by including more ports and trade centres. Side by side, vigorous efforts should be made to ensure that all food business operators comply with the quality parameters of food items which are stored in godowns.

Reply of the Government

2.8 Enforcement

The enforcement of FSS Act, 2006, Rules and Regulations made thereunder primarily lies with States/Union Territories, for which the Act provides for complete enforcement machinery by the States/UTs comprising the Commissioner of Food Safety in each State to be assisted by Designated Officers and Food Safety Officers. The Commissioner of Food Safety in States / Union Territories is empowered to take appropriate measures under Food Safety & Standard Act, Rules & Regulations 2011. FSSAI regularly advises States/UTs through Quarterly meeting of Central Advisory Committee, Video Conference and periodical interactions at highest level and through written communication to recruit sufficient and competent regulatory staff and improve the laboratory infrastructure for effective compliance and enforcement of provisions of FSS Act, 2006, Rules and Regulations made thereunder. Availability of manpower and enforcement activities undertaken by States/UTs are discussed in detail in every

quarterly CAC meeting. As a result of FSSAI's advocacy, a number of States including Andhra Pradesh, Assam, Haryana, Goa, Chhattisgarh, Orissa, Jammu and Kashmir etc are in the process of creation of additional posts/recruitment of Food Safety Officers. Further, to strengthen the enforcement machinery, FSSAI has undertaken recruitment of Central Food Safety Officers (CFSOs) and 35 such officers have since joined FSSAI. They will be responsible for enforcement activities in respect of FBOs holding Central License. Recruitment process for another 37 posts of CFSOs has been initiated.

FSSAI is also assisting States/UTs in building up of adequate number of laboratories including microbiology labs in all States/UTs and upgrading the lab infrastructure which includes installation of high - end equipments and training of laboratory staff. So far, 39 State Food Safety Labs have been taken up for upgradation in 29 States/UTs and a sum of Rs. 314.48 cr has already been released for the purpose. Further, FSSAI has also provided 118 mobile food testing labs called "Food Safety on Wheels" (FSWs) to various States/UTs for carrying out 3 key activities viz. testing, training and awareness through FSWs. These mobile labs enhance the outreach of functionaries in States and help conduct activities even in far flung areas. More FSWs are being provided to States/UTs subject to their willingness.

The State enforcement officers are regularly conducting inspection, surveillance and sampling to ensure the availability of safe and wholesome food for human consumption. Samples are being collected from manufacturers, wholesalers, retailers etc. from various premises of these FBOs including godowns. In cases where violations have been observed, legal action has been initiated against the defaulting Food Business Operators (FBOs) under the provisions of FSS Act, 2006.

Due to persistent efforts made by the State enforcement machinery and availability of adequate number of labs, number of samples analysed has increased over the years. Despite conditions created by CoVID 19 during last two years, enforcement machinery did its best to ensure the availability of safe and wholesome food, while maintaining the continuity of food value chains.

It is also mentioned that non-conforming food samples covers not only cases involving adulteration but also samples with labelling deficiencies, sub-standard cases etc. Increase in number of non conforming samples is relatable to increase in number of samples analysed and does not reflect on performance of enforcement machinery. Also, due to upgradation, State Food Safety labs are giving more accurate results.

As regards fine and conviction, it is stated that as per FSS Act, 2006, the cases which involve only fine i.e. civil cases are filed before the court of Adjudicating

Officer and in such cases, only penalties, as decided by the Adjudicating Officer, are imposed on defaulting Food Business Operators. However, cases wherein provision for punishment with imprisonment has been prescribed under the Act, i.e. criminal cases are filed before the CJM court. It is submitted that number of civil cases decided have increased considerably over the past three years. Further, the number of cases launched, both civil as well as criminal, have also increased over the last three years and the same will be decided in due course of time.

Details of Food Samples analysed during last three years and numbers of samples found non-conforming are as under:-

S. No.	Year	No. of Samples Analysed	No. of Samples found non-conforming	No. of Cases launched		No. of Case decided		Total Amount of Penalties raised (Rs.)
				Civil	Criminal	Civil	Criminal	
1	2018-19	106459	30415	18550	2813	12734	701	32,57,78,087
2	2019-20	118775	29589	27412	4681	16881	821	59,38,46,359
3	2020-21	107829	28347	24195	3869	15532	520	50,75,46,934

CAC and Interaction with States

Section 12 (3) of FSS Act, 2006 provides that the Central Advisory Committee shall meet regularly and not less than three times a year. For the last two years meetings of CAC are being held regularly on quarterly basis. Till date, 33 meetings of CAC have been conducted with 4 meetings conducted in last financial year (2020-21) and 2 meetings so far in the current financial year

To make the CAC meetings more interactive and result oriented, FSSAI has made "Review of performance of States and UTs" a standing agenda item for CAC meetings. For this purpose, FSSAI has developed a comprehensive reporting system. A dedicated portal has been developed for States and UTs to upload their performance reports on quarterly basis. The Quarterly Performance Report has 14 forms capturing data on various aspects of food safety like administrative set up, licensing/registration, samples and testing, adjudication, enforcement activities, consumer grievances, trainings, implementation of FSSAI initiatives etc.

Quarterly Performance Report is discussed in Central Advisory Committee and taken up with states for addressing the gaps and improving the food safety system. Moreover, the states are also invited to make presentations on the best

practices and their achievements/performance in the CAC meetings for guidance of other States/UTs.

FSSAI has also increased interaction with States through visit of Senior Officers to States to discuss food safety issues and to take stock of the implementation of various initiatives of FSSAI for improving the Food Safety eco-system. In past two years, CEO /Chairperson FSSAI visited Tamil Nadu, Uttar Pradesh, Himachal Pradesh, Jharkhand, Karnataka, Puducherry, Kerala, Punjab, Gujarat, Telangana, Odisha, Rajasthan, Uttarakhand, Mizoram, Maharashtra etc. Opportunity was also taken to apprise the Chief Minister/Health Minister/Chief Secretary of the State about the position of food safety with suggestions for improvement. Further, in order to improve interface with the States/UTs, FSSAI conducts Video Conferencing (VC) sessions with the Food Safety Departments of States/UTs. FSSAI representatives are also participating in the State Level Advisory Committee meetings of States/UTs.

Financial and Technical Assistance to States/UTs under MoUs

FSSAI has taken a landmark step in 2020-21 with signing of bilateral Memorandum of Understandings (MoUs) with States/UTs to improve their food safety system and address the gaps. Under the MoU, an annual Action Plan is decided in consultation with States and financial & technical assistance is provided to States on the model of joint funding pattern. The Action Plan covers various activities like upgrading State Food Safety Laboratory, organizing awareness camps, carrying out enforcement & surveillance activities, setting up help desks, samples and testing, capacity building, IEC activities and participation in FSSAI initiatives. This initiative will go a long way to improve the overall food safety ecosystem and make it more robust in the country.

Under this initiative, Rs. 64.66 crore were released to 24 States/UTs in 2020-21 for annual action plan 2020-21 and during current financial year Rs. 25.95 crore have been released so far to 16 States/UTs towards first instalment for annual action plan 2021-22. The proposals received from remaining States/UTs are at different stages of processing for approval and signing by the respective States/UTs.

Increase in import locations where FSSAI is present

Earlier, FSSAI had its presence at 22 points of entry at six locations, viz. Delhi, Mumbai, Kolkata, Chennai, Tuticorin and Kochi. Subsequently FSSAI has opened new Food Import offices at Krishnapatnam, Vishakhapatnam, Kandla, Mundra, Bangalore and Hyderabad. Hence presently FSSAI has its own officials notified as Authorised Officers at 12 locations covering 53 Points of entry of food imports. At other 97 Points of Entry, Custom Officials have been notified by FSSAI for carrying out food import clearance work. A total of 150 Points of Entry

for import of food consignments are, thus, covered by FSSAI directly as well as by notifying Customs officers as Authorised Officers and these 150 Points of Entry have been notified as food import entry points by DGFT.

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Recommendation No. 9

2.9 As per the Schedule of Essential Commodities Act (EC Act), 1955, 'Petroleum and Petroleum Products' have been included in the list of Essential Commodities. The prices of petrol and diesel have been made market-determined by the Government from 26.06.2010 and 19.10.2014 respectively, and the Public Sector Oil Marketing Companies (OMCs) take decision on pricing of petrol and diesel in line with their international product prices, exchange rate, tax structure, inland freight and other cost elements. The Government modulates the effective cost to consumer for subsidized domestic LPG, whereas the prices of non-subsidized domestic LPG are determined by the OMCs in line with changes in international markets. The Committee note that during the period from 2010-11 to 2018-19, the Central Excise duty on Petroleum, Oil and Lubricants (POL) grew from Rs. 76,547 crore to Rs. 2,29,247 crore while the customs duty on POL witnessed increase from Rs. 26,282 crore to Rs. 39,123 crore during the same period. The Committee are of the opinion that the taxes levied on petroleum products, specially on petrol and diesel are on the higher side, and need a revision after making an evaluation of the prevailing oil pricing regime existing in the country and also making comparative assessment of the same with the systems prevailing in this regard in other countries.

