



GOVERNMENT OF MAHARASHTRA

**OUTLINE
OF
ACTIVITIES
FOR 1977-78 AND 1978-79**

**FOOD AND CIVIL SUPPLIES
DEPARTMENT**

CONTENTS

	PAGE
1. Functions	1
2. Supply Position	1
3. Procurement of Foodgrains	2
4. The Public Distribution System	4
5. Sugar	5
6. Cement	6
7. Controlled Cloth	8
8. Kerosene	10
9. Wheat Products	10
10. Distribution of Manufactured Goods through Co-operative Societies.	11
11. Edible Oils	12
12. General Price Situation	14

FOOD AND CIVIL SUPPLIES DEPARTMENT

1. Functions

The functions of Department are briefly as under :—

(1) To purchase cereals and other essential commodities from the Government of India and other States or other agencies, stock and distribute the same to the consumers at economic prices through a network of Fair Price/Authorised Ration Shops.

(2) To regulate the supply and distribution of the essential commodities like Sugar, Kerosene, Wheat-products, Controlled Cloth, etc.

(3) To purchase locally produced foodgrains within the State under the Monopoly Procurement-cum-Purchase Scheme and levy scheme and regulate the rice-milling industry.

(4) To control, where necessary, the open market trade and consumption of essential commodities by enforcing various statutory measures.

(5) To keep a general watch on price situation.

2. Supply Position

The State has been broadly divided into three categories for purpose of distribution of foodgrains viz. (1) Bombay Rationing Area, (2) Corporation cities, and (3) All other areas of the States.

The agricultural production during 1977-78 has extremely satisfactory and there is abundant availability of foodgrains in the open market at reasonable prices. This has resulted in considerable reduction of off-takes through the Public Distribution System. On the other hand earlier satisfactory procurement, continued allotments of foodgrains by Government of India and considerable allocation of levy free rice from different surplus State have enabled us to build up sizable stocks of foodgrains for meeting the requirements of the public distribution system. The stocks of foodgrains with the Government as on 1st April, 1977 were of the order of 6.12 lakh tonnes while the stocks on 1st April, 1978 were 2.42 lakh tonnes. The grainwise break up of these stocks was as under :—

	Figures in lakh tonnes	
	As on 1st April, 1977	As on 1st April, 1978
Wheat	1.72	0.43
Rice	1.44	1.08
Jowar	1.60	0.62
Milo	1.10	0.27
Bajra	0.17	0.02
Total	6.12	2.42

The total receipts of foodgrains allotted by the Government of India to Maharashtra during 1977 were 6.5 lakh tonnes. In the past, the monthly

allotments of rice to the State was much less than our requirements but since December, 1976, the Government of India have increased the rice allocation to 35,000 tonnes per month.

The total quantum of foodgrains per adult per month was 15 kilos uniformly throughout the State during the period from December 1976 to July, 1977. The comfortable food position enabled Government to liberalise the monthly quantum of foodgrains from 1st August 1977 and an adult was permitted 4 kilos of rice per month and any quantity of any other foodgrains (Wheat, Jowar, Bajra and Milo) that he may choose. In addition, a cardholder was permitted to purchase 5 kilos of high priced rice over and above this. This liberalised quantum was in operation from August, 1977 to April, 1978. With effect from 1st May 1978 the total quantum of foodgrains per adult per month is 15 kilos uniformly throughout the State. In addition to the aforesaid quantum of rice the cardholders are permitted to purchase any quantity of high priced varieties of rice till the stocks of these varieties are exhausted. The present quantum of foodgrains is adequate everywhere in the State. The cardholders have been permitted to lift three months quota of foodgrains in advance.

As a result of good grains and good crops during 1977 and the consequent easy availability of foodgrains in the open market at reasonable rates, the off-takes of foodgrains from the ration shops have been on the low sides since August, 1977. The average off-takes of all foodgrains through the public distribution system were 0.97 lakh tonnes per month during the period from April, 1977 to August, 1977 and the average off-takes during the period from September, 1977 to March, 1978 were 0.70 lakh tonnes per month. With the removal of Zonal restrictions on rice and derationing in Bombay with effect from 1st October, 1977 the off-takes of rice fell substantially.

In view of the present stock position of the foodgrains with the Government the monthly allotments by Government of India and internal procurement and purchases, both within and outside the State, it would be possible for Government to maintain the present monthly quantum of foodgrains even during the lean period upto October, 1978.

