

GOVERNMENT OF INDIA
MINISTRY OF FOOD

REPORT
OF THE
FOODGRAINS INVESTIGATION
COMMITTEE



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INTRODUCTION

The Foodgrains Investigation Committee was formed under the Government of India Resolution No. PY-623 (6)/49, dated the 27th August, 1949, the relevant portion of which is reproduced below.†

RESOLUTION

“The Government of India have been receiving complaints from time to time from various sections of the public that the quality for foodgrains issued to consumers in rationed areas is bad and also that the prices charged are high and out of proportion to the price paid for procuring the grains. The Government of India are, therefore, pleased to appoint a Committee with the following terms of reference—

- (1) Whether the arrangements made by the Provincial Governments/States/Administrations for the transport of imported grain received from the Government of India to the storage or consumption centres are satisfactory and economical and in particular ensure minimum losses in transit and storage;
- (2) Whether the arrangements by the Provincial Governments/States/Administrations for the procurement and transport of local grain are satisfactory and economical
- (3) Whether the arrangements made by the Provincial Governments/States/Administrations for distribution of grain to the wholesaler and the retailer are satisfactory and economical;†
- (4) Whether the arrangements for the storage and the conservation of both imported and local grain are adequate and ensure maintenance of good quality of grain. Whether the storage godowns are suitable and arrangements for inspection, elimination of infestation and cleaning of grain before issue are adequate;
- (5) Whether the quality of grain finally reaching the consumer is satisfactory and the arrangements leave no scope of adulteration, short issue etc.
- (6) Whether the various additions made by the provincial Governments/States/Administrations to the procurement or purchase price of foodgrains either for services like transport, milling etc. or for overheads like establishment and commission to middlemen etc. are not excessive ”.

2. The above terms of reference involve a scrutiny of the present arrangements for transport, storage, preservation of quality and cost of distribution—in fact almost all administrative arrangements connected with the procurement and distribution of foodgrains. A questionnaire (Appendix I) was accordingly issued to all Governments on the 17th of September, 1949 and replies were requested by the 10th of October. Some of the replies had been seriously delayed, but sufficiently useful information had been received by the last week of October to enable the Committee to begin visiting selected States, in order to enable it to obtain first hand knowledge of local conditions. Meanwhile, the Chairman and members gave broadcast talks explaining the terms of reference and the scope of work of the Committee and inviting the cooperation of the general public in their work.

3. The Committee has been able to tour most of the more important states, namely Madras, Bombay, Madhya Pradesh, Uttar Pradesh, Punjab, West Bengal, Bihar, Orissa, Assam, Delhi, Bhopal, Madhya Bharat, Vindhya Pradesh, Pepsu, Travancore/Cochin, Hyderabad and Mysore. The Committee, however, was unable to visit other States/Administrations.

4. The Committee's plan has been to visit the capital of these States and one or two places in the interior, see the ration shops, storage godowns and procurement centres, have discussion with the representatives of the producers, consumers, and the Trade. The Committee have also had the benefit of a discussion with the Food Ministers and/or the Chief Ministers of the States concerned.

5. While the Committee was functioning another Committee called the 'Food-grains Procurement Committee' with three officials presided over by a Member of the Parliament was appointed in early February and consequently this Committee was placed in a somewhat embarrassing position besides creating confusion both in the minds of the people at large and the State Governments as to the exact scope and functions of these Committees.

6. *Acknowledgements.*—We wish to convey our thanks to the State Governments and Administrations, public organisations and individuals who have replied to our questionnaire or supplied other useful data or gave evidence before the Committee.

7. We also wish to record our appreciation of the valuable services rendered by our staff.

CHAPTER I

8. *Structure of food controls.*—The administrative arrangements on which we have to make our report arise from the imposition of food controls. It is, therefore, necessary to explain briefly the existing nature of controls, how they grew and the objectives underlying them.

9. *Growth of controls.*—The elaborate structure of food controls at present in force throughout the country derives its origin from exceptional conditions which prevailed during the war. Owing to cessation of supplies of rice from Burma, supplies of rice available in the markets diminished and the demand increased mainly from those parts of the country which were dependent on imports of Burma rice. There was a steep rise of prices in many places. The Governments of the various Provinces in the country took certain steps to meet the situation. Movement of supplies from one province to another and in some cases from one district to another in the same province were cut off by ban imposed by the Provincial Governments. These steps naturally threw the responsibility on Government of feeding the people who could not receive their supplies through the normal trade channels. Upto that time purchases of grain on Government account had been limited to the requirements of Army. They used to be made in the open market on a voluntary basis. In the year 1942 first steps were taken towards the procurement of the type now familiar, that is buying of grain on behalf of Government under conditions of control which limit or eliminate competitions by private buyers. Various forms of Government control over distribution also came into vogue.

10. The war ended in 1945 but the Bengal famine and the tight position of foodgrains supplies all over the world had further added to the complexity of the situation and created a nervous apprehension about supplies and prices. There was, therefore, a further extension and even intensification of controls during 1946 and 1947. In 1948 there was a partial decontrol, but on account of the steep rise in the price level of foodgrains, the policy was reversed in September, 1948. The broad outlines of the revised policy then agreed to may be briefly summarised as follows :—

✓ *Outlines of the present food policy.*

(a) The undermentioned foodgrains should be controlled :

- (i) Rice
- (ii) Wheat
- (iii) Gram
- (iv) Maize
- (v) Jowar
- (vi) Bajra
- (vii) Barley

(viii) Ragi (where it is an important foodgrain).

(b) It will be left to each Province/State to decide whether the prices of foodgrains should be controlled by fixing a maximum price statutorily or otherwise, but all Provincial/State Governments should declare a price at which they will have the power to requisition or procure compulsorily.

- (c) There must be maximum internal procurement and rationing in each area, the aim being to enforce uniform standards of rationing and monopoly procurement as soon as possible.
- (d) procurement prices in different parts of the country need not be fixed at one level.
- (e) The general policy of the Government of India is to bring about gradual reduction of foodgrains prices to a reasonable level.
- (f) There would be no increase in the prices at which grain is issued from Government shop except that adjustment may be made between the prices of coarse grains and of rice or wheat.
- (g) Sufficient quantities of foodgrains should be imported from outside to facilitate the transition from decontrol to control.
- (h) No subsidy will be payable by the Centre in respect of grain procured in India. In respect of imported grain the subsidy will be shared between the Provinces and the Centre in the proportion 1 : 3 and between the States and the Centre in equal proportion.
- (i) The provinces and states will get a bonus of eight annas per maund of food grains procured by them and an additional bonus of eight annas per maund on quantities exported by them under the Basic Plan. In the case of States, this decision will come into force as from the 1st of October, 1948. The bonus will be earmarked for increasing food production and the Central Government would take steps necessary to ensure that this is being done.
- (j) The polishing of rice should be banned in order to augment supplies and to procure nutritively better rice.

11. This policy was re-affirmed at a conference of the Food Ministers of the States in October, 1949 and again in January, 1950 except that with the financial integration of the States on 1st April 1950, they will also be entitled to the same amount of subsidy from the Centre as the erstwhile Provinces.

12. Food controls may be broadly divided into two groups which may conveniently be described as 'All India control' and 'local controls'. There are two principal features of 'All India control' viz. first, the procurement of foodgrains from abroad on a monopoly basis by the Central Government and secondly, the implementation of what is known as the All India Basic Plan. There are two principal features of local control in each State, first rationing and controlled distribution which broadly determines the commitments of the States Government concerned to its own people and secondly procurement which means securing from local resources of the quantities of grain required for meeting these commitments as well as in the case of surplus units for meeting the export quotas under the All India Basic Plan. There are numerous other controls such as control of wholesale and retail prices, control of movement from one district to another or of movements from area to area in same district, control of stocks held by consumers, traders and agriculturists and so on. All these are broadly ancillary to the two main purposes described already.

13. A word may be said about the All India Basic Plan. This plan is no more than the ledger account of assets and liabilities which is prepared for each crop. Briefly India has two main groups of crops :

- (i) The *Kharif* or the winter crop of rice, millets and maize which begins to come into the market at the end of October, and
- (ii) the *Rabi* or spring crop of wheat, barley and gram which begins to come into markets at the end of April.

For each of these crops every State provides the Central Government with estimates of production and consumption and of the extent to which they are surplus or deficit. The Central Government compiles these returns and makes out a balance-sheet. It tries to allocate the surplus as best as it can to the deficit areas according to ascertained needs. It need hardly be added that the whole plan operated by consent, that is to say, the different Provinces and States agree amongst themselves on the one hand and with the Central Government on the other to play the game in the interests of the country as a whole.

14. *Procurement systems.*—There are various systems of procurement in different parts of India. In some cases purchases are made on Government account direct from the producers or by agents appointed for that purpose; in others, purchases are made from middlemen (Trade or millers). In all cases however some method of control is adopted in order to maintain the price limit. These systems may be broadly classified into those which involve

- (a) monopoly plus a levy;
- (b) levy without a monopoly;
- (c) monopoly without levy; and
- (d) neither a monopoly nor a levy.

15. The term 'levy' is used here in a broad sense as covering every case where the producer is legally obliged to sell. It includes such system as in Madras where the assessed surplus over and above the producers requirements assessed in accordance with a prescribed scale, is at the disposal of Government, or as in U. P. where a fixed quantity assessed on the holding and not necessarily covering the full surplus, is payable. Broadly speaking, a combination of the system of monopoly and levy is to be found more or less in Bombay, Madras, Mysore, and Travancore/Cochin. The monopoly without a levy is found in Orissa, West Bengal and Assam. A levy without monopoly is found in U. P., Bihar and Madhya Bharat.

16. *Distribution System.*—The term 'rationing' and 'Controlled distribution' covers a very wide range. According to foodgrains statistics supplied to us the total rationed population is reckoned as 113·8 millions out of a total population of 337 millions (1948 census). The figure of rationed population is likely to be misleading unless it is clearly realised that the number who actually depend on Government stocks for meeting their requirements is very much less. The people who may be regarded as 'rationed' in the strict sense of the term, are those who live in urban areas, where rationing is organised on a statutory basis. The total number of cities and towns where statutory rationing prevails is 349 and the total population involved is 39·3 millions. Most of this population is accounted for by the States of Bombay, Madras, U. P., and West Bengal as shown below :—

State	No. of towns and cities	Population (in millions)
Bombay	148	10·4
Madras	73	5·9
U.P.	53	6·5
West Bengal	10	6·1

It is clear that there are over 74·5 million people who are still reckoned as part of the rationed population but who are not residents of statutorily rationed urban area. These may be classified as follows :—

Classifications	Population,
(a) Non-statutorily rationed (urban)	4·17
(b) Statutorily rationed (rural)	5·8
(c) Non-statutorily rationed (rural)	35·6
(d) Under controlled distribution (urban)	2·2
(e) Under controlled distribution (rural)	26·7

17. There is no difference between statutory and non-statutory rationing except that in the latter supplies are not guaranteed by the Government and therefore some sort of open market is allowed. Controlled distribution again is an even more loose form of non-statutory rationing.

18. As regards statutory rationing (rural) almost the whole figure is accounted for by the inclusion in it of the entire rural population of Travancore/Cochin and of the deficit districts of Bombay and Madras. It is obvious that a large portion of the rural population of Madras, Bombay Mysore, Travancore/Cochin must be producers who feed themselves. They do not depend on Government stocks for their supplies. We have been told that they are included in the total of the rationed population for the reason that the quantities which may be retained by rural producers in these areas are fixed with reference to their requirements on scales determined by Government and they have been placed under legal obligation to deliver their surplus stocks to Government on a wholly and largely compulsory basis. Apart from the persons who feed themselves all the year round and in addition provide the supplies needed for others, the total number included under statutory rationing (rural) and non-statutory rationing (rural) must also comprise partial producers i.e., persons who normally secure from the lands which they own or work, a certain amount of grain with which they feed themselves and their families for a part of the year. In their case the obligation of Government is limited to supplying them foodgrains for the remaining part of the year.

19. It will thus readily be seen from the broad description given above that food controls involve numerous and varied administrative arrangements, both on the part of the Centre and the States. So far as the latter are concerned, the operations involves purchase of grain from inside the State territories or other areas, its transport, its custody pending distribution and then the distribution itself. So many agencies are employed in this task and so great is the volume of food transactions that this enterprise has been correctly classed as the biggest State enterprise ever undertaken by the States in India. Some idea of its size can be had from the following figures for 1949.

1. Approximate value of grain handled by the Centre is Rs. 144.6 crores
2. Approximate value of grain handled by the States is Rs. 300 crores
3. Cost of staff employed at the Centre in food operation is Rs. 40.0 lakhs
4. Cost of staff employed by the States on food operations (1948-49) is Rs. 9.5 crores

Working of controls.

20. There is, as is, well known, a number of complaints about the working of controls. One is about the cost of administration and another about quality, both of which are fairly widespread and in the opinion of the Committee well founded. Then there is the question of heavy losses sustained in storage and transport by agencies not usually accustomed to handle the grain. On the top of these there are the usual complaints of corruption and mal-administration in the different stages of procurement, movement, storage and distribution of supplies.

21. Undoubtedly there is substance in most of these complaints, some of which are perhaps to some extent inherent in all systems of State trading. On the other hand, open markets in foodgrains, wherever they function side by side with controlled distribution were found to be popular. It is true that prices ruling in these were, except in a few places, higher than controlled rates. But as the consumer obtained the grain of his choice in these markets, there were hardly any complaints against them. (It was also noticed that in places where open markets were allowed to function, complaints against the food administration were fewer.) This was no doubt due to the fact that the more vocal and/or fastidious part of the population had the option to buy its requirements in the open market.

