

14 Food and Civil Supplies

THE Department of Food and Public Distribution is responsible for management of the food economy of the nation. It undertakes various activities, such as procurement of food items, their storage, movement and delivery to the distributing agencies. A close watch is kept on production and efforts are made to ensure their adequate availability of foodgrains etc. at reasonable prices in different parts of the country. The details of production of foodgrains may be seen below.

PRODUCTION OF FOODGRAINS

(lakh tonnes)

Crop	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07*	2007-08
Rice	817.3	825.4	860.8	896.8	849.8	933.4	718.2	885.3	853.1	917.9	933.5	956.8
Wheat	693.5	663.5	712.9	763.7	696.8	727.7	657.6	721.5	720.0	693.5	758.1	767.8
Coarse Cereals	341.1	304.0	313.3	303.4	310.8	333.7	260.7	376.0	339.2	346.7	339.2	396.7
Pulses	142.5	129.7	149.1	134.1	110.7	133.7	111.3	149.1	133.8	133.9	142.0	151.9
Total	1,994.4	1,922.6	2,036.1	2,098.0	1,968.1	2,128.5	1747.8	2131.9	2046.1	2092.0	2172.8	2273.2

* as per 3rd advanced estimates as on 22-04-2008

PROCUREMENT OF FOODGRAINS

(lakh tonnes)

Marketing Season	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09*
Rice ¹	155.91	125.99	182.28	212.81	221.27	164.10	228.28	217.93	276.56	251.07	259.54	* 222.8*
Wheat ²	92.97	126.52	141.44	163.55	206.30	190.54	158.01	165.95	147.85	92.26	111.27	222.8*

¹ Marketing Season : October-September

² Marketing Season : April-March

* As on 26.06.2008

The Department of Consumer Affairs under Ministry of Food & Consumer Affairs is responsible for the formulation of policies for Consumer Cooperatives, Monitoring, Prices, availability of essential commodities, Consumer Movement in the country and Controlling of statutory bodies like Bureau of Indian Standards (BIS) and Weights and Measures.

ESSENTIAL COMMODITIES ACT, 1955

The Essential Commodities Act, 1955 was enacted to ensure the easy availability of essential commodities to consumers and to protect them from exploitation by unscrupulous traders. The Act provides for the regulation and control of production, distribution and pricing of commodities which are declared as essential for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. Exercising powers under the Act, various Ministries/ Departments of the Central Government and under the delegated powers, the State Governments/UT Administrations have issued orders for regulating production,

distribution, pricing and other aspects of trading in respect of the commodities declared as essential. The enforcement/ implementation of the provisions of the Essential Commodities Act, 1955 lies with the State Governments and UT Administrations.

As per the decisions of Conference of Chief Ministers held on 21 May 2001, a Group of Ministers and Chief Ministers had been constituted which recommended that the regulatory mechanism under the Essential Commodities Act, 1955 should be phased out. Accordingly, the restrictions like licensing requirement, stock limits and movement restrictions have been removed from almost all agricultural commodities. Wheat, pulses and edible oils, edible oilseeds and rice being exceptions, where States have been permitted to impose some temporary restrictions in order to contain price increase of these commodities.

The list of essential commodities has been reviewed from time to time with reference to the production and supply of these commodities and in the light of economic liberalisation in consultation with the concerned Ministries/Departments administering these commodities. The Central Government is consistently following the policy of removing all unnecessary restrictions on movement of goods across the State boundaries as part of the process of globalisation simultaneously with the pruning of the list of essential commodities under the said Act to promote consumer interest and free trade. The number of essential commodities which stood at 70 in the year 1989 has been brought down to 7 at present through such periodic reviews.

In conformity with the policy of the Government towards economic liberalisation, Department of Consumer Affairs is committed to the development of agriculture and trade by removing unnecessary controls and restrictions to achieve a single Indian Common Market across the country for both manufactured and agricultural produce and to encourage linkage between agriculture and industry. With this object in view, this Department introduced the Essential Commodities (Amendment) Bill, 2005 in the Parliament in the winter session of 2005 to enable the Central Government to prune the list of the essential commodities to the minimum by deleting all such commodities which have no relevance in the context of present improved demand and supply position and to facilitate free trade and commerce. Only those commodities considered essential to protect the interest of the farmers and the large section of the people "below the poverty line" are proposed to be retained under the Essential Commodities Act, 1955.

The Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980 is being implemented by the State Governments/UT Administrations for the prevention of unethical trade practices like hoarding and black-marketing, etc. The Act empowers the Central and State Governments to detain persons whose activities are found to be prejudicial to the maintenance of supplies of commodities essential to the community. Detentions are made by the States/UTs in selective cases to prevent hoarding and black-marketing of the essential commodities. As per reports received from the State Governments, 119 detention orders were issued under the Act during the year 2007. The Central Government and the State Governments also have the power to modify or revoke the detention orders. The representations made by or on behalf of the persons ordered for detention are considered and decided by the Central Government.

In the context of unprecedented rise in prices of some essential commodities in the mid 2006, there had been wide spread concern from various corners for taking immediate steps to mitigate the rising trend of prices of essential commodities. Representations from the Chief Ministers of Punjab and Delhi and also from the

Governments of Andhra Pradesh, Rajasthan and Maharashtra were received for restoration of powers under the Essential Commodities Act, 1955 for undertaking dehoarding operations in view of the assumption that there is speculative holding back of stocks particularly of wheat and pulses in anticipation of further rise in prices. Central Government has already taken a number of steps to control the price rise in essential commodities by trying to augment supply including through imports by reducing the duty level on import of both wheat and pulses to zero.

The situation was further reviewed by the Government and it was decided with the approval of the Cabinet to keep in abeyance some provisions in the Central Order dated 15.2.2002 for a period of six months with respect to wheat and pulses (whole and Split), so as to tackle the crises on availability and prices of these commodities. Accordingly, the Government order No. (1373 (E) dated 29.8.2006 by virtue of which the words or expressions made in respect of purchase, movement, sale, supply, distribution or storage for sale in the "Removal of (Licensing requirements, Stock limits and Movement Restrictions) on Specified Foodstuffs Order, 2002" notified on 15.02.2002 have been kept in abeyance for commodities namely wheat and pulses for a period of six months. The transport, distribution or disposal of wheat and pulses (whole or split) to places outside the State as well as to import of these commodities have been kept outside the purview of the aforesaid Order of 29.08.2006. The Order of 29.08.2006 was initially in force for a period of 6 months, which was extended thrice for a period of 6 months each by Central Notifications dated 27.02.2007, 31.8.2007 and 28.02.2006. The Order permitted State/UT Governments to fix stock limits in respect of wheat and pulses.

To enable the State Governments/UT Administrations to continue to take effective action for undertaking de-hoarding operations under the Essential Commodities Act, 1955, the price situation was further reviewed by the Government and it has been decided with the approval of the Cabinet to further impose similar restrictions by keeping in abeyance some provisions of the Central Order dated 15.02.2002 for a period of one year with respect to edible oils, oilseeds and rice, so as to tackle the rising trend of prices as well as to ensure availability of these commodities to the common people. However, it has also been decided that there shall not be any restriction on the inter-state movement of these items, and that imports of these items would also be kept out of the purview of any controls by the State Governments.

CONSUMER CO-OPERATIVES

The consumer co-operative structure in the country has four tiers, with the National Co-operative Consumers Federation of India Ltd. (NCCF) at the national level. Thirty State Co-operative Consumers Organisations are affiliated to the NCCF. At the Central/ Wholesale level, there are 800 Consumer Co-operative Stores. At the primary level, there are 21,903 primary stores. In the rural areas, there are about 44,418 village level Primary Agricultural Credit Societies and Marketing Societies undertaking the distribution of consumer goods along with their normal business. In the urban and semi-urban areas, the consumer co-operative societies are operating about 37,226 retail outlets to meet the requirements of the consumers. The NCCF, besides undertaking distribution of consumer articles, also has a Consultancy and Promotional Cell for strengthening consumer co-operative societies engaged in the retailing activities. The NCCF with its Head Office at New Delhi, has 34 branches/sub-branches located in various parts of the country. The sales turnover achieved by the NCCF during the year 2006-2007 was Rs. 411.12 crore as against the sales turnover of Rs 630.39 crore

last year. It has earned a net profit of Rs. 1.33 crore as against the profit of Rs. 6.32 crore during the previous year. The accumulated losses of the NCCF as on 31 March 2007 stand tentatively at Rs. 1.12 crore.

FORWARD TRADING AND FORWARD MARKETS COMMISSION

Forward Markets Commission (FMC) is a statutory body set up under Forward Contracts (Regulation) Act, 1952 and functions under the administrative control of the Ministry of Consumer Affairs, Food and Public Distribution. The FMC regulates forward markets in commodities through the recognised associations, recommends to the Government the grant / withdrawal of recognition to the associations organising forward trading in commodities and makes recommendations for general improvement of the functioning of forward markets in the country.

At present, there are 24 exchanges including three 'national level' exchanges which have been recognised for conducting futures/forward trading in India and all the commodities have been permitted for trading. During the current year "Thermal Coal" and "Carbon Credit" have also been allowed to be traded on recognized Commodity Exchanges.

In tune with the liberalisation of the commodity markets in India, all the operational exchanges have been persuaded to implement various reforms such as online trading, time stamping, trade guarantee and settlement mechanism, one-third independent board representation, and back-office automation. In addition to the setting up of the nation wide multi-commodity exchanges, there are a number of ancillary areas, which are being looked at for the orderly and harmonious development of the commodity derivatives market. This includes removing a host of controls on movement, prices, etc. on commodities, sorting out certain tax related issues, standardisation, certification and warehousing issues, the usage of warehouse receipts, participation by diverse groups of players, banks, FIs and FIIs and so on. The Government is simultaneously making efforts in all these directions.

The commodity futures market is regulated under the provisions of the Forward Contracts (Regulation) Act, 1952 (FCR Act). In order to include some new features that are in tune with the latest development in the commodity futures market, this Department has proposed Amendments to the FCR Act. Accordingly, Forward Contracts (Regulation) amendment Bill, 2006 was introduced in the Lok Sabha on 21.03.2006. However, since this issue was related to financial and market integrity, the Government hastened the process of amendment by promulgating forward Contracts (Regulation) Ordinance, 2008 on 31.01.2008. The main elements of the amendment are as follows:

- increase the maximum number of members of Forward Market Commission from four to nine out of which three to be whole time members and a chairman;
- confer power upon the FMC to levy fees;
- Provide for constitution of FMC General Fund to which all grants, fees and all sums received by the FMC shall be credited except penalty and apply the funds for meeting the expenses of the Commission;
- make provisions for corporation and demutualisation of recognised association in accordance with the scheme to be approved by the FMC;
- make provisions for registration of members and intermediaries;
- allow trading in options;

- make provisions for investigation, enforcement and penalty in case of contravention of the provisions of the FCR Act.

In order to replace the said Ordinance, a fresh Bill—the Forward Contracts (Regulation) Amendment Bill 2008 was introduced in Lok Sabha on 13.03.2008. The earlier FCR (A) Bill 2006 which was pending in the Lok Sabha, was withdrawn simultaneously.

The liberalization and opening up of commodities futures market has started showing results in terms of significant jump in the volume and value of futures trading in commodities. During 2007-08, the total value of commodity futures trade has been Rs. 40.66 lakh crore as compared to Rs. 36.76 lakh crore during 2006-07 showing an increase of 10.6%. The trading volume and value have increased by manifold after the three national Exchanges were setup. National Multi-Commodity Exchange of India, Ahmedabad (NMCE), Exchange of India Ltd., Mumbai (MCX) and National Commodity and Derivative Exchange Ltd., Mumbai (NCDEX) started trading in November 2003. The following table shows the increase in commodity futures trading volume and value since the setting up the these national Exchanges.

Commodity Futures Trading Value since 2002-03

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Value of trading	66,530	1,29,363	5,71,759	21,55,122	36,76,926	40,65,989
(Rs. in crore)	(92)*	(94)*	(341)*	(274)*	(70)*	(10.56)*

* Figures in parenthesis are % change over previous year.

'Jago grahak jago' — an Initiative towards consumer Education and Awareness

An enlightened consumer is an empowered consumer. An aware consumer not only protects himself from exploitation but induces efficiency, transparency and accountability in the entire manufacturing and services sector. Realising the importance of consumer awareness, the Government has accorded top priority to 'Consumer Education, Consumer Protection and Consumer Awareness. The most important milestone in Consumer Movement in the country has been the enactment of the Consumer Protection Act, 1986. The Act applies to all goods and services unless specially exempted by the Central Government, in all sectors whether Private, Public or Co-operative.

Consumer Protection Act, 1986

The Act enshrines all the consumers rights which are internationally accepted. As per the Act, the consumer protection councils have been established at Central, State and District levels to promote and protect the consumer rights. They are:

- Right to Safety: To be protected against the sale of goods and services which are spurious/hazardous of life.
- Right to Information: To know the quality, quantity, weight and the price of goods/services being paid for, so that one is not cheated by unfair trade practices.
- Right to Choose: To be assured, wherever possible, access to a variety of goods and services at competitive prices.

- Right to be Heard: To be heard and to be assured that the interest would receive due consideration at appropriate fora.
- Right to Seek Redressal: To seek legal redressal against unfair or restrictive trade practices or exploitation.
- Right to Consumer Education: To have access to consumer education.

Basic Framework for Consumer Protection

Consumer protection initiatives by the Government hinge on 3 basic parameters. Firstly, ensuring a legal framework that comprises of Consumer Protection Act. The Act has been recognised as one of the finest legislation enacted in any part of the world and India can boast of being the only country having such specialized legislation for consumer protection. The CPA has a three tiers: Quasi-judicial machinery at the National, State and District level for hearing cases raised by consumers. Secondly, evolving standards for different products is necessary. Standards are the essential building block for quality and play a key role in consumer protection. Standards could be on technical requirement (specifications), improved specific standard terminology (glossary of terms), codes of practice or test methods or management systems standards. The standards are set generally by Government or inter-Governmental bodies but worldwide it is being recognised that voluntary establishment of standards plays an equally important role for protecting consumers. Finally, consumer awareness and education is the main ingredient for consumer protection.

