

ALL ODISHA RICE MILLERS ASSOCIATION

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Kolkata dated 27th October, 2014.

To,

The Hon'ble Chairman and Other Dignitaries.

Respected Sir,

Sub: Submissions before HLC on Restructuring of FCI.

I extend warm greetings on behalf of Rice Millers of Odisha and express our gratitude for being invited to put forth our suggestions.

At the onset, I am of the opinion that *FCI is an integral part of the food grains system* of our Nation. The importance of its existence in the present day scenario can not be ruled out.

Some States are opting for Decentralized Procurement (DCP) Operations. Still then, the *presence of FCI is very much essential for smooth operations under DCP by the States.*

1. No State can procure food grains *exactly to its requirement*. There are chances of either shortfall or surplus depending on the harvest in a particular year.
2. Different States are *ruled by different political regime. Policies and political compulsions may differ from State to State* and may not agree to help each other to the desired extent. In Odisha, we still remember what happened to the *Potato Supply from West Bengal* when our State was suffering from acute shortage due to natural calamity.

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3. In this context, the presence of FCI is a must. ***With its Pan-India presence and also being a National Organisation***, FCI can ***take delivery of surplus*** in one State under Central Pool and ***transport it to the other needy State*** as and when required ***without any partiality***.
4. ***In Odisha***, we are now procuring more than ***35 lakh ton rice against our annual requirement of only about 20 lakh tons***. FCI has done an excellent job in ***receiving a record 12 lakh ton of surplus*** rice last year and may be able to receive even more this year. ***Thus significantly contributing to the smooth functioning of DCP operations in our State***. It also helps in meeting the entire requirement of wheat under TPDS and other welfare schemes.
5. This has proved ***instrumental in ensuring MSP to the farmers***. Without evacuation of surplus stock, State Govt. could not have been able to purchase paddy from the farmers who would have been left at the mercy of the traders.
6. ***Inter State movement of surplus stocks by a State himself is not easy due to quality constraints under local compulsions***. There may be problem in acceptability of stock by the recipient State. ***Presence of FCI in a State ensures a bench mark for quality as per GOI specifications***.
7. ***Buffer stock*** maintained with FCI can prove very handy in case of any ***eventuality arising out of drought, floods or other natural calamity*** at any corner of our Nation, be it Jammu Kashmir or Kanya Kumari.
8. FCI can intervene in the market any time to control any possible attempt of Hoarding/ Black Marketing of Rice and Wheat which is the ***Staple Food of our Country***. FCI can give a cushioning effect to the entire Food Grain Operations apart from its ability to address the issue of Food Security and price stabilization.
9. We never treat an extra tyre in our vehicle as burden since it can replace a punctured tyre whenever required. Similarly, FCI too is well capable of taking care of not only one but even all the four wheels, if so required.

However, there is still *scope for improvement in the efficiency* of this Organisation. High handedness and egoistic attitude at lower as well as at depot level needs to be checked.

FCI needs to be *more cost effective and transparent through enhanced functional Autonomy* at Regional and Zonal level *by infusing modern day technology.*

In conclusion, I strongly believe that FCI should continue to serve our Nation with more added responsibility in maintaining stable supply of Food Grains in a best possible way.

We sincerely thank you for allowing us to put forth our suggestions.

Yours faithfully,

Copy to: 1) Food Commissioner, Odisha.
2) Managing Director, Oscsc Ltd, Bbsr.

Sd/-
(Santosh Kr. Agrawal),
Secretary.