Reply of the Government

2.10 Calibrated changes in excise duty rates on petroleum products have been done by the Government to provide much needed resources for infrastructure and other developmental item of expenditure keeping in view the present fiscal position. Revenue from excise duty and cesses levied on these products has helped in generating the resources for development of infrastructure. Further on account of Covid-19 and its impact on the economy, the Government has undertaken a number of measures which required additional resources. Also, in the Budget, 2021-22, the Central Government imposed an Agriculture Infrastructure and Development Cess (AIDC) on petrol and diesel to finance the agriculture infrastructure.

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Recommendation No. 11

2.11 The Committee are apprised that the Government has taken general as well as specific measures from time to time to mitigate the price rise. The general measures taken up include (i) advisories to States/UTs to take steps to keep prices of essential commodities including pulses, edible oil, etc. under control at various fora such as National Consultation meeting of Ministers of States & UTs in-charge of Food and Consumer Affairs, (ii) advisories to State Governments for taking strict action against hoarding and black marketing under the Essential Commodities Act (EC Act), 1955 and the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act (PBMSEC Act), 1980, wherever applicable, (iii) periodic review meeting on price and availability of essential commodities at the level of Ministers, Committee of Secretaries (COSs), Inter-Ministerial Committee (IMC), Price Stabilization Fund Management Committee (PSFMC) and other Departmental level review meetings, and (iv) higher Minimum Support Price (MSP) to incentivize production and thereby enhance availability of food items. Among the specific measures taken by the Government in respect of pulses are (i) creation of a buffer stock of 20.50 lakh tonnes of pulses through domestic procurement of 16.71 lakh tonnes and imports of 3.79 lakh tonnes, for appropriate market intervention, (ii) entering into a Memorandum of Understanding (MOU) with Mozambique, which resulted in import of 1.50 lakh metric tonnes (MT) of pulses during 2018-19, (iii) ban on export of all pulses except kabuli chana, and (iv) allowing import of tur at import duty of 10%, channa at 60% and masur at 50% due to improved production in 2016-17. For controlling price of edible oils, Minimum Support Price was increased for oilseeds, export of edible oils was allowed only in branded consumer packs of up to 5 kg. with a minimum export price of US \$ 900 per MT, and import duty on crude palm oil and soya oil were suitably adjusted to encourage domestic production of oilseeds. As for vegetables, (i) a buffer stock of 57,372.90 MT of onion was created under PSF through domestic procurement from Maharashtra and Gujarat, (ii) stock limit on traders across the country was imposed on 29 September, 2019, viz. 10 MT on retail traders and 50 MT on wholesale traders under EC Act, 1955, (iii) onions were supplied to Haryana, Kerala, Andhra Pradesh and Uttar Pradesh at no-profit, no-loss basis to improve availability, (iv) benefit to onion exporters under Merchandize Exports from India Scheme (MEIS) was withdrawn on 11.06.2019 and Minimum Export Price (MEP)

at \$ 850/MT was imposed on 13.09.2019, (v) ban on export of onions was imposed on 29 September, 2019, and (vi) stock limits were imposed across the country. The Committee desire the Government to continue to keep a close watch on the production, procurement and distribution aspects of all the 22 essential commodities so that there are no scarcities in any part of the country. Buffer stocks may be created for these commodities (wherever applicable) in order to avoid artificial scarcities and thus limiting the avenues for price rise of such commodities and their costly imports. Further, given the fact that agricultural productivity is a key for price stability and control, the Department of Consumer Affairs may also impress upon the Ministry of Agriculture, Cooperation and Farmers Welfare the need for giving impetus to increasing farm output and productivity at periodic review or consultative meetings held by the Government.

Action taken by the Government

2.12 The Government keeps a close watch on the production and availability of essential commodities through regular reviews by the IMC and CoS. These Committees reviewed, on regular basis, the situation of prices and price trends of essential agri-horticulture commodities, measures to enhance availability through increase domestic production and through imports. Ministry of Agriculture and Farmers Welfare (DAFW) is a major stakeholder in all these meetings and continues to undertake measures to increase production and productivity.

Buffer stock of pulses and onion has been maintained for price stabilization in 2020-21 and 2021-22. Though pulses buffer is built primarily by transferring stocks procured under the Price Support Scheme (PSS) of the Department of Agriculture and Farmers Welfare (DAFW), procurement had also been undertaken directly under the Price Stabilisation Fund (PSF) as and when required. The procurement for the buffer gives support to farmers and disposal from the buffer cools down retail prices for consumers. Calibrated release of pulses and onions from the buffer has been initiated to moderate the prices in the market. Apart from open market releases, onions from the buffer have been offered to States/UTs @ Rs.21 per kg. for supplies to the retail consumers.

The Department introduced Retail Intervention Mechanism in September, 2020 as another channel of market intervention to moderate prices, in addition to the existing open market sale (OMS) route of disposal. The retail intervention mechanism targets a direct and immediate impact on retail prices by offering pulses at discounted prices to States/UTs for supply through retail outlets such as FPS, Dairy & Horticulture outlets, Consumer Cooperative Society outlets etc. During 2020-21, a total of 81,201 MT of milled Tur has been supplied to States and 2.03 LMT of Tur whole was disposed through OMS to cool down the prices.

In 2020-21, 1 LMT onion buffer was created and the stocks were released from September, 2020 both through OMS and supplies to States/UTs and Government agencies such as Safal, KendriyaBhandar etc. for making the onions to retail consumers. Ban on export of onion was imposed from 14th September, 2020 to 31st December, 2020, and stock limit was imposed under EC Act, 1955 from 23.10.2020 to 31st December, 2020. For 2021-22, the onion buffer has been increased to 2 LMT to ensure effective market intervention to moderate prices.

In order to ensure smooth and seamless import of pulses to augment domestic availability Tur, Urad and Moong have been shifted from Restricted to Free category from 15th May, 2021 till 31st October, 2021 which was subsequently extended to 31st December, 2021 in respect of Tur and Urad. In respect of Masur, the basic import duty and Agriculture Infrastructure and Development Cess have been brought down to zero and 10% respectively. The Memorandum of Understanding (MoU) with Mozambique has been extended for another 5 years (till March, 2026) for annual import of 2 LMT Tur. In addition, 5-year MoUs have been signed with Myanmar for annual import of 2.5 LMT of Urad and 1 LMT of Tur, and with Malawi for annual import of 0.50 LMT of Tur.

All above policy interventions have been made by Government to augment availability of pulses and cool down retail prices.

To soften the prices of edible oils, the basic duty on edible crude oils viz., Crude Palm Oil, Crude Sunflower Oil and Crude Soyabean oils have been rationalised to bring the effective duty to 24.75% for each of these crude oils. Similarly, basic import duty on Refined Sunflower oil, Refined Soyabean oil and Refined RBD Palmolein oil have been rationalised to bring the effective duty to 35.75% for each of these refined oils.

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Recommendation No. 12

2.13 The Committee note that the Price Monitoring Division (PMD), set up in 1998, was initially tasked with monitoring prices of 14 essential food items across 18 centres in the country. The number of Price Reporting Centres (PRCs) has increased to 122, while the coverage of commodities monitored by PMD has expanded to 22, viz. five item groups, namely, Cereals (Rice & Wheat), Pulses (Gram, Tur, Urad, Moong, Masur), Edible Oils (Groundnut Oil, Mustard Oil, Vanaspati, Soya Oil, Sunflower Oil, Palm Oil), Vegetables (Potato, Onion, Tomato), and other items (Atta, Sugar, Gur, Milk, Tea and Salt), The examination

of the subject has revealed that while the number of PRCs in the country has increased to 122, the number of PRCs in some States are less in number. For example, the States of Arunachal Pradesh, Assam, Goa, Jharkhand, Manipur, Nagaland, Sikkim and Tripura have only a single Price Reporting Centre each. Delhi NCT and UT of Chandigarh also have one PRC each. Some bigger States like Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Rajasthan and Uttarakhand have only four PRCs each; and Punjab has only 3 PRCs. The Committee desire that an evaluation of the adequacy of the number of Price Reporting Centres may be made by the Government to make an overall assessment of the functioning and performance of these Centres with a view to increasing the number of PRCs, where needed. The Committee also note that one PRC, at Kohima (Nagaland) has been discontinued due to irregular and inconsistent reporting and they desire the Government to take urgent steps to ascertain the problems faced by this PRC in order to take corrective measures to revive it without any loss of time. Noting further that 106 PRCs had been provided financial assistance for procuring Desktop Computer, Multipurpose Printer (only black and white)-cum-Scanner-Photocopier-Fax machine, UPS, Handheld device with geotagging facilities, etc. as per guidelines of the Scheme for Strengthening of Price Monitoring Cell, the Committee recommend that the Government should make concerted efforts to ensure that the remaining PRCs are also provided with the needed financial assistance to procure these equipments and hardware to enable them to carry out the task of monitoring of essential commodities in an efficient manner. The Committee desire to be apprised of action taken in this regard.

