

तार : 'फूडकोर्प'
Gram : 'FOODCORP'
फैक्स नं. : एचएफसीआई एनडी
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भारतीय
खाद्य
निगम



FOOD
CORPORATION
OF INDIA

मुख्यालय
नई दिल्ली
Head Quarters
New Delhi

१६-२०, बाराखम्बा लेन, नई दिल्ली-११०००९, दूरभाष-२३४९३८७९-२३४९४८७२-२३४९४८८०
16-20, BARAKHAMBA LANE, NEW DELHI-110001, PHONE : 23413871-23414872-23414880

CIRCULAR No.2/2013

No.QC .9(DFG)/NZ/2011/Vol-III

Dated:30/31.05.2013

The General Manager (Region),
Food Corporation of India,Regional office,
Punjab(Chandigarh) Haryana(Panchkula)/NewDelhi/Lucknow/Jaipur/Jammu/Dehradun
/Shimla/Mumbai/Ahmedabad/Raipur/Bhopal/Kolkata/Patna/Bhubaneshwar/Ranchi/Chen
nai/
Bangalore/Trivendrum/Hyderabad/Guwahati/Shillong/Dimapur/Itanagar.

Sub: Disposal of damaged foodgrains held by State Government and its agencies.

Sir,

Please find enclosed herewith a Ministry Letter No.8-10/2004-Py-IV dated 22.05.2013 on the subject cited, which is self explanatory.

You are requested that the instructions contained in the above mentioned communication may please be brought to the knowledge of all concerned including State Government Agencies for their information, guidance and immediate implementation.

Encl: A.A

Yours faithfully,

Sd/-

(RAJAGOPAL.A)
General Manager (QC)

Copy to:

1. The Executive Director (Zone), FCI, Zonal office:
North/South/East/West/NorthEast-Noida/Chennai/Kolkata/Mumbai/Guwahati.
2. Director (Movt), GOI,MOCAF&PD, Deptt. of F&PD, Krishi Bhawan, New Delhi w.r.t. his letter No.8-10/2004-Py.IV dated 22.05.2013 for information.
3. PS to CMD, FCI Hqrs, New Delhi.
4. All Executive Directors, FCIHqrs, New Delhi.
5. The Principal, IFS, FCI, Gurgaon(Hr).
6. Guard File.
7. File No. QC 9 (DFG)/Policy/2013

General Manager (QC)

MOST IMMEDIATE
BY SPEED POST

No.8-10/2004-Py-IV

Government of India
Ministry of Consumer Affairs Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhavan New Delhi-110001
Dated 22nd May, 2013

To,

The Principal Secretary/Secretary of Food & Civil Supplies Deptt.
All State / UT Government.

Subject: Disposal of damaged foodgrains held by State Government and its agencies.
Sir,

I am directed to enclose herewith guidelines for disposal of damaged foodgrains lying in the custody of State Governments and its agencies in Central Pool for guidance and compliance in future.

2. It is further requested that State Governments should ensure that all stocks of damaged foodgrains of Central Pool lying in the custody as on 01.04.2013 are disposed of positively within next three months under intimation to this Department.

3. This issue with the approval of Competent Authority

Enclosure-As above

Yours faithfully,

Sd/-
(N.K.Mouriya)
Director (Movement)
Tel No.23382709

Copy to-

1. CMD, FCI, New Delhi
2. PS to Secretary, Food & PD
3. PS to JS(P&FCI)
4. Guard File

Guidelines for disposal of damaged foodgrains held by State Govt. and its Agencies