It was also noticed by us that the total amount of off-take increased only very slightly due to the presence of the open market. A survey of ration off-take made at our instance in a city where non-statutory rationing and open market are working side by side revealed that the daily-off-take per adult was just slightly more (12.16 ozs.) than the ration scale (12 oz.).

22. The conditions that we have described above are an argument for an extension of the open market system. On the other hand, the Committee could not but fail to notice the widespread distrust in the country of the private trade. In particular in the relatively poorer classes there is a strong feeling that if things are left entirely to the trade the latter would not hesitate to take undue advantage of even minor shortages and push up price at will. (In view of this very genuine feeling the Committee consider that time is not yet ripe for complete decontrol. Vulnerable sections and in this category the Committee place industrial area, highly deficit pockets and large cities should continue to be statutorily rationed.) In the other urban areas and in the not so highly deficit pockets, a system of controlled distribution along with open markets should function for some time while in the other areas all that is required is a sprinkling of fair price shops to check the upward trend in prices. In other words, with the goal of self-sufficiency before the country in 1951 and the easier transport position, the country should be gradually but unmistakably prepared from now on for the final abandoning of controls and return to normalcy.

23. In the meanwhile, the Committee consider that steps should be taken immediately 'to take the edge off controls' and 'make them more acceptable to the people'. A sense of self-sufficiency should also be created in the minds of the people so that the transition from control to decontrol may be free from panic. The Committee attach great importance to the creation of this psychology, and for this purpose recommend steps to be taken to build up buffer stock so as to relieve pressure on intensive and rigid procurement. The measures which the committee recommend for immediate adoption are as follows :—

Firstly.—Adequate ration should be assured to the entire rationed population.

24. The Committee consider 14 ozs. per day per adult as the minimum amount of ration and this quantity or even 16 ozs. should be assured to the entire adult rationed population. Similarly a quantity of 7 ozs. to 8 ozs. should be assured to each child who may for this purpose be taken to be below 10 years of age. Not less than 12 ozs. of their ration should be in rice or wheat, but it should be exchangeable with coarse grains at the option of the ration card holder. The scale of cereal ration is now mostly 12 ozs. of indifferently cleaned grain. Needless to say that it is inadequate. The Committee had evidence from all parts of the country to the effect that the majority of the people supplement their ration to however small an extent, by resort to the black market. The increase of the ration to 14 ozs. and after some time to 16 ozs. will wipe out the black-market for all practical purposes—a very desirable result from all points of view. The elimination of black-market will not only improve the moral standard of the people and of officials engaged in the food administration but also combat the tendency of the continuance of high prices in the free markets. Black market in urban areas, being a paying proposition, attracts grain from the rural areas and, therefore, has a tendency to keep up prices in those areas with the consequent demand for high procurement prices.

25. In this connection the Committee would like to emphasise that normally the off-take of grain does not increase in the same proportion as the increase in the ration scale. It is a well-known fact that the higher the scale of ration, the less is the off-take. As stated already a survey of cereal off-take made at our instance in a city where non-statutory rationing and open markets were functioning side by side revealed that the daily off-take per adult was just slightly more than the ration scale. It is not, therefore, likely that a large amount of additional grain would be required by accepting this proposal. In any case, if it is felt that this result can only be achieved by reduction of other commitments of Government i.e., the choice is between an adequate ration to some part of the population and an inadequate ration to a greater number, then the Committee consider that Government should have no hesitation in choosing the first alternative and confine its commitments to the more vulnerable classes of population i.e. large cities, industrial areas and highly deficit pockets. If statutory rationing is confined to these three and adequate ration of good quality is given, it is not likely that the general price level of foodgrain prices will

rise in other areas on account of the Government giving up its commitments and as grain will no longer be attracted to these areas which can afford to pay well for it, there is bound to be a levelling down of the general level of foodgrains prices.

Secondly.—Quality of grain supplied in the ration must be good

26. The quality of grain issued to the consumer in ration is as important as the size of the ration. The issue of indifferently cleaned, bad or unfamiliar grain in ration is the second most fruitful source of encouraging the black-market as the issue of such grain means a virtual diminution in size of the ration. The Committee have no doubt that the quality of grain issued from the ration shops can be considerably improved. The official theory at present seems to be that it is sufficient if the quality of grain supplied conforms to the quality that usually came to the market in the decontrolled period. In actual practice it can hardly, if ever, be ensured that the same amount (and no more) of dirt and foreign matter as is usually present in the F. A. Q. of the grain which was sold in the open market is present in the foodgrains issued from the ration shop. Human nature being what it is, it is not surprising, that the quantity of dirt and foreign matter would tend to increase at various stages, particularly at the retail stage. Our general experience is that in this matter the consumer, particularly the poor man who can afford to buy only the cheaper grain and who is not so vocal gets the worst of the bargain. Again, in the matter of quality the psychological reaction to the supply of grain which is either unpopular or different from the kind of grain that the people were used to consume plays a part. For example, people who are accustomed to parboiled rice are apt to consider raw rice, however good it may be in quality, as bad. Similarly, under-milled rice from C. P. and Orissa was pronounced by some of the consumers in Calcutta as unfit for human consumption. Again, Russian, Canadian and Argentine Wheat, which is somewhat reddish in appearance is considered by consumers in Punjab and U. P. to be "not so good".

27. The Committee have recommended elsewhere several measures for improving quality. Mention need only be made here of the suggestion that only completely cleaned grain should be issued from the ration shops. The cleaning of grain should be done not in the ration shops but in the storage or other godowns by means of mechanical or hand operated sieves. The cost of this operation including the cost of the quantity lost in cleaning is estimated by a State in which this operation is actually undertaken at present at 2½ to 3 annas per maund only. This operation need not increase the distribution cost as in most cases it can be met by reduction of the retail commission which, in the opinion of the Committee, is high almost everywhere.

Thirdly.—Only pure grains should be issued in the ration

28. Another measure which would make rationing more popular is the abandonment of issue of mixture of cereals, for example atta produced from grist containing a mixture of wheat and barley as in Calcutta. The issue of such a mixture lends itself to further adulteration by the miller and the retailer and the result is discontentment out of all proportion to the saving made by the issue of such mixtures. The experience of the U. P. Government when the grist was sold in the State was the same. We would go further and say that the issue of atta containing a mixture of wheat, tapioca and/or sweet potatoes should be ruled out for the same reasons. Nor is it advisable to sell raw sweet potatoes, or tapioca as part of the ration. In this connection we would also like to refer to the issue of under-milled rice. We have been told that many house-holders pound such rice in their homes in order to get polish and the kind of rice that they want to eat. There is reason to suppose that the practice is widespread which it means that the amount of benefit which it was considered that the under-milled rice would confer is considerably reduced or eliminated. The undermilling of rice also leads to black-marketing and malpractices in which millers, many of whom are monopoly purchasing agents on behalf of Government, are tempted to join. As a compromise to public opinion

we think that temporarily at least the rigours of undermilling of rice should be partly relaxed, particularly for export to areas which have not been accustomed to the consumption of extensively undermilled rice. Efforts should also be made to issue, as far as possible, finer varieties of rice, particularly to the middle class population.

Fourthly.—There is need for re-orientation of policy in respect of rural areas.

29. As has been stated earlier, there is statutory rationing in some rural areas. Each cultivator's produce is assessed, and all grain beyond his requirements is taken away by the State. To a partial producer a ration card is issued for parts of the year on the same formula. We must say that there is a great deal of discontent with this system. Firstly, there is complaint about the quality. It is quite true that the quality of grain in the ration shops situated in rural areas is worse than the quality of similar grain in the nearby urban areas. Many State Governments themselves admitted the reservation of better quality of grain for issue in urban areas. For example, in West Bengal the grain that may be issued in a few miles outside the Corporation limits of Calcutta may not be good for issue in the town itself. In Bombay, the grain intended for issue in the four major towns is particularly cleaned. In Bombay again the rate at which grain is issued in the town of Bombay, Ahmedabad, Poona and Sholapur, which are mostly fed from subsidised imported grain, is substantially less than that in the rural areas.

30. Secondly, there is the complaint about high issue prices. In the process of procurement and distribution the price increases while the quality goes down. Consumers who draw their supplies from Government shops cannot understand why the prices that are charged to them are Rs. 1 to Re. 2 per maund more than the price at which Government secured the grain from their neighbour (who happened to be a surplus producer) and why the grain has suffered in quality during the process.

31. Thirdly, in the opinion of the Committee rural rationing has the effect of conversion of coarse-grain (or subsidiary food, for example, tapioca) eaters to wheat or rice eaters. It is also not unlikely that rural areas could do with a less amount of grain imports than in the case when Government takes on rationing commitments there.

32. Nor is the claim, that in a system of total procurement the last ounce of surplus grain is extracted from the producer, true. All evidence pointed to the existence of a large scale leakage which mainly fed the black market in urban area. The justification given by a Collector in Madras for the procurement of wet paddy was that if paddy was not procured while it was still on the threshing floor it usually disappears! In Travancore, the feeding on a large scale in temples or by private persons on festive occasions was freely mentioned. Both in Madras and Travancore as well as in Bombay it was said that the rigours of procurement were directed mainly against the small producer leading to widespread dissatisfaction and discontent.

33. The Committee feel that in a system of total procurement, i.e., a system in which the production of each individual farmer is assessed, and only the grain which is sufficient for his requirements is left, there is a great deal of room for favouritism which causes a lot of discontent and hardship to the small producers. On the balance, the Committee prefer the system of 'levy' or better still monopoly purchases as in Punjab. So far as the deficit districts are concerned, a regulated system of releases plus statutory rationing of urban areas should, in the opinion of the Committee be sufficient. The Committee does not subscribe to the theory that a change of this kind will necessarily result in the availability to the State of a proportionately less quantity of grain to meet its reduced commitments. Nor do we think that there will be any substantial effect on the general price level, so long as urban areas are statutorily rationed and the scale of ration is adequate.

Fifthly.—Family ration cards should be substituted for individual ration cards.

34. In most of the States the individual ration card system is in force i.e., a ration card is issued for each individual, although he may be one of the several

members of a family. The advantage of this system is said to be its greater safeguard against abuse and the facilities in returning the particular card to the ration office, in case a member of the family goes out of town, etc. We consider that these advantages have been over-assessed and that if the scale of ration is adequate, the balance of advantage lies in the issue of one card for the whole family. No consumer, if he feels that he would get his ration regularly, would tend to hoard. On the other hand, the institution of family ration cards is a definitely more convenient arrangement to the consumer because he spends far less time at a ration shop than in an individual card system. In the latter the retail dealer has to make the necessary entries on all the cards and in his register in respect of each of them. If this extra accounting can be curtailed, a large number of ration cards can be easily allotted to a shop resulting in lesser overheads and therefore in a lesser retail commission. In a State where the family card system is in force the amount of retail commission paid is roughly half of what is paid in other States. On the other hand, the control over the off-takes and the quality is no less strict in this State. In addition to the simplification of accounts at the ration shops the proposal will also result in reducing the amount of clerical work in the ration offices and in the amount of stationery, printing, etc., because for every five or six cards there will be only one card at the issue as well as the renewal stage.

Sixthly.—Bona fide travellers should be allowed to take with them a certain quantity of ration.

35. In some States it is an offence for travellers to be found in possession of rationed cereals. In the opinion of the Committee this is a hardship particularly in the present day circumstances of the country where on account of the religious or other susceptibilities there will always be a number of persons who would like to have their own rations with them. Also in most cases it is difficult for ration cards to be issued to *bona fide* visitors to the city immediately; in some States it takes no less than three days to issue a temporary ration card. The result is that this class of people have invariably to resort to black-market either direct or through an eating house.

36. It must not be understood that the Committee favours any relaxation in the present austerity measures such as limitation of guests to a feast where articles made of rationed cereals are served. In its opinion continued austerity in that direction is not only necessary but positively beneficial.

Seventhly.—The public should be associated more and more with Food Administration.

37. In most of the States there are Standing Advisory Committees to help the rationing authorities. This is a good system. On the other hand, generally speaking, there has been no association of the public with godown administration. As a result, a great deal of uninformed criticism about management of godowns is heard everywhere. The Committee consider that the godowns should no longer be sealed to the general public, but that representatives of it should be allowed access to the godowns at intervals. What the Committee would suggest is the formation of a Godown Committee consisting of not more than four or five men, *viz.*, the principal food officer of the place, one representative of the retail dealers, one representative of the trade preferably a storage expert and one representative of the consumers and the general public. In one State such Committees are already working with very satisfactory results and it is claimed that they have successfully screened the Government from uninformed criticism. In any case, the consumers of the places where these Godown Committees are working seem to be much more satisfied than in others.

Eighthly.—The cost of distribution should be brought down and the consequent benefit of reduction in price passed on to the consumers except where issue prices are already comparatively low.

38. The necessity of bringing down the distribution cost is self-evident. We have made detailed recommendations in this respect later (see Chapter II-E).

Pricing Policy.

39. A word about the pricing policy of foodgrains would not be out of place here.

Under normal trade conditions, owing to supply and demand, prices get so adjusted that there is no discontent on the part of anybody, but this position does not obtain when Government takes over trading in foodgrains. Here the Government are faced with the producers' problem on the one hand and the consumers' on the other. The price control policy, therefore raises at once the question of the level at which prices of foodgrains should be fixed. It is easy enough to say that the prices should be fixed in such a manner that they are fair both to the producer and the consumer. Fairness to the producer involves the fixation of a price which will economically make agriculture not only a self-supporting but a profitable proposition. On the other hand, fairness to consumer involves the fixation of a price which will ensure the needs of food of the common man. It has been the general experience of Government that at no stage does either the producer or the consumer feel satisfied; the producer wants higher and higher price for his produce while the consumer wants to pay only the minimum. At present, however, the general opinion in the country is that the producer has done well in recent years. Therefore, at the moment at least the real question is one of reducing the procurement prices gradually. The procurement prices of foodgrains are at present fixed by the Central Government in consultation with the States concerned mostly at or after a conference of the Food Ministers of States. The surmise of the Committee is that whichever Minister is able to plead his cause with greater vigour gets away with the prices that he wants. In the opinion of the Committee, the foodgrain prices should be fixed on a more integrated and rational basis. Due account should be taken of the normal flow of foodgrains from a surplus to a deficit area. In other words, procurement prices should be fixed in such a manner that the ruling prices in a deficit area are not higher than the prices at which similar grain imported from a surplus area would land. Thus, supposing common rice from C.P. lands at Bombay at Rs.14-0-0 a maund and can sell there at about Rs. 15-0-0 a maund, the procurement price for common rice in the State should be fixed in such a manner that local rice can also sell in Bombay areas at the same price as the C.P. rice.