Reply of the Government

2.14 The number of price reporting centres has increased from 114 in 2019-20 to 135 in 2020-21, and further to 167 as on 30.09.2021. Apart from increasing the number of price reporting centres, the Department has achieved significant improvement in the quality of price reporting by operationalising Mobile App for price reporting from 1st January, 2021. Daily price report through Mobile App ensures, through geotagging of data, that prices are reported from the market/shop location, minimize possible human errors and improved the ease of price reporting.

The Department is in constant interaction with the States/UTs, including Nagaland, for proposing additional price reporting centres, improving the functioning of the centres and on other issues such as price data discrepancies, regularity, utilization of funds released for the centres etc. The Government of Nagaland has also been specifically requested to revive the Kohima price reporting centre.

The scheme, 'Strengthening of Price Monitoring Cell', has been subjected to evaluation, appraisal and approval for continuation during the 15th Finance Commission award period. Accordingly, the guidelines under which financial assistances are provided to the States/UTs for price reporting centres has also been subjected to revision in accordance with the approved scheme. As per the modified guidelines States/UTs are eligible for Grant-in aid for remuneration of Data Entry Operator, Smart Phone, Sim Card/ Data Card and for conducting training/Seminar/Workshop for better price reporting and monitoring. The details of item-wise admissible financial assistance is as below:

Item / Component	Norms /rate of assistance (in Rs.)	Periodicity of assistance
1) Remuneration of contractual employee	Rs. 288000 @ 24000 PM/Per DEO	Annual
2)Smart phone	Rs.10,000	2 years
3)Sim card / data card	Rs.6,000	Annual
B) Conducting Training /Workshop/Seminar/Conference in State/UT	Rs.1,00,000	Annual

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Recommendation No. 13

2.15 The Department of Consumer Affairs apprised the Committee that to stabilize the prices of essential food items, the Government has taken various measures from time to time, including (i) appropriately utilizing trade and fiscal policy instruments like import duty, Minimum Export Price (MEP), export restrictions, etc. to regulate domestic availability and moderate prices; (ii) imposition of stock limits and advising States for effective action against hoarders and black marketeers; (iii) provision of higher Minimum Support Prices (MSP) to incentivize farmers for increasing production. In this regard, the Committee note that a new scheme called 'Operation Greens' was introduced by the Ministry of Food Processing Industries for integrated development of Tomato, Onion and Potato (TDP) value chain, with an outlay of Rs. 500 crore to promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management. The Committee believe that Operation Greens besides benefiting the farmers, will go a long way in 81 augmenting domestic

production and availability of tomato, onion and potato in the country, thereby stabilizing and moderating their prices for the benefit of the consumers. The Committee, therefore, desire the Government to take concerted steps to closely monitor the progress of 'Operation Greens' scheme across the States/UTs. The Government may also make an evaluation of the progress of the scheme and make enhanced financial allocation for the scheme, if required.

Reply of the Government

2.16 Operation Greens Scheme was announced in the Union Budget for 2018-19 with financial outlays of Rs. 500 crores to promote FPOs, agri-logistics, processing facilities and professional management for Tomato, Onion and Potato (TOP) crops. The Scheme was launched in November 2018 on a pilot basis with the objective to promote setting up of Integrated Value Chain Development Project for TOP crops in the selected clusters. Along with, secondary processing facilities, the scheme envisage investment in farm gate infrastructure for primary processing/storages facilities. Farmer in this production clusters are being organized in to FPOs to manage production, adopt processable or dual use variety of crops, engage in post-harvest activity, value additions and marketing of TOP produce.

Brief of the scheme

Strategies of Scheme: The scheme has two-pronged strategy of Price stabilization measures (for short term) and value chain development projects (for long term).

(i) Short term: price stabilization measures (Transportation & Storage – 50% subsidy) - During the glut situation at the time of harvest, evacuation of surplus production from the producing area to the consumption centers and subsidy is provided at the rate of 50% on transportation and storage.

OG-TOP to TOTAL: The scope of short term measures under Operation Greens scheme was extended from TOP to TOTAL (41 notified fruits and vegetables) w.e.f. 11.06.2020 as a part of Aatmanirbhar Bharat Package announcement by Hon'ble Finance Minister due to supply chain disruption amid Covid pandemic, based on SFC recommendation, by Minister, FPI on 10.06.2020.

- Guidelines for providing 50% freight subsidy for movement of notified fruits and vegetables through Kisan Rail notified on 12.10.2020. Subsequently, Ministry allowed transport subsidy on any Fruit & Vegetable through Kisan rail service provided by Indian Railways.
- Guidelines for providing 50% Air freight subsidy for movement of notified fruits & vegetables from NER and Himalayan States issued on 02.11.2020.

Subsequently, Ministry allowed transport subsidy on any Fruit & Vegetable through air from NER and Himalayan States.

- Guidelines for providing 50% subsidy to eligible entities through NAFED for transportation and/or storage of apple from Jammu and Kashmir, issued on 27.11.2020.

(ii) Long term: Value chain development Projects-Projects are implemented in identified clusters for TOP crops in major producing States for development of value chain. Farmers in the production clusters are being organized into FPOs to manage production, post-harvest activities, value addition and marketing of the TOP produce. Grant-in-aid is provided on an average @ 50% of eligible project cost /70% in case of SC/ST/FPOs. So far six projects have been sanctioned under the scheme and are under implementation stage and the details of the same are provided in the table below:

Integrated value chain development projects Sanctioned under Operation Greens

(Rs. in Cr)

S. No	Name of PIA	Location of Cluster	Name of Crop	Approval date	Total Project Cost	Grant-in-aid
1	M/s Andhra Pradesh Food Processing Society	Chittor, Anantapur, Andhra Pradesh	Tomato	20.03.2019	109.99	48.82
2	M/s Nedspice Dehydration India LLP	Bhavnagar, Gujarat	Onion	20.03.2019	63.64	25.22
3	M/s Khemanand Dudh & Krishi Producer Company Ltd	Ahmednagar, Maharashtra	Onion	08.01.2020	31.33	14.60
4	M/s Banaskantha District Cooperative Producer Union Ltd	Banaskantha, Gujarat	Potato	08.01.2020	103.87	30.56
5	M/s Vangi Foods	Kheda, Gujarat	Tomato	05.03.2020	18.50	4.51
6	M/s Smartagri Agrovilla	Nashik, Maharashtra	Onion	03.02.2021	35.97	13.11
Total					363.30	136.82

Budget Announcement 2021-22: In pursuance of budget announcement 2021-22, the scope of long term strategy i.e. Value Chain Development Projects under Operation Greens Scheme is going to be expanded from TOP to Twenty-Two Perishable products in order to boost value addition in agriculture and allied products and their exports.

The list of 19 perishable products identified in addition to TOP crops with the approval of Hon'ble Minister, FPI is as under.

Fruits (10): Mango, Banana, Apple, Pineapple, Kinnow/Mandarin/Orange, Grapes, Aonla/Amla, Pomegranate, Gvava, Litchi.

Vegetables (8): Peas, Carrot, Cauliflower, Beans, Bitter gourd, Okra, Garlic, Ginger.

Marine (1): Shrimp.

Strategy for implementation of budget announcement 2021-22 is as under: -

- i. Production clusters will be identified for perishable products on the basis of production data of Horticulture Division, M/o Agriculture and validation by respective States and other stakeholders.
- ii. Gaps in the value chain will be identified by conducting Infrastructure Gap Assessment Studies in selected production clusters.
- iii. In parallel, scheme guidelines are being drafted.
- iv. The intervention by Ministry would be limited to fill those gaps in value chain of 22 perishables to reduce the post-harvest losses and increase sales realization for farmers. Other concerned Ministries, State Governments and their Institutions etc. would also be requested to fill those gaps in the value chain.

Details of Expenditure Since beginning

			₹ in Crore
Year	BE	RE	AE
2018-19	0	200	5.50
2019-20	200	32.48	2.84
2020-21	127.5	38.21	38.21
2021-22	73.4	-	39.80
Total Expenditure till date			86.35

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Comments of the Committee
(Please see Para No. 1.7 of Chapter - I of the Report)

Recommendation No. 14

2.17 The Committee note that there are 12 Marketing Intelligence Units (MIUs) under the Directorate of Economics & Statistics (DES), Ministry of Agriculture and Farmers Welfare, which report prices of 176 agricultural commodities from wholesale markets spread across the country. The wholesale prices are collected during the peak hours of transaction every Friday, and DES maintains these weekly wholesale prices reported by MIUs and provides the same as inputs for various meetings, assessing the agricultural price situation in the country for policy/decision making and to the Department for the promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry for the computation of Wholesale Price Index (WPI). In cases of abnormal price movements of agricultural commodities, the MIUs are directed immediately to submit reports on those agricultural commodities subjected to price volatility. The Committee desire the Government to take suitable steps for strengthening the organization and functioning of marketing intelligence in the country, by streamlining the work of DES and 12 Market Intelligence Units as well as by increasing the number of MIUs presently operating across the country.