1. Whenever any stocks of foodgrains of Central Pool lying in the custody of a State Agency is found to be non-issuable, by the concerned agency it will report the matter to the GM, FCI concerned. The GM, FCI on getting such information or based on any other information in this regard, will get the quality of such stocks checked and if the stocks are found to be non-issuable will decide whether they are upgradable or damaged. In case, the stocks are found to be upgradable then State Agency concerned will be given one month's time to upgrade the same. If the State Agency does not upgrade such stocks within one month, the FCI will declare them as damaged. The information about stocks found as damaged or declared as damaged by FCI or State Government will immediately be reported to the State Government concerned and FCI HQs.
2. On declaring any Central Pool stocks lying with a State Agency as non-issuable(damaged), the FCI on its part should report the matter to the FC Accounts Division of the Department of Food & Public Distribution, Government of India and the Department and FCI, as may be the case, shall not pay any carrying cost or other charges etc. to the State Agency for such foodgrains from the date of such declaration by FCI/State Government.
3. On receiving such a report about damaged foodgrains, the State Government, shall immediately constitute a Joint Technical Committee at District level consisting of two representatives of FCI also for conducting categorization of such non-issuable stocks. The area Manager, FCI concerned will nominate these two representatives, one Quality Control Personnel and an Accounts Officer in the District Level Technical Committee whenever a request is received for this purpose.
4. The appropriate number of samples of all such damaged stocks shall be jointly drawn and got analyzed by the above mentioned District Level Technical Committee in a District Laboratory of FCI or at any other suitable mutually agreed laboratory. The Technical Committee shall submit the analytical results on various concerned parameters of these samples and their recommendation on categorization of the stocks concerned to the State Government/State Government Agency with a copy to the GM(Region), FCI concerned.
5. Further to the constitution of District Level Technical Committee, the State Government shall, without waiting for the report of the Technical Committee, constitute a Joint Verification Committee consisting of Senior representatives of the State Government Agency and two nominees of GM(Region), FCI concerned. GM(Region), FCI concerned shall associate one Quality Control Personnel and one Account Officer(other than those associated with the District Level Technical Committee) for this Joint Verification Committee. After going through the report of District Level Committee, the Joint Verification Committee shall carry out a random check of 20% of categorization carried out by the joint team at District level. The analysis of these jointly drawn samples by the Verification Committee shall be carried out at a suitable mutually agreed Lab. The process of random check of 20% of categorized stocks should be completed by the Verification Committee within 15 days of submission of report of the District Level Technical Committee.
6. State Govt. and its Agencies shall dispose off damaged foodgrains at or above the reserve price fixed as per these guidelines through tender/auction to the bonafide

manufacturer/consumer of feed, including the State Government and its Agencies . having similar facilities, on the best commercial terms by following transparent procedure and in accordance with the procedure followed by the FCI for such disposal. A representative of FCI to be nominated by GM(Region) concerned in the committee to be constituted for the evaluation of tender by the MD/Head of the concerned State Agency, so as to ensure a greater transparency, better discovery of market rates and sale of damaged foodgrains to the bonafide purchaser only. The eligible participants of tender will also be allowed to take samples of the lots of damaged foodgrains under auction to pre-check their suitability for animal consumption etc.

7. The entire exercise of disposal of damaged foodgrains should be time-bound and it shall be completed within a maximum period of 60 days from the date of declaration of stocks as 'damaged' by FCI as stated in Para 1 of these guidelines.
8. Whenever any stocks are detected as damaged, the State Government/State Agency concerned should invariably enquire into it parallelly to find out the reasons for the stocks getting damaged/becoming non-issuable. Factors like the age of the stocks vis-à-vis their prescribed shelf-life, the reasons for storage beyond prescribed shelf-life, the type of storage (covered/CAP/Unscientific CAP) etc. should be looked into and in all such cases responsibility for any lapses, malpractices, negligence etc. should be fixed and action should be taken for recovery of losses against the depot manager & other responsible officers/officials, as per findings of enquiry.
9. At every instance of accrual of 1000 MT or more of damaged foodgrains of Central Pool in the State pertaining to any individual State Agency or as part of combined stock of various State Agencies, the State Government shall immediately depute a Vigilance Squad to check the reasons for such accrual, suggest necessary action to punish the guilty, if any, and to suggest measures to prevent any occurrence of such damage to the stocks in future.
10. As provided in the guidelines laid down for disposal of such stocks by FCI, the State Government/State agencies should try to have rate running contract to dispose off less than 500 MT of damaged stocks. This rate running contract should be finalized by them in line with the procedure being followed by FCI.
11. Reserve price for tender sale of all damaged foodgrains may; be fixed as under:

A	Feed-I	60% of MSP of the crop year for wheat 60% of derived MSP of the crop year for rice
B	Feed-II	50% of MSP of the crop year for wheat 50% of derived MSP of the crop year for rice
c	Feed-III	40% of MSP of the crop year for wheat 40% of derived MSP of the crop year for rice
D	Industrial Use	30% of MSP of the crop year for wheat 30% of derived MSP of the crop year for rice
E	Manure	10% of MSP of the crop year for wheat 10 % of derived MSP of the crop year for rice