National Action Plan on Consumer Protection

Consequent upon the 50th National Development Council Meeting, Planning Commission has identified consumer awareness, redressal and enforcement of Consumer Protection Act as priority areas for action by the Department of Consumer Affairs. The allocation for consumer protection activities was significantly enhanced in the last 2 years of the 10th plan.

Consumer Awareness Scheme in the 11th Plan

The Consumer Awareness Scheme for the 11th Plan amounting to a total of Rs. 4009 crores has been approved by the Cabinet Committee on Economic Affairs on 24.01.08. This scheme has been formulated to give an increased thrust to a multi-media publicity campaign to make consumers aware of their rights. The slogan 'Jago Grahak Jago' has now become a household name as a result of publicity campaign undertaken in the last 3 years. Through the increased thrust on consumer awareness in the 11th Five Year Plan, the Government has endeavoured to inform the common man of his rights as a consumer. As part of the Consumer Awareness Scheme, the rural and remote areas have been given top priority. In a big country like India educating the consumers gigantic task. Government has taken up number of activities and schemes in creasing consumer awareness in the country.

Multi-media Publicity Campaign

As part of the Multi-media publicity campaign, gist of the activities being undertaken is summarised as below:

1. Publicity through print media using newspaper advertisements

To educate the consumers about their rights and responsibilities, the Department has been releasing small advertisements through DAVP in national dailies as well as

regional newspapers in local languages in accordance with the New Advertisement Policy of the DAVP.

2. Publicity through electronic media by telecast of video spots

The Department has got produced video spots of 30 seconds duration on various consumer-related issues such as Grievance Redressal System, MRP, ISI, Hall Mark, Alternate Dispute Redressal System, Weights and measures, Rights of Consumers etc. which are being telecast through Doordarshan, cable and satellite channels such as Sony, Star Plus, Zee News, Star News, Sun Network, ETV Network, ZEE TV Network, Discovery and other private popular satellite channels. special programmes have been telecast on DD News and Lok Sabha TV to highlight the issues relating to consumer awareness. Issues pertaining to rural and remote areas have been given prominence in various advertisement spots.

3. Telecast of video sports in north-east states

The Department has produced 6 video sports in Regional languages of North Eastern States of 20 seconds and 30 seconds duration on various consumer related issues such as M.R.P. (Maximum Retail Prices), short measurement, expiry date on medicine, adulteration, damaged product, Redressal systems and telecast them through Doordarshan Kendras of north-east states.

4. Meghdoot Postcards

The Department, in consultation with Department of Post has disseminated consumer awareness messages through Meghdoot Postcards to reach far-flung rural areas including north-east states. A bigger plan of partnership with the Department of Posts to use its vast network for spreading the message of consumer awareness has been chalked out. Calendars containing the message of consumer awareness are being displayed through the network of 1.55 lakhs post offices.

5. Printed Literature

The Department has re-printed a folder entitled "Consumer Awareness Mission" containing the salient features of Consumer Protection Act 1986, Consumer Resource kits as well pocket calendars and posters for distribution during various events such as IITF, street plays and also through the State Governments at grassroot level. The publicity material relating to consumer awareness has also been translated in regional languages and is being disseminated to various State Governments.

6. Nukkad Nataks (Street Plays)

The Department in consultation with Song & Drama division of Ministry of Information and Broadcasting has organized more than 1000 programmes in all the States/UTs to create awareness at grass root level.

7. National Helpline

The Department has launched National Helpline and the Toll Free Number 1800-11-4000 which is being operated by Delhi University for counselling the Consumers to redress their grievance. The toll free number facility is available to consumers from 9.30 A.M. to 5.30 P.M. on all working days (Monday-Saturday).

Through various advertisements adequate publicity has been given to National Helpline .

8. Use of sports events

In order to reach maximum number of consumers, the Department has telecast video spots containing consumer related information during the popular sports events such as Tri-series cricket tournament.

9. Use of internet to generate consumer awareness

We are a young country with more than 70% population being under 38 years. The younger generation is using the internet frequently for various purposes. Realizing this, a major initiative is being taken to spread online consumer awareness. The advertisements brought out by the Department are also being displayed on the website of the Ministry www.fcanin.nic.in

10. Advertisements in journals of Publications Division

The Department has entered into a tie-up with Publications Division under the Ministry of Information & Broadcasting. As part of the tie-up advertisements are being published to educate consumers in all the journals brought out by Publication Division such as Yojana, Kurukshetra, Bal Bharati, Aajkal and their regional languages editions. Focussed articles on consumer awareness are being published in these magazines keeping in view their target readership. Employment News, the flagship publication of the Publications Division, which is the largest selling career weekly of its kind, occasionally publishes articles that are of interest to youngsters to keep them informed about their rights. the advertisements of Department are also being published regularly in Employment News/Rozgar Samachar .

11. Focus areas on Consumer Awareness

The print advertisements and spots for the electronic media have focussed on such areas that are of interest to a large section of the society. Some of the examples are placed below:

- Issues relating to MRP wherein consumers have been educated about its concept and related issues.
- Awareness and education about standardisation and different standards brought about by government departments, such as ISI, hallmark, Agmark etc.
- Education and awareness about various provisions of weights and measures.
- Issues in education sector where awareness about the source through which degree/validity of courses and recommendation status of different institutions has been given through print advertisements and advertisement spots.
- Issues concerning banking sector to educate consumers about their right to different services provided by banks as well as related areas of insurance credit card facilities.
- Education and awareness about the 3-tier grievance redressal mechanism.

- Education and awareness about how to file a complaint and related formats and procedures.
- Issues relating to tourism sector to make the tourists aware about the precautions to be taken while dealing with travel agents.
- Awareness and education about misleading advertisements.

In a nutshell efforts have been made to target all the major sectors where consumers face problems and the Department has adopted an active approach to react immediately.

12. Joint campaign with other Departments

'Jago Grahak Jago' has become the focal theme through which issues concerning the functioning of almost all Government Departments having a consumer interface have been addressed. To achieve this objective joint campaigns have been undertaken/are being undertaken with a number of department. The Department had run a joint campaign with Bureau of Energy Efficiency to educate people about energy conservation and BEE star labels. A joint campaign with National Pharmaceuticals Product Authority is being devised to educate consumers about the various issues concerning pharma industry. Similarly, campaigns with Reserve Bank of India, FICCI and the Ministries of Urban Development (for real estate sector) and Human Resources Development (for education sector) are being finalised.

Special scheme on assistance to State Governments/UTs.

Considering the fact that active involvement of State Governments in awareness campaign is crucial in taking forward the movement to rural, remote and backward areas. State/UT Governments have been actively associated in expanding the area of consumer awareness. In fact the effectiveness of the scheme is enhanced by the involvement of States/UTs. The provision for grant in-aid/support to States/UTs has been one of the key components of the Consumer Awareness Scheme.

The Department of Consumer Affairs provided publicity material such as posters, audio, video, folders, calendars, and magazines etc. to State Governments/UTs for distribution through panchayats in the rural areas.

Publicity around National Consumer Day

Every year 24th of December is celebrated as National Consumer Day commemorating the coming into effect of the Consumer Protection Act, 1986. The theme for National Consumer day in 2007 was 'Enlightened Consumer is the Empowered Consumer. This theme was adopted to spread the message that a consumer will be able to safeguard his interests/rights only if he is aware about the rights and redressal mechanism available to him.

As part of the week-long celebration of National Consumer Day a function was organised in the capital. The various Central government Departments, State Governments, NGOs and other institutions organised a large number of programmes during this week to spread the message of consumer awareness.

The various media units of the Ministry of Information and Broadcasting actively participated in spreading the message of consumer awareness through various journals brought out by Publications Division as well as programmes conducted by other Media units. Articles stressing on consumer protection/consumer right were

rights published in the magazines. Yojana, Bal Bharati and the flagship publication of the Division, Employment News/Rozgar Samachar. Cultural programmes were organised by Song & Drama Division and Dte. of field publicity to commemorate national Consumer Protection.

Prasar Bharti also gave valuable contribution in spreading the message of consumer rights, soft stories were mounted by DD News channel as well as several regional news units of Doordarshan throughout the length and breadth of the country. DD-I and many regional Kendras of Doordarshan mounted special programmes highlighting consumer awareness and consumer protection. All India Radio and private FM channels also broadcast several audio programmes on this theme. Print media carried several news items/messages regarding National Consumer Day. Leading private sector portals also carried out feature items/news stories concerning consumer awareness on the basis of reference material provided by the Department. Press Information Bureau published feature items/backgrounders on consumer awareness thus carrying the message to the medium and small newspapers as well.

Collaboration with Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) GmbH for technical supports

The Department has collaborated with GTZ for providing technical support regarding production and development of publicity material. Under the GTZ Project, advertisement spots pertaining to electronic media on the areas of MRP and consumer awareness regarding unhealthy trade practices were produced. Publicity material brought by the Department has also been analysed and suggestions for new publicity materials have been identified. The professional support being received through the joint partnership with GTZ has helped the Department in achieving professional standardisation. This cooperation also helped the Department in making such creatives/Ad spots that can appeal to the masses and have a lot of aesthetic appeal.

Concurrent Evaluation of publicity campaign

Planning Commission has time and again stressed on the need to undertake evaluation and monitoring studies on the publicity campaign undertaken by the Department. To meet this objective, various steps have been taken as underlined.

- (a) Monitoring by the Multi-Media Committee
- (b) Feedback from NCH/Core
- (c) IIMC Survey.

A comprehensive survey was undertaken by Indian Institute of Mass Communication (IIMC) that covered 12 States and 144 districts in the country. The survey presented an encouraging picture regarding the impact of publicity campaign carried out by the Department. The survey has brought out that about 62.56% respondents from both rural and urban areas were aware of the publicity campaign run by the Department. Findings of the IIMC survey have been duly considered and incorporated while finalising the Media Plan for undertaking consumer awareness activities.

The Future Roadmap

The massive multi-media publicity to educate consumers and make them aware about their rights will have a long lasting impact not only on the end consumers but also on the entire manufacturing and services sector. The scheme will go a long way

in introducing greater accountability and transparency in the services provided by the public as well as private sector since the end user i.e. consumer will be educated and aware enough to ask for best possible services in return of his hard-earned money. 'Jago Grahak Jago' is thus an initiative which empowers consumers by making them aware about their rights as well as about the Grievance Redressal Mechanism.

Creation of Consumer Welfare Funds in States/UTs : After closure of all earlier schemes of funding by this Department viz. Consumer Awareness Scheme, Jagriti Shibir Yojana and District Consumer Information Centre, the State Governments and Union Territory Administrations have been impressed upon to create their own Consumer Welfare Funds. For strengthening financial support, the ratio of amount of seed money to be provided to the States/UTs has been increased from 1:10 to 50:50 (Centre: State). This ratio has further been enhanced to 90:10 in the case of 13 special category States as per decision taken in the 39th CWF Standing Committee meeting. So far, the State level Consumer Welfare Funds have been created in the States of Andhra Pradesh, West Bengal, Gujarat, Rajasthan, Orissa, Karnataka, Tripura, Sikkim, Maharashtra, Punjab, Uttar Pradesh, Jammu & Kashmir, Arunachal Pradesh, Goa, Haryana, Mizoram and Uttarakhand.

Consumer Clubs : This scheme was launched in 2002. There is provision for one consumer club in each Middle/High/Higher Secondary School/College affiliated to a government recognised Board/University. A grant of Rs.10,000 per consumer club is admissible under this scheme. This scheme has been decentralised and transferred to the State/UT Governments with effect from 1 April 2004. All interested NGO/VCOs have to apply to the Nodal Officer in the Food, PD and Consumer Welfare Department of the respective States/UTs. Till the end of March 2006, 4661 consumer clubs have been sanctioned in the States of Andhra Pradesh, Tripura, Maharashtra, Gujarat, Orissa, Rajasthan, Karnataka, Tamilnadu, Jammu & Kashmir, Haryana, NCT of Delhi, Punjab, Sikkim, Lakshadweep, Himachal Pradesh and Arunachal Pradesh.

Promoting involvement of Research Institutions/Universities/Colleges, etc, in consumer protection and welfare : This scheme has been launched with a view to sponsoring research and evaluation studies in the field of consumer welfare to provide solution to the practical problems being faced by the consumers, to sponsor seminars/workshops/conferences on the consumer related topics, and to have necessary inputs for the formulation of policy/programme/scheme for protection and welfare of the consumers. The Indian Institute of Public Administration, New Delhi, has been identified as the nodal organisation to administer the scheme. Proposals received from Universities/Colleges/Research Institutions for conducting seminars, conferences, workshops, consumer festivals, research/evaluation studies are processed to sanction grants and then publish results of such studies in the form of books, monographs and pamphlets on consumer education and awareness. So far 109 applicants have been sanctioned grant till March 2007.

National Consumer Helpline : A National Consumer Helpline project has been established in co-ordination with Delhi University, Department of Commerce. Consumers from all over the country can dial toll-free number 1800-11-4000 and seek telephonic counselling for problems that they face as consumers. The Helpline intends to deal with problems related to telecom, courier, banking, insurance, financial services, etc. The Helpline was launched on 15 March 2005, i.e. World Consumer Rights Day.

Consumer Online Research and Empowerment (CORE) Centre : A Consumer Online Research and Empowerment (CORE) Centre has been set up in collaboration with

Consumer Co-ordination Council (CCC). The CORE Centre is intended to provide the most scientific and effective system of collection and dissemination of consumer related information to generate consumer awareness and empowerment of all sections of the society. It also provides e-counselling and mediation for consumer problems. The CORE project was formally launched on 15 March 2005.

BUREAU OF INDIAN STANDARDS

Bureau of Indian Standards (BIS) is a national standards body engaged in the preparation and implementation of standards, operation of certification schemes both for products and systems, organisation and management of testing laboratories, creating consumer awareness and maintaining close liaison with international standards bodies. Major achievements in its various activities during the last two years are as under :

General

Bureau of Indian Standards (BIS) came into existence, through an Act of Parliament on 1 April 1987, with a broadened scope and more powers taking over the staff, assets, liabilities and functions of erstwhile Indian Standards Institution (ISI) with following objectives.