The Committee are also disappointed to note the Department's reply that no record is maintained about the details of key decisions taken as a result of feedback received from Price Monitoring Division (PMD) since its inception. The Committee expect and desire the Department to keep track of at least the details of key decisions taken by the Government based on feedback received from PMD for making necessary reference and evaluation vis-à-vis their implementation aspects as and when called for.

Noting further that 17 meetings of Reconstituted Price Stabilization Fund Management Committee (PSFMC), 35 meetings of Inter-Ministerial Committee (IMC), 9 meetings of Committee of Secretaries (CoS) on review of prices of essential commodities, 2 meetings of Committee of Ministers and 35 meetings on weekly review of management of buffer stock under PSF were held during 2019, the Committee desire that the Government should hold such meetings more frequently at the highest level of the Government, if required, and take corrective, follow-up measures for controlling and moderating the prices of essential commodities in the country.

Reply of the Government

2.18 This has been noted. The daily report of prices and indicative price trends duly analysed by the PMD forms an important input for deliberations by the PSFMC, IMC and CoS for taking appropriate decisions for release of stocks from the buffer, export-import policy etc. Apart from prices, PMD also analysed

the historical production, mandi arrivals and availability of agri-horticulture commodities status and trends and their correlation with price levels and trends to arrive at indicative availability and price situation for the near future. The overall quantum of market releases of onions from the buffer are guided by the price situation and targeting of the releases are guided by prevailing prices in major mandis and consuming centres on the basis of reports from PMD. Increasing trend in Tur prices from September, 2020 reported by PMD formed the basis for open market release of 2.03 LMT and offers to States/UTs under retail intervention mechanism for supply to retail consumers during October, 2020 to February, 2021 which brought about salubrious impact on Tur prices. The analysis of annual variability of pulses against the retail prices constitutes an important input for determining import policy such as deciding the quantity of annual import quota, shifting import of Tur, Urad and Moong from Restricted category to Free category for certain period to facilitate seamless import of these pulses, and reduction in effective duty on Masur.

The meetings of PSFMC, IMC and CoS are held on a regular basis. In 2021, 29 IMC meetings, 12 CoS meetings and 2 PSFMC meetings have been held till date. The PSFMC is concerned with the management and implementation of the Price Stabilisation Fund for which major policy decisions are taken based on the deliberations and decision at the level IMC and CoS.

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Recommendation No. 15

2.19 The Committee note that the Price Stabilization Fund (PSF) was set up in the year 2014-15, which advances interest-free loans to State Governments/UTs and Central Agencies to support their working capital and other expenses that they might incur on procurement and distribution interventions for the prescribed/stipulated commodities. The PSF is centrally managed by the Price Stabilization Fund Management Committee (PSFMC), which will approve all proposals from the State Governments and Central Agencies. The Committee desire that the proposals received by PSFMC should be processed within a fixed time frame and funds released with a view to moderating volatility in prices of

commodities like onions, potatoes and pulses to prevent rise in prices and scarcity.

Reply of the Government

2.20 The Central Corpus Fund for price stabilization is available for providing interest free working capital to the States/UTs for market intervention for price control based on proposal for creating State-level Price Stabilisation Fund submitted to the PSFMC. The State level Corpus is created with a sharing pattern between Gol and State in the ratio of 50: 50, and 75:25 in case the North Eastern States. Centre's share is released in 2 equal instalments.

Till date Department of Consumer Affairs has released funds to six State Governments for setting up a State Level PSF. Details of release are as under:

State	Total PSF Fund requirement (₹crore)	State's Share (₹crore)	Centre's Share Released(₹crore)		
			1 st instalment	2 nd instalment	Total
Andhra Pradesh	100	50	25 (2015-16)	25 (2017-18)	50
Telangana	18.31	9.15	4.575 (2015-16)	4.575 (2015-16)	9.15
West Bengal	10	5	2.50 (2015-16)	-	2.50
Odisha	100	50	25 (2018-19)	-	25
Tamil Nadu	10	5	2.50 (2019-20)	-	2.50
Assam	200	50	75 (2019-20)	-	75
Total Released					164.15

The Department is continuously taking up with the State/UTs to create State Level PSF through letters and in meetings such as the National Consultation Meeting of Ministers of States/UTs in-charge of Food, Civil Supplies and Consumer Affairs, Zonal Conferences on Price Monitoring and regular VC meetings on Price Monitoring with the States and UTs.

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Comments of the Committee

(Please see Para No. 1.10 of Chapter - I of the Report)

Recommendation No. 16

2.21 The Committee observe that the Public Distribution System (PDS) has evolved as a system for distribution of foodgrains at affordable prices in the country. In June, 1997, the Government introduced 'Targeted Public Distribution System' (TPDS) to focus on the poor, followed by a scheme called 'Antyodaya Anna Yojana' (AAY) introduced in December, 2000 which aims to make TPDS more focused and targeted to poor and the poorest of poor. About 2.5 crore households are presently covered under AAY across the country. Under National Food Security Act (NFSA) enacted in 2013, eligible households/beneficiaries comprise of Antyodaya Anna Yojana (AAY) households and persons belonging to Priority Households (PHH) categories. AAY households, which constitute the poorest-of-the-poor, are entitled to receive 35 kg of foodgrains per household, whereas households covered under PHH category are entitled to receive 5 kg of foodgrains per person per month at highly subsidized prices of Rs. 3/2/1 per kg for rice/wheat/coarse grains respectively. The Committee note that TPDS is presently operated under the joint responsibility of the Central and the State Governments, where the Central Government has assumed the responsibility of procurement, storage, transportation and allocation of foodgrains to all States/UTs and the operational responsibility of allocation of foodgrains within States/UTs, identification of eligible families under NFSA, issuance of ration cards, distribution of foodgrains through Fair Price Shops (FPSs) and licensing and monitoring of FPSs, etc. rests with the respective State/UT Governments. The Committee desire the Government to put in place an institutional mechanism for robust monitoring of TPDS for increasing its efficiency and utility.

Reply of the Government

2.22 Institutional mechanism for robust monitoring of TPDS is already provided for under the Chapter XI of the National Food Security Act (NFSA), 2013 and mandates all State/UT Governments to conduct periodic social audits on the functioning of the Targeted Public Distribution System including the fair price shops. Accordingly, the States/UTs are periodically instructed to conduct the social audits in this regard.

28. (1) Every local authority, or any other authority or body, as may be authorised by the State Government, shall conduct or cause to be conducted, periodic social audits on the functioning of fair price shops, Targeted Public Distribution System and other welfare schemes, and cause to publicise its findings and take

necessary action, in such manner as may be prescribed by the State Government.

Further, the National Food Security Act, 2013 (NFSA) also provides that

1. For ensuring transparency and proper functioning of the Targeted Public Distribution System and accountability of the functionaries in such system, every State Government shall set up Vigilance Committees as specified in the Public Distribution System (Control) Order, 2001, made under the Essential Commodities Act, 1955, as amended from time to time, at the State, District, Block and fair price shop levels consisting of such persons, as may be prescribed by the State Government giving due representation to the local authorities, the Scheduled Castes, the Scheduled Tribes, women and destitute persons or persons with disability.
2. The Vigilance Committees shall perform the following functions, namely:
—
 - (a) regularly supervise the implementation of all schemes under this Act;
 - (b) inform the District Grievance Redressal Officer, in writing, of any violation of
of
the provisions of this Act; and
 - (c) inform the District Grievance Redressal Officer, in writing, of any malpractice or misappropriation of funds found by it.

Further, the Targeted Public Distribution System (Control) Order, 2015 provides that the State Government shall set up vigilance committees for the Targeted Public Distribution System at the State, District, Block and fair price shop levels as per the provisions of the Food Security Act to perform functions as specified in the said Act. Meetings of the vigilance committees shall be held at least once every quarter at all levels and the date and periodicity of the meeting shall be notified by the State Governments and given wide publicity. The State Government shall send a report annually to the Central Government on the functioning of vigilance committees.