3. Procurement of Foodgrains

Upto the 1975-76 Season, the procurement of foodgrains in Maharashtra was done mainly by way of compulsory levy. Upto the 1974-75 season, the levy was imposed on the producers of specified foodgrains only i.e. paddy, rice, jowar, bajri and wheat and the levy payable by the cultivator had a reference to the area under those crops. During the 1975-76 season, Government revised the levy policy and it was decided to impose levy on the basis of the total holdings of the holders of agricultural lands. Under that system, the levy was assessed on the basis of net land revenue payable by the cultivator, with certain weightages for paddy lands and irrigated lands. Holders with their leviable land revenue upto Rs. 15 were exempted from levy and in respect of the holders with leviable land revenue above Rs. 15, the levy was calculated on a graded scale so that the incidence of levy on bigger holders of land was comparatively more. Under that scheme, the

holders not growing any foodgrain crops but cultivating only cash crops like sugarcane, grapes etc. were also liable to pay levy depending on the land revenue payable by them. A leviabie holder growing the specified foodgrains was permitted to pay his levy in terms of any of those foodgrains grown by him. A leviabie holder not growing any of the specified foodgrains was however required to pay his levy in terms of either paddy/rice or wheat or both. With a view to providing statutory base to the above mentioned levy policy, which was introduced during the 1975-76 season, the "Maharashtra Foodgrains Procurement (Levy) Order, 1975" was promulgated under the Essential Commodities Act, 1955. According to the provisions of the said Order, there was a statutory obligation on the holder of agricultural land to bring under the cultivation of foodgrain crops enough area so as to enable him to fulfil his levy demand and to meet his personal requirements of foodgrains, seeds and payment of wages in kind.

2. The levy policy adopted during the 1975-76 season was continued during the 1976-77 season with slight modifications in the light of the experience. During the 1976-77 season, the lands classified as "Warkas" lands had been completely exempted from levy. The levy assessment on garden lands under coconuts, arecanuts, cashewnuts, mangoes, oranges, mossumbi, lime and sapotas commenced only when the trees started bearing fruits. The linkage of levy assessment with final annewari of crops was continued and non-irrigated lands in the villages where final annewari of crops was declared as below four annas were completely exempted from levy, while such lands in the villages where final annewari of crops was declared as four annas and above but below six annas were assessed at 50 per cent. of the normal levy.

3. For the 1977-78 season, Government decided not to procure foodgrains by way of compulsory levy on the holders of agricultural lands. It was, however, decided to purchase paddy, rice, jowar and bajri at the prices prescribed by the Government of India for the 1977-78 season, as a support-price measure. In accordance with the Government of India's decision, the purchase price of superior jowar and bajri is fixed at Rs. 74 per quintal. The purchase prices of medium and common varieties of jowar are respectively Rs. 72 and Rs. 66 per quintal, as during the last season. On the basis of the purchase price of Coarse variety paddy at Rs. 77 per quintal (fixed by the Government of India), the purchase prices for different varieties of paddy and rice are fixed as under :—

Variety	Purchase price—Rs. per Quintal	
	Paddy	Rice
(a) Superfine ..	92	132
(b) Fine ..	87	124
(c) Medium ..	82	117
(d) Coarse ..	77	110

4. Although Nagli was not covered by the compulsory levy scheme, Government used to purchase it in Government Godowns in the Nagli producing areas of the State, as a support-price measure. The Scheme is continued during 1977-78 season with the support-price of Nagli of Rs. 74 per quintal.

5. Even after discontinuance of the levy scheme, the stocks of wheat offered voluntarily by cultivators continued to be purchased at the support-price of Rs. 110 per quintal during the 1977-78 Rabi Season. Government has continued the scheme of support-price purchases of wheat during the 1978-79 season. The Government of India have recently announced the support-price of wheat at Rs. 112-50 per quintal for the 1978-79 Rabi Season.

6. As in the past, the Maharashtra State Co-operative Marketing Federation Ltd., Bombay continues to function as the Chief Agent, of the State Government for effecting the purchases during the 1977-78 season also. The said Federation, in turn operates through a number of Co-operative Societies and Co-operative Rice Mills which act as their sub-agents.