Details of Feed etc. are at Annexure-I

12. Participation of FCI in the categorization and disposal of damaged foodgrains held by the State Government and its agencies for Central pool shall in no way mean that FCI/GOI has agreed to compensate any losses or claims either of the State Government or any of its agencies. **Since the stocks are damaged while in the custody of the State Agencies they should be responsible for bearing the losses and the Government of India will not be reimbursing the losses in such cases, as the safe custody/preservation of procured foodgrains is the responsibility of State Agencies.**
13. FCI should periodically monitor the progress of disposal of damaged foodgrains stocks lying with the State Agencies and should send a State wise monthly report on disposal of such stocks and pendency thereon alongwith the period of such pendency to the Department of Food & Public Distribution, Government of India.
14. These guidelines shall be applicable only for the disposal of non-issuable (damaged) stocks of foodgrains procured by State Government/State Agencies on behalf of Government of India towards central pool and lying in their custody on behalf of Government of India including the foodgrains procured under DCP mode.

Annexure-I

Damaged Wheat/Rice Categorization

Sl.No	Particular of wheat/rice	Percentage of sound grains other than foreign and damaged foodgrains
1.	Feed-I	(i) Sound grains 85% to less than 95% in case of rice and 94% in case of wheat. (ii) Weevilled grains alone exceeding 10% by count. (iii) Uric acid content alone found exceeding 100 mg. per kg.
2.	Feed-II	Sound grains 70% to less than 85%
3.	Feed-III	Sound grains 55% to less than 70%
4.	Industrial use	(i) Sound grains 30% to less than 55% (ii) Contaminated with poisonous chemicals and fertilizers
5.	Manure use	Sound grains 10% to less than 30%

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16-20, BARAKHAMBA LANE, NEW DELHI-110001, PHONE : 23413871-23414872-23414880

CIRCULAR NO-5/2012

File No.QC.9 (DFG)/Policy/2012.

Dated 21.06.2012.

The Executive Director (Zone)
Food Corporation of India,
Zonal Office, North/East/West/South/North East
Noida/Kolkata/Mumbai/Chennai/Guwahati.

Sub: Guidelines for disposal of damaged/substandard coarse grain by FCI.

Ref: Ministry's letter No. 8-10/2004-Py.IV dated 11.06.2012.

Sir,

Please find enclosed herewith, the guidelines for categorisation, sale & reserve price in respect of disposal of damaged/substandard coarse grain accrued in the godown of FCI, circulated by Ministry vide their letter under reference, for your information & necessary action.

Encl: As above (4 pages)

Yours faithfully,

Sd/-
(A. K. Sinha)
Asstt. General Manager (QC)
For Executive Director (QC)

Copy to:

1. Genl.Managers(Region),(Lucknow)/(Jaipur)/(Chandigarh)/(Panchkula)/(Jammu/Shimla)/(Dehradun)/(Delhi)/(Patna)/(Bhubaneswar)/(Kolkata)/(Ranchi)/(Mumbai)/(Ahmadabad)/(Bhopal)/(Raipur)/(Hyderabad)/(Bangalore)/(Chennai)/(Trivandrum)/(Guwahati)/(ItaNagar)/(Shillong)/(Dimapur)----alongwith enclosure for information and necessary action please.
2. General Manager (Vig), FCI, Hqrs, New Delhi....along with a copy of Ministry's instruction as referred above w.r.t. point No. 3 of instruction for information and necessary action please.
3. All Managers (QC), QC. Division. Hqrs, New Delhi.
4. Guard file.

Asstt. General Manager (QC)
For Executive Director (QC)

Government of India
Ministry of Consumer Affairs Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhavan New Delhi-110001

Dated the 11th June 2012

To

The Chairman & Managing Director,
Food Corporation of India,
16-20, Barakhamba Lane,
New Delhi-110001.

Sub: Guidelines for disposal of damaged/ sub-standard Coarsegrain by the FCI.

Sir,

I am directed to say that the Competent Authority in the Ministry has approved the following guidelines for categorization, sale and reserve prices in respect of disposal of damaged/sub-standard Coarsegrains accrued in the godowns of the FCI from the date of issue of these guidelines:-

I. CATEGORIZATION

1. Categorization of non-issuable stocks of maize and jawar/bajra may be done as follows-

A. Categorization of non-issuable stocks (Maize)-The stocks of maize containing damaged grains above 5% shall be treated as Non-issuable stocks unfit for human consumption. These stocks shall be further catergorized as –

Sl.No.	Particulars of Maize	Grade	% of sound grains other than foreign matter and damaged foodgrains.	Remarks
1.	Feed	I	<ol style="list-style-type: none"> 1. 85% to less than 95% 2. Weevilled grains alone exceeding 10% 3. Uric Acid content alone found exceeding 100 mg/kg 	
2.	Feed	II	70% to less than 85%	
3.	Feed	III	55% to less than 70%	
4.	Industrial use		<ol style="list-style-type: none"> 1. 30% to less than 55% 2. Contaminated with poisonous chemicals and fertilizers. 	
5.	Manure use		10% to less than 30%	
6.	Dumping		Less than 10%	To be offered as manure once before dumping.