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Comments of the Committee
(Please see Para No. 1.13 of Chapter - I of the Report)

Recommendation No. 17

2.23 The Committee note that in order to bring in reforms in the functioning of Targeted Public Distribution System (TPDS) and also to bring transparency in the distribution of highly subsidized foodgrains across the country, the Department is implementing a scheme called 'End-to-End Computerization of Targeted Public Distribution System (TPDS) Operations' entailing key activities under its Component-I, like, (a) digitization of ration cards/beneficiary database, (b) online allocation of foodgrains for system-generated allocation orders to bring transparency in allocation of foodgrains, up to the Fair Price Shops (FPSs) level, (c) Computerization of Supply Chain Management for ensuring timely availability of foodgrains at all FPSs, (d) Online grievance redressal/toll-free helplines and transparency portals, (e) automation of Fair Price Shops (FPSs) by installing electronic Point of Sale (ePoS) devices for transparent foodgrain distribution and biometric/Aadhaar authentication for unique identification of genuine beneficiaries under NFSA. In this connection, the Committee are happy to learn that under the scheme of 'Integrated Management of Public Distribution System (IM-PDS) being implemented by the Department of Consumer Affairs in all States/UTs, financial assistance of Rs. 50.96 crore (40%) has been released to 31 States/UTs, NIC etc., after fulfillment of some requisite conditions. The Committee are also encouraged to note that, presently, at the national level, about 90% ration cards have been seeded with Aadhaar number of atleast one member of the household, whereas at the beneficiary level the Aadhaar seeding is about 86% at the national level. Further, online allocation of foodgrains upto FPS levels has started in all States/UTs except three UTs, namely, Chandigarh, Dadra and Nagar Haveli (Urban) and Puducherry where the Direct Benefit Transfer (DBT)/Cash Transfer pilot is under way. The Committee hope and expect that the Government will endeavor to achieve its target of 100% Aadhaar seeding of ration cards across all the States/UTs in a time bound manner by making concerted efforts in the matter and also by engaging proactively with all the States/UTs which have not made good progress in this work. The Committee also desire the Government to take urgent steps to install ePoS devices in all Fair Price Shops (FPSs) as envisaged under the scheme of 'End-to-End Computerization of Targeted Public Distribution System (TPDS) Operations' in the country. The success of all these efforts would undoubtedly lead to removal of loopholes in the functioning of TPDS, viz. removal of bogus cards, leakage/diversion of foodgrains, and ensure quick grievance redressal, bringing in transparency and accountability in distribution of foodgrains in the country.

Reply of the Government

2.24 The Department is regularly pursuing and is engaging proactively with the States/UTs to achieve 100% Aadhaar seeding of ration cards and for the installation of ePoS devices in all Fair Price Shops (FPSs).

Recently, UT of Delhi has achieved 100% Aadhaar seeding in Ration Cards and reported 100% FPS automation with installation of ePoS devices for transparent distribution of foodgrains under TPDS.

Govt of West Bengal also reported that Aadhaar seeding of all ration cards is being taken up aggressively in the State by organising special drives for Aadhaar seeding including door to door campaign for the same. West Bengal already achieved 100% FPS Automation and started biometric authentication. Delhi and West Bengal have enabled ONORC w.e.f. July and August 2021 respectively.

The State of Assam is also focusing on Aadhaar enrolment of its population and currently Aadhaar enrolment has increased to about 68.90% of the population and Aadhaar seeding in Ration Card has been completed in 28.3% Ration Cards. However, there are 28 lakh persons in the State whose Aadhaar enrolment is on hold due to an ongoing litigation in the Hon'ble Supreme Court. The State has opened around 5000 Aadhaar enrolment centres and is encouraging the people to go for Aadhaar enrolment. The State plans to complete Aadhaar enrolment of all persons in the State (except the above mentioned 28 lakhs person) by the end of this year. For FPS automation, the State Govt has placed an order for installation of ePOS devices at all FPS and is targeting to complete the installation of ePOS devices in its FPSs by 31-Dec-2021.

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Recommendation No. 18

2.25 The Committee note that the Department is implementing a Central Sector Scheme, namely, 'Integrated Management of Public Distribution System' (IM-PDS) in all States/UTs since April, 2018 with the objective to implement nation-wide portability of ration cards under which eligible households/beneficiaries covered under NFSA shall be able to draw entitled foodgrains from any FPS of their choice using their existing/same ration cards through the 'One Nation, One Ration Card' plan. The Committee note that upto December, 2020, the facility of portability of ration card under 'One Nation, One Ration Card' plan has been seamlessly enabled in 32 States/UTs covering about 69 crore beneficiaries (86% of NFSA population) to access their NFSA foodgrains/benefit anywhere in these States/UTs viz. Andaman & Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Bihar, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka,

Kerala, Ladakh, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telengana, Tripura, Uttar Pradesh and Uttarakhand, and that at present almost about 1.3 to 1.5 crore monthly portability transactions under 'One Nation, One Ration Card' (including intra-State transactions) are being consistently recorded in these States/UTs. The Committee believe that this scheme would undoubtedly benefit large sections of the population, specially the country's migratory population, and that concerted efforts should be made to fully implement such a system in all the States/UTs, after making consultations with the concerned States/UTs. The Committee further recommend that efforts regarding implementation of the scheme of Integrated Management of Public Distribution System (IM-PDS) also be taken up with intra-State emphasis to ensure portability of ration cards in all the States/UTs of the country as well. The Committee would like to be apprised of the progress made in the matter.

Reply of the Government

2.26 ONORC is now enabled in 34 States/UTs (excluding Assam and Chhattisgarh). Work is underway on enabling ONORC in Assam and Chhattisgarh.

Assam Govt has started the work on implementation of ONORC and has placed an order for installation of ePOS devices at all 33,987 FPS for this purpose, out of which 100 ePOS devices have been installed and are undergoing testing.

Similarly, in Chhattisgarh, work is underway on implementing ONORC for which the old ePOS devices at all FPS (12000 approx.) are getting replaced with new ePOS devices compliant with specifications, out of which around 200 ePOS devices have been replaced.

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Recommendation No. 19

2.27 The Committee note that the Food Corporation of India (FCI) sells excess stocks of wheat and rice from the Central Pool (accumulated due to open-ended procurement to support farmers) at pre-determined prices in the open market under 'Open Market Sale Scheme' (OMSS) through e-tender to enhance the supply, specially during the lean season in the deficit regions and thereby to moderate the open market prices. The OMSS (D) 2020-21 policy was issued on

21.04.2020 to encourage retail sale, and it has been decided to sell wheat to small (private) traders desirous of purchasing wheat from 1- 9 MT per person per depot from nominated FCI/State Agency depot at the reserve price under OMSS (D) during 2020-21 without participation in e-auction. Sale of wheat will be undertaken throughout the year upto 31.03.2021 in all procuring / non-procuring States. Sale of rice under OMSS (D) may be undertaken even in surplus/ deficit procuring States during procurement of paddy/ rice, on the request of State Governments only, for meeting their additional requirements. The Committee desire the Government to ensure transparency and continuity in the operation of OMSS Scheme in the country. They also desire that efforts be made to curb the tendencies of big business houses to procure essential commodities in bulk, thereby causing artificial shortages in market and jacking up their prices by taking penal actions under EC Act, 1955 and rules made thereunder.

Reply of the Government

2.28 Under OMSS(D) Policy, FCI offload excess stock of wheat and rice which is above buffer stocking norms in the open market. There is a Committee constituted by the Government consisting of Secretary(Expenditure), Secretary(Food and Public Distribution), Secretary(Consumer Affairs) and Secretary(Commerce) to recommend quantity and price at which foodgrain stocks in excess of buffer and strategic norms are to be offloaded. Considering huge surplus stocks of food grains in central pool stocks over and above the buffer requirement, on which Govt. has been incurring huge carrying cost and also to avoid deterioration in quality of these food grains and to boost up sale, OMSS(D) Policy is reviewed and modified time to time. OMSS (D) policy for the year 2021-22 for sale of excess stocks of wheat and rice i.e. above stocking buffer norms, to bulk consumers/State Governments/UTs in the open market is issued on 30.04.2021. In view of resurgence of COVID-19 situation and to ease process of sale for the State govts/UTs, FCI will give option to State Govts/UTs to lift stocks with or without e-auction at reserve price.

(i) Reserve price of wheat for sale in the open market are fixed as under:

1	Wheat URS of RMS 2019-20	Rs.1800/- per qtl. (Pan India)
2	Wheat URS of RMS 2020-21	Rs. 2000/- per qtl. (Pan India)
3	Wheat FAQ all crop years except of RMS 2021-22	Rs. 2100/- per qtl. (Pan India)
4	Wheat FAQ of RMS 2021-22	Rs. 2150/- per qtl. (Pan India)

(ii) The above reserve price for all categories of wheat will be kept uniform throughout the country without adding any further freight in order to scale up the

sales and also to facilitate buyers to lift stocks from any place at ease without their dependence on the railways to move their stocks to their desired location.