- Harmonious development of activities of standardization, marking and quality certification
- To provide new thrust to standardization and quality control
- To evolve a national strategy for according recognition to standards and integrating them with growth and development of Industrial production and exports.

BIS is involved in multifarious activities like Standards Formulation, Certification, Product/Schemes, Laboratory Services, International Activities, Consumer -related Activities, Promotional Activities, Training Services, Information services, Sale of Standards & Publications

Standards formulation

Under Standards formulation, it is engaged in formulation of Indian Standards for 14 sectors namely Chemicals, Food and Agriculture, Civil, Electrical, Electronics & Telecommunications and Information Technology, Mechanical Engineering, Management & Systems, Metallurgical Engineering, Petroleum, Coal & related Products, Medical and Hospital Planning, Textile, Transport engineering and Production and General Engineering, Water Resources under Division Councils which have 308 Sectional Committees working under them. As on 31 March 2008, 18424 Standards formulated by BIS, are in force as against 17658 in 2001-02. These cover important segments of economy, which help the industry in upgrading the quality of their goods and services. BIS formulates need-based Indian Standards in line with the national priorities as a time-bound programme.

Product Certification Scheme

BIS Product Certification Scheme is basically voluntary in nature. However, keeping in view the health and safety of the consumer, it has been made mandatory for 68 items by the Government through various statutory measures such as Prevention of Food Adulteration Act, Coal Mines Regulations and Indian Gas Cylinders Rules

besides BIS Act. Some of the items brought under mandatory certification on consideration of health and safety are milk powder, packaged drinking water, LPG cylinders, oil pressure stoves, clinical thermometers etc. As on 31 March 2008, 20025 certification marks licences are in operation under the Scheme, covering about 1000 different items ranging from food products to electronics. This figure stood at 16195 in 2001-2002.

All foreign manufacturers of products who intend to export to India are required to obtain a BIS product certification licence. Towards this, BIS launched its Product Certification Scheme for overseas manufacturers in the year 1999. Under the provisions of this scheme, foreign manufacturers can seek certification from BIS for marking their product(s) with BIS Standard Mark. Under this scheme, about 101 licences of foreign manufacturers in about 15 countries are in operation as on 31 March 2008. Under the scheme for Indian importers, Certification Marks Licence can be granted to Indian importers for the product imported into the country and are not covered under Regulatory Requirements. Indian importers can apply for BIS licence on such products and they are treated as Indian manufacturers. Three licences are in operation under this scheme. BIS also runs other certification schemes like IECEE-CB, IECQ and IECES Schemes of IBC under different provisions. India is a certifying member of the IEC System of Quality Assessment of Electronic Components (IECQ) and IEC System for Conformity Testing to Standards for Safety of Electrical Equipment (IECEE).

Further, BIS has taken new initiatives like simplification of procedure for grant of licence, basically to reduce the procedural time. This has yielded some encouraging results.

Laboratories

To support the activities of product certification, BIS has a chain of 8 laboratories. These laboratories have established testing facilities for products of chemical, food, electrical and mechanical disciplines. Approximately, 25000 samples are being tested in the BIS laboratories every year. In certain cases where it is economically not feasible to develop test facilities in BIS laboratories and also for other reasons like overloading of samples, equipment being out of order, the services of outside approved laboratories are also being availed. Except for the two labs, all the other labs are NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited. BIS has recognized about 116 laboratories for product certification purposes. BIS has undertaken the project of modernization of all its testing laboratories in order to increase the in-house capacity of testing of samples as well as to reduce the time taken in testing.

Hallmarking

Hallmarking of Gold Jewellery started in April 2000 on voluntary basis under BIS Act 1986. It is aimed at to protect the consumer's interest and providing third party assurance to consumers on the purity of gold. Till 31 Mar 2008, 91 hallmarking centers have been recognized. Since launch of the scheme, over 5403 gold jewellers have taken licence from BIS, a figure which stood at 186 in the year 2001-02. So far, over 381 lakh jewellery articles have been hallmarked. The list of hallmarked jewelers who has taken BIS licence and BIS recognised hallmarking centres have been hosted on BIS website. Under a similar scheme of Hallmarking of Silver, 405 licences have been granted since its launch in October 2005.

Management Systems Certificate

BIS runs other important systems certification schemes under the Management Systems Certification. Under Quality Management System Certification Scheme (QMSCS), which was launched in September 1991, the total number of operative licences as on 31 Mar 2008 is 1161 which has grown from the figure of 916 in 2001-2002. BIS Quality Management System Certification has been accredited by Raad voor Accreditatie (RvA) Netherlands for 23 major economic activities.

Under Hazard Analysis and Critical Control Point Certification (HACCP) Integrated Scheme, 64 certified companies are under operation as on 31 March 2008. Under the Environmental Management Systems Certification Scheme (EMSCS), the total number of operative licences as on 31 March 2008 is 131 which has grown from a figure of 61 in 2001-02. Under the Occupational Health & Safety Management System (OH & SMS) Certification Scheme which was launched in January 2003, the total number of operative licences as on 31 Mar 2008 is 35.

Among the new Schemes, BIS has launched public Service Delivery Management systems as per IS 15700-2005 "Quality Management Systems - Requirements for Service Quality by Public Service Organizations." in order to ensure minimum standards of service delivery in all sectors pertaining to or influenced by the government.

Enforcement activity

With the growth and popularity of the BIS Certification Marks Scheme, there have been instances of misuse of BIS Standard Mark also. BIS, therefore, lays emphasis on enforcement activity to stop misuse of Standard mark, enforcement raids are carried out and prosecution cases filed in the court of law wherever legally tenable. To strengthen this activity, two outsourced agencies have been engaged for providing intelligence and assisting in carrying out raids against offending parties for an initial period of one year in selected locations. The number of search and seizures operations carried out in 2007-08 stand at 125.

International Activities

Since its inception in 1947, the then ISI and now BIS has been an active member of international organizations namely. ISO and IEC. BIS represents India as Member Body in ISO and IEC, It holds participating Membership (P) status in 259 Technical Committees/ Sub-committees of ISO and 62 Technical Committees/ Sub-committee of IEC, whereas it is Observer Member (O) on 308 Technical committees/ Sub-committees of ISO and 84 Technical Committees/ Subcommittees of IEC. It participates in various policy-making committees of these international standards bodies. BIS also holds secretariat of some of the important ISO/IEC Committees which are of trade interest of India. As member of ISO, BIS also takes active part in the development of International Standards with a view to protect the interests of Indian trade & industry. BIS is actively involved in Regional and Bilateral Cooperation Programmes pertaining to standardization, conformity assessment & accreditation etc. It has signed MoU/MRA with 16 countries/ organizations including ISO and ANSI of USA to this effect.

Consumer protection

To meet with the growing expectations of consumers in the country, BIS has established a separate department with a specific mandate of providing consumer protection and welfare and dealing with public grievances. This department maintains liaison

with Central Consumer Protection Council, and consumer associations, and coordinates with the Ministry of Consumer Affairs and Public Distribution on consumer issues. It is guided in its activities by a Consumer Policy Advisory Committee which advise BIS on all policy matters relating to efficient discharge of the functions and for making standardization and certification activities user-friendly. A well-defined procedure has been established for handling complaints. The complaints can also be lodged on line, and are monitored regularly.

Promotion of Indian Standards assumes great significance and has been a prime objective of BIS. All standards are generally voluntary in nature. Promotional activities are, therefore, essential to implement the standards for deriving the desired benefits.

The promotion of standardization involves varied interests ranging from ordinary consumers to educational institutions. To propagate the concept of standardization and quality systems among small scale industries, discussions and video film shows are organised where the participants are exposed to the concepts of standardization, quality system, product certification and other BIS activities.

Rajiv Gandhi National Quality Award

With a view to encourage manufacturers and service organizations to strive for excellence, Rajiv Gandhi National Quality Award was instituted by the Bureau in 1991. This annual award compares well with similar international awards, such as, Malcolm Baldrige National Quality Award of USA and European Quality Award. The assessment for this award is made on the basis of parameters, such as, Leadership, Policies objectives and Strategies; Human Resources Management; Resources, Processes; Customer Focus; Employees' Satisfaction; Business Results; and Impact on Environment and Society.

Information & SSI Facilitation Cell

Marching further ahead on the path of 'total customer satisfaction, BIS had set up a single window Information & SSI Facilitation Cell at its headquarters in New Delhi which became operational since 1997 with the aim of providing variety of information / assistance. A number of entrepreneurs, consumers and professionals visit this centre.

National Institute of Training for Standardization (NITS),

To impart training to technical and management personnel from industry, consumer organizations, public sector undertakings, government bodies and developing countries, BIS has established, the National Institute of Training for Standardization (NITS) at NOIDA (U.P.)

NITS conducts training on Quality Management Systems as per IS/ISO 9001, Environment Management Systems as per IS/ISO 14001, Occupational Health and Safety Management Systems as per IS 18001, Food Safety Management Systems as per IS/ISO 22,000, Hazard Analysis and Critical Control Points (HACCP) and Laboratory Management Systems as per IS/ISO/IEC 17025. It also conducts International Training Programmes in Standardization and Quality Systems and on Management systems for developing countries of Asia, Africa, Europe and Latin America every year since 1968. NITS also conducts training programmes for BIS employees. On an average, about 630 personnel have been trained/retrained every year since last six years.

Library

BIS Technical Library is a national resource centre for information on standards and related matters and meets the needs of industry, trade, government, researchers and consumers. It is the largest library of standards in the South Asian Region, covering a floor area of 1000 square meters. The collection includes about 6 lakh standards from all over the world and 50000 technical books. The Bureau's library system comprises the Headquarters' Library (New Delhi) and four Regional Office Libraries at Mumbai, Kolkata, Chandigarh and Chennai. BIS has also been designated as WTO/TBT Enquiry Point by the Ministry of Commerce, Government of India under the Technical Barriers to Trade Agreement of World Trade Organization.

BIS has brought out all Indian standards on CD-ROMs through a franchisee with a view to computerize its sales points as well as to provide standards in electronic form directly to the customers. The product has been well received by the industry and provides excellent full-text searching facility in over 18000 standards formulated by the Bureau.

BIS has a web site with domain name *www.bis.org.in* which includes its Hindi version also. Information of interest to the Indian industry as well as consumers, relating to various activities and schemes of the Bureau, such as certification, standards formation, consumer affairs, various application forms, laboratory services, and other support services, is available on the web site.

Finance & Account

For over a decade now, BIS is self-reliant in meeting its non-plan expenditure without any budgetary support from the Government of India. Financial resources of BIS are broadly mobilized under the following heads:

- (a) product Certification
- (b) Management System Certification
- (c) Hallmarking
- (d) Sale of BIS Standards and Publications
- (e) Training Institute.

BUFFER STOCKS

According to the current Buffer Stocking Policy of foodgrains, the total minimum stock in the Central Pool held by Public Agencies as on different dates in a year should be as under:

(lakh tonnes)			
Date	Wheat	Rice	Total
1 April	40.00	122.00	162.00
1 July	171.00	98.00	269.00
1 October	110.00	52.00	162.00
1 January	82.00	118.00	200.00

* Adhoc norms pending finalisation of revised buffer norms

STOCK POSITION

As on 31 March 2007, closing stock of foodgrains (wheat and rice) in the Central Pool with FCI and State Agencies stood at 177.35 lakh tonnes (provisional).

DISTRIBUTION

The offtake of foodgrains (wheat and rice) from the Central Pool by various States/UTs and others for distribution through fair price shops and for welfare/employment programmes in 2007-08 was 374.3 lakh tonnes as against 367.07 lakh tonnes during 2006-07. The total offtake of foodgrains (wheat and rice) under Targeted Public Distribution System (TPDS) during April 2007 to March 2008 is about 33.5 lakh tonnes comprising 265.6 lakh tonnes of rice and 109.07 lakh tonnes of wheat.

IMPORT AND EXPORT

During 2007-08, only 111 lakh MTs of wheat could be procured for Central Pool against the requirement of 150 lakh ton. To meet the shortfall, orders were placed for import of 17.95 lakh MTs wheat against which 17.69 lakh MTs of wheat arrived in the country.

During the year 2008-09, a record procurement of 223.55 lakh MTs of wheat (as on 30.06.2008) has been made for the Central Pool. In view of this, a decision has been taken not to import wheat during the year 2008-09.

Export of rice and wheat from the Central Pool stocks has been stopped w.e.f. 11.8.2003. After meeting the pending commitments of exports, sale of foodgrains for commercial exports have been totally stopped w.e.f. 1st October 2004. Export of rice, wheat and wheat products from Central Pool remains discontinued till further orders. However humanitarian assistance/aid to needy countries has been given, from time to time on need basis, at the prevailing export price on the date of lifting.

In view of tight position of rice in the domestic market, export of non-Basmati rice on private account has also been prohibited w.e.f. 1st April, 2008. Further a minimum export price has been fixed for export of Basmati rice. Presently, MEP of the Basmati rice is US \$ 1200 per ton or Rs. 48.000 per ton w.e.f. 1.4.2008. In addition a customs duty of Rs. 8000 per ton has been imposed on export of Basmati rice vide Notification dated 10.5.2008.

Wheat exports on private account have been banned with effect from 9th February 2007. Export of wheat flour has also been prohibited w.e.f. 8th October 2007.

WELFARE SCHEMES

MID-DAY MEAL SCHEME

The Mid-Day Meal Scheme was launched by the Ministry of Human Resource Development (Department of Education) with effect from 15th August 1995 for the benefit of students in primary schools under Employment Assurance Scheme (EAS)/earlier Revamped Public Distribution System (RPDS) blocks (2368). The Scheme covers students (Class I-V) in the Government Primary Schools/Primary Schools aided by Government and in the Primary Schools run by local bodies.

Foodgrains (wheat and rice) are supplied free of cost @ 100 gram per child per school day where cooked/processed hot meal is being served with a minimum content of 300 calories and 8-12 gm of protein each day of school for a minimum of 200 days and 3 kg per student per month for 9-11 months in a year, where foodgrains are

distributed in raw form. In drought-affected areas, the mid day meal is distributed in summer vacations also.