7. The procurement of foodgrains during the last three seasons was as under :—

Year	<i>(Figures in '000 Metric Tonnes)</i>				
	Paddy	Jowar	Bajri	Wheat	Total
1974-75	40	78	6	41	165
1975-76	66	211	17	21	315
1976-77	52	173	4	21	250

During the 1977-78 season commencing from November 1977, Government has so far purchased 151 M. Tonnes of paddy and 3,132 M. Tonnes of jowar under the support-price operations. The procurement of wheat during the 1977-78 rabi season commencing from April 1977, is 6,543 M. Tonnes.

4. Public Distribution System

Maharashtra State is well served by a net-work of ration/fair price shops and at the end of September, 1977, there were about 28,123 such shops in the State of which 2,046 were in the Bombay Rationing Area. It is the Government's policy to accord priority for the allotment of Fair Price Shops to the co-operative institutions and to selected categories of individuals like persons belonging to Scheduled Castes and Scheduled Tribes, Freedom-fighters, etc. It was however, observed that more than 50 per cent Fair Price Shops were being run by private individuals who stand last in the list of priority for allotment of shops. With a view to completely reorganising the public distribution system, Government decided that all the Ration/Fair Price Shops in the State operating on 31st December 1976 should be cancelled with effect from 1st January 1977 with a stipulation that the shop-keepers would be bound to continue to run those shops till they are reallocated to the shop-keepers themselves or to some other persons or are directed to cease to function as ration shops. It was also decided to revise the priority for allotment of shops and the revised priorities are as under :—

1. Multi-purpose Co-operative Societies.
2. Backward Class Co-operative Societies.

3. Freedom fighters' Co-operative Societies.
4. Ex-Servicemen's Co-operative Societies.
5. Women's Co-operative Societies.
6. Other Co-operative Societies.
7. Institutions which are registered under any law for the time being in force.
8. Backward Class persons.
9. Indo-Pak conflict affected persons.
10. Freedom fighters.
11. Ex-Servicemen.
12. Educated unemployed persons.
13. Physically handicapped persons.
14. Prohibition affected persons.
15. Gold Control Order affected persons.
16. All other persons who do not fall under any of the above classes.

With a view to provide necessary statutory basis for the scheme the Maharashtra Foodgrains Rationing (Second) (Amendment) Order, 1976 and Maharashtra Scheduled Commodities (Regulation of Distribution) (Amendment) Order, 1976 were issued on 29th December, 1976. Government had chalked out a programme for implementation of these orders and guidelines were issued to Collectors/Controller of Rationing about the action to be taken by them. In view of the various applications and representations received by the Government about the revised order prescribed by the Government about the schemes not safe-guarding interests of even those shopkeepers who primarily depend on such shops for their livelihood etc. Government have decided to examine the whole matter afresh and the implementation of the scheme has been held in abeyance.

With a view to considering further the question of re-allotting the existing Ration/Fair Price Shops, which were cancelled on 31st December 1976 and the new shops according to the revised priority list, information has been obtained from the Co-operation Department regarding number of viable co-operative societies at present not running any ration or fair price shops but will be able to run such shops, if allotted to them and also the number of unviable co-operative societies which can be rendered viable by allotting to them the cancelled or new shops. The information has been received from the Co-operation Department and is being processed separately.

5. Sugar

During the year 1977-78 (i.e. from April to November 1977), the State received 23,384 tonnes of levy sugar per month (except festival quota of 2,870 tonnes each for the month of October, 1977 and November 1977 over and above the monthly allocation) for domestic consumption. This sugar

was sold through Ration/Authorised Fair Price Shops at the rate of Rs. 2.15 per kg. at the quantum mentioned below :—

Month	Quantity per adult—2 units per month	
	For all urban area and villages with a population of 5000 and above.	For rest of the State
April to May 1977	600 grams	300 grams
June 1977	600 „	400 „
July 1977 to November 1977.	600 „	300 „

For Ganapati and Ramzan-Id festival, 500 grams of levy sugar per card were given over and above the regular quantum in rural areas only. Similarly, 100 grams of levy sugar per adult were given for Diwali festival over and above the regular quantum throughout the State.

Since December, 1977, Maharashtra State is getting monthly allocation at the rate of 24,743 tonnes for domestic consumption. Since December 1977, an uniform quantum of 425 grams per head per month (irrespective of consumer being child or adult) has been prescribed by Government throughout the State.