40. In this connection the Committee would commend a system whereby not only the prices of foodgrains but the prices of all agricultural commodities are co-ordinated and interrelated. If that is done, then the problem of switching over of areas from one crop to another will not arise as it will no longer be remunerative to do so. In any case, for a healthy economy of the country it is necessary that the prices of all agricultural commodities and the prices of the same commodities in different States should be inter-related to each other. The Committee do not minimise the difficulties inherent in the consideration of this measure, but think that they are not insurmountable.

41. Nor are the Committee satisfied with the way in which issue prices are fixed in certain areas. For example in Delhi, Ajmer and Bombay prices are depressed to an extent which is unwarranted by the prices of local grains grown in these areas. The first two are Central areas and the Central Govt. is therefore directly subsidising the low prices. We understand that the amount of subsidy which the Central Govt. has incurred for Delhi and Ajmer during the period 1-1-48 to 31-3-50 has amounted to Rs. 5.56 crores and Rs. 47.8 lakhs respectively. That the extent to which this subsidisation is carried out is highly unnatural would be clear from the following statement which compares the present issue prices and the issue prices which would be in parity with the local procurement price.

State	Grain	Wholesale issue prices of imported grain (per md.)	Wholesale issue prices of locally produced grain (per md.)
Ajmer	Wheat	10-12-0	15-0-11
	Bajra	9-4-5	10-4-6
	Jowar		9-4-6
	Maize		9-4-6
	Barley		7-11-3 to 10-0-0
Delhi	Wheat	10-2-0	15-0-0
	Maize	8-0-0	9-14-0
	Barley	7-4-0	9-12-0

42. Pricing system in Bombay follows a similar pattern but that Government supposedly share the subsidy with the Centre to the extent of one fourth. In our opinion the ruling issue prices of grain in a particular area should be fixed with relation to its own prices if it is a surplus area or with reference to the prices of the grain that is imported in that area from the surplus area after, of course, taking into account all incidental expenses, etc.

It would be easier to achieve this object if the prices of the same kind of food-grains in different States are integrated to each other as already recommended by us.

CHAPTER II

Review of Administrative Arrangements and Recommendations

A. ARRANGEMENTS AT PORTS

43. Imports of foodgrains in India during 1949 amounted to 370.57 lakh tons distributed over different ports as follows :—

		(in '000 tons)
Ports	Quantity	
Bombay	1251.2	
Calcutta	1222.8	
Madras	312.2	
Vishakhapatnam	193.0	
Other Ports	726.5	

44. The Imported Foodgrains Clearance Committee described the arrangements made by the Central Government for clearance and handling of imported grains at the ports as follows :—

“Food Ministry’s arrangements for taking delivery.—The arrangements which the Food Ministry have to make to take delivery of the foodgrains are not the same at all the ports but generally comprise documentation and providing labour for such operations as are not handled by the Port labour.

The documentation is done by the Food Ministry’s clearing contractors at all ports with the exception of Madras and Cochin where it is done departmentally by the Regional Food Commissioner’s office.

The labour for discharge of foodgrains from the ship is provided by the stevedores. The stevedores also do the bagging of bulk grain in the holds of ships except at Cochin, Okha and Navlakhi where the bagging is done by Food Ministry's contractor. The handling of foodgrain bags from ship to sheds is generally done by Port labour. At Bombay, however, the Food Ministry's contractor fills the bulk grain in bags in the sheds and also stacks them in the sheds. The Food Ministry's contractors at all ports arrange sweepers and stitchers to collect the grain and repair bags on the quay and in the sheds.

The labour for loading at the docks is provided at Calcutta by the Port authorities both for lorries and railway wagons and at Madras for wagons only; at other ports the labour for loading both on lorries and into railway wagons is provided by the Food Ministry's contractors. The labour for weighment has to be arranged at all ports by the Food Ministry's contractor."

"Recipients' arrangements at the Ports.—The Committee notes that recipient governments other than those in whose jurisdiction the port is situated, have taken little interest in the matter of taking over and despatch of grain. There is no uniformity in the practice followed at different ports. Some recipient governments have lately deputed representatives at ports to supervise loading and despatch operations.

For example, at Bombay the despatches to recipients by rail are affected by the Ministry of Food's clearing or forwarding agents without any charge for this service. At Calcutta, the Food Ministry's clearing agents now effect despatches by rail as at Bombay but in respect of deliveries from storage godowns, the storage agents work as the forwarding agents for the recipients and recover from them charges for that work. At Madras, Cochin and Vizagapatam despatches by rail are effected by forwarding agents appointed by recipient governments. In some cases the Ministry of Food's clearing agents have been appointed by the recipients as their forwarding agents who therefore work in a dual capacity."

45. The Imported Foodgrains Clearance Committee accordingly recommended that Government of India's clearing agents should be made responsible upto the stage that the bags are loaded into railway wagons or on trucks at the docks. These recommendations have been accepted by the Central Government and the State Governments have been advised that the pool price charged to them will cover handling upto the F.O.R. stage. It follows that the only work which now falls to the lot of the recipient's agent or officer at the port is documentation. The Committee, however, found that forwarding agents were still continued to be employed on commission which was most extraordinarily high for the kind of work done by them. The Committee pointed this out to the Governments concerned with the concrete suggestions for reduction of the agent's commission or employment of fewer officers at the port.

Standardisation.

46. The imported Foodgrains Clearance Committee also recommended that the grain should be handed over to recipient Governments in standardised bags, i.e., each bag should be of uniform weight. For this purpose the Clearance Committee suggested the installation of mechanical equipment for weighment and bagging of bulk grain. The importance of standardisation of bags cannot be over-emphasised for obvious reasons. In any case, that is the only way to prevent abuses in the subsequent stages of transport and storage. We understand that it has been possible to carry out the standardisation of bags at Bombay and that arrangements are being made elsewhere to extend the Bombay system or to instal mobile machines to help in the standardisation. The Committee attach the utmost importance to the standardisation of bags at the ports and recommend that all possible steps should be taken to expedite matters.

B. TRANSPORT

47. Transport is obviously an important item in any food distribution scheme in a country of this size. During the year 1949 the amount of grains procured within the country amounted to over 44 lakh tons and those imported from overseas to 37 lakh tons. All this quantity had to be moved over varying distances.

48. The normal mode of transport of foodgrains is by rail, road and water, the quantity moved by rail being easily the biggest. The Committee, therefore, propose to deal with this problem under two headings, namely :—

(i) Transport by methods other than rail.

(ii) Rail transport.

I. Transport by methods other than rail.—

49. The mode of transport falling under this category is by lorries, carts, country crafts and head loads. It is naturally only resorted to when the points of procurement, storage or consumption are not connected by rail.

50. The transport charges by each kind of conveyance vary widely according to local conditions, but the following may be taken as the general range :—

	Rs.	As.	Ps.
Road transport by lorries at	0	0	2 to
	0	0	7 per md. per mile
Road transport by bullocks at	0	0	2½ to
	0	1	6 per md. per mile
Transport by water	0	0	1 to
	0	0	4 per md. per mile
Transport by rail	18	to	38 pie per maund per mile.

51. The rail transport is the cheapest but strangely enough accounts for the heaviest loss in transit, the figures being roughly as follows :—

Loss in rail transport	½ to 3½%
Loss in road transport	¼ to 1¼%
Loss in river transport	½ to 1%

52. It is not an easy matter to investigate whether the form of transport used is in each case economical or the charges paid are reasonable. The charges, as already stated vary according to local conditions. Thus, so long as the conditions in the interior are not improved and the out of the way areas are not opened up by improvement in communication, the only point to which attention could be paid is that there is proper supervision in the matter on the part of the State Governments. Most of the Governments employ transport officers to supervise the transport arrangements and the transport charges are fixed in consultation with these officers and the local District Magistrate. Most of the State Governments have also prescribed the maximum shortage which will be allowed in transit. In the present conditions this is probably as much as could be expected.

53. We feel, however, that in some areas it is possible for State Governments to own their own lorries for transport of grain from storage godowns to consuming points instead of leaving it entirely to private companies. This would possibly mean less expenditure and less scope for adulteration and substitution during transit.

II. Rail transport.

54. As already explained rail transport is much the more important of the two and, therefore, losses involved in transit by railways are also more important. The Committee have given anxious and careful consideration to the problem.

55. Its importance can be judged by the fact that in 1949 movement of foodgrains on Government account was of the order of 75 lakh tons comprising 35 lakh tons imported from abroad and 40 lakh tons procured from within the country. The value of this grain was roughly Rs. 350 crores. The amount earned by Railways as freight on this quantity at an average figure of Re. -/12/- per maund is estimated at Rs. 15 crores.

56. The information furnished to the Committee in reply to their questionnaire shows that the losses in the movement of foodgrains by Railways were over 2%, i.e., 1½ lakh tons valued at Rs. 7 crores. The replies reflect the feeling of most Governments of the existence of pilferage and malpractice on a large scale on the Railways. Most Governments also accuse the Railways of employing various methods to avoid responsibility for losses which should be borne by them. These complaints are undoubtedly exaggerated; in many cases the employees of the Provincial Governments are perhaps themselves responsible for acts like short loading, etc., but there is no doubt that there is a genuine feeling amongst Governments that they are not getting a square deal from the Railways. In view of this feeling and particularly on account of the prevailing food scarcity and also because railways are now a Government concern, there is an established need for a thorough review of the present position to see how far and in what direction improvements could be made so that a part at least of the huge national loss that takes place now can be saved.

57. For the purpose of review the problem may be divided into:—

I. Availability of wagons at the forwarding station and the provision of covered accommodation at the railway station.

II. Booking:

A. Loading of wagons.

B. Issue of Railway Receipts.

III. Protection of grain *en-route*.

IV. Delivery at the destination station.

V. Registration of claims, if any, for shortages, losses, etc., in transit.

VI. Settlement of claims.

Each of these is briefly dealt with below.

I. *Availability of wagons at the forwarding station.*

58. There are not many complaints that wagons are not available at the proper time. Some Governments have, however, represented that some of the wagons placed at their disposal by Railways are not water-tight, and sometimes wagons with wooden floor boards or with holes in the floor are used. The consignor, of course, has the right to reject such wagons, but this, the Governments argue, would involve avoidable and substantial expenditure in the shape of having to take back grain which was brought to the station for the purpose of loading or on its protection. The consignor Govt. would also be liable to pay the siding charges without using the wagons. The tendency, therefore, always is to make use of whatever kind of wagons are made available by the Railways. Wagons which are not water-tight are *prima-facie* unsuitable for the conveyance of foodgrains for obvious reasons particularly in rainy season. They lend themselves to damage of grain by rain etc. as also to malpractices. Wagons with wooden floor boards are also unsuitable because a mere hole with a sharp instrument in the floor of the wagon will make the grain trickle all the time and lead to theft as well as enormous waste. The same remarks apply to metal floor wagons with holes.

59. Now that the wagon position is reported to be much more satisfactory than before, it might be possible for Railways to cut out altogether wagons with wooden floor boards (or with holes in the floor) for the conveyance of grain. It might also be possible to lay down minimum standards for wagons which should be used for

foodgrains and to adopt a working rule that no wagon should be put on a journey for carrying foodgrains unless a certificate of fitness is obtained from the carriage department of the Railways at the starting point that it conforms to these standards. If at destination consignments from such wagons are found damaged, the matter should be taken up with the forwarding station and the wagon should be re-examined at the receiving end with a view to find out the defect. Necessary repairs should then be carried out and a fresh certificate of fitness issued before the wagon is used again for loading foodgrains. Presumably, something of the kind is being done even now; if so, what is required is a review of the prescribed procedure to see that it fulfils all requirements and to ensure its observance in practice. A draft schedule of standards to which all railway wagons used for carriage of foodgrains should conform is attached for consideration (Annexure I).

60. There are also complaints in respect of lack of covered accommodation at Railway station. This directly leads to loss and wastage of foodgrains, particularly in the rainy season. It seems that a beginning should be made in the direction of removing this defect at the principal booking stations.

II. Booking.

61. A. *Loading of wagons.*—Rule 23 of the I.R.C.A. Goods Tariff No. 27 reads as follows:—

“23. *Conditions under which goods are loaded and unloaded by the Railways.*—(1) Except at outlying sidings, *i.e.*, siding away from stations, all goods other than those provided for in the exceptions named in clause (2) below and such other goods as may, from time to time, be notified, are loaded and unloaded by the Railway free of extra charge.

(2) *Exceptions.*—The following descriptions of goods are required to be loaded and unloaded by senders and consignees respectively.

(i)

(ii) All commodities against which the symbol “L” appears in the General Classification, and station to station rate list, as the case may be, when in wagon loads.