To cut down delays in implementation of the scheme, Department of Elementary Education and Literacy has been authorised to make State/UT-wise allocation of foodgrains under intimation to this Department. Food Corporation of India (FCI) releases foodgrains to States/UTs at BPL rates as per allocation made by Department of Elementary Education and Literacy. Allocation/offtake of foodgrains under the scheme from 2001-2002 to 2007-08 is as under :

Figures in lakh tonnes

Year	Rice			Wheat			Total allocation	Total offtake	%age offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2001-02	18.67	13.48	72.20	9.96	7.28	73.09	28.63	20.76	72.51
2002-03	18.84	13.75	72.98	9.40	7.45	79.25	28.24	21.2	75.07
2003-04	17.72	13.49	76.12	9.08	7.20	79.29	26.80	20.69	77.20
2004-05	20.14	15.41	76.51	7.35	5.92	80.54	27.49	21.33	77.59
2005-06	17.78	13.64	76.71	4.72	3.63	76.90	22.50	17.24	76.75
2006-07	17.22	13.05	75.78	4.38	3.50	80.00	21.60	16.55	76.62
2007-08	19.98	14.41	55.61	5.29	3.95	74.87	25.27	18.36	72.66

* Offtake up to March 2008, furnished by FCI as on 22.4.2008

WHEAT-BASED NUTRITION PROGRAMME

The Scheme is implemented by the Department of Women and Child Development, The foodgrains allotted under this Scheme are utilised by the States/UTs under Integrated Child Development Scheme (ICDS) for providing nutritious/energy food to children below 6 years of age and expectant/lactating women.

Allocation/offtake of foodgrains under the scheme from 2002-03 to 2007-08 is as under :

Figures in lakh tonnes

Year	Rice			Wheat			Total allocation	Total offtake	%age offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2001-02	0.80	0.32	0.40	1.75	1.03	58.85	2.55	1.35	52.94
2002-03	1.47	0.69	46.93	1.75	2.13	65.13	3.22	2.82	59.49
2003-04	1.04	0.61	58.65	3.72	3.16	66.39	4.76	3.77	64.70
2004-05	1.16	0.85	73.27	3.42	3.57	104.38	4.58	4.42	97.16
2005-06	1.5	2.07*	>100	2.82	2.73	96.80	4.32	4.8	>100
2006-07	1.98	1.61	81.31	3.19	2.98	93.42	5.17	4.59	89.00
2007-08	2.31	1.79	77.49	3.25	2.74	84.31	5.56	4.53	81.47

* Backlog quota included

Offtake upto March 2008, furnished by FCI as on 22.4.2008.

SCHEME FOR SUPPLY OF FOODGRAINS TO HOSTELS/WELFARE INSTITUTIONS (5% OF BPL ALLOCATION)

With a view to meeting the requirement of Hostels/Welfare Institutions viz., N.G.Os/Charitable Institutions which help the shelterless/homeless poor and other categories not covered under TPDS or under any other Welfare Schemes, an additional allocation of foodgrains (rice and wheat) equal to 5% of the BPL allocation of each State/UT is made to States/UTs at BPL rates. This scheme was introduced during 2002-03 to liquidate the stocks of foodgrains.

As per the directions of the Parliamentary Standing Committee, the allocation under the scheme was reviewed and rationalized on the basis of average offtake of foodgrains during the last 3 years.

Allocation/offtake of foodgrains under the scheme from 2002-03 to 2007-08 is as under :-

Figures in lakh tonnes

Year	Rice			Wheat			Total allocation	Total offtake	%age offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2002-03	6.58	1.30	19.75	4.53	0.14	3.09	11.11	1.44	12.96
2003-04	6.25	3.15	50.4	5.19	0.23	4.43	11.44	3.38	29.54
2004-05	6.06	1.94	32.01	4.80	0.75	15.62	10.86	2.69	24.76
2005-06	3.47	2.37	68.29	2.44	0.27	11.06	5.91	2.64	43.99
2006-07	3.26	2.76	84.92	0.57	0.25	43.85	3.83	3.01	78.59
2007-28	2.13	1.61	0.59	0.57	0.33	57.81	2.70	1.94	71.85

During 2005-06, the allocation and offtake of foodgrains under the scheme were reviewed. On the basis of offtake, for last three years, of States/UTs, (on recommendation of the Parliamentary Standing Committee for Food) the allocation to the States/UTs was rationalized w.e.f. August, 2005

SCHEME FOR SUPPLY OF FOODGRAINS FOR SC/ST/OBC HOSTELS

This scheme was introduced in October, 1994. Ministry of Consumer Affairs, Food & Public Distribution is the nodal Ministry for the scheme. Allocation of foodgrains was made for the first time during 2001-02 to nineteen States on the recommendation of Ministry of Social Justice & Empowerment. The residents of the hostels having 2/3rd students belonging to SC/ST/OBC are eligible to get 15 kg foodgrains per resident per month. In such hostels, foodgrains are provided for all resident students, including those who belong to other categories. Only Karnataka and Andhra Pradesh are availing this scheme.

Allocation/offtake of foodgrains under the scheme from 2001-02 to 2006-07 is as under :

(in lakh tonnes)

Year	Rice			Wheat		
	Allocation	Offtake	%age of offtake	Allocation	Offtake*	%age of offtake
2001-02	1.96	0.76	38.77	-	0.07	3.57
2002-03	0.36	-	-	-	-	-
2003-04	1.63	-	-	-	-	-
2004-05	1.34	-	-	-	-	-
2005-06	-	-	-	0.14	-	-
2006-07**	1.62	-	-	0.14	-	-
2007-08#	0.28	-	-	0.14	-	-

Note : * Offtake figures are combined with offtake against 5% BPL allocation w.e.f. 2002-03.

** 1,33,693 MT of rice to Andhra Pradesh and 28332.30 MT of rice and 14166.15 MT of wheat to Karnataka in 2006-07.

#28332 MT of rice and 14166 MT of Wheat to Karnataka in 2007-08.

ANNAPURNA SCHEME

Ministry of Rural Development launched this scheme in 2000-2001. Indigent senior citizens of 65 years of age or above who though eligible for old age pension under the National Old Age Pension Scheme (NOAPS) but are not getting the pension are covered under the Scheme. 10 kg of foodgrains per person per month are supplied free of cost under the scheme.

From 2002-2003, the scheme has been transferred to State Plan along with the National Social Assistance Programme comprising the National Old Age Pension Scheme and the National Family Benefit Scheme. The funds for the transferred scheme are being released by the Ministry of Finance as Additional Central Assistance (ACA) to the State Plan and the States have the requisite flexibility in the choice of beneficiaries and implementation of the Scheme. The implementation of the Scheme at the ground rests with the States/UTs.

The foodgrains are released to the State Governments on the existing norms at BPL rates. Allocation/offtake of foodgrains under the scheme from 2001-02 to 2007-08 is as under :-

Figures in lakh tonnes

Year	Rice			Wheat			Total allocation	Total offtake	%age offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2001-02	1.62*	0.93	57.40	-	-	-	-	-	-
2002-03	0.54	0.53	98.14	0.24	0.62	258.30	0.78	1.15	147.81
2003-04	0.56	0.45	80.35	0.67	0.64	95.52	1.23	1.09	88.61
2004-05	0.90	0.64	71.11	0.77	0.68	101.49	1.67	1.32	79.04
2005-06	0.90	0.69	76.66	0.77	0.70	90.90	1.67	1.39	83.23
2006-07	0.90	0.61	67.78	0.77	0.29	37.66	1.67	0.90	53.69
2007-08	0.44	0.70	76.08	0.77	0.30	38.96	1.89	1.00	59.17

* offtake upto March 2008, furnished by FCI as on 24.4.2008.

SAMPOORNA GRAMIN ROZGAR YOJANA

The Ministry of Rural Development, which is the nodal Central Ministry for the programme, launched the scheme on 25.9.2001. All the States/UTs for organising

various employment generation programmes. Under the Scheme, 50 lakh tonnes of foodgrains are to be allotted to the States/UTs free of cost by Ministry of Rural Development. The Ministry of Rural Development will reimburse the cost of foodgrains at economic cost prevailing at the time.

The Ministry of Rural Development has been authorized to communicate to FCI directly the allocations made to various State Governments under the scheme.

Allocation/offtake of foodgrains under the scheme from 2001-2002 to 2007-08 is as under :

(in lakh tonnes)

Year	Rice			Wheat			Total allocation	Total offtake	%age offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2001-02	23.64	11.69	49.45	11.14	5.64	50.62	34.78	17.33	49.82
2002-03	28.01	21.15	75.50	13.90	18.87	135.75	41.99	40.02	95.30
2003-04	73.55	63.49	86.32	39.35	42.73	108.58	112.9	106.22	94.08
2004-05	32.64	30.27	92.73	16.99	19.73	116.12	49.63	50.00	100.00
2005-06	24.81	24.21	97.58	12.58	15.71	124.88	37.39	39.92	>100
2006-07	12.04	11.66	96.84	4.89	4.77	97.54	16.93	16.43	97.04
2007-08	4.67	6.45	138.11	4.87	2.88	59.13	9.54	9.33	97.80

* The offtake is reducing due to merging of SGRY districts to introduction of National Employment Guarantee Act

* offtake includes lifting against backlog quota.

Allocation upto 12-03.2008 and Offtake upto March 2008, furnished by FCI as on 22.4.2008.

SPECIAL COMPONENT OF SAMPOORNA GRAMIN ROZGAR YOJANA

Special Component of Sampoorna Gramin Rozgar Yojana with a view to extending support to the people affected by natural calamities in States/UTs. Foodgrains are released under the special component of SGRY by the Ministry of Rural Development being nodal Ministry for the Scheme, after the approval of Department of Food and Public Distribution.

Allocation and offtake of foodgrains under the scheme during 2002-03 to 2007-08 is as under :-

(in lakh tonnes)

Year	Rice			Wheat			Total allocation	Total offtake	%age offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2002-03	37.02	31.89	86.14	26.38	13.33	50.53	63.40	45.22	71.32
2003-04	43.05	32.55	75.60	22.79	21.89	96.05	65.84	54.44	82.68
2004-05	14.37	12.29	85.52	10.68	7.90	73.97	25.05	20.19	80.59
2005-06	5.99	7.44	124.20	7.15	9.82	137.34	13.10	17.26	>100
2006-07	4.94	5.92	119.83	1.70	0.21	12.35	6.64	6.13	92.32
2007-08	0.80	0.68	0.00	0.00	1.65	0.00	0.00	2.33	0.00

Offtake includes lifting against backlog quota

Offtake upto March, 2008 furnished by FCI as on 22.04.2008.

8. NUTRITIONAL PROGRAMME FOR ADOLESCENT GIRLS (NPAG)

A Pilot Project – “Nutritional Programme for Adolescent Girls” (NPAG) was launched by the Planning Commission initially for a period of two years, i.e. 2002-03 and 2003-04 in 51 identified districts, i.e. in two of the backward districts in each of the major States and most populous district (excluding the capital district) in remaining smaller States/UTs in the country. This scheme was restarted in 2005-06. Ministry of Women and Child Development administers the scheme at the central level and State/UT Governments implement the scheme.

As per the revised guidelines of the programme, adolescent girls (age group 11-19 years) as identified by weight would be covered irrespective of financial status of the family to which they belong. Free foodgrains @ 6 kg. per beneficiary per month is provided to the adolescent girls (weight < 35 kg.) initially for a period of three months. Those beneficiaries, who cross the cut off point for weight, would not receive foodgrains any further. Those who inspite of receiving foodgrains for three consequent months do not show improvement in nutritional status are investigated by Anganwari Workers and, if necessary, referred to a doctor for investigation and treatment, but continue to receive free foodgrains for the next three months.

The funds for the year 2005-06 were given as 100% grant to States so that they can provide foodgrains through the Public Distribution System free of cost to the families of identified undernourished persons. Ministry of Finance releases Special Central Assistance to the States/UTs.

Department of Food and Public Distribution provides foodgrains at BPL rates to the States/UT Government for implementing the programme through Ministry of Human Resources Development. Annual allocation and offtake of foodgrains under the programme from 2002-03 to 2007-08 are as under :-

(in lakh tonnes)

Year	Rice			Wheat			Total allocation	Total offtake	%age of offtake
	Allocation	Offtake	%age of offtake	Allocation	Offtake	%age of offtake			
2002-03	0.40	0.11	27.50	0.22	0.87	3.95	0.62	0.98	>100
2003-04	2.22	0.63	28.37	0.29	0.00	0.00	2.51	0.63	25.09
2004-05	Programme was not in operation								
2005-06	0.68	0.40	58.82	0.35	0.08	22.85	1.03	0.48	46.60
2006-07	0.41	0.45	109.75	0.07	0.07	100.00*	0.48	0.52	108.33
2007-08#	0.45	0.35	77.78	0.07	0.03	42.86	10.52	0.38	73.07

* The offtake is on the increase due to directions of Supreme Court to implement the scheme vigorously.

offtake upto March. 2008 furnished by FCI as on 24.042008

EMERGENCY FEEDING PROGRAMME

Emergency Feeding Programme is a food-based intervention targeted for old, infirm and destitute persons belonging to BPL households to provide them food security in their distress conditions. This was introduced in May 2001. The Scheme is being implemented by Government of Orissa in eight KBK Districts namely Bolangir, Kalahandi, Koraput, Malkangiri, Nawarangpur, Naupada, Rayagada and Sonepur of Orissa covering two lakh beneficiaries. Under the scheme, foodgrains (rice) at BPL rates is being allocated to State Government on the recommendation of Ministry of Social Justice and Empowerment since May 2001 by Department of Food and Public Distribution. 14,400 MT of rice is allocated for the said two lakh beneficiaries @ 6 kg/beneficiary/month upto August, 2006. From September, 2006 to March, 2007 an additional quantity of 2110 MT of rice has been allocated for the 2 lakh beneficiaries @ 7.5 kgs/per beneficiary/month. Thus the total allocation for the year 2006-07 becomes 16510 MT for the period from September, 2006 to March, 2007.