The State also received 1,162.4 tonnes of levy sugar per month for the period from April, 1977 to July, 1977, for supply to the Pharmaceutical units in the State. Since September 1977, the State is getting 1,505.2 tonnes of levy sugar as a pharmaceuticals quota. The same was issued to the pharmaceutical units in the State as per the recommendations received in this regard from the Commissioner, Food and Drug Administration, Maharashtra State, Bombay.

The retail selling price of levy sugar has been increased from Rs. 2.15 per kg. to Rs. 2.30 per kg. with effect from 1st of March, 1978.

6. Cement

1972 was a very good year so far as cement production was concerned. At the beginning of 1973, the Government of India apprehended substantial fall in the production on account of power cuts, shortages of coal, etc. and advised the State Government to regulate the distribution of cement in the State. Accordingly, in April 1973, a Cement Co-ordination Committee was constituted at the State level for allocation of cement to the reserved category of consumers like the Government Departments, Corporations, Boards, Local Bodies, etc. and in May, 1973, the Maharashtra Cement (Licensing and Control) Order, 1973, was brought into force for the regulation of distribution of free sale cement. Simultaneously, this Department started fixing of maximum sale price of free sale cement brought by the licensees in the State.

The State received quarterly allotment of cement from the Government of India. The State Level Cement Co-ordination Committee constituted under

the Chairmanship of the Minister for Food and Civil Supplies meets every quarter to consider the demands of various Government departments, local bodies etc. and makes quarterly allotment of cement to them. The Co-ordination Committee scrutinises the demands made by various departments for cement and the position regarding issue of release orders, placement and supply orders on the manufacturers actual supplies against indents etc., is reviewed before making allotment for the next quarter. The Committee also decides the quantity of cement to be permitted for free-sale in the State.

During the years from 1973-74 to 1975-76 there was shortage of supply of free-sale cement and Government had distributed certain percentage of free-sale cement brought by licensed dealers on permits with a view to safeguard interests of small consumers and agriculturists, educational and charitable institutions, registered Co-operative Housing Societies, etc. From the 3rd quarter of 1975 the supply position of free-sale cement gradually started improving and by March 1976 the position had become quite comfortable. Government therefore removed all controls over the distribution of free-sale cement with effect from 5th April 1976. Due to power cut in most of the State like Karnataka, Madhya Pradesh, etc. from where Maharashtra receives bulk of its cement allotment, there has been a considerable fall in the production of cement and as a result the supply of cement has again reduced substantially. In view of this position, Government have again imposed a control on upto 25 per cent of free-sale cement with effect from 11th May 1977 and this quantity is being issued against permits.

During the calendar year 1975 the quarterly allotment of cement to Maharashtra was 4.25 lakh tonnes. In 1976 the allocation was 5 lakh tonnes per quarter in the first three quarters and 4.5 lakh tonnes for the 4th quarter. In 1977 the allocation for the first quarter from January to March 1977 it was 5 lakh tonnes and for the second quarter it was initially 5.5 lakh tonnes. Due to the fall in production of cement owing to the power cut, the allocation for the April-June quarter has subsequently been reduced to 4.51 lakh tonnes.

The Central Government had given an allocation of 4,67,500 tonnes of cement for the Quarter III commencing from 1st of July 1977 and the State Government had made an arrangement to obtain another 97,000 tonnes of cement from the cement factories in Karnatak by supplying electric energy to those factories. The total availability thus was of 5.82 lakh tonnes against which the State received 4,76,665 M.Ts. during that quarter. For the Quarter IV, the allocation given was 5,14,250 tonnes and the State arranged to obtain 1,55,950 M.Ts. from the Karnatak factories under the barter arrangements. As against the total availability of 6.70 lakh tonnes, the actual receipts during the Quarter IV were of the order of 4.61 lakh tonnes. The supplies from the factories in Tamil Nadu and Andhra Pradesh were completely stopped in December 1977, due to the stoppage in production and dislocation in Railway traffic due to the cyclone.