(iii)

62. Since foodgrains moved on Government account are almost invariably subject to the “L” condition, loading and unloading operations are the responsibility of the consignor/consignee Government. For this purpose wagons are placed at the disposal of the consignor Governments either at the platform or where there is a siding on such sidings. These wagons should conform to the standards suggested in Annexure I. At the same time it should be prescribed as an obligation of the consignor Government that it observes such rules in packing and loading the wagons that the chances of their being interfered with in transit are reduced to the minimum. A draft schedule of loading instructions which prescribes in detail the method of loading a grain wagon and the safeguards that should be adopted in sealing it and otherwise making it secure from outside interference and tampering is enclosed for consideration (Annexure II).

63. It will be seen that the packing instruction included in the draft loading instructions differ slightly from the following packing instructions in the I.R.C.A. Goods Tariff No. 27 “P/7”, “When bagged must be in double bagging of strong and good quality.”

Double bagging is a luxury these days and in practice Railways (rightly) have not been insisting on double bagging.

Attention is particularly invited to the provision of fixing private seals or putting of private locks on wagons. It is believed that this would reduce tampering of the wagons.

64. *B. Issue of Railway Receipts.*—One or two Governments have complained of the shortness of time allowed to load wagons, but this complaint is not general, and may not therefore be taken seriously. On the other hand, there is unanimity of opinion that the supervision of Railways over the loading operations is not as full or as good as it ought to be. The Railway staff does not frequently count the bags or weigh them. The Railways have also not provided for the counting of bags and weighment in the general rules for carriage of goods, contained in the respective Goods Tariffs. In actual practice it is said that the Railway staff counts the bags and weighs complete consignments when they are small, but when consignments are tendered for despatch in full wagon loads, which are subject to "L" condition, as is almost invariably the case with Government foodgrains, the Railways adopt one of the following two methods:—

(i) The sender's description on the forwarding note regarding number of articles and weight is accepted and the railway receipts are qualified with some such remark "said to contain—bags" and "sender's weight accepted."

(ii) The description for bags as per forwarding note is accepted and some percentage of bags is weighed and the average weight thus obtained is shown in the railway receipt without any qualifying remarks.

65. Rule 29 of the I.R.C.A. Goods Tariff No. 27 while defining the responsibility of the Railways for goods carried by it does not state the nature or the degree of supervision that Railway servants would exercise at the time of accepting goods for carriage particularly in wagon loads. On the other hand, even when the number of bags and weight is shown on the R/R (which is the contract for carriage) Railways do not accept either the number or the weight as indisputable—*vide* Rule 15, which reads as follows:—

"Rule 15.—The weight, description and classification of goods and quotation of rates as given in the Railway Receipt and forwarding note are merely inserted for the purpose of estimating the Railway charges and the Railway reserves the right of re-measurement, re-weighment, re-classification and recalculation of rates, terminals and other charges and correction of any other errors at the place of destination and of collecting any amount that may have been omitted or undercharged. No admission is conveyed by a Railway Receipt that the weight as shown therein has been received or that the description of goods as furnished by the consignor is correct".

It seems to follow that even when a so-called clear R/R is issued, the responsibility of the Railways in regard to claims preferred as a result of re-weighment at the destination station is doubtful. Most Governments consider this position as irrational. The point has been more fully dealt with in para. 66.

66. *Execution of Risk Note Forms.*—In clause (3) of rule 29 quoted above, the Railways "give public notice that they are not liable for the loss of or damage done to goods which may be insufficiently, improperly, or incorrectly packed, marked, directed or described". Where railways consider that goods offered for carriage merit this description, they ask the consignor to sign a risk note form. The contention of most of the consignor Governments is that the Railway staff at the station are loath to booking consignments at railway risk and since they are the sole judges to determine the defective nature of packing, the consignor Government, it is argued, has almost invariably to accept their decision and sign such risk notes as it is directed to execute. The sender's protest does not count except at the risk of delaying despatches till the consignment is examined by a higher authority if he elects to force this issue. On the other hand under the general classification shown at page 149 of the I.R.C.A. Goods Tariff No. 27 the rate for carriage of foodgrains is that applicable to carriage at railway risk. It seems therefore incumbent on the Railways to accept foodgrains consignments as a rule at railway risk. Perhaps there is a certain amount of misunderstanding in the matter in the minds of railway servants who are probably over zealous in their duties in asking for execution of risk notes as a rule. In any case, if the draft schedule II, which contains packing instructions,

is accepted by both Railways and Government all that would be needed is a circular from the Railway Board publicising the new packing instructions and the point that Government consignments of foodgrains should, as a rule, be booked at railway risk.

III. *Protection of grain en-route*

67. As stated earlier, losses in transit of foodgrains in 1949 amounted to about 1½-lakh tons valued at Rs. 7 crores. It would make a difference to the food position in India if even a part of this grain could be saved. If the protection of food-grains *en-route* is judged in this light, it assumes a new significance. The following suggestions have been made in connection with this matter:—

- (a) Provision of escorts on foodgrains specials.
- (b) Transportation of foodgrains by fast goods trains.
- (c) Reduction to a minimum of keeping loose wagons in the yard, particularly at night.
- (d) Special probing of vulnerable points at which losses are known to occur; and
- (e) Careful transshipment.

68. The last is not the least important as the consensus of opinion is that the highest amount of loss occurs at transshipment points. This is not all due to spillage. The experience of one Government is that at junction stations "shortages both in bags and weight are usually noticed, thus indicating malpractice on a large scale". The possibility of pilferage and damage is greater at transshipment points than at the forwarding and receiving stations and strict vigilance at these stations is, therefore, called for. In the circumstances, it might be possible for at least some time to come, to strengthen Railway supervision by associating an official of the forwarding Government and an official of the receiving Government at the transshipment point so that all the parties, the consignor, the consignee and the carriers, are represented at this operation. If the volume of traffic justifies it, consignee Governments would perhaps consider stationing some staff at the transshipment points permanently.

IV. *Delivery at the destination station*

69. Foodgrains are usually carried in wagon loads, which are sealed. It has already been suggested in the packing instructions (Annexure II) that the consignor Government should be allowed to put on a private seal along with the railway seal. If the seals are in tact at the delivery station and the inside of the wagon shows no evidence of the contents having been tampered with or damaged by rain, fire, etc. the consignee will not naturally raise any difficulty about delivery. In other cases, the consignee would naturally desire re-weighment of the consignment. The general experience of Provincial Governments has, however, been that this re-weighment is refused by station officers and the consignees are discouraged from making any remarks in the delivery book. The consignor's difficulty in securing the correct weight at the forwarding station has already been explained in para. 65. A consignee demands weighment at the destination/receiving station because he is keen on securing correct weight of his goods, which he values more than a likely claim that he might receive from the railways in the event of loss. Railways on the other hand, look upon weighments merely as a process for the purpose of estimating freight charges; they have no interest in the value of goods. To a lay man it seems that Railways have secured over the consignees additional advantage in the matter by legislating a rule (referred to in para. 65) empowering themselves to re-weigh all consignments or as many of them at destination for the purpose of recovering under charges on account of railway freight etc. while denying a similar right to a consignee.

he also feels that he has been delivered less quantity than the one invoiced on the receipt issued by the railway. On the other hand the legal position is perhaps not so "snug" for the railways as it appears to be at first sight. Apart from section 72 and 76 of the Indian Railways Act of 1890 and sections 151, 152 and 162 of the Contract Act of 1872, which define the responsibility of a carrier and bailee respectively there is also said to be a Privy Council decision (*Bhullan Mall versus Secretary of State*) in which it has been particularly stressed that the consignee has the right of re-weighment by the servants of the Company as that is the only way for the consignee to prove that there was shortage of weight. It is obvious, however, that should this right of re-weighment be insisted upon in every case, it might mean paralysing of Government railway transport. The solution, therefore, lies in the railways weighing cent per cent bags at the forwarding station and conceding the right of re-weighment only in cases where it is seemingly clear that a consignment has been tampered with. For this purpose if it is necessary to entertain more Goods Clerks at the forwarding station, particularly where loading is done in sidings, the consignor Governments should be prepared to pay for them. If even then, at some stations full weighment is difficult of adoption, then Railways should weigh a percentage of bags, make a note of it on the railway receipt and allow re-weighment at the receiving station, if the consignee desires it, of the same percentage of bags delivered in sound condition. To the total weight of sound bags thus arrived at would be added the weight of slack and torn bags in order to arrive at the total weight of the consignment. The difference between this weight and that noted in the R/R would represent a claimable loss. Remarks by the consignees in the delivery book in regard to the condition of the consignment should, of course, not only be freely permitted, but encouraged. It is intended that these remarks should be standardised so as to confine them strictly to matters relevant to the claim. With this object in view, a draft schedule has been prepared (see Annexure III).

V. Registration of claims

70. A claim against Railways is required to be registered within six months from the date of booking by serving a notice of claim under sections 77 and 140 of the Indian Railways Act on a Railway Officer authorised to receive it either by delivering it at his office or by forwarding it by post in a prepared letter duly registered under the Indian Post Offices Act. It seems that claims sent by district officers in the province to the head office of the railways do not bring the acknowledgement with the result that the consignee is kept in suspense for months together as to whether the Railway has taken cognizance of his claims or not. It is possible for the district officers to send these claims registered acknowledgement due and the registration receipt would probably serve as an authority for legal acknowledgement. On the other hand, it would be better and lead to more speedy settlement if the station masters concerned are authorised to receive these claims. The B.B.&C.I. Railway has recently adopted this practice and has evolved a form (enclosed) on which compensation claims due to damage, shortage or loss of goods are preferred. It is possible that in case of private parties the station master may not be trusted to see that the claim has been received in time or that the original documents are attached to such a claim, but in the case of claims from Government, where neither party's interests are, in a sense, personal, the practice adopted by the B.B.&C.I. Railway may perhaps be recognised and introduced forthwith by all the Railways.

VI. Settlement of claims

71. Most Governments have complained of the abnormal delay in the settlement of claims. Some Governments have had to file suits "to avoid the limitation plea being invoked". This is a most unsatisfactory position, and the solution of this problem lies in—

- (a) Evolution of the type of cases in which claims would be originally accepted.
- (b) A special and periodical review of claims for losses.

72. It seems that the following agreement has already been reached on (b).

- (i) A special register should be maintained on each railway for all claims from Provincial Governments. A senior Claims Officer should scrutinise this register periodically and ensure that proper action is being taken and the Provincial Government concerned is kept advised of the progress of the cases.
- (ii) In the event of abnormal delay being anticipated in the disposal of any particular case, for any special reason, the Provincial Government should be advised that the railway administration would not invoke the Limitation Clause if the claim is not settled within the normal limitation period.
- (iii) Should the number of claims at any time be large, the senior Claims Officer should visit the headquarters of the Provincial Government and settle the claims on the spot in consultation with the officials of the Provincial Governments.
- (iv) should the decision of the Claims Officer stated in (iii) above be not acceptable to the Provincial Government and the Railway Administration is of the definite opinion that it is unable to modify the decision of the Claims Officer, a list of such cases should be forwarded to the Railway Board with brief details, so that the Board may undertake a review of such cases.

What is now necessary in this matter is to list, by mutual consent, the nature of losses that would be ordinarily accepted by Railways so that other claims may not be preferred by Consignor/Consignee Governments.

SUMMARY OF CONCLUSIONS

73. To sum up—

- (a) Only good and fit wagons, which cannot be tampered with *en-route* should be used for carriage of foodgrains. These wagons should be loaded strictly in accordance with regulations designed to prevent damage etc. *en-route*.
- (b) A method of booking should be evolved which would be considered as satisfactory both by the railways and the consignor/consignee Governments and should be given wide publicity. The method should be such as to ensure easy division of responsibility in regard to losses *en-route*.

If necessary, the consignor Government should be prepared to pay for the pay etc. of a booking clerk at forwarding stations.

- (c) Greater care must be taken in protecting grains *en-route* particularly at known vulnerable points and at transshipment points. The representatives of the Railways, the consignor and the consignee should as far as possible be associated at the transshipment points, where losses are said to be particularly heavy.
- (d) A clear method of delivery of foodgrains consignments should be evolved and wide publicity should be given to it. Whenever the consignee desires re-weighment, that should be done but conditions where such re-weighment can be insisted upon should be laid down.
- (e) Station Masters should be authorised to accept registration of claims from the consignee Governments in a prescribed form like that used by the B.B.&C.I. Railway.
- (f) Claims should be settled more by mutual consultation and agreement and appeal to the highest authorities of the Railways and the Provincial Government rather than by a Court of Law.

Annexure I (referred to in para 59)

**SCHEDULE OF STANDARDS FOR RAILWAY WAGONS TO BE USED FOR
CARRIAGE OF FOODGRAINS**

- I. Wagons should be covered.
- II. Wagons should be water-tight. They should be free from holes on the surface, sides or the floor. The floor of the wagon should not be of wood or in any way unsound.
- III. Manholes, doors and windows of the wagons should be in thorough order and capable of being securely bolted and fastened.
- IV. Wagons should be perfectly dry, clean and in good condition. Wagons previously used for carriage of oils, acids, chemicals or any other inflammatory material should not be used for foodgrains unless chemically cleaned.
- V. For loading to foreign Railway Stations, only "pooled" wagons should be used.
- VI. A certificate by a competent authority on the carriage staff of the Railways should be obtained to the effect that the wagon conforms to the above standards. This certificate should be made available for inspection by the representative of the consignor Government on request.

Annexure II (referred to in para. 62)

**SCHEDULE OF INSTRUCTIONS FOR LOADING OF WAGONS USED FOR
CARRIAGE OF FOODGRAINS**

- I. The representative of the consignor Government must satisfy himself that—
 - (a) the wagons conform to the standards laid down in the schedule of standards (Appendix I).
 - (b) the certificate of fitness has in fact been issued by a competent authority on the carriage staff of the Railway concerned.
- II. Before commencing the loading, manholes, doors and windows of the wagons on the off side should be firmly and tightly bolted from inside.
- III. Bags containing foodgrains must be loaded 12" away from the wagon doors on both sides and stacked in such a manner that the bags will not fall or get displaced during the journey.
- IV. Dunnage (bags containing husk etc.) should be placed near the doors of the wagon.
- V. On the completion of loading, it should be ensured that the wagons are revetted and the Railway seals affixed immediately.
- VI. In addition to the Railway seal, the officer supervising the loading should affix his private seal. An iron wire of just the size necessary for being passed round the point locked (and no longer) should be used instead of *Sutli*, which usually lends itself to easy tampering.