Cooked foods containing, *inter-alia*, rice-200 gms, Dal (pulse) - 40 gms, vegetables - 30 gms is provided in the diet of each EFP beneficiary daily by the State Government. The funds were provided from the Additional Central Assistance (ACA), but now it has been termed as Special Central Assistance (SCA). The scheme is being implemented in the KBK districts under the Revised Long Term Action Plan (RLTAP) and SCA is allocated by Planning Commission.

Following quantities of rice has been allocated from 2001-02 to 2007-08 under the Scheme :

(in '000' tonnes)

Year	Annual allocation	Offtake	% of offtake
2001-02	12.00	4.97	41.41
2002-03	14.40	13.41	93.12
2003-04	14.40	14.10	97.91
2004-05	14.40	14.18	98.47
2005-06	14.40	12.20	84.72
2006-07	16.51*	14.31	86.73
2007-08	19.96	16.37	96.41

* Includes additional allocation of 2110 MT.

VILLAGE GRAIN BANKS SCHEME

- A Centrally Sponsored Scheme of Grains Banks in Tribal villages was launched during 1996-97 by Ministry of Tribal Affairs in 11 States. During 1996-97 to 2004-05, Ministry of Tribal Affairs released Rs. 10.26 crores for establishing 4858 Grain Banks. Now the scheme has been transferred to Ministry of Food & Public Distribution.
- The revised Village Grain Bank Scheme for establishment of Grain Banks in chronically food scarce areas was approved by Ministry of Finance on 15.2.2006 for the year 2005-06 and 2006-07 subject is to evaluation in the 11th Plan.
- The main objective of the scheme is to provide safeguard against starvation during the period of natural calamity or during lean season.
- The grain banks are to be set up in food scarce areas like the drought prone

areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas.

- The revised scheme envisages inclusion of all willing BPL/AAY families in the villages which will be identified by the State Government in food deficit areas. The quantity to be lent and the period of repayment will be decided by the Group themselves. To ensure recovery of grains lent, it is proposed to tie up the scheme with the entitlement of the members under TPDS.
- Village Panchayat/Gram Sabha, Self Help Group or NGOs etc. identified by the State Govt. shall be eligible for running the Grain Banks. Each such Executive Committee will have a woman as its member.
- A provision of Rs. 20.20 crores was made for 2005-06 (Plan) by Planning Commission out of which an amount of Rs. 19.76 crores was sanctioned for the establishment of 3282 grain banks in the States of Andhra Pradesh, Orissa, Chhattisgarh, Madhya Pradesh, Jharkhand, Tripura and Meghalaya. A provision of Rs. 50.00 crores has been made for 2006-07 out of which Rs. 49.996 crores has been sanctioned for the establishment of 7925 Grain Banks in the States of Uttar Pradesh, Assam, Sikkim, Himachal Pradesh, Gujarat, West Bengal, Nagaland, Andhra Pradesh, Uttarakhand, Chhattisgarh, Maharashtra and Manipur.
- The Status of Utilization Certificates for the Village Grain Banks sanctioned/ established during the period the scheme was under the administrative control of Ministry of Tribal Affairs and under Ministry of Food and Public Distribution is at statement II.
- An exemption has been obtained from the Department of Expenditure for not evaluating the scheme at this stage as the scheme has been run by the Department for less than three years hence the evaluation shall be conducted and completed by World food Programme after the scheme has run for 2007-08. i.e. after completion of three years. The scheme shall be redrafted on the basis of experience of evaluation at that stage and approval will be sought for the revised scheme accordingly.
- The estimated cost of setting up one grain bank is as follows :

a)	Cost of foodgrains @ 1 quintal per family for average 40 families per grain	40 quintals of foodgrains at Rs. 13,762/- per MT (based on the aggregate present economic bank. cost of grains). i.e. Rs. 55,046/-
b)	Transportation cost @ Rs. 90/- per quintal	90 x 40 = Rs. 3,600/- (to be equally shared by the central and state government)
c)	Training expenses for trainers and trainees	Rs. 1400/- per bank
d)	Storage weights and scales etc.	Rs. 7000/- per bank
e)	Monitoring and Administrative Cost	Rs. 3000/- per bank
Total*		Rs. 70,246/- per bank

*	Cost of VGB to be borne by Central Government	Rs. 68,246 per bank or 68,250 per Bank
	Cost of Transportation to be borne by State Government	Rs. 1800 per Bank

It has been decided to implement the scheme during 11th Plan i.e. 2007-08 to 2011-2012. Rs. 16.90 crore have been provided in the Budget Estimates of 2007-08. With the

above, 2008-09 to 2011-2012 with a budgetary allocation of Rs. 59.34 crores. it would be possible to establish another 10160 grain banks making the total number of grain banks to be established in the country to 12,636 during the 11th Plan Period. For a comprehensive evaluation of implementation of the Scheme to assess impact and effectiveness, provision of funds (Rs. 76 lakh) has been approved. the 11th Plan outlay for the scheme now works out to Rs. 87 crores.

Statement showing funds recommended/required for establishment of Grain Banks during 2005-2006, 2006-2007 and 2007-08.

Year	No. of Banks	Financial Assistance (Rs.)
2005-2006	3282	19,75,92,287
2006-2007	8191	51,79,41,277
2007-2008	2598	17,44,20,152

VILLAGE GRAIN BANKS SCHEME

Statement showing funds recommended/required for establishment of Grain Banks during 2005-06

S. No.	State	No. of Banks recommended	Quantity of foodgrain (R/W) MT	Financial assistance for foodgrains* Rs.	Funds for establishment of Grain Banks** Rs.	Total Financial Assistance Rs.
1.	A.P.	1214	4856(R)	6,24,57,872	1,48,10,800	7,72,68,672
2.	Orissa	240	960(R)	1,23,47,520	29,28,000	1,52,75,520
3.	Chhattisgarh	262	1048(R)	1,34,79,376	31,96,400	1,66,75,776
4.	M.P.	926	3704	4,20,25,399	56,12,200	4,76,37,599
			(1852R + 1852W)			
5.	Jharkhand	583	2,332(R)	2,99,94,184	71,12,600	3,71,06,784
Total		3225				19,39,64,351
N.E. Region						
1.	Tripura	13	52(R)	6,68,824	1,58,600	8,27,424
2.	Meghalaya	44	176(R)	22,63,712	5,36,800	28,00,512
Total (NE)		57				36,27,936
Total		3282				19,75,92,287

* At economic cost : Rice : Rs. 12,862/- per MT & Wheat : Rs. 11276.30/- per MT

** @ Rs. 12,200/- per grain bank

**Statement showing funds recommended/required for establishment
of Grain Banks during 2006-07**

S. No.	State	No. of Banks recommended	Quantity of foodgrain (R/W) MT	Financial assistance for foodgrains* Rs.	Funds for establishment of Grain Banks** Rs.	Total Financial Assistance Rs.
1.	U.P.	500	2000	1,96,59,800	61,00,000	2,57,59,800
2.	Assam	100	400	51,44,800	12,20,000	63,64,800
3.	Sikkim	80	320	41,15,840	9,76,000	50,91,840
4.	H.P.	55	220	28,29,640	6,71,000	35,00,640
5.	Gujarat	226	272/632	1,06,25,086	27,57,200	1,33,82,286
6.	West Bengal	170	680	87,46,160	20,74,000	1,08,20,160
7.	Nagaland	150	600	77,17,200	18,30,000	95,47,200
8.	Andhra Pd.	3743	14972	19,25,69,864	4,34,45,167	23,60,15,031
9.	Uttarakhand	55	220	28,29,640	6,71,000	35,00,640
10.	Chhatisgarh	1642	6568	8,44,77,616	2,00,32,400	10,45,10,016
11.	Maharashtra	1111	4444	6,19,93,8000	1,35,54,200	7,55,48,000
12.	Manipur	93	372	47,84,664	11,34,600	59,19,264
Total		7925				49,99,59

* At economic cost : Rice : Rs. 12,862/- per MT & Wheat : Rs. 11,276.30/- per MT

** @ Rs. 12,200/- per grain bank

**Statement showing allocation and offtake of foodgrains under
Village Grain Banks Scheme**

(in lakh tonnes)

Year	Rice			Wheat			Total allocation	Total offtake	%age of offtake
	Allocation	Offtake	%age of offtake	Allo- cation	Off- take	%age of offtake			
2006-07	0.40	0.16	49.00	0.04	0.02	50.00	0.44	0.18	40.91

NATIONAL FOOD FOR WORK PROGRAMME (NFFWP)

The scheme for National Food for Work Programme has been launched with effect from 13.10.2004. This programme is being implemented in 150 most backward districts of the country so that the generation of supplementary wage employment and providing of food security through creation of need-based economic, social and community assets in these districts is further intensified. Most of the backward districts, which would benefit from the scheme are in the tribal belts. The scheme will provide 100 days of employment at minimum wages for at least one able-bodied person from each household in the country. Allocation and offtake of foodgrains under the scheme during 2004-05, 2005-06 and 2006-07 is as under :

(in lakh tonnes)

Year	Rice			Wheat		
	Allocation	Offtake	% of offtake	Allocation	Offtake	% of offtake
2004-05	14.24	3.06	21.48	5.75	0.65	11.30
2005-06	6.65	6.59	99.09	2.53	4.08	161.26
2006-07	0.00	1.22	0.00	0.00	0.21	0.00

* Offtake include backlog quota.

TARGETTED PUBLIC DISTRIBUTION SYSTEM

In order to ensure availability of minimum quantity of foodgrains to the families living below the poverty line, the Government launched the TPDS in June 1997. It was intended to benefit about six crore poor families in the country for whom a quantum of 72 lakh tonnes of foodgrains was earmarked annually at the rate of 10 kg per family per month.

The allocation was increased from 10 kg to 20 kg from 1 April 2000. This was increased from 20 to 25 kg per family per month from July 2001. From 1 April 2002, this allocation has been further increased from 25 to 35 kg per family per month. The Central Issue Price (CIP) for BPL families is Rs 4.15 per kg for wheat and Rs 5.65 per kg for rice.

Allocation and offtake of Foodgrains

(in lakh tonnes)

Year	Allocation	Offtake
2003-04	712.52	239.31
2004-05	717	293.55
2005-06	716.21	311.06
2006-07	576.56	313.69
2007-08	392.98	332.81

ANTYODAYA ANNA YOJANA (AAY)

In order to make TPDS more focused and targeted towards the poorest section of population, the "Antyodaya Anna Yojana" (AAY) was launched in December, 2000 for one crore poor families. Initially AAY contemplated identification of one crore poorest of the poor families from amongst the BPL families covered under TPDS within the States and providing them foodgrains at a highly subsidised rate of Rs. 2/ per kg for wheat and Rs. 3/- per kg for rice. The States/UTs are required to bear the distribution cost, including margin to dealers and retailers as well as the transportation cost. Thus the entire food subsidy is being passed on to the consumers under the scheme.

The scale of issue that was initially 25 kg per family per month has been increased to 35 kg per family per month with effect from 1st April, 2002.

The AAY Scheme has been expanded in subsequent years and presently it is covering 2.5 crore households.

IDENTIFICATION OF FAMILIES AND ALLOCATION OF FOODGRAINS

Identification of the Antyodaya families and issuing of distinctive Ration Cards to these families is the responsibility of the concerned State/UT Governments. Detailed guidelines were issued to the States/UTs for identification of the Antyodaya families under the expanded AAY. Allocation of foodgrains under the scheme is being made to the States/UTs on the basis of distinctive AAY Ration Cards issued to the identified families. So far 2.43 crore AAY families have been identified, AAY ration cards issued to them and foodgrains being distributed to these.

INTERNATIONAL CO-OPERATION

India is a member of International Grains Council, Food and Agriculture Organisation (FAO) of the UN including its Committee on World Food Security (WFS) and International Sugar Organisation

India has been an exporting member of the International Grains Council (IGC) since July, 2003. The Department of Food and Public Distribution has been participating in various conferences/meetings of the IGC from time to time. Representing the Government of India, this department participated in the 25th Session of the International Grains Council (IGC) on 11th June, 2007 and the IGC Grains Conference, 2007 on 12th June, 2007 held in London. The Department of Food & Public Distribution also allocates foodgrains under welfare/development schemes to WFP assisted/supported projects in India at BPL rate. India is a member of the SAARC food Security Bank. India's assessed share of foodgrains for the reserve of SAARC Food Security Bank is 1,53,200 MTs out of total reserve of 2,41,580 MTs. Department of Food & Public Distribution has also participated at the level of Secretary (F&PD) in the 3rd council session of International Sugar Organisation (ISO) held in Argartha during 27-29 May - 2008

STORAGE & WAREHOUSING

The storage capacity of the Central Warehousing Corporation (CWC) and 17 State Warehousing Corporations (SWCs) as on 1 April 2008 was as under:

STORAGE CAPACITY

(in Lakh MTs)

Agency	Constructed	Hired	Open/Plinth	Management	Total
CWC	67.63	12.17	14.68	4.30	98.78
SWCs	121.41	63.05	2.86	-	187.32

The CWC started its operations in 1956 with a capacity of 7,000 tonnes in hired godowns. It has steadily increased its warehousing capacity and is operating 490 centres with a total capacity of 98.78 lakh MT as on 1st April 2008. The CWC is also operating 75 Custom Bonded Warehouses with a total capacity of 15.18 lakh tonnes as on 1 April 2008.

The CWC has associates in State Warehousing Corporations in 17 States. The total investment of the CWC, which is a 50 per cent shareholder in the equity capital of State Warehousing Corporation, was 58.26 crore as on 1st April, 2008.

INTRODUCTION OF NEGOTIABLE WAREHOUSE RECEIPT SYSTEM IN THE COUNTRY

The warehousing receipts at present do not enjoy the industry trust of depositors and banks as there is fear of not being able to recover the loans in events such as fraud or

mis-management on behalf of the warehouse or insolvency of depositor. The legal remedies are also time consuming and inadequate. Even if the banks wish to finance against warehouse receipt they are either limited to those operators whom they trust or they have to incur high costs in screening out suitable warehouse operators.