During the first quarter of 1978 5.75 lakh M.Ts. of cement was allotted by the Central Government and about 1.22 lakh tonnes was available under

the barter arrangements. Thus, the total availability during the first quarter was around 7 lakh M.Ts. But the cement did not move smoothly into the State from the factories due to the shortage of railway wagons and also imported cement could not be unloaded at Bombay Port due to the strike of the pilots and ships had to be diverted to other Ports. For the current second quarter, the Central Government initially had given an allocation of 4.95 lakh tonnes. The State is likely to get 1.33 lakh tonnes under the barter arrangements. The Central Government has now agreed to give another lakh tonnes of cement to Maharashtra for the current quarter in terms of imported cement.

The price of cement is fixed by the Government of India from time to time and on that basis the State Government fixes the ex-godown price of cement. This price is fixed under clause 10 of the Cement Control Order, 1967 and includes the F.O.R. destination price of cement, packing charges, excise duty (all fixed by Central Government) and the stockist's margin including incidentals. Government fixes the price for the distances upto 40 K.M. from the nearest Rail Centre from the dealer's godown in three stages, namely :—

(1) t to 8 K. Ms.

(2) 8 to 16 K. Ms.

(3) 16 to 40 K. Ms.

The amount of octroi varies from place to place and some dealers obtaining their stocks on 'stock transfer system' are not required to pay the Central Sales Tax. Therefore, at the Collector's level, the actual amount of Octroi Sales Tax (and Central Sales Tax, if payable) are included in the price fixed by the State Government as mentioned above and the net consumer price is communicated to the dealers. The Collectors have been empowered to consider actual cost of road transport at the time of fixing price if the nearest rail centre is beyond 40 K. Ms. from the dealer's godown.

Even when there is no control over distribution of free sale cement, the price control remains. Further, the licensees have to abide by the conditions of the licence. They are required to submit fortnightly reports regarding receipts, sales and balances of cement to the respective licensing authorities. Collectors and the Controller of Rationing, Bombay, have been asked to enforce the price control strictly. The Collectors and the Police Officers have also been given instructions to take stern action against anti-social elements indulging in the adulteration of cement.

7. Controlled Cloth

The informal scheme relating to distribution of controlled cloth through authorised retail dealers (mostly co-operative) commenced in October, 1972. It is now regulated under the Maharashtra Controlled Cloth (Regulation of Distribution) Order, 1975.

2. The distribution is done through the net work of 1 wholesale dealer, 51 semi-wholesale dealers and 2,498 retail dealers. As on 28th February 1978 in all 2,828 authorisation for F. P. Cloth shops were sanctioned against which 2,498 retail shops were actually functioning. There are 2,306 shops

run by the Co-operative Societies. It is Government policy to open at least one authorised fair price cloth shop in each Zilla Parishad Electoral Constituency. 1,760 retail shops have been sanctioned in 1,269 Electoral Constituencies. Except for 36 Zilla Parishad Constituencies, 1,374 shops are functioning in all the remaining 1,233 Zilla Parishad Constituencies. Wholesale distribution is entrusted to Maharashtra Rajya Wholesale Consumers Co-operative Societies Federation Ltd. only. The Central Co-operative Consumers Stores and Zilla Kharedi Vikri Sanghs in the Districts have been authorised as semi-wholesalers.

3. The Controlled Cloth is sold on production of Ration Foodgrains cards only at the quantum fixed from time to time according to availability of controlled cloth. The present quantum of Controlled Cloth is as under :—

One pair of Dhoti or one pair of Saree, 10 metres of Shirting, 10 metres of grey long cloth and 10 metres of bleached long cloth, per adult (i.e. per 2 units) per quarter of 3 months i.e. January-March, April-June, July-September, and October-December. In addition, 10 metres of drill per ration/foodgrains card per quarter of 3 months can be obtained on production of ration/foodgrains card ”.

4. The monthly quota fixed for Maharashtra State from 1st July 1976 is 2,042 bales (each bale consisting of 1,500 sq. m.). The supplies of controlled cloth are however made on the basis of its production in the country.

The allotment of controlled cloth to Maharashtra from July 1977 to February 1978 is as under :—

Month	Bales	Month	Bales
July 1977	1,486	August 1977	2,063
September 1977	1,662	October 1977	1,830
November 1977	1,395	December 1977	2,037
January 1978	2,091	February 1978	1,743

The Government of India has been repeatedly requested to allot more controlled cloth to this State but there was no success due to reduction in the production of controlled cloth on account of exemption granted to State and Export Oriented Textile mills in the country.