Annexure III (referred to in para. 69)

**SCHEDULE OF INSTRUCTIONS TO BE OBSERVED IN TAKING DELIVERY
OF WAGONS CONTAINING FOODGRAINS**

- I. The representative of the consignee Government must satisfy himself that—
 - (a) the Railway seal and the private seal of the representative of the consignor Government are in tact ;
 - (b) there is no external evidence of the wagon having been tampered with ;
and
 - (c) after the wagon is opened, there is no evidence of the contents of the wagon having been tampered with or damaged.

II. In case the representative of the consignee Government finds any defect of the nature mentioned in I, he should make a remark to that effect in the Station Delivery Book as follows :—

Description of loss	Remarks
1. Loss of full bags	Received—bags instead—bags weighing—Mds. against—Mds. or—Mds. short due to defective seals/no seals/re-seals.
2. Loss of contents of bags	Received—Bags cut/re-sewn/slack and contents extracted/dropping etc. through the crevices of the
(a) Through crevices of the door.	doors/bottom boards cut/manholes not properly
(b) By cutting the bottom boards of wooden floor wagons.	bolted from inside, weighing—Mds. instead—Mds. average weight of sound bags.
(c) Through manholes.	
(d) Bags cut and re-sewn	
3. Loss due to fire	Received—Bags weighing—Mds. against—Mds. invoiced weight, damaged by fire rendered unfit for human consumption.
4. Deterioration of contents due to	Received—Bags weighing—Mds. against—Mds. invoiced weight—Mds. due to consignments having been
(a) Water.	loaded in non-water-tight wagons/wagons not cleaned
(b) Oil stains.	and containing oil/coal dust/coal-tar/soil of animals
(c) Coal tar.	and rendered unfit for human consumption.
(d) Coal dust.	
(e) Soil of animals.	
5. Damages due to late arrival of goods resulting in germination and weevilling of stuff.	Received—bags with contents germinated/weevilled due to late arrival of wagons—consignments booked on—date and delivered on—date. Damaged contents weighing—Mds.

The weight of bags received should be arrived at as follows:—

The same percentage of bags as have been weighed at the forwarding station, should be reweighed. The bags selected for weighment should be in sound condition. To the total weight of sound bags thus arrived at should be added the weight of slack and torn bags or bags damaged by rain or fire, accident etc. in order to arrive at the total weight of the consignment. This weight should be noted as the weight received.

Annexure IV.

B. B. & C. I. Railway.

(Form for preferring Compensation Claims due to damage, shortage or loss of Goods or Parcels).

To

Date.....

The Chief Traffic Manager (Claims), B. B. & C. I. Railway, Byculla Club Buildings, Bombay No. 8.

Dear Sir,

Under Sections 77 and 140 of the Indian Railway Act, I beg to prefer a claim on the B. B. & C. I. Railway, Bombay, particulars of which are detailed below :—

(1) From.....(Station) to.....(Station) Via.....
Invoice and R/R Number.

(2) Parcel Way Bill Number. Dated.....
Luggage Ticket Number.

(3) No. of packages and description of consignment booked as shown in the Railway Receipt.....

(4) Name of consignor

(5) Name of consignee

- (6) Date of Delivery
- (7) Details of shortage, damage or loss.....
- (8) Full particulars of the contents of the missing or damaged package/ packages showing the value of each article packed therein.....
- (9) The amount claimed and how it is arrived at. (The original beejuc or other proof of the value of the goods should be enclosed).....
- (10) My title to the claim. A letter of authority from the endorsed consignee, if necessary, and the Railway Receipt (original or certified copy) should be enclosed.....
- (11) Other remarks (*).....

Yours faithfully.

- (*) Here it should be stated if the damage and deficiency has been assessed or otherwise noted by railway staff, ...

Full name and address.....

[3]

- Encl. (1) Beejuck.
(2) Letter of authority.
(3) Rly. Receipt (or certified copy thereof).

(PLEASE CUT ALONG THIS LINE)

B. B. & C. I. RAILWAY

Station.....

To

.....
.....

Received a letter dated.....from.....
addressed to the Chief Traffic Manager (Claims) B.B. & C.I. Railway, Bombay regarding a claim for Rs.....in connection with a consignment booked under Inv. No.....
.....RR/PWB/L.T. No.....dated.....
from.....to.....

Date.

Station Master.

C. STORAGE

74. It should not be necessary to emphasise the need for saving every ounce of grain that is available. The importance of good storage cannot, therefore, be over-emphasised. Accurate figures of losses in storage are extremely difficult to obtain but a "conservative estimate" referred to in the report on the marketing of wheat and rice in India showed that in undivided India losses totalled over 600,000 tons annually for these two grains alone. The Indian Agricultural Research Institute has come to a similar conclusion taking the losses at 5 per cent of all foodgrains produced. It is not profitable to argue about the accuracy of these figures, but suffice it to say that losses of anything like this order are deplorable and steps should, therefore be taken to cut out avoidable losses, particularly by rodents, insects and moisture after the grain has been harvested.

75. In a system of controlled distribution grains are stored either by the producer, the Trade (licensees and procurement agents or retailers) or the State. We have not been able to see at first hand conditions of storage at the field, but there is reason to believe that although the producers' method of storage may be primitive the results are not too discouraging. The cultivator by long experience knows when to store the grain, and in what condition. For example wheat, which remains lying in the hot sun after harvesting and before threshing, is generally insect free as any insect is likely to be destroyed by this natural "sunning". If, as usually happens, it is put into bulk-storage *khattis* and sealed, the loss in storage over a period of six months is almost negligible. Similarly, paddy stored locally by the

cultivator, although it does not get the same amount of drying, remains unaffected for a year or more. In these circumstances, it is hardly necessary for the Committee to deal with the methods of storage employed by the producer ; in any case the Committee is hardly equipped for the purpose.

76. The storage accommodation at the disposal of Government consists generally of the following types of structures :—

- (i) Pucca well built structures like the Kanpur godowns.
- (ii) Hanging Khattis like those at Jagraon and Moga in Punjab.
- (iii) Pucca underground godowns like those at Meerut and Hapur.
- (iv) Other pucca structures like those in Bombay and Poona.
- (v) Metal structures.
- (vi) Other temporary structures which were built during the war and which have been repaired and put into use like the Central Government godowns at Manmad.
- (vii) Rented godowns ; and
- (viii) Khotharis in abandoned and dilapidated buildings.

77. The last two types of storages lend themselves to heavy losses in storage. Wherever such godowns were noticed by the Committee or where the percentage of losses of grain was unduly high suggestions have been made to the State Governments for improving them. At the same time, State Governments are generally averse to undertaking construction of godowns at their own expense at this stage. With the goal of self-sufficiency in 1951 before the country, they consider that Government as such may not be able to use those godowns for very long, and therefore, it may be difficult to justify the heavy capital expenditure involved in the construction of such godowns. On the other hand, in the exporting states, there will always be need for good storage space. We accordingly feel that it would pay in the long run if the States, particularly the surplus ones, which are unable to find money for building their own food godowns, should encourage private parties to build good storage godowns in accordance with approved specifications. If help is promised in the form of acquisition of land and release of controlled materials it is not unlikely that there will be good response from private parties.

78. The Committee would, however, emphasise the importance of maintenance of existing godowns at the highest level of efficiency, as in its opinion this will give very beneficial results. It is the belief of the Committee that at present this is not so. Nor is there any doubt that with a little more care and attention, things can be considerably improved. The Committee, in one of their surprise visits, found a big godown situated in an important city in a bad state of management and repair; on their second visit things had improved out of all recognition.

79. At present, in some States, there is a great deal of inter-godown movement resulting in expenditure on transport and losses in transit. Inter-godown movement may be due either to uneven distribution of godown space or to errors of planning. Both can be remedied to a certain extent. The construction of new godowns should be planned in such a manner as to reduce these cross-movements to the minimum.

80. Here, we would also like to mention the widespread belief that grain deteriorates owing to the inexperience and incompetence of those incharge of storage. Much of this criticism results from the fact that godowns are closed to the public and that, therefore, there is speculation about what happens in a godown. We consider that it would be a definite improvement if each State Government were to associate representatives of the Trade and public and form a small Godown Committee consisting of their Rationing or Storage Officer, one representative each from the consumer or the wholesale trade, retail dealers drawing supplies from the godowns and one public man. This Committee should frequently visit the godowns

and examine actual conditions to see that proper standards are maintained. A Committee of this kind may help to screen State Governments from uninformed criticism. Godowns Committees are working in Bombay, Ahmedabad and Poona with good results. The formation of Godown Committees would not, of course, take away the responsibility of the State Governments to maintain proper storage conditions. There should accordingly be no diminution in the thorough inspection of these storages by high ranking officers of the States and of the Centre.

Extracts from the two notes submitted to the Committee by the Director of Storage (Central Ministry of Food) are appended below.

PREVENTION OF LOSS OF GRAINS IN STORAGE ✓

81. As a major portion of the produce in India remains in the hands of the cultivators and the trade, the following suggestions are offered to prevent deterioration of foodgrains in their custody :—

82. *Cultivators' Storage*.—The first study in India of the indigenous methods of storage was made by Fletcher and Gosh an account of which appeared in the proceedings of the third Entomological meeting Part II, 1919 and also in I.R.I. Pusa Bulletin No. III. The same has been reproduced in I.C.A.R. Miscellaneous Bulletin No. 57 with additional information on storage structures in certain parts of the Punjab. The Food Ministry officers also have collected certain information on the indigenous methods of storage during their visits to different Provinces and States. It is, therefore, not necessary to undertake any further survey of the Cultivators' methods of storage before undertaking measures for prevention of losses.

83. The cultivators' methods of storage can be broadly divided into the following :—

- (1) Underground pits or khattis.
- (2) Kothas or Kotharis.
- (3) Dholis, Bharolas, Bukharis, Golas.

84. *Underground pits or khattis*.—In these structures generally wheat, gram and jowar are stored. A lining of bhusa or straw both at the top and along the sides is given and the grain is stored up to the neck and at the top bhusa is spread and then the mouth is closed. There is no damage by insects and rats in these structures but there is damage on account of moisture to the outer layers of the grain. This damaged grain is known as *bhagar* in U.P. The grain loses its germinating power and in the case of Jowar and characteristic smell is assumed. The damage due to formation of *bhagar* may go up to 2.5 % but normally does not exceed 1.5%.

85. A possible improvement in this method of storage to prevent formation of *bhagar* is to ensure that the bottom and the sides of the khattis do not become damp. A lining of dampproof material to the surface of the Khatti to prevent seepage of moisture would result in avoiding formation of *bhagar*. It will, however, have to be worked out how to make the Khattis dampproof before any recommendation is thrown out.

86. *Kothas or Kotharis*.—These are room-like structures the sides of which may be of brick masonry or of mud. In the top portion of the wall there is a manhole for introducing the grain. The grain is stored in bulk raising a barricade of planks along the door. Here the damage to the grain is generally restricted to the top few inches layer. At times, there is also damage by rats if the structure is not built on a raised platform. These structures are sometimes provided with a ceiling but very often ceiling is absent. Prevention of deterioration of foodgrains depends on making the structures rat-proof and mixing the top layer of the grain with a Pyrethrum preparation such as Pyrodust when infestation is observed. Where ceiling exists, grain could be fumigated with Ethylene dichloride Carbon tetrachloride mixture.

87. *Dholis, Bharolas, Bukharis, Golas*.—These are overground structures built on raised platform. They are made either of mud walls or plaited bamboo or cotton or Tur stalks plastered over with cowdung and mud. A lining of bhusa or straw is given at the bottom and grain is filled and at the top a layer of bhusa is again spread followed by mud plaster. The roof is of thatched grass or straw or dried leaves. Infestation may appear in these structures and damage is restricted to the top few inches layer of the grain. Here also damage can be prevented by treating the top layer of the grain with a Pyrethrum product like pyrodust or fumigating the grain with Ethylene dichloride Carbon tetrachloride mixture.

88. It may be stated that cultivators take good care of their grain and see that only well-dried grain is put in storage and that receptacles are thoroughly cleaned before storage. These methods have been evolved after ages of experience and are suited to local soil and climatic conditions and availability of cheap building materials. Before suggesting any structural modifications, therefore, trials will have to be made to find out whether a particular modification is a definite improvement, and is within easy reach of an average cultivator. An organisation is necessary for periodical inspection of grain in storage. This need not be elaborate. The Agricultural Assistant during his visits should also inspect the grain stores and a Kamdar attached to him to give the insecticidal treatment. It is dangerous to leave the insecticidal treatments to the cultivators at this stage.

89 *Trade Storage*.—There is no doubt that the greatest amount of damage occurs while the grain is in the trade store. Generally, the traders store grain in dark and dingy rooms with katcha floor in a most unhygienic manner. In these structures the damage to grains may be as high as 8 to 10% during a year's storage. Grain is stored both in bulk and in bags. In bulk stores, top 4 to 6 inches layer of the grain is damaged but in bags it is spread all over. The trade store can be improved upon by making the structures damp and rat proof and providing ceiling so that fumigation could be carried out if the stocks show signs of infestation. Further, bag storage godown can be made well-ventilated.

90. The trade in U.P. has made considerable improvement in underground storage of grain by building cement concrete *khattis*. Grain keeps well in these structures and if infestation is seen can also be fumigated. This method should be encouraged.