In the context of the above problems, it was proposed to develop a negotiable warehouse receipt system for all commodities including agricultural commodities. and a Warehousing (Development and Regulation) Act came into force in September 2007. Necessary steps are being taken up to operationlise the Act and implement its provisions.

The salient features of the Act are as follows:

- (a) The registered warehouses can issue negotiable warehouse receipts.
- (b) Negotiability of warehouse receipts will make it a tradable and transferable instrument.
- (c) This will help farmers get better price at a later date when prices are high.
- (d) This will also encourage bankers to lend against receipt to the farmers.
- (e) The Act provides for certain standards to be maintained by warehouses which issue negotiable warehouse receipt.
- (f) There will be a regulatory authority namely Warehousing Development and Regulatory Authority which will also oversee the functioning of registered warehouses. the said Authority will also lay down standards for maintaining records in the warehouses.
- (g) The Authority will also regulate the functioning of accreditation agencies which in turn, will accredit the warehouses.

The Act also provides for warehouse receipts to be given in electronic form, which will encourage Commodity Exchanges in the trading of goods electronically across different locations.

The advantage to the farmers would be that they can hold on to their stocks for better price discovery in future while ensuring liquidity in the short-term for financing their current farm operations.

Accreditation of warehouses and various provisions for maintaining standards will encourage farmers to store their produce in the warehouses without the fear of losing their goods due to poor storage practices. With the assurance of getting back their goods and getting lending against the goods kept in the warehouse the farmers will be able to avoid distress sale in times of necessity either for buying agricultural inputs or for personal unavoidable expenditure.

The Act will spur involvement of bankers in financing agricultural produce and will also increase presence of Insurance Companies in the rural sector.

For implementation of the various provision of the Act, Warehousing Development and Regulatory Authority is required to be set up in this context. Efforts are being made in this direction.

MANAGEMENT OF FOODGRAINS

SAVE GRAIN CAMPAIGN

The scheme is implemented through a network of 12 SGC offices in close collaboration with the State Governments and NGOs. The main objective of the scheme is to transfer

the technical know-how developed by IGMRI to the farmers for minimising the post-harvest losses in foodgrains. Under the scheme an assistance for purchasing the metal bins and other inputs @ Rs 10,000 per nucleus village is provided to the farmers.

During 2006-2007, 29250 farmers were trained in stipendiary/non-stipendiary training programmes. 15,977 metal bins distributed, 15,711 non-metallic storage structures improved/constructed and 336 nucleus villages developed.

QUALITY STANDARDS FOR FOODGRAINS

The Government exercises due control over the quality of foodgrains procured for the Central/state Pool. The Quality Control Cell of the Ministry at New Delhi, Kolkata and Hyderabad monitor the quality of foodgrains being procured by FCI and State agencies for Central Pool as well as at the time of storage and distribution. During 2005-2006, 521 Food Storage Depots.

INDIAN GRAIN STORAGE MANAGEMENT AND RESEARCH INSTITUTE

Indian Grain Storage Management and Research Institute (IGMRI), Hapur, is engaged in the training and R&D work relating to grain storage management. The Institute has three field stations at Hyderabad, Jorhat and Ludhiana. The IGMRI also conducts various training courses on storage, inspection of foodgrains, pest control, etc. for the officers of storage agencies, pest control operators, etc.

During 2006-07, 30 long/short-term training courses and 13 artisan trainings were conducted, 2282 food grains samples for physical quality parameters, 712 samples for pesticide residue and 380 samples for mycotoxin contamination were analysed by IGMRI, Hapur and its field stations.

EDIBLE OILS

It has been the policy of the government to have an efficient management of edible oils so as to ensure its easy availability to consumers at reasonable prices, throughout the country. Oilseed production gained momentum with improving yields with the launching of the Technology Mission on Oilseeds by the Government in 1986. Potential of the secondary sources of edible oils like cotton seeds, copra, rice bran and oil bearing materials from tree and forest origin has also been exploited moderately and these sources are now contributing to the level of 25 per cent of the domestic vegetable oil production. The country has been resorting to import of edible oils to bridge the gap between the demand and supply. Edible Oils, which was in the negative list of imports was first decanalised partially in April 1994. The import policy was further liberalised from 1 April 1999 allowing import of all edible oils except coconut oil. In order to harmonise the interests of domestic oilseeds growers, consumers and processors and to regulate large import of edible oils to the extent possible, the duty structure on edible oils is revised from time to time. The prices of edible oil have been rising during the last one year. For increased availability and softening the prices of edible oils in the domestic market, Government has taken various measures which include lowering of import crude & refined oils, restriction on export of edible oils, supply of subsidized oil through State Government/UTs, imposing stock limits on edible oils/oil seeds etc.

STATUS OF VEGETABLE OIL INDUSTRY

The Vegetable Oil Industry is administered through the following control/regulation orders: (i) Vegetable Oil Products (Regulation) Order, 1998; (ii) Edible Oils Packaging

(Regulation) Order, 1998; and (iii) Solvent Extracted Oil, De-Oiled Meal and Edible Flour (Control) order, 1967. These orders are statutory in nature and derive their powers from the Essential Commodities Act, 1955.

Vegetable Oil Industry was delicensed in July 1991. No industrial licence is required for activity relating to processing of vegetable oils subject to the condition of the locational policy angle. Crushing of oilseeds, namely, Groundnut, Mustard/Rapeseed and Sesame has been reserved for the small- scale industries, Agro-based industries and oilseeds growers co-operatives.

There are 258 Vanaspati units in the country with an annual capacity of 58 lakh MTs. The production of Vanaspati (including margarine and Bakery shortening) is around 11.50 lakh MTs and the capacity utilisation is around 19 per cent. There are 779 solvent extraction plants with an annual capacity of 419 lakh MTs (in terms of oil Bearing Material) in the country and the capacity utilization is around 31 per cent.

SUGAR

Sugar Production

The country had achieved an all time high-level of sugar production of 281.99 lakh tones (Provisional) during the last sugar season 2006-07. The sugar production in the country during the current sugar season 2007-08 is provisionally estimated to be around 257 lakh tones and sugar production up to 07.06.2008 is about 258.25 lakh tones (provisional) as compared to 273.11 lakh tones (provisional) on the corresponding date last season. The preliminary estimates for sugar production during the next sugar season 2008-09 is 225 lakh tones.

Installed sugar Mills

There are 615 installed sugar factories in the country as on 31st March 2008. the sector-wise breakup is as follows.

Sector	No. of sugar factories installed
(i) Public	62
(ii) Cooperations	317
(iii) Private	236

Sugar policy

A. Partial control : Sugar & sugarcane are essential commodities under the Essential Commodities Act, 1955 Government has been following a policy of partial control and dual pricing for sugar Under this policy a certain percentage of sugar produced by sugar factories is requisitioned by the Government as compulsory levy at a price fixed by Government in every sugar season. The levy sugar so requisitioned is distributed under the Public Distribution System (PDS) The non-levy (free-sale) sugar is allowed to be sold as per the quota/quantity released by the Government under the regulated release mechanism.

B. Phased Decontrol of the Sugar Industry: The Government has taken steps for decontrol of the sugar industry which include reduction in the compulsory levy obligation of the sugar factories. Accordingly the levy obligation now stands reduced gradually from 40% (Prior to 01.01.2000) in 10% from 01.03.2002.

SUGARCANE PRICING POLICY

The Central Government fixes the Statutory Minimum Price (SMP) of sugarcane for each sugar season. The SMP is fixed on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consulting the State Governments and associations of sugar industry and cane growers.

STATUTORY MINIMUM PRICE (SMP) OF SUGAR CANE FOR 2007 -08 SUGAR SEASON

The Central Government has fixed the Statutory Minimum Price (SMP) of sugarcane for the current sugar season 2007-08 at Rs. 81.18 per quintal linked to a basic recovery of 9% subject to a premium of 90 Paise for every 0.1 percent increase in the recovery above that level. The SMP of sugarcane for the ensuing sugar season 2008-09 is also fixed at the same rate and conditions.

BUFFER STOCK OF SUGAR

Due to record production of sugar in 2006-07 and anticipated high production of sugar in current 2007-08 sugar season, the prices of non-levy sugar in the open market declined appreciably which constrained the capacity of sugar mills to pay cane price to sugarcane farmers. In order to ensure that the excess production of sugar does not lead to mounting cane price arrears the Central Government created a buffer stock of 20 lac tonnes in April 2007 and another buffer stock of 30 lac tonnes in August 2007, both for a period of one year from 01.06.2007 to 30.04.2008 and 01.08.2007 to 31.07.2007 to 31.07.2008 respectively. Under the scheme of buffer subsidy the sugar factories are reimbursed the interest, insurance and storage charges.

OBJECTIVES OF SUGAR DEVELOPMENT FUND

As provided under the Sugar Development Fund Rules, the Fund has to be utilized by the Government of India for the following :

- (a) Making loans for facilitating the rehabilitation and modernization of any sugar factory.
- (b) Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated.
- (c) Subsidy for the expenditure on internal transport and freight charges on export shipment of sugar.
- (d) Making loans for bagasse-based co-generation power projects.
- (e) Making loans for production of anhydrous alcohol or ethanol from alcohol/molasses.
- (f) Defraying expenditure for the purpose of building up and maintenance of buffer stock with a view to stabilizing price of sugar.
- (g) Defraying any other expenditure for the purpose of the Act.

FOOD PROCESSING

Role and Objectives

The Ministry of Food Processing Industries (MFPI) was set up in July 1988 to give an impetus to development of food processing sector in the country. A strong and dynamic food processing sector plays a vital role in diversification and commercialisation of agriculture, enhances shelf life, ensures value addition to the agricultural produce,

generates employment, enhances income of farmers and creates markets for export of agro foods.

The Ministry of Food Processing Industries is concerned with formulation and implementation of the policies & plans for the food processing industries within the overall national priorities and objectives. The Ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry, and creating a conducive environment for healthy growth of the food processing industry. Within these overall objectives, the Ministry aims at better utilization and value addition of agricultural produce, minimizing wastage at all stages in the food processing chain by development of infrastructure for storage, transportation and processing of agro-food produce, induction of modern technology into the food processing industries, encouraging R&D in food processing for product & process development, providing policy support, promotional initiatives and facilities to promote value added exports, create the critical infrastructure to fill the gaps in the supply chain from farm to consumer.

Major Policy initiatives

- Food processing has been identified as industry with employment potential.
- Most of the processed food items have been exempted from the purview of licensing under the Industries (Development & Regulation) Act, 1951, except items reserved for small-scale sector and alcoholic beverages.
- To ensure easy availability of credit, Government has included food processing industries in the list of priority sector for bank lending. NABARD has created a refinancing window with a corpus of Rs. 1000 crore, especially for agro-processing infrastructure and market development.
- Rs. 150 crore earmarked for NHM for terminal markets.
- Food processing industries were included in the list of priority sector for bank lending in 1999.
- Automatic approval for foreign equity upto 100% is available for most of the processed food items excepting alcohol and beer and those reserved for small scale sector subject to certain conditions.
- Excise duty on processed fruit and vegetables was brought down from 16% to zero level in the Budget, 2001-02.
- In the budget of 2004-05 income tax holiday and other concessions announced for certain categories of food processing industries.
- Under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years allowed in case of new agro processing industries set up to process, preserve and package fruits and vegetables.
- In the Budget for 2007-08, the following fiscal incentives have been announced:
 - Exemption limit of excise duty for small scale Industry (SSI) has been raised from Rs. 1 crore to Rs. 1.5 crores.
 - Excise duty on biscuits reduced from 8% to 0% whose retail price does not exceed Rs. 100 per Kg.
 - Excise duty reduced from 8% to 0% on all kinds of food mixes including instant mixes.
 - Soya bari (food supplements) and ready to eat packaged foods fully exempt from excise duty.

- Excise duty on reefer vans (refrigerated motor vehicles) reduced from 16% to 8%. Customs duty also cut.
- Custom duty on food processing machinery reduced from 7.5% to 5%.
- Custom duty on sunflower oil (crude) reduced from 65% to 50% and of sunflower oil (refined) reduced from 75% to 60%.
- Special additional duty of 4% waived in the case of refined edible oil.
- Central sales tax reduced from 4% to 3% from April, 2007.
- All services provided by Technology Business Incubators exempted from service tax.
- Similarly their Incubatees whose annual business turnover does not exceed Rs. 50 lakhs exempted from service tax for the first three years.

Growth Rate

The average rate of growth of food processing sector during the first four years of the 10th Plan period was @13.25% at current prices and @ 6.75% at 1999-2000 prices.

Plan Schemes

During the 10th Plan, the Ministry has been implementing Plan schemes for Technology Upgradation/Modernization/Establishment of Food Processing Industries, Infrastructure Development, Human Resource Development, Quality Assurance, R&D and other promotional activities.

In the 11th Plan, it has been proposed to continue assistance to the above schemes with higher levels of assistance. The Planning Commission has allocated Rs. 250 crores to the Ministry for the Annual Plan 2007-08. In the 11th Plan, the Ministry proposes to launch a revamped Infrastructure Scheme under which it will promote setting up of Mega Food Parks, cold chain infrastructure, value added centres and packaging centres. The Mega Food Park Scheme will provide backward and forward linkages as well as reliable and sustainable supply chain. The emphasis will be on building strong linkages with agriculture and horticulture, enhancing project implementation capabilities, increased involvement of private sector investments and support for creation of rural infrastructure to ensure a steady supply of good quality agri/horticulture produce. It will provide a mechanism to bring farmers, processors and retailers together and link agricultural production to the market so as to ensure maximization of value addition, minimize wastages and improve farmers income. The Mega Food Park would be a well-defined agri/horticultural-processing zone containing state of the art processing facilities with support infrastructure and well established supply chain. The primary objective of the proposed scheme is to facilitate establishment of integrated value chain, with processing at the core and supported by requisite forward and backward linkages. It is envisaged that the implementation of the projects would be assisted by professional project Management Agencies (PMA) from concept to commissioning. In 11th Plan it is planned to support establishment of thirty (30) Mega Food Parks in various parts of the country.