B. Categorization of non issuable stocks (Jowar and Bajra)- The stocks of Jowar and Bajra containing damaged grains above 6% shall be treated as non- issuable stocks unfit for human consumption. These stocks shall be further categorized as-

Sl.No.	Particulars of Jowar & Bajra	Grade	% of sound grains other than foreign matter and damaged foodgrains.	Remarks
1.	Feed	I	1. 85% to less than 94% 2. Weevilled grains alone exceeding 6% by count 3. Uric Acid content alone found exceeding 100 mg/kg	
2.	Feed	II	70% to less than 85%	
3.	Feed	III	55% to less than 70%	
4.	Industrial use		1. 30% to less than 55% 2. Contaminated with poisonous chemicals and fertilizers.	
5.	Manure use		10% to less than 30%	
6.	Dumping		Less than 10%	To be offered as manure once before dumping.

(2) The Categorization procedure for detection and accrual of damaged/sub-standard Coarsegrains shall be a three tier process with Zonal Categorization as follows- Committee being the third and final. The composition of 3- tier committees may be

Committee	Composition
1. Districts Categorization Committee (DCC)	District Manager, AM(QC) District Lab, AM (QC) of Concerned depot and AM(Fin/Accounts)
2. Regional Categorization Committee (RCC)	DM(QC), DM (Fin/Accounts) of RO concerned and DM/DM(QC) of concerned District
3. Zonal Categorization Committee (ZCC)	QC officers nominated by ZM, DM(QC) of the RO and DM(QC)/DM of the concerned District.

(3) As a measure of precaution, the FCI Headquarters shall depute vigilance squad on regular basis to scrutinise large scale accrual of damaged/sub-standard Coarsegrains i.e.more than 250 MT stocks in a particular region.

(4) The entire exercise of detection and declaration of damaged/sub-standard Coarsegrain shall be time bound and completed within a maximum period of forty five days.

(5) Whenever and wherever any stock of less than 1½ years old is detected as damaged, the concerned Depot Manager shall be held responsible and he shall have to explain the reasons for the immature degradation in quality of damaged/sub-standard Coarsegrain. The FCI (Hqrs) shall bring all such cases, as and when they take place to the notice of the Ministry alongwith its comments, action taken/to be taken and the preventive action taken in the matter.

3. SALE

- a. The SRMs should dispose of the damaged/ sub-standard Coarsegrain under Rate Running Contract (RRC) on accrual. However, if at any given time the accrual is more than 500 MT the same should be disposed of only through tenders.
- b. While going for open bidding (tender/auction)for feed category stocks, the FCI shall confirm that the parties involved in the tender/auction, including the State Departments and Agencies, have feed stock manufacturing plants or poultry feed stock manufacturing plants.

4. RESERVE PRICES

The Reserve Prices of damaged/sub-standard Coarsegrain may be fixed as under :-

- a. Feed-I-60% of MSP
- b. Feed-II-50% of MSP
- c. Feed-III-40% of MSP
- d. Industrial Use-30%of MSP
- e. Manure-10% of MSP

IV INFORMATION TO BONAFIDE USERS

The FCI shall ensure wide dissemination of information relating to damaged/sub-standard Coarsegrain both at the time of accrual, tendering and disposal. The FCI's website shall be updated regularly to include all matters relating to damaged/sub-standard Coarsegrain, including their categorization and disposal.

It is requested that above guideline for disposal of damaged/sub-standard Coarsegrain, procedure and reserve prices may be notified to all the field offices of the FCI for implementation with immediate effect under intimation to the Ministry.

These guidelines are for disposal of Coarsegrains which gets damaged in custody of FCI and under no circumstances, these guidelines will be applicable for coarsgrains which gets damaged in custody of State Government and its agencies and is not taken over by FCI.

Yours faithfully,

Sd/-

(K.C.Yadav)

Under Secretary to the Government of India

Tel No.23384448