91. It may be stated that no serious attempts have so far been made in preventing storage losses of grain with the trade and the cultivators. In fact trade storage is not different from Government Storage and all the methods practised in Government stores could be adopted in trade stores. The first requirement, however, for the trade storage is to provide suitable structures. These can be either built anew or the existing ones improved. For this purpose the trade will have to be given some incentive. If an assurance is given to the trade that if they have good storage structures, they will be entitled to a storage charge ranging from 1 to 2 annas per maund and the building materials will be made available to them at controlled rates many are likely to take advantage of these concessions.

92. The Food Ministry, during the years 1945 and 1946, had recommended to the Provinces/States to enact a legislation entitled 'The licensing of Warehouses and warehousemen Act'. If, such an Act is passed in all the States and enforced making it obligatory on every trader to have approved warehouses as a condition precedent to the grant of licence in dealing in foodgrains, the objective of bringing about improvements in the storage structures could be achieved.

93. It would not be wise at this stage to leave the insecticidal methods in the hands of the trade and for this purpose some organisation will be necessary. It is considered that if 1 anna is added to the market cess, the cost of organisation responsible for monthly inspection of the stocks and giving necessary insecticidal treatments could be adequately met. This staff can be given necessary training and if the scheme is seriously worked, there is no doubt that a considerable loss of foodgrains in the trade stores could be avoided.

94. The third place where there is deterioration of foodgrains are the seed stores. With the methods that are practised in Government stores, it is possible to prevent that loss. Most of the seed stores are maintained by Government and if proper storage and disinfection methods are strictly followed this loss can be totally avoided.

95. Certain amount of loss occurs also in households. To prevent this, all that is required is education. The methods are simple and can be easily adopted by the housewife.

96. It may be stated that mere propaganda and advice is not going to produce the results soon. It is true that some investigation work is necessary in bringing about structural improvements in the indigenous methods of storage of the cultivators. This can go on simultaneously but even with the available information and knowledge, a good deal can be achieved to minimise loss of foodgrains due to insects, rats and moisture at all storage places. The problem is mainly an organisational one and unless organisations are set up and responsibility fixed, substantial progress is not likely to be made. To sum up, the following action is immediately necessary :—

- (1) Inspection of existing trade stores and rejecting thoroughly unsuitable ones, suggesting improvements wherever possible and inducing the trade to build new structures.
- (2) Only those dealers who have approved warehouses should be granted a license for dealing in foodgrains.
- (3) Setting up organisations for periodical inspection of stocks and giving necessary disinfection treatments.

NOTE ON STORAGE POSITION IN INDIA

97. The Central Government is responsible for handling imported foodgrains on arrival till they are allotted to the State Governments. Depots are located at 7 places viz. Bombay, Manmad, Madras (Avadi), Cochin, Vizagapatam, Coimbatore and Calcutta. The ideal conditions for storage and handling of these foodgrains should have been elevator type of storage but at none of these places such storage exists. All the structures are for bag storage. Some of them are no doubt damp-proof, ratproof and well ventilated and quite satisfactory. Details are given below:—

Bombay.—Government of India Grain godowns (35,000 tons) and Wadia godowns (9,600 tons) and Sasoon Docks godowns (2,400 tons) are good masonry structure and are suitable for storage. Bombay Government Trust grain godown G. Shed (7,000 tons) and T. Shed (17,000 tons) and B.P.T. warehouses Nos. 1, 2, 9 and 10 (9,700 tons) are all metal structure and can be used only as transit stores. The Cotton Depot godowns of 9,600 tons are however with Katcha moist floor and can be considerably improved if they are cemented.

Manmad.—The 8 sheds of about 12,000 tons capacity which are in use need slight repairs to the roof as there are frequent leakages. After this is done, these are suitable. Similarly, another 10 sheds after repairs can also be suitable, and the total capacity then would be 40,000 tons. The rest i.e. 10 sheds need heavy repairs before they can be made suitable.

Madras.—R.S.B.D. sheds (21,000 tons) at Avadi are good for storage.

Vizagapatam.—(12,000 tons) All are Lahore sheds and can be used for transit storage.

Cochin.—Both O. T. D. and R.I.A.F., sheds (total 32,000 tons) need constant repairs and are not suitable. These structures can only be used as transit stores even after repairs.

Coimbatore.—Madras type masonry godowns (7,000 tons) are quite suitable for storage whereas the Lahore sheds (9,000 tons) can only be used as transit stores. These godowns have not been in use of the Central Government for about a year now and are being utilised by the Provincial Government.

Calcutta.—Brooklyn Depot (20,000 tons) and Jhinjarapole Depot (12,000 tons) are new structures and therefore satisfactory for storage, though they are metal structures. Kantapukur C. Shed, Omicorn Shed and Alpha Shed (all 8,000 tons) are old metal structures and can only be used as transit sheds.

At all the places technical organisations have been set up for disinfection of stocks, for disinfection of stacks of bags and for carrying out fumigation. So long, fumigation facilities were not adequate but now sufficient number of gasproof covers have been provided at each of the depots and fumigation of infested stocks can be carried out systematically. But more dusting and spraying equipment is needed.

Facilities for cleaning are not at all adequate at any of the depots. A few winnowers and sieves, no doubt, have been provided but the rate of work with these machines is very slow. It is necessary to instal power cleannig machines at all the places. One such machine is being installed in Bombay, and after examining its working it is proposed to instal similar machines at other depots.

State Government.—The information available with the Storage Directorate with regard to the storage accommodation constructed by the State Government, is given below :—

West Bengal.—Cossipore depot (70,000 tons) is quite suitable and other structures are metal ones which were built in 1944-45 and need constant repairs and therefore can only be used for transit storage.

Assam.—18,000 tons accommodation is suitable for storage.

Bihar.—In Bihar they have 19,092 tons ; but most of these being metal structures are only suitable as transit stores.

Orissa.—27,800 tons masonry type buildings are quite suitable.

Bombay.—Of the 2,23,700 tons newly constructed godowns, the Ryan godowns in Bombay of 47,000 tons capacity are quite good for storage and the masonry structures built elsewhere in the Province may be considered suitable.

Madras.—(29,892 tons). Most of the accommodation is of Madras type sheds which are quite good for storage.

C.P. and Berar.—24,500 tons newly constructed storage accommodation is quite satisfactory.

U. P.—Bulk storage pucca khattis of 30,000 tons built by the U.P. Government is really good for long term storage. 20,000 tons bag storage godowns built in Kanpur are also quite satisfactory.

East Punjab.—Lahore sheds of 3,600 tons capacity are suitable only as transit stores but the rest 8,500 tons cement concrete bins are really first class structures for long term storage.

Delhi Administration.—Newly constructed bag storage accommodation is 12,540 tons in Roshanara out of which 5,040 is of masonry type, 2,500 tons Lahore sheds and 5,000 tons temporary shed with kutchha floor. In Subzimandi total accommodation is 4,460 tons consisting of 2 Lahore sheds and masonry building and bulk bins of 960 tons. Masonry structures and bulk bins are good for long storage but Lahore sheds are for transit storage. The shed at Roshanara is unsuitable.

Ajmer.—1,800 tons of F.D.S. type II godowns are satisfactory.

Part B. States.—In States, 25,900 tons in Rajasthan are good masonry structures and suitable for storage. In Hyderabad, only 15,000 tons are masonry structures located in Hyderabad City and are quite suitable for storage and the rest (about 2,65,000 tons) are all metal structures and can be used as transit sheds. Cochin has 14,000 tons good storage accommodation.

98. There is a huge leased accommodation taken over by State Governments for storage of indigenous procured grains as well as imported foodgrains that are allotted to them. Some of this accommodation is undoubtedly good but some is faulty in that the flooring is katcha and damp, walls unplastered, proper ventilation not provided. The roof of some is also not leakage-proof. Such structures need to be immediately improved. Being leased structures there is always a dispute between the Governments and the lessors as to who should bear the expenditure with the result that nothing is actually done. It would be worthwhile to consider raising the rent of these structures, if necessary, to induce the owners to bring about the desired improvements and to make available to them essential building materials in short supply at controlled rates. Similarly structures having katcha flooring and leaky roof should be discarded.

99. *Technical Organisations in States.*—The States like Bombay, Madras, C.P., U.P. and East Punjab have set up technical organisations to carry out inspection of stocks and to adopt disinfection measures including fumigation. However, some of the staff engaged on this work do not possess basic scientific background and therefore, sometimes mistakes are committed in identification of pests and giving proper treatment.

West Bengal, Bihar, Assam and Orissa have not yet set up technical organisations. Bihar and West Bengal Governments have been given concrete proposals with regard to the technical organisations that should exist in these provinces. It is hoped that they are taking action in that direction. In Orissa and Assam nothing seems to have been done so far.

PEPSU has been given a scheme regarding the technical organisation they should have but nothing seems to have materialised so far. So also suggestions have been made to Rajasthan Union but no progress has been made. Saurashtra Government and Hyderabad propose to set up such organisation. Disinfection operations by the use of Gammexane dust is being carried out in some of the States, in an *ad hoc* manner but not systematically. At present in none of these States fumigation facilities exist. In short, the entire storage work in all Part B States has to be organised.

100. With regard to the cleaning facilities so far as is known they are inadequate in almost all the places. No doubt, at some places they have made arrangements for hand winnowers and sieves but their number is insufficient everywhere.

101. *General remarks.*—Taking into consideration the short period of 5 years since the storage work was started in the country the progress made is by no means unsatisfactory but a good deal of improvement is still necessary both in the Central Government stores as well as in State godowns. New difficulties always arise. Sometimes pests which are not common in a particular commodity are seen heavily infesting it. Sometimes lack of supervision results in deterioration; facilities at hand are inadequate and even if the man on the spot proposes to take a particular action it takes a long time before adequate facilities are provided to him and in the meantime the grain deteriorates. For fumigation work, every Province and State must have sufficient number of gasproof covers, as most of the godowns cannot be made airtight. Similarly, for carrying out periodical examination of stocks and disinfection measures, there must be technical men assisted by a regular squad of persons. Leaving disinfection work, particularly, fumigation in the hands of laymen is dangerous.

✓102. To sum up, the following steps are necessary:—

1. Improvement of existing structures which are defective and building new accommodation where insufficient.
2. Appointment of technical staff sufficient to ensure fortnightly examination of the condition of grain and for giving timely treatment.
3. Provision of adequate quantities of insecticides, fumigants and other equipment.
4. Provision of adequate cleaning machinery.

D. QUALITY

103. Public opinion is generally very critical about the quality of foodgrains issued as ration. The Committee feel that there is a great deal of truth in these complaints. The general type of complaints are:—

- (a) Weevilling in wheat ;
- (b) extra-ordinary proportion of brokens or fragments in rice ;
- (c) presence of pebbles and other foreign matter in rice ; and
- (d) dirty appearance particularly of rice.

The Committee themselves noticed visible deterioration in quality at the stage of distribution as compared to that at the procurement stage.

104. Psychological reaction to the supply of grain which is either unpopular or different from the kind of grains that the people used to consume also plays a part in the complaints about quality. For example, people who are accustomed to par-boiled rice are apt to consider raw rice, however good it may be in quality, as bad. Similarly undermilled rice from C.P. and Orissa was pronounced by many of the consumers in Calcutta as unfit for human consumption. The Russian, Argentina and Canadian wheat which is reddish in appearance, was considered by consumers in Uttar Pradesh and Punjab to be not so good.

105. At the same time, there is no doubt that the quality of grain issued from the ration shops can be considerably improved. The official theory at present seems to be that it is sufficient if the quality of grain supplied conform to the quality that usually came to the market in the decontrolled period. In actual practice, it can hardly, if ever, be ensured that the same amount—and no more—of dirt and foreign matter as is usually contained in the F.A.Q. of the grain which was usually sold in the open market, is present in the foodgrains issued from ration shops. Human nature being what it is, it is not surprising that the quantity of dirt and foreign matter would tend to increase at various stages, particularly the retail stage. Our general experience is that in this matter the consumer, particularly the poor man, who can afford to buy only the cheapest grain and who is not so vocal gets the worst of the bargain.

106. In some States, certain features of the present arrangements can be said to be directly responsible for deterioration in quality. In Madras, for example, the grain is issued by measure. Now weevilled grain, although it deteriorates in quality and loses weight, does not lose in volume. In other words, by issue of the weevilled wheat by measure, it is not the pocket of the Madras Government or the retailer that is affected; the only person who loses is the consumer.

REMEDIAL MEASURES

A. Importance of laying down strict specifications to the purchase of grain and seeing that they are adhered to :

107. Looseness or vagueness of specifications or fixation of these at comparatively low standard in respect of initial procurement of grains is a very important element in the determination of its quality at later stages. A comparison of the specifications of various States would show that they are far from being uniform. In certain States dirt and foreign matter is allowed to a greater extent, without any reduction in price than in others. Similarly, the percentage of brokens in rice differs in different States. We have been told that in some States the prescription of low standards is deliberate, the object being to secure as much quantity of grain as possible. The Committee wish to point out that this policy neither benefits the cultivator nor the State in the long run and should, therefore, not be encouraged. We have touched on this point in greater detail while dealing with the case of various States.