Vision 2015 on Food Processing Industries

A vision, strategy and action plan has also been finalized for giving boost to growth of food processing sector. The objective is to increase level of processing of perishable food from 6% to 20%, value addition from 20% to 35% and share in global food trade from 1.6% to 3%. The level of processing for fruits and vegetables is envisaged to

increase from the present 2.2% to 10% and 15% in 2010 and 2015 respectively. The Cabinet has approved the integrated strategy for promotion of agri business and vision, strategy and action plan for the Food Processing Sector, based on the recommendations made by the Group of Ministers (GOM).

Integrated Food Law

An Integrated Food Law, i.e. Food Safety and Standards Act, 2006 has been notified on 24.8.2006. The Act will enable in removing multiplicity of food laws and regulatory agencies and will provide single window to food processing sector. Ministry of Health & Family Welfare has been designated as the nodal Ministry for administration and implementation of the Act.

National Institute of Food Technology Entrepreneurship & Management (NIFTEM)

The Ministry has set up a National Institute of Food technology Entrepreneurship & Management (NIFTEM) at Kundli (Haryana). The Institute will function as a knowledge centre in food processing. The Ministry has already taken possession of 100 acres of land from Haryana State Industrial Infrastructure Development Corporation (HSIDC). Certificate of Incorporation of NIFTEM as a section 25 Company under the Companies act 1956 has been obtained.

SECTORAL OVERVIEW OF FOOD PROCESSING INDUSTRIES

FRUITS AND VEGETABLE PROCESSING

The installed capacity of fruits and vegetables processing industry has increased from 11.08 lakh tons on 01.01.1993 to 21.18 lakh tonnes as on 01.01.2006 and 24.74 lakh tonnes as on 01.01.2007. The utilization of fruits and vegetables processing is estimated to be around 2.20% of the total production.

Over the last few years, there has been a positive growth in ready-to-serve beverages, fruit juices and pulps, dehydrated and frozen fruits and vegetable products, tomato products, pickles, convenience veg-spice pastes, processed mushrooms and curried vegetables. The domestic consumption of value added fruits and vegetable products is also low compared to the primary processed food in general and fresh fruits and vegetables in particular which is attributed to higher incidence of tax and duties including that on packaging material, lower capacity utilisation, non-adoption of cost effective technology, high cost of finance, infrastructural constraints, inadequate farmers-processors linkage leading to dependence upon intermediaries. The smallness of units and their inability for market promotions are also other main reasons for inadequate expansion of the domestic market.

MEAT AND MEAT PROCESSING

In meat and meat processing sector, poultry meat is the fastest growing animal protein in India. The estimated production is 1500 thousand tonnes growing at CAGR of 13% through 1991-2005. Per capita consumption has grown from 870 grams in 2000 to about 1.68 kg in 2005. This is expected to grow to 2Kg in 2009. Buffalo meat production has been growing relatively less rapidly at a CAGR of 5% in the last 6 years. The current production levels are estimated at 1.9 million MT; of this about 21% is exported. Mutton and lamb is a relatively small segment, where demand is outstripping supply, which explains the high prices in domestic market. The production levels have been stagnating at 950,000 MT with annual exports of less

than 10,000 MT. This has restricted large processing companies from developing business interests in this sector.

Indian consumer prefers to buy freshly cut meat from the wet market, rather than processed or frozen meats. A mere 6% of production (about 100,000 MT) of poultry meat is sold in processed form. Of this only about 1% undergoes processing into value added products (Ready-to-eat/ ready-to-cook), Processing of large animals is mostly for the purpose of Exports. The Total processing capacity in India is over 1 million MT per annum, of which 40-50% is utilized.

India exports more than 500,000 MT of meat of which major share is that of buffalo meat. Indian buffalo meat is witnessing strong demand in international markets due to its lean character and near organic nature.

India is the 5th largest exporter of bovine meat in the world. Indian buffalo meat exports have the potential to grow significantly. Due to emerging health threats of the diseases communicable to human through meat, the meat consumers are more vigilant towards the wholesomeness of the meat and demanding meat and poultry products processed in clean and sanitary environment. In metros and urban areas there are upcoming demands for "convenience items" such as semi-cooked, ready-to-eat, ready-to-cook meat food products.

Processing of meat products is licensed under Meat Food Products Order, (MFPO) 1973 which is being implemented by Ministry of Food Processing industries w.e.f. 19.03.2004. The main objectives of the MFPO, are to regulate production and sale of meat food products through licensing of manufacturers, enforce sanitary and hygienic conditions prescribed for production of wholesome meat food products, exercise strict quality control at all stages of production of meat food products, fish products including chilled poultry etc.

To develop necessary infrastructure for processing of meat and meat food products for domestic market as well as for Export market, Ministry of food Processing Industries is providing financial assistance by way of grant-in-aid. During the Year 2006-07 MFPI assisted 7 projects for manufacture of Meat and Meat food products.

DAIRY PROCESSING

It is a matter of pride that India is the number one milk producing country in the world, maintaining the top position since 1988, thanks to successful implementation of the operation flood programmes. World milk production is estimated at 613 million tonnes growing at a CAGR of 1.1%. India ranks first in the world in terms of milk production. Indian production stands at 91 million tonnes growing at a CAGR of 4%. Hence, India contributes 4 million tones to the world's incremental production of 7.5 million tonnes. Despite a higher growth rate, the per capita availability of milk in India (229 grams per day) is lower than the world average (285 grams per day). Buffalo milk is estimated to account for 57% of the total milk production in India.

India has a unique pattern of production, processing and marketing/ consumption of milk. Approximately 70 million rural households (primarily, small and marginal farmers and landless labourers) in the country are engaged in milk production. Over 11 million farmer are organized into about 0.1 million village Dairy Co-operative Societies (DCS) (about 110 farmers per DCS). The cumulative milk handled by DCS across the country is about 18 million kg of milk per day. These co-operatives form part of a national milk grid which links the milk producers throughout India

with consumers in more than 700 towns and cities bridging the gaps on account of seasonal and regional variations in the availability of milk.

In India current annual growth rate in Milk production is primarily due to the initiatives taken by the operation flood programmes in organizing milk producers into cooperatives; building infrastructure for milk procurement, processing and marketing, and providing financial, technical and management inputs by the Ministry of Agriculture & Ministry of Food Processing Industries to turn the Dairy sector into a viable self-sustaining organized sector. About 35% of milk produced in India is processed. In the organized sector, there are 676 dairy plants in the Co-operative, Private and Government sectors registered with the Government of India and the state Governments.

The Ministry of Food Processing Industries is promoting organized Dairy processing sector to accomplish upcoming demands of processed dairy products and helping to identify various areas of research for future product development and quality improvement to revamp the Indian dairy export by way of providing financial assistance to the dairy processing units. 32 Units have been sanctioned financial assistance (Rs. 591 lakhs) under the plan scheme of the Ministry during the year 2006-07 (Upto December 2006).

FISH PROCESSING

With its long coast line of over 8000 kms., 50600 sq. kms. of continental shelf area and 2.2 million sq. km. of Exclusive Economic Zone, India is endowed with rich fishery resources.

Considerable infrastructure facilities for processing of marine products have been developed over a period of 50 years. At present, there are over 369 freezing units with a daily processing capacity of 10266 tonnes out of which 150 units are approved for export to EU. 499 units are engaged in production of frozen fish with a total storage capacity of 134767 tonnes. Apart from the above there are 12 surimi units, 5 canning units and 473 units are engaged in pre-processing and dry fish storage.

Ministry of Food Processing Industries extends financial assistance for setting up/technology upgradation/modernization of fish processing units, During the year 2006-07 (upto December 2006) 17 fish processing units have been assisted.

GRAIN PROCESSING

The grain processing industries include milling of rice, wheat and pulses. Financial assistance has been provided for setting up/modernization/expansion of the units before their commissioning. The question of providing financial assistance under the Plan Scheme for setting up/modernization in the grain/rice/pulses/flour milling sector has been reviewed. It was felt that priority should be given to processing and enhancing shelf life of perishable items so as to reduce wastage and encourage value addition in that sector. Considering that rice/pulses/flour are consumed in the processed form only and primary processing in these sectors adds little to shelf life, wastage control and value addition, it has been decided not to accept fresh proposal for these sectors, viz. Rice, Flour & Pulse Milling from the financial year 2004-05.

A Technical Committee had been constituted to review and make recommendation on benchmarks for latest and most efficient technology and processes and identification of minimum conditions to be laid down for assistance to rice/pulses/flour/oil sector. The committee has submitted its report, which has been accepted by the Ministry. These have been incorporated in the guidelines for the

financial institutions for providing assistance keeping in view the value additions and technological benchmarks.

During 2006-07 (upto December 2006), the Ministry sanctioned financial assistance for 32 rice milling, 13 flour milling 62 edible oil milling and 13 pulse milling units.

CONSUMER FOOD INDUSTRIES

Consumer Food Industry includes pasta, breads, cakes, pastries, rusks, buns, rolls, noodles, corn flakes, rice flakes, ready to eat and ready to cook products, biscuits etc. Bread and biscuits constitute the largest segment of consumer foods. Their production is about 4 million tonnes per year. Manufacturing of bread is reserved for SSI sector. Out of the total production of bread, 40% is produced in the organized sector and the remaining 60% in the unorganized sector. Similarly, production of biscuits in the organized sector is about 80% and quantity of biscuits produced in the unorganized sector is about 20%.

During the year 2006-07 (upto January 2007) 75 food-processing units relating to consumer industries were sanctioned financial assistance by MFPI and Rs. 16.34 crore has been released so far.

AERATED SOFT DRINK

The soft drinks constitute the 3rd largest packaged foods regularly consumed after packed tea and packed biscuits. The aerated soft drinks industry in India comprises over 100 plants across all states. It provides direct and indirect industry related employment to over 125,000 employees. It has attracted one of the highest foreign direct investments in the country. It has strong forward and backward linkages with glass, plastic, refrigeration, sugar and transportation industry. Installed capacity of sweetened/aerated water as on 01.01.2006 is reported to be 29.60 lakh tons per annum.

PACKAGED DRINKING WATER

There are 218 companies, which have been granted licence for manufacturing packaged drinking water and packaged natural mineral water. There has been a spurt in growth for the last 3-4 years, which can largely be attributed to a range of various packaged sizes to suit the consumers. 80% of the packaged water sale comes from the bulk containers (5 litres and above).

ALCOHOLIC BEVERAGES

India is the third largest market for alcoholic beverages in the world. The demand for spirits and beer is estimated to be around 373 million cases. There are 12 joint venture companies having a licensed capacity of 33919 Kilolitres per annum for production of grain based alcoholic beverages. 56 units are manufacturing beer under licence from the Government of India. The wine industry in India provides considerable opportunities for value addition and employment generation in the agro-processing sector. The Ministry has sanctioned a wine park at Venture, Nasik.

CONSUMER AFFAIRS

PRICE MANAGEMENT

The overall availability and prices of essential commodities have generally remained satisfactory during the year 2007-08 except for rice, some pulses and edible oil. the

annual rate of inflation in terms of Wholesale Price Index (WPI) number recorded a higher increase of 7.5% during the year 2007-08 as compared to 6.6% in the corresponding period a year ago. The modest increase in the inflation rate in the year was mainly attributed to increase in prices of some essential commodities like cereals, pulses (arhar and masur). Milk, edible oils etc. government has given high priority to containing the rise in prices of essential commodities at reasonable level. Prices of 14 essential commodities are being closely monitored and reviewed at high levels in the government. Commodities which are in short supply such as edible oil and pulses are being imported to supplement the domestic availability. The annual inflation rate for the year ending 2007-08 in terms of Consumer Price Index for Industrial Workers (CPIIW), was marginally higher at 7.78% as compared to 6.72% in 2006-07.

During the year 2007-08, monitoring of the retail price of 14 essential commodities, viz. rice, wheat, atta, gram dal, arhar dal, sugar, milk, groundnut oil, Mustard oil, Vanaspati, salt, tea, potato and onion was regularly carried out by the Department of Consumer Affairs on a daily basis. The wholesale prices of these commodities is monitoring on a weekly basis covering 37 centres. The High Powered Price Monitored Board (HPPMB), the Cabinet Committee on Prices (CCP) and Committee of Secretaries (COS) reviewed the prices and availability position of essential commodities at regular intervals, based on the agenda note on 'General Prices Situation and Availability of Essential Commodities' prepared by the Price Monitoring Cell (PMC) of the Department of Consumer Affairs. The HPPMB, CCP and COS meet periodically to review the price and availability scenario of essential commodities and directs concerned Ministries/Departments to take appropriate and necessary remedial action.

Movements in the Wholesale Price Index (WPI) number during 2007-08 indicated that WPI of Manufactured Products with a higher weight of 63.75 per cent in the overall index basket increased by 6.9% per cent, while the index number of Fuel, Power, Light and Lubricants with a lower weight of 14.23 per cent rose by 6.8 per cent. In the case of Primary Articles having a weight of 22.03 per cent, the increase was 9.91. per cent during the period under review.

COMMODITY-WISE PRICE TRENDS

Cereals

The WPI of Cereals increased by 6.5% during 2007-08 mainly due to increase of 15.1% in jowar, barley 8.1%, in wheat 4% in rice 8.3% and 1.5% bajara. The sharp increase in the prices of rice was due to a hike in the Minimum Support Price (MSP), hardening in international prices, low level of stock position etc. The production of cereals for 2006-07 (final) was estimated to be higher at 203.08 million tonnes as compared to 195.2 million tonnes in 2005-06. Production of rice and wheat were also higher at 93.35 million tonnes and 75.81 million tonnes during 2006-07 as compared to 91.79 million tonnes and 69.35 million tonnes respectively in the previous year. As per the 3rd Advance Estimates released by the Department of Agriculture and Cooperation production of rice and wheat are likely to be higher at 95.68 million tonnes and 76.78 million tonnes respectively during 2007-08. The reasons for higher prices of rice and wheat during 2007-08 were mainly due to relatively lower stocks central pool, lower procurement and seasonal factors. Hardening of international prices and higher input cost also affected the cereal prices.