(iii) Reserve price of rice for sale in the open market is fixed as under:

Rice all crop years	Rs. 2000/- qtl. (Pan India) for State and Central govts schemes/ programmes and for pvt. parties also participating in the ethanol production under biofuel policy. Rs.2200/qtls for other Private Parties except for those who participate in OMC tenders for production of ethanol for whom reserve price is Rs. 2000/qtl
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Further, vide letter no. 1-1/2020-Py.IV(E-370750) dated 30.04.2021, it is conveyed that retail scheme introduced vide Letter no 1-1/2020-Py.IV(E-370750), dated 21.04.2020 will continue till 31st March 2022 or till further order, whichever is later. These schemes are as under:

(i) To encourage retail sale, it has, therefore, been decided to sell wheat to small (private) traders desirous of purchasing wheat from 1-9 MT per person per depot from nominated FCI/ State Agency depots under OMSS(D) without participation in e-auction at the rate of Rs. 21/ kg for wheat.

(ii) A retail scheme for sale of wheat and rice to State Governments /UTs has been introduced under OMSS(D). Under this scheme, State/UT Governments may lift the allocated quantity of wheat and rice from the godowns of FCI and distribute it to retail consumers through their own Corporations/ cooperatives/ federations/ self-help groups or any other Government or Semi-Government organization. Similarly allocations to institutions like NAFED/NCCF/Kendriya Bhandar for sale to retail consumers for checking inflationary trend in food economy and to small processors may be considered. Accordingly, for this scheme, FCI may send proposal to this Department for necessary allocation to State Governments/ institutions like NAFED/NCCF/Kendriya Bhandar at the rate of Rs. 21/ kg for wheat and Rs. 22/kg for rice.

For avoiding situation of monopolizing sale under OMSS(D) 2021-22, by big business houses, following provisions are available under the Policy:

(a) Minimum and maximum quantity of wheat that a private buyer can bid is 10 MT (in multiple of 10) and 5000 MT respectively. The maximum quantity for State Govt. Agencies in one tender is 50,000 MT. The minimum and maximum quantity of Rice that a bulk consumer/trader can bid in an e-auction is 50 MT and 3500 MT respectively. The maximum quantity of rice that a State Govt. can bid in single e-auction is 50,000 MT.

(b) A decision has been conveyed to FCI that region/location wise quantity to be offered for sale under OMSS(D) 2021-22 may be notified on FCI's website to make the process of sale more transparent.

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Recommendation No. 20

2.29 The Committee note that under the 'National Food Security Mission' (NFSM) launched in 2007-08 and being implemented in identified districts of 28 States and 2 Union Territories (UTs), the country achieved considerable increases in output of foodgrains during the period from 2014-15 to 2018-19, viz. 105.48 million tonnes to 116.48 million tonnes for rice, 86.53 million tonnes to 103.60 million tonnes for wheat, 17.15 million tonnes to 22.07 million tonnes for pulses, and 42.86 million tonnes to 43.06 million tonnes for nutritional/coarse cereals. The total projected production for these foodgrains during 2019-20 as per second advance estimate are 117.48 million tonnes, 106.21 million tonnes, 23.02 million tonnes, and 45.24 million tonnes, for rice, wheat, pulses and nutritional/coarse cereals, respectively, whereas the allocation for NFSM made for 2020-21 is Rs. 1600.00 crore (BE). The Committee are convinced that enhancement of production of foodgrains comprising rice, wheat, pulses and coarse cereals is sine qua non for achieving enhanced availability of foodgrains for buffer stock and for the consumers, thereby contributing to stability of foodgrain prices in the country. The Committee, therefore, recommend that the Ministry of Agriculture and Farmers Welfare (Crops Division) may be impressed upon to spare no efforts in implementation of NFSM for achieving bumper output of foodgrains, thereby leading to moderating the prices of these food items for the benefit of the consumers of the country. They also hope and desire the Government to take necessary steps to ensure that the allocation of Rs. 1600 crore made for 2020-21 is fully utilized, enabling the NFSM to achieve higher output of foodgrains, pulses and nutri/coarse cereals in the country. The Government should make a review/evaluation of the performance of NFSM, and also take further necessary steps with a view to strengthening the mission. The Committee would like to be informed of the steps taken by the Government in this regard.

Reply of the Government

2.30 NFSM is being implemented since 2007-08 in identified districts of 28 States & 2 Union Territories (UTs) by the Crops Division, Department of

Agriculture, Cooperation and Farmers Welfare with the objective of increasing foodgrain production through area expansion and productivity improvement.

Under NFSM, support is given for promotion of crops viz., rice, wheat, pulses, nutri cereals (jowar, bajra, ragi & small millets), coarse cereals (maize & barley) and commercial crops (cotton, jute & sugarcane). Assistance is given to the farmers, through States/Union Territories (UTs), for interventions like seed production, cluster demonstration on production and protection technology, certified seed distribution of newly released varieties/hybrids, integrated nutrient and pest management, distribution of plant protection chemicals, bio-pesticides, soil ameliorants, water saving devices like sprinkler sets, irrigation pipes, pumpsets and raingun, improved farm implements/tools etc., and trainings to farmers. The mission also provides support to Indian Council of Agricultural research (ICAR) & State Agriculture Universities (SAUs)/KrishiVigyanKendras (KVKs) for technology back stopping and transfer of technology to the farmer under supervision of Subject Matter Specialists/Scientists. The research organizations are supported for undertaking research projects that can help enhancing production and productivity of crops.

Despite the devastating covid-19 pandemic, efforts were made by the Government to implement the mission in an efficient way and utilization of 1208.93 crores was ensured during the year 2020-21. Further, the government is focusing mainly on Pulses and Nutri Cereals and various initiatives are being undertaken to achieve bumper output of foodgrain crops.

The Development Monitoring and Evaluation Office (DMEO) of NITI Aayog has conducted the impact evaluation of NFSM scheme through Deloitte Touch Tohmatsu India LLP for the period 2017-18 to 2019-20. Based on the recommendations of the evaluation report, modifications have been made in the memorandum for Expenditure Finance Committee (EFC) for National Food and Nutrition Security Mission (NFNSM) for the years 2021-22 to 2025-26.

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Recommendation No. 21

2.31 The Committee note that while the domestic demand for vegetable oils and fats has been increasing at the rate of 6% per annum, the domestic output has been increasing at about 2% per annum, which undoubtedly lead to supply-demand mismatch, with the result that nearly 65% of the country's edible oil requirement is met through import, of which the major component is palm oil. The

Committee also note that the Government has been implementing 'National Mission on Oilseeds and Oil Palm' (NMOOP), a Centrally-sponsored scheme comprising of three Mini Missions (MM), one each for Oilseeds (MM-I), Oil Palm (MM-II) and Tree Borne Oilseeds (MM-III) since 2014-15, and further that w.e.f. 2018-19, the NMOOP scheme was merged with National Food Security Mission (NFSM) under the name of NFSM (OS & OP) and is being implemented through the State Department of Agriculture/Horticulture in 26 States for oilseeds, 13 States for oil palm and 12 States for Tree Borne Oil. A sum of Rs. 500 crore has been allocated for the scheme in 2020-21. In this connection, the Committee observe that the import of edible oils in the country which was 138.5 lakh metric tonnes (LMT) in 2014-15 declined slightly but still stood at 133.4 (LMT) in the year 2019-20, despite the ongoing NFSM (OS & OP). The Committee note that a new scheme, 'Targeting Rice Fallow Areas' (TRFA) was launched in 2016-17 which focusses on land that remains under-utilized after harvesting Kharif paddy crops. It is now under implementation in 6 (six) Eastern States, i.e. Assam, Bihar, Chhattisgarh, Jharkhand, Odisha and West Bengal representing over 82% of the country's rice fallow areas. The Committee desire the Government to evaluate and review the progress of NFSM (OS & OP) and take necessary remedial steps to address the associated shortcomings of the Mission (if any) so as to increase production and productivity of edible/vegetable oils in the country. They also hope and desire that the Government would make full utilization of Rs. 500 crore allocated for the scheme during 2020-21. The Committee further recommend the Government to make concerted efforts to ensure that TRFA scheme is effectively implemented in 6 (six) rice-cultivating Eastern States, leading to increased availability of edible/vegetable oils in the country, thereby contributing to moderation of prices of these food items for the consumers, as also lead to decreased dependence on import of edible oil by the country. The Committee also desire that adequate attention should be given to encourage oil palm cultivation in the country under TRFA Scheme through active participation of cooperative societies/ NGOs/ farmers' associations, etc. The Committee would like to be apprised of action taken in this regard.

Reply of the Government

2.32 A. National Mission of Edible Oils - Oil Palm (NMEO-OP)

A separate mission for oil palm promotion; National Mission of Edible Oils - Oil Palm (NMEO-OP) has been started for increasing domestic availability of edible oils in the country. The project is approved for 5 years from 2021-22 to 2025-26. It is proposed to increase the area of oil palm by 6.5 lakh hectares to reach 10.00 lakh hectares by 2025-26 (out of which 3.22 lakh hectares is for the Rest of India and 3.38 lakh hectares for the North East and Andaman & Nicobar Islands

(ANI)). Crude Palm Oil (CPO) production is expected to increase to 11.20 lakh tonnes in 2025-26.

