

1. Critically analyse the recommendations of the Shanta Kumar Committee report regarding reorientation and restructuring of the role of FCI. (150 Words)

**Answer:**

- A High level Committee report (HLC) on the procurement and storage of food grains by FCI and its distribution through the PDS system, confirms that the practices of FCI so far were not only ineffective and incompetent in meeting their objectives, but also a huge wastage of government money.
- Flaws of the existing FCI practices as highlighted by the HLC are:
  - a) About 47% of the foodgrains released from the FCI warehouses find leakages into some other destinations.
  - b) A staggering amount of food grains procured by FCI get wasted every year due to poor storage practices and lack of sufficient space in warehouses. The FCI failure to sell these excess of grains on time in open markets or through exports results in rotting of grains and infestation by pests, making them fit for nothing.
  - c) Only a meager of 6% farmers get the benefit of MSPs procurement by FCI and other government agencies.

**Key Recommendations made by the committee are:**

- a) FCI should hand over all procurement operations of wheat, paddy and rice to Andhra
- b) Pradesh, Chhattisgarh, Haryana, Madhya Pradesh, Odisha and Punjab as they have sufficient experience and reasonable infrastructure for procurement.
- c) FCI procurement should focus on eastern belt, where farmers do not get minimum support price. FCI should outsource its stocking operations to various agencies such as Central Warehousing Corporation (CWC), State Warehousing Corporation (SWC), Private Sector under Private Entrepreneur Guarantee (PEG) scheme. It should be done on competitive bidding basis, inviting various stakeholders and creating competition to bring down costs of storage. Movement of grains should be containerized in order to reduce transit losses. While, railways should have faster turn-around-time by having more mechanized facilities.
- d) The report is critical of the MSPs that the government fixes on food grains every year for providing better income to farmers on selling their produce. It not only shoots the price of food grains and create distortions in the market, but is largely responsible for the high inflation over the years. Instead, it suggests the government to provide a direct cash subsidy to the farmers through Jan Dhan Yojana on various agricultural items used in productions including pesticides and let farmers sell their grains at the market price. It would help to rein in inflation.
- e) It desist the FCI from making purchases of grains beyond its buffer stocks until it achieves improvements in its storage practices and capacity by constructing more all seasoned warehouses and silos and incorporating some of the best modern practices of storing food grains.

**However, there are some criticism against the report, those include**

- a) The above measures are likely to impact the food security targets under MDG and other welfare objectives.
- b) Similarly such steps would leave farmers on the mercy of market forces. Earlier also commodity trade has only increased inflation and not helped farmers as expected at the time of introduction.
  - Despite these fears, it is necessary to carry out PDS reforms and bring efficiency in the system. These steps can save government Rs 36,000 crore every year in this difficult time of global economic situation and also help solve the dispute that the government has with international communities in WTO over its food procurement programme.

## PRACTICE QUESTIONS

**Answer the following Questions**

1. While the National Investigation Agency is emerging as India's premier terror investigating agency, the challenges before it are multipronged. Discuss. (150 words)
2. Assess the potential of Social Media Networks for effective policing in India. Also, highlight the reasons behind relatively slow pace of adaptation of social media into policing in India. (150 words)