5. A Government guarantee of one crore rupees has been sanctioned to the Maharashtra Rajya Wholesale Consumers' Co-operative Societies Federation Ltd., Bombay, to enable it to obtain Hypothecation cash credits from Maharashtra State Co-operative Bank for making centralised payments to the mills. This credit has also been made available at concessional interest rate of Rs. 12½ per cent per annum. Similar guarantee of Rs. 2.5 crores has also been sanctioned to the district semi-wholesalers and the retail shops for obtaining Hypothecation cash credit from the District Central Co-operative Banks. An amount of Rs. 23.54 lakhs has also been provided as share capital contribution to the Maharashtra Rajya Wholesale Consumers Co-operative Societies Federation Ltd. and the district semi-wholesalers at margin money.

8. Kerosene

Maharashtra like other States receives monthly allocation of kerosene from the Government of India and is responsible for its equitable distribution at controlled prices. The allotment to various districts is done at the State level. The average monthly quota of kerosene distributed in the State by the Oil Cos. was about 74,190 K.L. This quantity is adequate to meet the requirement of the consumers in the State. The distribution of this quantity is allowed to be made at present by Oil Cos. according to their marketing capacity in each district. In Ratnagiri district, Messrs. Hindustan Petroleum Corporation Ltd., has started taluka kerosene depot scheme for distribution of kerosene. The scheme is still under observation. If the experiment is successful, this scheme can be made applicable throughout the State. There are in all 40,244 outlets of kerosene in the State. Sometimes due to shortage of tank wagons and tank trucks some difficulties are experienced in making the supplies to the different parts of the State. However, efforts are made to ensure adequate and continuous flow of kerosene throughout the State. There are no complaints whatsoever about kerosene distribution in the State.

2. According to the guidelines prescribed by the Government of India, the uniform rates of wholesale and retail stages have been fixed by this State. The retail price of kerosene so fixed in Bombay Rationing Area is Rs. 1.20 per litre and the rates vary in the districts between Rs. 1.19 to 1.35 per litre exclusive of Octroi, etc. The question of exemption of octroi is under consideration of Government.

9. Wheat Products

There are 14 Roller Flour Mills in the State with a total grinding capacity of 53,066 Metric tonnes per month. The distribution of this capacity in the State is as follows :—

	No. of mills	Capacity per month in metric tonnes
Bombay Rationing Area ..	7	41,289
Pune Division ..	2	5,175
Nagpur Division ..	3	3,761
Aurangabad Division ..	1	2,080
Bombay Division (Excluding Bombay Rationing Area).	1	761

Roller Flour Mill is a scheduled industry under the Industries Development and Regulation Act and its installation and expansion, etc. fall within the purview of the Central Government. The State Government has no powers in this respect. In view of the adequate grinding capacity in the country, the Government of India, Department of Food, has already informed this department not to recommend setting up of new Roller Flour Mills or even expansion of the milling capacity of existing mills. The matter has been taken up with the Government of India and they have informed the State Government that it is under their consideration.

The Officer appointed by the State Government is a licensing authority under Wheat Roller Flour Mills (Licensing and Control) Order, 1957, for supervising the working of Roller Flour Mills. According to clause 10(a) of the said order, the Roller Flour Mills have to grind wheat issued by Government of India only. The Roller Flour Mills cannot, therefore, purchase wheat from the open market.

Till October 1976, each State was a separate Zone for the movement of wheat products and the production of different wheat products by the Mills, their distribution as well as prices were controlled by Government. In November 1976, however the Government of India decided to make the entire country as a single zone for the movement of wheat products and as a corollary to this policy, removed the controls on distribution, prices and extraction percentages of various wheat products. Consequent upon these changes, the State Government also reviewed the distribution policy with regard to wheat products and all existing wheat products permits have been held in abeyance with effect from 1st December 1976 until further orders. The roller flour mills are now free to manufacture the various wheat products including wholemeal atta, at extraction percentage suitable to them and sell them freely without any price control. All consumers are free to obtain their requirements of wheat products from any mill or from the open market as they may desire. In the past the roller flour mills normally used to get wheat to the extent of only about 50 per cent of their capacity but due to the comfortable position of wheat stocks, Government of India have liberalised the wheat allotment and the mills are now free to lift any quantity of wheat that they may like to grind to the extent of their sanctioned capacity. The Government of India have liberalised this policy further from the month of August, 1977, and accordingly additional quota of wheat is being allotted to the roller flour mills upto 25 per cent of the sanctioned capacity who have utilized their 75 per cent capacity. The Government of India increased this limit of 25 per cent of the sanctioned capacity to the extent of 50 per cent for two months viz. March and April, 1978, in view of the strike in one of the units of Messrs. Wallace Flour Mills, at Mazgaon. The Government of India has been requested to extend this facility further upto the end of June, 1978, in the first instance. In view of this liberalised policy wheat products like atta, rava and maida are now freely available in the market.