Government of India, for the first time has introduced the concept of Viability Price (VP) for the Fresh Fruit Bunches (FFBs) produce by the farmers. At present, there is no support from the Government of India for price assurance to the oil palm farmers for their produce of FFBs.

Through this system of Viability Gap funding, the farmers would be assured of this viability price for their produce. Through this mechanism of Viability Gap funding, Government of India would guarantee benchmark price for the price assurance for the FFBs payment. Government will pay the difference between Formula and Viability price, in case formula price is less than viability price. It is based on a transparent and rational formula by introducing the system of fixing the viability price.

B. National Mission on Edible Oils- Oilseeds (NMEO-OS)

A separate mission on oilseeds (National Mission on Edible Oils-OS) is under consideration of government which aims to increase annual oilseeds production. National Mission on Edible Oils - Oilseeds (NMEO-OS) with the aim to enhance the edible oilseeds production and edible oils availability in the country by harnessing annual oilseed crops and to reduce import burden on edible oils. Under the NMEO-OS, it has been targeted to achieve a production of 54.10 million tonnes from seven annual edible oilseed crops by the end of 2025-26, expecting an additional production of about 18.00 million tonnes over and above the current production of 36.10 million tonnes. Three major crops *i.e.* Soybean, Rapeseed & Mustard and Groundnut will be focused as 7.54 million tonnes of edible oils constituting more than 88% of edible oils from annual oilseeds (8.56 million tonnes) are harnessed from these three crops.

Special projects have been planned under the Mission for expanding area and raising productivity. Oilseeds cultivation will be promoted by targeting rice fallow area, inter-cropping with other crops and expansion in high potential districts and non-traditional states/season. Special Missions for major oilseed crops like mustard, soybean and groundnut will aim at increasing productivity through high seed replacement by latest and high yielding varieties.

Both these missions on edible oils; NMEO- Oil Palm and NMEO-Oilseeds are aimed at increasing edible oil production in the country and reducing import dependency for edible oils.

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Consumer Affairs)]

O.M. No.T-10/2/2020-PMC Section Dated the
18.10.2021]

CHAPTER III

RECOMMENDATIONS/ OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation No. 2

3.1 The Committee note that although the country has become surplus in most agricultural commodities, farmers have been unable to get better prices due to lack of investment in cold storage, warehouses, processing and export as entrepreneurs stated to be get discouraged by the regulatory mechanisms in the Essential Commodities Act, 1955. This has resulted in farmers suffering huge losses when there are bumper harvests, especially of perishable commodities, much of which could have been reduced with adequate processing facilities. The Committee also note that, as recommended by the High Powered Committee for Transformation of Indian Agriculture comprising the Department of Agriculture and Farmers' Welfare, NITI Aayog, and the Chief Ministers of the States of Punjab, Maharashtra, Odisha, Madhya Pradesh, Gujarat, Arunachal Pradesh and Uttar Pradesh, there is a need to create an environment based on ease of doing business and for removing the fear of frequent statutory controls under the Essential Commodities Act in order to boost immediate investment in agriculture sector, increase competition and enhance farmers' income. The Committee hope and expect that the recently enacted 'The Essential Commodities (Amendment) Act, 2020' which was aimed at addressing the issue will become a catalyst for unlocking vast untapped resources in the agriculture sector by creating an environment for enhanced investments in agriculture sector, fair and productive competition in agricultural marketing and increase farmers' income. They, therefore, recommend the Government to implement the Essential Commodities (Amendment) Act, 2020 in letter and spirit, and without let or hindrances so that the farmers and other stakeholders of farming sector in this country receive the benefits intended under the said Act. Noting further that foodstuffs such as potato, onions and pulses⁶³ are part of a common man's daily diet and that lakhs of people who do not get the benefits of Public Distribution System (PDS) may suffer adversely in the aftermath of the implementation of the new Act, the Committee also desire the Government to continue to keep a constant watchful eye on the prices of all essential commodities and to resort to the remedial provisions provided in the Essential Commodities (Amendment) Act, 2020 when called for.

Reply of the Government

3.2 The Essential Commodities Act, 1955 was amended in 2020. Through this amendment a new sub-section (1A) under Section 3 of the Essential Commodities (EC) Act, 1955 was inserted. Section 3(1A) (a) now provides that foodstuffs, including cereals, pulses, potato, onions, edible oil seeds and oils shall only be regulated under extra ordinary circumstances which may include war, famine, extra ordinary price rise and natural calamity of grave nature. Section 3(1A)(b) provides that any decision on imposing stock limit would be based on price triggers such as hundred per cent increase in retail price of horticultural produce and fifty percent increase in retail price of non-perishable agricultural foodstuff over the immediately preceding twelve months or average retail price of last five years whichever is lower. Hon'ble Supreme Court vide its order dated 12.01.2021 has stayed implementation of the Essential Commodities (Amendment) Act, 2020.

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Recommendation No. 6

3.3 The Committee note that increase in cost of cultivation for inputs, specially fertilizers, wages, etc., influence the prices of food articles. The Committee further note that with limited area under irrigation, crops have become susceptible to the vagaries of Monsoon and weather conditions like drought. The Committee desire that the Government should make a comprehensive study of the impact thereof on the cost of farm produce through a panel of experts, professionals, academicians, etc. and then to devise an effective action plan to address the problems associated with it.

Reply of the Government

3.4 While recommending its price policy, the CACP considers all costs in a comprehensive manner and this includes all paid out costs, including fertilizers, wages, manures, irrigation charges, etc. Beside actual cost, CACP also monitors the trends in inputs prices through Composite Input Price Index(CIPI). **Hence the**

costs considered are very comprehensive and based on the methodology recommended by Expert Committees from time to time.

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Recommendation No. 7

3.5 The Committee are unhappy to note that around 30% of vegetables in the country perish during harvest, storage, grading, transport, packing and distribution. Further, there is wastage of vegetables along the supply chain due to poor post-harvest management and lack of cold chain and seasonality production creates fluctuations in prices. In this connection, the Committee note that the Government has taken various steps to spread awareness about proper use of storage and transportation techniques, and is organizing various training programmes and awareness campaigns under schemes like Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM), etc. Other measures taken by the Government include awareness campaign, advertisements, etc. in print and electronic media to raise awareness among the farmers, 'Kisan Suvidha' mobile application developed by the Department of Agriculture, Cooperation and Farmers Welfare to facilitate dissemination of information to farmers on critical parameters including cold storages and godowns, and 'Kisan Rath' mobile application which was launched to facilitate farmers and traders in identifying the right mode of transportation of farm produce like cereals, coarse cereals, pulses, fruits, vegetables, oil seeds, spices, etc. The Committee desire the Government to take effective steps to ensure that these schemes and measures do not remain merely on paper, but achieve their intended results and bring actual benefits to the farmers and traders. The Government should monitor the progress and success of these schemes through annual appraisal and also by calling evaluations from the concerned State Governments so that the present unsustainable level of vegetable wastages at 30% in the country during harvest, storage, grading, transport, packing and distribution is brought down to the minimum. The Committee further note that no study has been made so far about the post-harvest crop/vegetables management practices of other countries, specially advanced (developed) countries. As such, the Committee feel that the Government should initiate necessary steps to explore the feasibility of undertaking study/training in post-harvest practices of advanced countries with a view to replicating such practices in India, where applicable. The Committee also desire that the efforts should be made by the Government to disseminate

awareness among farmers about the crops to grow during particular seasons by use of all available media tools to avoid crop losses and ensure optimal utilization of storage capacities.

Reply of the Government

3.6 Despite the devastating covid-19 pandemic, efforts were made by the Government to implement NFSM in an efficient way and utilization of 1208.93 crores was ensured during the year 2020-21. The Development Monitoring and Evaluation Office (DMEO) of NITI Aayog has conducted the impact evaluation of NFSM scheme through Deloitte Touch Tohmatsu India LLP for the period 2017-18 to 2019-20. Based on the recommendations of the evaluation report, modifications have been made in the memorandum for Expenditure Finance Committee (EFC) for National Food and Nutrition Security Mission (NFNSM) for the years 2021-22 to 2025-26.

Operation Greens Scheme was announced in the Union Budget for 2018-19 with financial outlays of Rs. 500 crores to promote FPOs, agri-logistics, processing facilities and professional management for Tomato, Onion and Potato (TOP) crops. As part of short-term price stabilization measures, during glut situation at the time of harvest, transportation and storage subsidy is provided at 50% for evacuation of surplus production from the producing area to the consumption. This was extended from TOP to TOTAL (41 notified fruits and vegetables) w.e.f. 11.06.2020 as a part of Aatmanirbhar Bharat Package announcement by Hon'ble Finance Minister due to supply chain disruption amid Covid pandemic, based on SFC recommendation, by Minister, FPI on 10.06.2020.