B. Issue of cleaned grain from ration shops

108. In order to combat the unsympathetic psychological reaction which is more or less inherent in a system of regimented controls it seems essential in our view to ensure to the consumer grain which is good in quality as well as reasonably free from dirt and foreign matter. It is, therefore, necessary to issue only completely cleaned grain from the ration shops. The consumer is not concerned with the kind of grain that is procured or the measures that are taken for the conservation of quality in storage godowns. He sees only the grain that he receives and, therefore, it is necessary, as has been suggested above, irrespective of whatever measures are taken to maintain the quality during procurement and storage that grain is completely cleaned before it is issued to the consumer from the ration shops. The cleaning of grain should be done not in the ration shops but in the storage or other godowns by means of mechanical or hand operated sieves. The cost of this operation including the cost of the quantity lost in cleaning is estimated by Bombay Government at $2\frac{1}{2}$ annas to 3 annas per maund only. The increased cost can be met in most cases by a reduction of the retail commission which, in the opinion of the Committee, is high. Even if the entire cost cannot be met by this means, it is worthwhile to introduce this measure. The issue of completely cleaned grain from ration shops makes it impossible for the retailer to play any tricks with the consumer as the consumer after a few weeks experience will know what to expect and will immediately make a noise if the grain is not clean. This measure will also reduce abuses as unusually large losses in cleaning would call for investigation at all the points through which the grain passed. The Committee have no doubt that the measure will be very popular; it will have a beneficial effect on the administration also. Many of the States we visited have realised the importance of the proposal and are taking steps to implement it.

C. Display of samples in ration shops

109. The Consumer must know what he is receiving by way of ration. In many places, in important cities samples are displayed in sealed glass cases. This the Committee feel, should be observed as a general rule and the consumers given full facilities to compare the samples displayed with the ration that they receive. The Inspectorate should also carry out this test-check frequently and note defects in a register maintained for the purpose. We have noticed that in some States, there is a system in which the Inspectorate notes each day the kind of grain that is in the shop i.e., whether it is fair, good or bad. We commend this system for adoption in all States. If completely cleaned grain is issued from the ration shops, as has been recommended, then the display of samples in glass cases will assume still more significance as any departure from completely cleaned grain will at once be objected to by the consumer.

D.—Necessity of a strong Inspectorate Organisation

110. The Committee feel that there should be a good and efficient Inspectorate for frequent and thorough inspection of the ration shops. The duties of the Inspectorate should, among others, be to see that the quality of the grain at the shops is in accordance with the quality that has been issued to the retailer from the storage depot. For this purpose he should see not only the bags from which the grain is issued but the grain that is stored in the shop pending issue. He should also note the fact of quality in a register maintained for the purpose. The Inspectorate should test-check the weights and measures and should closely question the ration holders as to the time that they have to spend at the shop and about the general behaviour of the retailer. Officers of higher status should also frequently visit ration shops in order to check the work of Inspectors. The number of Inspectors employed in big cities was not, in the view of the Committee, inadequate but the quality of ration issued in some cases left much to be desired.

111. So far as the inspection work relating to the grain that is despatched from surplus to deficit areas is concerned, the present position seems to be that the inspectors of both the recipient and the exporting Governments meet and decide on the acceptable quality of the grain. Some recipient Governments are not, however, themselves satisfied with the inspection of their Inspectors. The Committee consider that there should either be a Central organisation, the cost of which should be defrayed by the States concerned or in the alternative Grain Associations consisting of reputable grain merchants should be formed and licensed as quality inspectorates, as in many other countries.

E. Proper Selection of retail dealers

112. The proper selection of authorised retail dealers is also important. In some of the shops which the Committee visited, grain was stored in dilapidated dingy rooms having hardly any ventilation. Again, some of the shops were situated in unhygienic surroundings and in some of the shops there was hardly any accommodation for the orderly transaction of business. All this finally reflected on the quality of grain issued to the consumers. It is not unlikely that in some cases the issue of a licence for a ration shop is considered as an act of patronage and that, therefore, standards to which such shops should conform are not observed in the allotment of shops. In the opinion of the Committee it is very necessary to apply rigid standards of selection of retail agencies such as experience in grain trade, good financial resources, integrity and possession of suitable premises. The cooperative system seems to work well in many States. The Cooperative stores are generally better shops than others and service is also superior, although some of the stores suffer sometimes from financial difficulties.

E.—DISTRIBUTION COST

(I) GENERAL

113. In the preceding chapters we have described administrative arrangements made by the various States in connection with foodgrains transactions. Expenditure incurred on these administrative arrangements represents distribution cost. The price that is paid by the consumer for the grain is the procurement price plus the distribution cost. It is, therefore, obvious that the consumer is very much interested in the distribution cost being kept as low as possible. That, in fact, should be the aim of the State Governments also since avoidable expenditure on distribution means either employment of unnecessary establishment or avoidable wastage or loss in some form or the other. The scrutiny applied by the Committee has, therefore, been primarily directed to seeing that the distribution cost is no more than is fair or reasonable in the circumstances prevailing in a particular State and that there is a fair amount of uniformity and standardisation of such items of distribution cost as are common to all States wherever such standardisation or uniformity is possible.

114. The items which enter into the cost of distribution are many and varied as detailed below:—

1. Commission to agents appointed at the point for handling imported grains;
2. Commission to agents for purchase of local grains ;
3. Handling charges at the procurement point such as measuring, weighing, bagging, stitching, etc.;
4. Cost of containers, i.e., bags ;
5. Transport from the procurement point to consumption centres or storage centres ;
6. Shortages and losses in transit ;
7. Handling at storage or consumption points ;
8. Milling charges ;

9. Shortages in storage ;
10. Storage cost i.e., godown rent and maintenance ;
11. Cleaning and standardisation at the issue stage ;
12. Cost of establishment employed at various stages i.e., procurement, storage and distribution ;
13. Octroi and terminal tax ;
14. Sales tax ;
15. Wholesalers margin where wholesalers are employed ;
16. Commission paid to retailers ;
17. Insurance, interest and unforeseen charges.

115. The above is a fairly exhaustive list of the kind of expenses that are incurred by a State in making the grain available to the consumer. It should not be understood, however, that all these expenses are incurred by all States and on all the grains whether locally procured or imported. The particular items which each State incurs depends on the kind of functions which that State has undertaken for example ; in some States the Government's own officers procure grains and not purchasing agents. Similarly in others the Government themselves are the wholesalers. The incidental expenses must, therefore, vary from one State to another and even from one district to another. There are, however, certain items of expenses which are common to all areas and these items can, in the view of the Committee be standardised to a reasonable extent. These items are :—

1. Payments made to agents appointed at the port for handling imported grains

116. As stated in para. 45 of Chapter IIA the Central Government now delivers grain to recipients f.o.r. or loaded into trucks. This should cut out the necessity of the employment of an agent at the port by the State Governments and an officer to supervise the despatch of these grains should be sufficient. If, however, any State Government do employ an agent the charges should be very nominal—say two to three annas a ton.

2. Commission to agents for purchase of Local grains

117. Almost all the Governments except Assam, Bombay and Mysore, appoint purchasing agents to procure grain on their behalf. The remuneration for this work is generally paid either on a percentage basis of cost or at a flat rate. The statement below compares the commission paid by the more important States :

<i>State</i>	<i>Commission</i>
U.P.	Rs. 1-4-0 to 1-13-0 per Rs. 100/.
Punjab	Rs. 0-8-0 to 0-12-0 per Rs. 100/.
Madhya Pradesh	Rs. 0-1-0 per maund
Bihar	Rs. 0-4-0 per maund
West Bengal	Rs. 0-2-0 per maund
Madras	Rs. 0-4-1 (including all incidentals upto delivery at mill)
Orissa	Rs. 0-3-0 (including services upto distribution to retailers)

118. The somewhat low rate paid by Madhya Pradesh is attributed by other Governments to the permission to stockists to dispose of their stock in any manner they like after handing over their quota to Government. A fair rate of commission seems to be that paid in Punjab, namely 8 to 12 annas per cent. The Committee consider that other Governments should try to reduce their charges to the Punjab level.

3. *Handling charges at the procurement point such as measuring, weighing, bagging, stitching, etc.*

119. These should not exceed -/2/- per maund.

4. *Cost of containers i.e., bags.*

120. Grains have necessarily to be bagged so as to facilitate internal transport and storage. Most States use brand new gunny bags for the purpose which are finally passed on to the retailers as a part of his retail commission. Some States, however, use these gunnies twice or thrice and in the expenses, charge only depreciation to the consumers. The Committee consider that in the present state of things where conservation of jute is essential, the method followed by the latter should be universally adopted. Gunned should not be allowed to be retained by the retailer unless they have been used thrice. If necessary, adjustments should be made in the retailers commission.

121. As a general rule, since price of jute and jute bags is controlled, State Governments would be well advised to purchase their requirements through Government channels, i.e., through the Ministry of I. & S. By doing so they will get supplies at the controlled rate and at the time they want them if a programme is drawn out well in advance.

122. The type of gunny that has a capacity of about 2½ maunds should normally be used. 'B' and 'C' twill bags are normally of this capacity. Some States use a gunny bag which is heavier but which holds less and the result is that the incidental expenses per maund are increased in proportion.

123. Since imported grains are all supplied in bags by the Central Government there should be a credit for the cost of gunny bags in the calculation of the incidentals so that only the correct amount of subsidy may be debited to the Central Government. This credit should normally be equal to about half the value of bag. In areas where the gunny bags is passed on to the retailer as a part of his commission this credit may be further reduced by one third.

5. *Shortages and losses in transit*

124. Here also there is a great deal of variation between various States as will be seen from the following statement :—

State	Per maund
Punjab	0-2-0 to 0-3-0
U.P..	0-3-1- to 0-10-0
M.P.	0-2-3-
Orissa	0-5-0
Bihar	0-3-0
W. Bengal	0-7-0
Assam	0-7-0
Rajasthan	0-4-6
Ajmer	0-4-0

125. The instructions issued by States in regard to avoidance of shortages and losses are more or less elaborate but it is surprising that the efficiency which ought to result generally from such instructions was not reflected in the amount of shortages that are allowed in the incidental expenses by certain State Governments. In the case of losses in transit by rail, the Committee consider that their own officers in charge of supervision and check of the quantity despatched or received are sometimes to blame for a part of the loss. State Governments must, therefore, thoroughly check up and try to eliminate this part of the loss. The normal loss in transit by rail should be of the order of 0.5 % only.

126. Another point which conduces to the high loss is the indifference of certain Governments to ensuring that only good quality grain is procured at the initial stage of procurement. In many States no allowance is made for wet paddy while in others there are no specifications at all to which paddy/rice initially procured should conform. The Committee consider that in all, the total loss from the procurement to the storage stage should not ordinarily exceed 1%.

6. Milling charges

127. The milling charges for converting wheat into atta in States which issue atta are as follows :—

State	Extraction	Milling charge (per md.)
Punjab	100%	0-9-6 to 0-14-0 (including transport, godown rent, interest etc.)
U. P.	96%	0-7-0 to 0-9-0
W. Bengal	91%	1-14-0 (Consists of 1-0-0 as milling charge plus cost of transport etc. allowed to be retained by the miller)
Bombay	94%	1-8-0 (including transport from Govt. godowns to mills, interest, cleaning, milling, cost of new gunnies and distribution of flour to bakery etc.)

It will be seen that the arrangement in Punjab is the best and the Committee commend it to other States for consideration. In W. Bengal the milling charge is particularly high because it is understood that the policy of the Government is to keep all the mills in Calcutta in production even though the quantity of wheat available for grinding is not sufficient to employ the full capacity of these mills. This, in the view of the Committee, amounts to the subsidisation of the milling industry by the consumers of Calcutta and by the Government of India, because milling charges are a part of incidental expenses incurred on imported grains on which Government of India pays a subsidy. The Committee consider that there is no justification for this and strongly recommend that the milling charges should be based on a purely commercial basis limiting the number of mills in which Government grinding should be done and utilising their capacity to the full.

128. In the case of rice also there is a wide range of variation in the milling charges as the following statement will show:

State	Extraction	Milling charges. (per md. of rice)
Bombay	70%	0-8-6
Madras	70 to 71 %	0-8-0
W. Bengal	66%	1-2-0 to 1-4-0
Orissa	63%	0-12-9 (for boiled rice) 0-8-0 (for raw rice)
Bihar	60% to 65%	1-4-0
Punjab	..	0-7-0 to 0-9-3 (per md. of paddy)

Here also the Committee would recommend reduction in the milling charges paid in West Bengal, Bihar and Orissa.

7. Cost of Establishment

129. There is no defined policy in respect of the amount of establishment that should reasonably be charged by a State Govt. to the consumer. West Bengal and Mysore do not charge the cost of establishment at all. They bear these charges themselves. Punjab, Travancore-Cochin and Bihar recover only a part of the cost of their establishment. The policy of other States is to recover the full cost of their establishment. Since the procurement of foodgrains and their distribution are a State Trading Scheme the Committee do not consider it unreasonable for States to

Recover the cost of establishment employed on the "Scheme". On the other hand, some part of the establishment, for example, that employed in the Secretariat should be considered to be employed on general administrative duties and should not be charged to the Food Administration. In any case, the total charge should be limited to a reasonable figure which in the opinion of the Committee should not exceed -/8/- per maund. The more reasonable charge in the opinion of the Committee is between four to six annas.

8. Sales-tax

130. The Committee consider the levy of sales-tax on foodgrains to be indefensible in principle as food is one of the most essential articles of human existence and the policy of the Government is to make it as cheap as possible to the consumers. Luckily only two States, Madras and Bihar levy it. In Madras the average sales-tax amounts to about 0-10-0 per maund while in Bihar it is about 0-3-0 a maund. Bihar Govt. have agreed to give up the sales-tax on foodgrains as soon as the financial conditions permit, but Madras unfortunately continue to support the tax vehemently.

9. Wholesaler's margin where wholesalers are employed.

131. Most State Governments have no wholesalers. Only in Madras, Travancore-Cochin and to some extent in Punjab and Assam do wholesalers exist. The commission varies from place to place. The Committee is strongly of the opinion that wholesalers should be eliminated with a view to reduce the cost to the consumer. Also if wholesalers are eliminated all the grain will not pass from the custody of Government at any stage.