Pulses

The Whole sale Price Index (WPI) of pulses exhibited a decline of -2.2% during 2007-08 as against the rise of 15.3% in 2006-07. Among individual items, increase was recorded in the prices of gram (5.8%) masur (30.9%) and arhar (15.3%) during the period under review. However, a decline was noticed in the prices of moong (-16.8%) and urad (-19.4%) This was mainly attributed to decline in the production of tur dal to 2.31 million tonnes during 2006-07 from 2.74 million tonnes in the previous year. Production of pulses estimated to 14.2 million tonnes during 2006-07 from 13.39 million tonnes in the previous year. According to 3rd Advance Estimates, the production of pulses during 2007-08 is estimated to be higher at 15.19 million tonnes. The gap in the demand and availability of the commodity is being bridged through imports. Import of pulses for the period of 2007-08 (April-February) was 2.62 million tonnes (provisional) as compared to 1.98 million tonnes during the corresponding period last year (Source: DGCI&S)

Edible oils

The Whole sale Price Index (WPI) of edible oils exhibited an increase of 19.9% during the financial year 2007-08 as compared to the rise of 13.81% in 2006-07 mainly due to decline in the domestic production of oil seeds during the last year coupled with increase in international prices. Production of edible oilseeds estimated to 24.29 million tonnes during 2006-07 from 27.98 million tonnes in the previous year. According to 3rd Advance Estimates 2007-08 the production of edible oilseeds has been estimated at 28.21 million tonnes as compared to the production of 24.29 million tonnes in 2006-07. Among major edible oils, mustard oil increased by 31.4% groundnut oil by 11.4%, Vanaspati by 10.8%, coconut oil 5.9% and gingelly oil by 44.1% during the period under review. Imports of edible oil during 2007-08 (up to April-February) were 4.58 million tonnes as compared to 3.91 million tonnes during the corresponding period last year. (Source: DGCI&S).

Sugar

Sugar prices have declined during the year 2007-08 mainly due to increased availability in the markets. In terms of WPI, the prices of sugar declined by 1.6% during 2007-08 as compared to the decline of 18.2% in a year ago. The production of sugar has increased to 281.99 lakh tonnes during 2006-07 sugar season from 193.21 lakh tonnes a year ago. During 2007-08 sugar year (Oct-March) estimated production is 221.13 lakh tonnes.

8. Vegetables

(I) ONION

Vegetable prices are subjected to variation depending on the availability and seasonal factors Government has kept a close watch on the prices and availability of vegetables especially onion and potato. During 2007-08 prices of onion remained at lower level as compared to last year. Production of onion during 2007-08 estimated to be 7.45 million tonnes against 6.22 million tonnes in last year. (Source National Horticultural Research and Development Foundation, Nasik)

(II) POTATO

Potato prices were more last year till October November 2007. The reason for higher prices during last year was due to restricted supply from cold stores by farmers

traders and some what less stored stock. (Source. NHRDF) Potato area and production during the year 2007-08 have increased in the major potato producing states like Uttar Pradesh, West Bangal, Punjab, Madhya Pradesh, Bihar and Gujarat. The reason for more area coverage during the year 2007-08 was better potato prices farmers got during the previous year. Prices of potato have eased in various markets viz., Delhi, Lacknow, Shimla and Thiruvananthapuram and are now ruling in the range of Rs. 6.30 per ket to Rs. 10 per kt (Thiruvananthapuram).

Production of potato during 2007-08 is estimated at 30.44 million tonnes as compared to last years production around 27.02 million in the previous year (Source: NHRDF).

Tea

The prices and avilability of tea in the country remained satisfactory. Though the WPI of tea rose by 7.3% during 2007-08 as compared with the rise of 8% during 2006-07, the prices is the retail level indicated a steady trend during the period under review. Exports of tea during 2007-08 (April-February) was 1799.85 lakh kg as against 1750.69 lakh kg in the corresponding period a year ago (source DGCI&S)

Steps takes by the Government

The Government has been taking effective steps to mederate the prices and increase domestic avilability of essential commodities. It has taken a number of step is listed below:-

- (i) To augment availability of wheat, Public Sector Agencies STC, MMTC, PEC have imported about 18.0 lakh tonnes of wheat during 2007-08. Period of validity of import of wheat at zero duty was estended from 31.12.06 to 28.02.2007 and further to 31.12.07. It is now extended until further orders.
- (ii) Export of wheat has been banned since September 2007.
- (iii) In order to maximize procurement of wheat and paddy, the Government has been increasing MSPs and announcting bonus in the last 5 years. The Government has fixed the MSP of wheat for Crop Year 2007-08 (to be marketed in RMS 2008-09) at Rs. 1000 per quintal. The Minimum Support Price (MSP) of 'common' and 'Grade A' varieties of paddy have been increased by Rs 105 per quintal, to Rs. 850 per quintal and Rs 880 a quintal respectively during the Kharif marketing Season 2008-09.
- (iv) Expert of non-basmati rice was banned in April 2008. Import duty on rice was cut to zero upto 31.3.2009. Government also directed that the order regarding removal of restrictions on licensing, stock limits and movement of rice be kept in abeyance for a period of one year.
- (v) Government has perotected vunerable section of society through Targeted Public Distribution System (TPDS) and antodaya Anna Yajana (AAY). Under the TPDS, wheat, rice, sugar and kerosene oils are allocated to State Governments for distribution through the Fair Price Shops.
- (vi) The Central issue Price for rice and wheat has not been revised since 1.7.2002. For wheat it remains at Rs. 4.15 per kg for BPL, and Rs 2 per kg for AAY. For rice, it is Rs. 5.65 per kg for BPL and Rs. 3 per kg for AAY.

- (vii) Customs duty on import of pulses was reduced to zero on June 8, 2006 and the period of validity of import of pulses at zero duty has been extended from 31.3.07 to 1.8.2007 and further to 31.3.09
- (viii) A ban was imposed on export of pulses with effect from June 22, 2006 (except export of kabuli chana w.e.f. 7.3.07). The ban still continues.
- (ix) As per initiative of Government, the State agencies (NAFED, Pec Ltd, MMTC and STC) have contracted to import about 1.4. Million Metric Tonnes (MMT) of pulses during 2007-08.
- (x) Department of Revenue vide its notification dated 01.04.2008 made the following changes in the import duty of edible oils:-
 - a. Import duty on crude edible oils cut to zero;
 - b. Import duty on refined and hydrogenated oils reduced to 7.5%.
 - c. Import duty on hydrogenated vegetable oils also reduced to 7.5%.
 - d. Customs duty on butter and ghee was reduced to 30%.
- (xi) The Government has also withdrawn the 4% additional countervailing duty on all edible oils.
- (xiii) Export of edible oils has been banned for a year up to 31.3.2009.
- (xiv) Government directed that the order regarding removal of restrictions on licensing stock limits and movement of edible oils and oilseeds be kept in abeyance for a period of one year.
- (xv) Government also directed that :
 - i. The Tariff Rate Quota be removed on safflower oil
 - ii. The ban on export of castor oil, coconut oil and oils produced from minor forest produce, except sesame oil, be lifted, and that such exports be closely monitored, and that the export of coconut oil be allowed only from Kochi port.
 - iii. The 'deemed export' of edible oils to 100% export oriented units be allowed with the condition that the final product be non-edible.
- (xvi) When the onion prices started flaring up, NAFED increased the MEP from USD 250 PMT in March/April 2007 to US\$ 495 PMT in October 2007 to increase the domestic availability of onion. The export of onion was also put under license through designated canalizing agencies vide Notification No. 22 (RE-2007) 2004-2009 dated 4th October 2007. further more, Government also organised sale of onion through mobile centres operated by Delhi Government, NAFED), Kendriya Bhandar as well as Mother Dairy. These outlets numbering around 375, sold onion at Rs 17-18 per kg when the outside price was Rs 22-24 per kg. Subsequently, with the domestic prices of onion showing a declining trend, MEP was successively reduced. Currently. MEP of onion is US\$ 155 PMT. The export restriction was also lifted w.e.f. 16.11.07 in view of the increased availability of kharif onion.
- (xvii) As a measure of abundant precaution, Forward Markets commission (FMC) has on 23.01.07, directed the three National Exchanges, namely (a) Multi Commodity Exchange of India Ltd., (b) National Commodity & Derivatives Exchange Ltd., (c) national Multi Commodity Exchange of India Ltd., to delist all contracts of tur and urad and to close out all outstanding positions in all Tur

and Urad contracts at the closing price on 23.01.07. FMC has also stated that no further contract shall be launched without its prior approval and permission already granted to launch countracts in urad and Tur stands withdrawn.

- (xviii) Similarly, FMC has on 27.2.2007, directed all the three National Exchanges that no new futures countracts in wheat and rice shall be launched.
- (xix) To contain volatility in the futures prices of wheat, pulses, etc, Forward Markets Commission (FMC) has made regulatory measures such as imposition of limits on open position, reduction in limits on daily price fluctuations and imposition of additional/special margins more stringent.

Keeping in view the prevailing price situation, the Central Government had issued a Central Order dated 29.08.2006 under the Essential Commodities Act, 1955 to enable the State Governments to invoke Stock Limits in respect of wheat and pulses for a period of 6 months. By virtue of this Order, the State Government/UT Administrations have been empowered to take effective action to bring out the hoarded stock of these items to ensure their availability to the common people at reasonable prices. The order was subsequently extended upto August 2008. Edible oil, oilseeds and rice have now also been included within the ambit of the above Central order.

WEIGHTS AND MEASURES

One of the important reforms undertaken in the country after Independence was the standardisation of the system in weights and measures. Uniform standards of weights and measures, based on the metric system, were established in the country, under the Standards of Weights and Measures Act, 1956.

In order to establish the international system of units and to align our laws with international practices as well as to remove certain deficiencies, a comprehensive legislation, namely, the Standards of Weights and Measures Act, 1976 was enacted, replacing the 1956 Act. The 1976 Act contains among other things, provisions for regulation of pre-packed commodities sold to consumer so as to establish fair trading practices. Provisions of the Act relating to packaged commodities and the relevant rules, namely, the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 were brought into force, since September 1977. According to these provisions every package intended for retail sale is required to carry information as regards the name of the commodity, name and address of manufacturer or packer, net quantity, month and year of manufacture/packing and retail price. Mandatory declaration of retail sale price is to be given in the form "MRP Rs. inclusive of all taxes". The Rules were reviewed and amended vide notification GSR 425(E) dated 17-7-2006. In the interest of consumers, inter alia, the following new provisions have been incorporated : 1) Retail dealers covered under Value Added Tax (VAT) and Turn Over Tax (TOT) and dealing in packaged commodities whose net content is by weight or volume or a combination there of have to maintain appropriate electronic weighing instrument with facility to issue printed receipt showing the weight of packages free of cost so that consumers can check the weight of packaged commodities purchased from the shop. 2) Every package shall bear names & address, phone number, e-mail (if available) of the person or the office which can be contacted in case of consumer complaints. The Rules have similar provision for regulation of packaged commodities imported into India like indigenouse packages.

Under the provisions of the 1976 Act, the models of all weighing and measuring instruments should be approved before commencement of their production. Under the relevant rules, namely, the Standards of Weights and Measures (Approval of Models) Rules, 1987 recognised laboratories examine the models for their conformity to the standards. These Rules are in force since 1987.

The Forty-second Amendment of the Constitution brought the subject of 'Enforcement of Weights and Measure' from the 'State List' to the 'Concurrent List'. To ensure uniformity in the matter of enforcement in the country, a Central Act, namely, the Standards of Weights and Measures (Enforcement) Act, 1985 was brought into force. It contains provisions for effective legal control on weights, measures and weighing/measuring instruments used in commercial transaction, industrial production and in protection involving public health and safety.

To ensure iniformity in the matter of enforcement in the country, a Central Act, namely, the Standards of Weights and Measures (Enforcement) Act, 1985 was brought into force. In contains provisions for effective legal control on weights, measures and weighing/measuring instruments used in commercial transaction, industrial production and in protection involving public health and safety.

On the recommendation of the Parliamentary Standing Committee, a unified legislation combining the existing two legislations on Weights and Measures (mentioned above) has been mooted.

India is a member of the International Organisation of Legal Metrology (OIML). This Organisation was set up in order to realize worldwide uniformity in laws relating to legal metrology (weights and measure) and to make international trade smooth and practical.

Legal standards of weights and measures of the States and Union Territories are calibrated in the four Regional Reference Standard Laboratories (RRSL) located at Ahmedabad, Bhubaneswar, Bangalore and Faridabad. These laboratories also provide calibration services to the industries in their respective regions. They are among the recognised laboratories for conducting the model approval tests on weights and measuring instruments. The scheme for establishing one more RRSL at Guwahati to cater to the needs of North-Eastern States, commenced in the Ninth Plan, is near in completion.

Under a scheme to strengthen legal metrology laboratories of States, infrastructure assistance in the form of standard balances and a mobile kit for testing weighbridges is being provided by the Department to all States/Union Territories, for better enforcement.

During 2005-07 an amount of Rs. 8.1 crore was given to States/UTs as grant in aid for purchase of working Standard Balances. Supply of 59 sets of Secondary Standard Balances and 17 Mobile kits for testing weighbridges has already been completed in 2007-08. The subsidy of remaining 17 Mobile kits will be completed in 2008-09..

The Indian Institute of Legal Metrology, Ranchi, under the administrative control of this Ministry, imparts training in legal metrology and allied subjects. Apart from the enforcement officials of States, nominees from African, Asian and Latin American countries also attend the programmes run by the Institute. To re-orient the activities of the Institute so as to fulfil its mandate more effectively and to make it a centre of excellence, a study has been entrusted to Indian Institute of Management, Kolkata.

NATIONAL TEST HOUSE

The National Test House (NTH) with its headquarters at Kolkata is a Government laboratory of national importance in the field of testing and evaluation of material and products of all engineering branches except Food, Pharmaceuticals and Arms and Ammunitions. It is also providing calibration services and actively assists BIS in the formulation of National Standards since independence. The objective of NTH is to improve Indian Products to meet the requirements of National/International Standards for their acceptability in the global market. The NTH with its headquarters in Kolkata functions through six regional laboratories located in Kolkata, Mumbai, Chennai, Ghaziabad, Jaipur and Guwahati.