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18.10.2021]

Recommendation No. 10

3.7 The examination of the data furnished by the Department of Consumer Affairs has revealed that based on Consumer Food Price Index (CFPI), the all-India food inflation rate spiraled from 1.1% in April, 2019 to 7.89% in October, 2019 reaching to a high 14.19% in December, 2019, whereas the corresponding figures decreased from 2.8% to (-)0.86% during the year 2018. Explaining the reasons for this unhealthy scenario, the Department stated that the CFPI consists of ten sub-groups, viz., Cereals and products, Meat and fish, Egg, Milk and products, Oils and fats, Fruits, Vegetables, Pulses and products, Sugar &

Confectionery and Spices, and the rise in food inflation was because of 'vegetables' sub-group, which had been registering moderate inflation rate till August, 2019 but started rising since September, 2019, reaching upto 15.47% in September, 2019 and 26.1% in October, 2019. Three items, namely, Onion, Garlic and Tomato were primarily responsible for these spikes in inflation rates of vegetables, resulting in significant rise in the food inflation during September and October, 2019. Noting from the Department's reply that food inflation is a cause of concern for not only the common man, but also for the policy makers, the Committee desire that the Government should make concerted efforts to keep food inflation rate in the country to the minimum by adopting policies and measures to tackle the supply-side constraints which have been causing inflationary spurt in food items from time to time. They also recommend that the Government should take concrete steps to monitor all existing schemes and programmes aimed at augmenting production of food crops. The Government should, in this connection, take measures to boost the output of cereals, fruits, vegetables, pulses, oilseeds, etc. by injecting improved, high-yielding variety seeds. Proper attention may also be given to enhance the skills and know-how of the farmers cultivating such crops, specially growers of pulses and oilseeds, who happen to be small and marginal farmers. The Government should make efforts to popularize the use and application of proper and updated agro-management techniques through provision of credit at concessional terms from financial institutions, banks etc. to enable the farmers to achieve higher yields from their investment, thereby resulting in increased output of essential food items in the country in the long-run.

Reply of the Government

3.8 Government fixes minimum support prices (MSPs) for 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned and other relevant factors.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Since then, Government has been increasing MSPs for all mandated Kharif, Rabi and other Commercial crops with a return of 1.5 times over all India weighted average cost of production. The increase in MSP is expected to result in higher income of farmers, which will lead to higher capital formation, better input usage, and increase in productivity. This will enhance returns to the farmers for their produce.

(Department of Consumer Affairs)
O.M. No.T-10/2/2020-PMC Section Dated the
18.10.2021]

CHAPTER IV

RECOMMENDATIONS/ OBSERVATIONS IN RESPECT OF WHICH
REPLIES OF THE GOVERNMENT HAVE NOT BEEN
ACCEPTED BY THE COMMITTEE

-NIL-

CHAPTER V

RECOMMENDATIONS/ OBSERVATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation No. 8

5.1 The Committee observe that surplus production in the last 5 (five) sugar seasons and depressed international market had adversely impacted domestic sugar price which led to liquidity crisis of sugar mills and accumulation of cane price arrears of farmers. The Committee also note, in this connection, that to safeguard the interest of farmers, the Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane for every sugar season, on the recommendation of the Commission for Agricultural Costs and Prices (CACP) and after consultation with the State Governments and other stakeholders, wherein FRP so fixed is the minimum price for purchase of sugarcane from cane farmers by sugar mills. Further, the Sugarcane (Control) Order, 1966 stipulates the payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the period beyond 14 days is payable, and that the State Governments/UT Administrations have been vested with the powers of enforcing this provision. The Committee desire that the sugarcane farmers should be ensured remunerative returns of their crops through FRP by the Government by taking steps for effective implementation of the Sugarcane (Control) Order, 1966 by the concerned State Governments/UT Administrations. Side by side, necessary steps are urgently called for to improve the liquidity of sugar mills, which are currently facing problem, by providing them liberal financial assistance from the Government. Such twin measures would bring stability to sugar prices in the country, while at the same time safeguarding the interests of cane farmers and sugar mill owners. The Committee appreciate that the Central Government has taken several measures in this direction, viz. extending assistance to sugar mills on cane crushed, fixation of minimum selling price of sugar, fixing remunerative prices of ethanol, providing soft loan to sugar mills to clear cane dues, creation of buffer stock of sugar, extending loans from Sugar Development Fund to sugar mills for modernization and capacity expansion, etc. The Committee, however, desire the Government to continue to render all assistance to cane farmers and sugar mills not only by loan and financial aid, but by undertaking physical and financial evaluation of sugar mills on annual basis. If need be, liberal financial assistance may also be extended from Price Stabilization Fund (PSF).

Reply of the Government

5.2 To safeguard the interest of sugarcane farmers and to ensure remunerative returns of their crops through FRP, the Government of India has determined the 'Fair and Remunerative Price' of sugarcane payable by sugar factories for sugar season 2021-22 at ₹ 290 per quintal for a basic recovery rate of 10%. To examine the recommendation of creation of price stabilization fund and to examine other recommendations, a Committee has been constituted in DFPD. This Committee is also examining the other recommendations of CACP and Task Force constituted under NITI Aayog. Three meetings have been held with States and other stake holders in this regard. Since last two-three months, the ex-mill prices of sugar are hovering in the range of 33-34/kg thereby helping in the liquidity of sugar mills. Simultaneously, prices of sugar have been improved in the international market enabling sugar mills to evacuate the excess sugar through export of sugar. However Government is continuously watching the sugar sector scenario and all the necessary steps are being taken to ensure that the interest of sugar cane farmers are well protected. To overcome the problem of excess sugar and improve the liquidity of sugar sector, the government is promoting blending of ethanol in petrol by way of providing interest subvention for setting up of new distilleries, fixing remunerative prices of ethanol being supplied to Oil Marketing Companies (OMCs) etc. In sugar seasons 2018-19, 2019-20 & 2020-21 about 3.37 LMT, 9.26 LMT & 20 LMT of sugar has been diverted to ethanol respectively. In the current sugar season 2021-22, about 35 LMT of sugar is estimated to be diverted; & by 2025-26 about 60 LMT of sugar is expected to be diverted towards ethanol. This would solve the problem of **excess sugarcane/ sugar and will make the sugar sector profitable and viable.**

[Ministry of Consumer Affairs, Food & Public Distribution
(Department of Consumer Affairs)
O.M. No.T-10/2/2020-PMC Section Dated the
18.10.2021]

**NEW DELHI;
01 DECEMBER, 2021
10 AGRAHAYANA 1943 (Saka)
Food,**

**SUDIP BANDYOPADHYAY,
CHAIRPERSON,
Standing Committee on
Consumer Affairs and Public Distribution.**

**MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2021-2022)
HELD ON WEDNESDAY, 01 DECEMBER, 2021**

The Committee sat from 1500 hrs. to 1645 hrs. in Committee Room 'B',
Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

2. Dr. Farooq Abdullah
3. Shri Girish Bhalchandra Bapat
4. Ms. Debasree Chaudhuri
5. Shri Anil Firojiya
6. Shri Khagen Murmu
7. Shri Mitesh Rameshbhai (Bakabhai) Patel
8. Smt. Kavita Singh
9. Shri Ganesan Selvam
10. Shri Saptagiri Ulaka
11. Shri Rajmohan Unnithan
12. Shri Ve. Vaithilingam

Rajya Sabha

13. Shri Satish Chandra Dubey
14. Smt. Roopa Ganguly
15. Shri Ramji

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Dr. Vatsala Joshi - Director

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2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the draft Reports on Action Taken by the Government on recommendations/observations contained in XXXXX
 XXXXX XXXXX XXXXX (iii) 11th Report (17th LS) on the subject 'Price Rise of Essential Commodities – Causes & Effects' pertaining to Department of Consumer Affairs; XXXXX XXXXX XXXXX
 XXXXX. Thereafter, the Committee took up for consideration the Draft Report. After due deliberations, the Committee unanimously adopted the said Action Taken Report without any amendment/modification and authorized the Chairperson to carry out verbal and consequential changes, if any, therein.

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3. XXXXX

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4. XXXXX

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5. XXXXX

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The Committee then adjourned.

XXXXX

XXXXX

Matter does not relate to the Report.

APPENDIX II

(Vide Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE ELEVENTH REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2021-22)

(SEVENTEENTH LOK SABHA)

- (i) Total number of Recommendations: 21
- (ii) Recommendations/Observations which have been accepted by the Government :
- Rec. Nos. :- 1, 3, 4, 5, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21
- (Chapter – II, Total -16)
Percentage : 76.19%
- (iii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies received from the Government
- Rec. Nos.:- 2, 6, 7 and 10
- (Chapter – III, Total - 4)
Percentage : 19.04%
- (iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
- Rec. Nos. NIL
- (Chapter – IV, Total - 0)
- Percentage : 0.00%
- (v) Recommendations/Observations in respect of which the interim replies of the Government have been received.
- Rec. No.:- 8
- (Chapter – V, Total - 1)
Percentage : 4.76%