10. Scheme for Distribution of Manufactured Essential Goods through Co-operative Societies

In order to make some manufactured goods available to consumers at concessional price an informal scheme of distribution of these manufactured goods through consumers co-operatives has been started in this State since February, 1976. The scheme is being expanded further and so far 103 co-operative societies have been nominated as wholesale nominees for direct supply of goods from the manufacturers at first point of distribution rate i.e. at the rates and with all the facilities and concessions given to their private stockists. 32 such manufacturers are making supplies to the co-operative nominees. The co-operative nominees are operating on lower margin of

profit and consumers can get these goods at cheaper rates. 3,143 co-operative retail outlets have been sanctioned and out of them 2,021 are operating at present. The scheme is proposed to be reviewed with a view to remove various practical difficulties and obstacles coming in the way of proper enforcement of the scheme. The committee of non-officials previously appointed for supervising the proper implementation of this scheme is being reconstituted.

2. The Pulses, Edible Oilseeds and Edible Oils (Storage Control) Order, 1977, has been issued under the E. C. Act, 1955, fixing the stock limits in the case of pulses, edible oilseeds, edible oils and vanaspati for wholesalers as well as retailers. The Maharashtra Pulses (D. & M.)'s Licensing Order, 1977, under which every wholesaler or retailer is required to obtain a licence for dealing in pulses, has also been issued.

3. The Weights and Measures organisation has been transferred from the administrative control of the I. E. & L. D. (Directorate of Industries) to the F. & C. S. D. with effect from 1st December 1977 along with the work of administration of (i) the Bombay Weights and Measures (Enforcement) Act, 1958, and the rules made thereunder and (ii) Packaged Commodities (Regulation) Order, 1975.

4. The manufacturing companies of various articles indicate on their packages that retail prices should not exceed certain amount and local taxes extras. The consumers are not aware of local taxes. This creates lot of confusion some times different prices are charged for the same article. In order to give correct information to the consumers a list of net prices of certain essential commodities for Bombay was got prepared by the chambers of commerce. The list was then circulated among retail dealers and ration shopkeepers. All dealers and A. R. Shopkeepers have kept this price list displayed on board for information of general public.

11. Edible Oils

Maharashtra State is deficit in Groundnut Oil. Gujrat, Karnatak and Andhra Pradesh are the traditional sources of groundnut oil supplies to the State. The requirement of edible oil of the State is of the order of 3-60 lakh tonnes per year leaving deficit of 2 lakh tonnes.

2. Maharashtra had poor groundnut crop in the year 1976 and due to the informal ban imposed on the movement of oil and oilseeds outside Gujarat State, Maharashtra State started experiencing difficulty in getting groundnut oil from January 1977 itself. State Government intended to purchase atleast about 10,000 tonnes of groundnut oil from Gujarat but with great difficulty it was possible to have only about 4,900 tonnes. State Government arranged refining and distributing of rapeseed oil in Bombay in January 1977. The arrival of groundnut oil from Gujarat in Bombay and other districts gradually decreased and other surplus States like A. P., T. N. and Karnatak also put informal bans on the movement of groundnut oil from

these States. The Maharashtra being the deficit State was a sufferer and the prices increased.

3. The oil traders in Bombay had decided not to purchase raw groundnut oil at a price exceeding Rs. 95 per 10 kg. in order to keep the retail price around Rs. 10 per kg. This, however, was not observed by all traders and further the rate at the source of supply were also quite high. From April 1977 onwards many traders as well as the STC. started importing raw and refined rapeseed oil on a large scale. Rapeseed oil has become the main medium of cooking since then. The rates in the international markets also were increasing day by day and it was feared that the price might further increase and that the State would experience acute shortage of oil. State Government, therefore, decided to purchase 5,000 tonnes of refined rapeseed oil at the rate of Rs. 148 per tin of 15.5 kg. net each or Rs. 9,650 per tonne in new barrels from the members of IOPEA, Bombay. These rates exclusive of sales tax.

4. In the month of April and May 1977 about 2,000 tonnes of solvent extracted refined groundnut oil was distributed in Bombay and in some districts. The response from the districts to this oil was poor. In the month of June and July 1977 raw groundnut oil purchased by Government was despatched to the districts for distribution to the consumers. (This oil is still available in some of the districts). By middle of August 1977 Government despatched to the districts a quantity of 2,300 tonnes of refined rapeseed oil out of 5,000 tonnes purchased from IOPEA for distribution at the rate of Rs. 8.50 per kg. After declaration of subsidy of Re. 1 per kg. by the Central Government, this oil was being distributed at the rate of Rs. 7.50 per kg. from the first week of September 1977. Some of the districts demanded additional allocation of refined rapeseed oil and the same has been despatched.

5. In addition to the 5,000 tonnes of refined rapeseed oil mentioned earlier Government had also obtained an allocation of 1,000 tonnes of refined rapeseed oil from Government of India through Messrs. Ganesh Flour Mills, Mulund, Bombay. The State had obtained another allocation of one thousand tonnes of raw rapeseed oil from the Central Government for refining and distribution. About 325 tonnes of this oil has been lifted by the Government nominees at Pune, Latur and Amravati.

6. From the second fortnight of October 1977 the price of groundnut oil had shown downward trend, and therefore, in order to dispose of the stocks of raw groundnut oil held by Government and Government nominees as early as possible, Government had directed, the Collectors and the C. of R., Bombay to reduce the retail selling price of this oil, if necessary and further directed that the retail selling price should in no case be reduced to less than Rs. 8 per kg. with effect from 15th October 1977 and the same was further reduced to Rs. 7 per kg. with effect from 29th October 1977. Similarly the prices of refined rapeseed oil had also fallen in the market. In view of this declining trend in prices, Government had directed the Collectors to reduce the retail selling price of refined rapeseed oil to Rs. 7 per kg. from Rs. 7.50 per kg. with effect from 15th October 1977. From 29th October 1977 the

retail selling price was further reduced to Rs. 6.50 per kg. The retail selling price of refined rapeseed oil and raw groundnut oil has since been raised to Rs. 7 and Rs. 7.50 per kg. respectively with effect from 5th January 1978. Government has got about 1,750 metric tonnes refined rapeseed oil. The retail price of the oil announced by the Central Government is also Rs. 7 per kg.

12. General Price Situation

The wholesale prices which showed a rise of about 12 per cent between March 1976 and March 1977 have been almost stable, there having been a marginal decline of 0.2 per cent between March, 26th, 1977 and March 25th, 1978. The All-India average wholesale price index was 182.9 in March 1977 and after rising gradually reached a peak of 188.7 in July 1977 and this up-trend continued till September 1977. Thereafter the index has been gradually declining and the post kharif seasonal decline has continued. The average wholesale price index for March 1978 remained at 181.9 (1970-71 = 100). The higher trend in foodgrains was mainly on account of gram and pulses whose prices continue to rule high. Amongst cereals the prices remained more or less steady except in wheat which showed a marginal increase. The prices of edible oils, vanaspati, gur and sugar were lower in 1977-78 compared to the previous year. Similarly the prices of onions and potatoes which ruled high, have shown a fall. The prices of tea which, were ruling high till September 1977 showed a decline by Rs. 1.50 to Rs. 2 per kg.

2. The retail price index for Maharashtra State (Urban) however, showed marginal increase of 0.6 per cent between March 1977 and March 1978 as against 8.9 per cent rise during the corresponding period in 1976-77. Though the wholesale price index has shown an easy trend, the consumer price index of some of the selected centres in Maharashtra has shown a rise. The consumer price index of Bombay between March 1977 and March 1978 increased by 2.3 per cent. However the consumer Index of Bombay has declined to 316 in March 1978 from 319 in January 1978—a fall of 0.95 per cent. Similarly a fall in consumer index was noticed from January 1978 to March 1978 in Nagpur, Solapur, Pune, Jalgaon, Nanded and Aurangabad centres.

PRINTED AT THE GOVERNMENT CENTRAL PRESS, BOMBAY