10. Commission paid to retailers

132. The retail commission varies widely in different States as is illustrated by the following examples :—

State	Retail commission per md.
Bombay	
Bombay and Ahmedabad	1-0-0
Poona	0-12-0
Sholapur	0-8-0
	} plus gunny.
West Bengal	0-12-0 to 1-0-0
Madras	0-4-0 plus gunny.
Madhya Pradesh	0-5-3 plus gunny.
Oriasa	0-4-0 to 0-8-0 plus gunny.
Bihar	0-4-0 to 0-12-0 (except in Jamshedpur, Saharsa and Dhanbad where it is 0-12-0 to 1-8-0 per md).
Punjab	0-8-0 (average)
Uttar Pradesh	5% over wholesale issue price. (amount to 0-13-0 per md. for wheat).
Assam	0-10-0 to 1-0-0.
Delhi	0-13-0 plus gunny for wheat and rice. 0-7-0 plus gunny for other grains.
Madhya Bharat	1-0-0 for rice. 0-6-0 for other grains.
Rajasthan	0-8-0
Hyderabad	0-9-2
Mysore	0-4-6

133. It is quite impossible to standardise this commission representing as it does remuneration for service rendered in various places the cost of living of which may vary considerably. On the other hand, there must be some basic principle which should govern the fixation of this remuneration. Before the introduction of food control the ordinary retailer of foodgrains could hardly make a living from the sale of foodgrains alone. More often than not, he supplemented the sale of food-grains with the sale of other commodities, for example, pulses, salt, ghee and many other articles of common use. The position of the retailer now is really very much sheltered and secure because he runs no risk of loss, sales being guaranteed on account of controls. The Committee consider that in the circumstances at present prevailing in the country and having regard to the status of the person who normally carries on retail trade the commission may be fixed between 6 and 10 annas per maund.

134. In this connection the following two suggestions are made :

- (a) introduction of family ration cards in place of individual card ;
- (b) permission to the retailer to sell articles other than the rationed commodities

11. Insurance: interest and unforeseen charges.

135. There are indirect charges and should be borne by Governments themselves as a part of the cost of ordinary administration.

Working of Basic Plan.

136. Before closing this chapter the Committee would like to invite attention to the working of the Basic Plan as it directly affects distribution cost. Almost all surplus States have complained to us that the recipient areas do not make financial or inspection arrangements in time and or lift their quotas expeditiously. This almost invariably results in the increase of expenditure to either the surplus or the deficit areas or both. Surplus areas claim that since their storage accommodation is not unlimited they have to transport grains which would otherwise have been available for delivery at the procurement point to other centres where storage facilities exist. In the case of Madhya Pradesh such transport may amount to as much as -/13/- a maund. In the case of U.P. the difference is said to be about Re. 1/- per maund.

137. On the other hand, most of the deficit areas complained to us that the Centre's quotas of imports was not made over to them in time. This again increased distribution costs since they had to resort to make-shift arrangements by transfer of stocks from a neighbouring town and then replace it when the imported grain arrived.

138. It seems to the Committee that active steps should be taken by the Central Ministry of Food to discuss these points with all the State Governments with a view to put the working of the Basic Plan on a satisfactory basis. The Committee suspect that some recipient areas deliberately delay the lifting of quotas from unpopular sources, for example, from high priced areas. The Committee understand that quotas are allotted in such a manner that grain from high priced areas is almost equitably distributed to various recipients. On the other hand, distribution in such a manner might entail in some cases more haulage and, therefore, more expenditure on distribution cost. It might also involve the consumption by the recipient areas of the kind of grain which may not be very popular in those areas ; for example, raw rice is unpopular in some areas and parboiled in others. The distribution of the Basic Plan quotas should, the Committee consider, take this thing fully into account. So far as difference in prices is concerned, it might be possible for the Central Government to declare a 'pool' price for a particular category of grain. For instance, rice of the same quality (determined by Central Government specifications) exported by surplus States should be pooled together on the basis of weighted averages and one uniform price should be charged to all the recipient Governments. The recipient Government should similarly adjust the selling prices of their local grains. If some such procedure is followed, grains would move directly from the surplus areas to the nearest consumption centres in the recipient areas. This would mean less haulage and consequently less expenditure of money, and less loss of grain in transit.

Measure and Weights

139. One other matter to which the Committee attaches good deal of importance is 'measures and weights.' The Committee has noticed considerable divergence in this matter in the various States. It is of utmost importance that there should be a uniform standard of weight throughout the country. In the South, there is the age old practice of selling foodgrains by measure and not by weight. In the course of their inspection of the numerous ration shops in Madras, the Committee were convinced beyond the shadow of doubt that consumers stood to lose in the eyes of grains by measure and such loss was by no means negligible. The substitution of weight for measure would result in appreciable gain to the consumer and this was amply demonstrated by tests carried out by the Members of the Committee in the presence of Food Officials in the cities of Madras, Tiruchirapalli, Trivandrum and other places.

140. The sale of foodgrains by measure is an outmoded practice and is an anachronism and should be abolished without delay. The unification of standards of weight is as important a reform as the unification of currency throughout the country. If there is one uniform currency, there is no reason why there should not be one uniform system of weight and measure throughout the country.

DISTRIBUTION COST

(ii) PROCUREMENT AND EXPORT BONUS

141. The Procurement and export bonus which is payable to States at -/8/- per maund for procurement and -/8/- for export was introduced by the Government of India as an integral part of the gradual decontrol policy in January 1948 to encourage internal procurement and production and maximum assistance by surplus States to deficit States 'thereby reducing to the maximum extent the import of foodgrains from abroad'. The amounts earned by the States were to be spent on a scheme for increasing production and procurement. It was also intended that such schemes should be undertaken as would reduce the unpopularity of procurement measures.

142. The statement below shows the amount paid or payable to the more important States since the bonus scheme was introduced and the comparative production and procurement figures :

State	1946-47				1947-48				1948-49				Amount paid or payable as bonus on procurement and exports.			
	Production	Procurement	Export	Import	Production	Procurement	Export	Import	Production	Procurement	Export	Import	Period	Amount allowed	Amount pending	Total
						(Quantity in '000 tons Amount in '000 rupees)										
Bombay	3,758	370	..	627	4,260	16	..	787	3,524	485	..	1,049	1-1-48 to 31-12-49	988	5,670	6,608
Madras	7,824	1,677	..	177	7,168	1,023	..	533	7,038	1,047	..	870	1-11-47 to 31-3-50	21,040	18,890	39,430
Madyha Pradesh	2,995	341	88	206	4,018	229	173	54	3,446	242	65	100	1-11-47 to 31-12-49	7,096	2,873	9,969
Uttar Pradesh	7,841	401	..	150	8,445	85	..	187	7,514	321	41	320	1-1-48 to 31-12-49	470	5,407	5,877
Punjab	1,855	67	..	75	1,549	67	..	80	1,771	276	20	68	1-1-48 to 31-12-49	1,292	2,508	3,795
West Bengal	7,380	447	..	293	3,472	463	..	298	3,372	488	..	410	1-1-48 to 31-7-49	8,720	5,617	14,337
Orissa	2,384	132	182	6	2,206	177	148	6	2,336	168	122	7	1-11-47 to 31-10-49	4,994	3,342	8,836
Bihar	4,000	97	..	145	3,993	53	..	104	3,372	45	..	115	1-1-48 to 30-11-49	993	1,158	2,151
Assam	1,446	119	24	10	1,688	106	..	18	1,559	168	..	18	1-11-47 to 31-10-48	1,282	1,543	3,825
Hyderabad	1,522	261	..	88	1,578	157	..	204	1,200	111	..	287	1-10-48 to 30-9-49	1,505	18	1,523
Mysore	352	33	..	240	326	76	..	164	798	98	..	226	1-10-48 to 31-12-49	..	3,138	3,138
Trav.-Cochin	293	39	..	335	294	70	..	371	278	75	..	346	1-10-48 to 31-1-49	..	491	491

It will be seen from the above statement that the payment of the bonus has not led to any substantial increase in procurement over the normal if judged in the light of production figures. On the other hand, the States of Madras, Madhya Pradesh, Bihar and Uttar Pradesh show a definite fall from normal. It cannot, therefore, be said that the main objective of the payment of procurement bonus has been achieved. On the other hand, although an amount of Rs. 4.72 crores was paid in the financial year 1948-49 and a much bigger amount estimated at Rs. 8 crores is payable during the year 1949-50, only very few schemes on which it is permissible to spend this money have been received so far from the States. It was decided by the Government of India sometime ago that 75% of the amount earned should be ear-marked for "Grow More Food" schemes which were excluded from the scope of the bonus originally. In the view of the Committee this was not wholly satisfactory as States which have earned sufficient amount of bonus might not have "Grow More Food" schemes of proportionate magnitude and States having schemes on hand might not have earned sufficient bonus.

143. The Committee also feel that the grant of the procurement bonus has not acted as an inducement to most of the food administrations of the States in increasing their procurement. Very few food officials seem to know about the amount of bonus earned by the States and the way in which it was to be utilised. In most of the States the subject was being dealt with in a Department other than Food Department. No food official seemed to be enthusiastic about it. In the view of the Committee the procurement bonus is just "easy money" for the States and practically one more addition to their revenues. The Committee are also doubtful about the propriety of a procurement bonus from the Centre since the procurement is made by the States in order to feed exclusively the population resident within the State. Also, the institution of procurement bonus might make some States more partial to the policy of total procurement and total rationing even in cases where it is not necessarily justified.

144. The Committee, would, therefore, recommend its total abolition. If the State Governments require more money for "Grow More Food" then it ought to come from the "Grow More Food" Fund itself and not in a hidden form from the procurement bonus.

145. So far as export bonus is concerned, the Committee see no objection to continue it. It is a real incentive to the surplus States to export more and such exports can be directly related to imports. We feel, however, that it should be calculated on the net exports made by the State. Thus if a State exports 2 lakh tons of millets and receives one lakh tons of rice then the export bonus should be payable for 1 lakh tons and not 2. We also feel that the export bonus paid for gram is too high. Gram although a controlled commodity, forms a part of the ration in very few areas. It is rather akin to pulses. In the opinion of the Committee it should be sufficient if a reduced export bonus of -/2/- per maund is allowed for gram exports. It is also our view that the objects on which the export bonus can be utilised should include schemes which may help in increasing the amount and improving quality of exports, for example, States should have the discretion of putting up a good inspection organisation with a view to improve the quality of exports or of constructing essential storage godowns from within the funds earned as procurement bonus.

DISTRIBUTION COST

(iii) CENTRAL SUBSIDY ON IMPORTED FOODGRAINS

146. The import of foodgrains on Central Government account started from the year of inception of controls in 1943-44. Imported grains were issued to recipient Governments on a no loss, no profit basis, the exact method followed being the pooling of prices of foodgrains of various categories and applying the pool rate for making recoveries. At that time, the prices of imported foodgrains were either

less or on a par with the prices of indigenous foodgrains and therefore the disposal of such grains did not present any complexity. By the beginning of 1946, the position changed; imported grain prices rose sharply and issue of these at cost meant jeopardising the then existing price structure in the various areas and imposing a financial burden on the recipient areas which was difficult for them to meet. The Government of India accordingly decided that imported grain price should be subsidised as from the 1st April, 1946, and meet the entire subsidy themselves. The subsidy was confined to Provinces, the States not sharing in it; they were, however, expected to fall in line with the other areas in maintaining the prices prevailing on the 1st April, 1946 and necessary financial help in the form of loans with or without interest, grants, etc. was assured by the late Political Department and later by the Ministry of States.

147. The subsidy was in the first instance sanctioned upto 31st December 1946 and then extended for further periods till the 30th June 1950 with the following changes in the share of the subsidy to be borne by the Centre and the States :

1-1-48 to 30-9-48	Centre	2/3	Provinces	1/3
1-10-48 onwards	Centre	3/4	Provinces	1/4
1-10-48 onwards	Centre	1/2	States and Unions	1/2

148. The amount of the Central share of the subsidy amounted to Rs. 20·59 crores in 1946-47; Rs. 18·92 crores in 1947-48; Rs. 26·9 crores in 1948-49; Rs. 22 crores (estimated) in 1949-50 and Rs. 12·84 crores (estimated in 1950-51).

149. A very large share of the subsidy has been paid to Bombay and Madras as follows :—

Bombay	{ 1948-49	Rs. 21·5 crores.
Madras	{ 1949-50	Rs. 7·7 crores.

150. The Committee have examined carefully the case of Bombay and consider that in dealing with this State the Central Government have been to say the least over-generous. The object of the subsidy was to keep the level of foodgrains prices in the State at a reasonable figure. What the Bombay Government did was to keep the prices in the four major towns, Bombay, Ahmedabad, Poona and Sholapur which were mostly fed from imported grain at a low level while allowing the other areas to find their own level of prices. The foodgrains prices in these latter were substantially higher than those in the four towns on account of the high procurement prices of local grains, from which these areas were mostly fed. The following table compares the present issue prices of local and imported grains :—

	Issue prices.			
	Local grains.			Imported grains.
<i>Gujarat Dts.</i>	Rs.	A.	P.	Rs. A. P.
Wheat	19	6	0	13 12 0
Bajra	12	14	8	7 8 0 in rural areas. 9 2 8 in small rationed towns
Jowar	11	14	0	
Rice*	12	1	4 to	Imported rice sold at rates corresponding to local variety.
	31	0	0	

*(according to variety)

<i>Other Dts.</i>			
Wheat	17	1 4	13 12 0
Bajra	11	0 8 }	7 8 0 in rural areas.
Jowar	10	0 0 }	9 2 8 in small rationed towns.
Rice	16	7 4	15 7 8

151. In the view of the Committee since the Bombay Government did not keep to their part of the bargain, namely holding the price level in the State as a whole, it is doubtful whether on a very strict view they were entitled to any subsidy at all from the Centre. It is a paradox to allow a subsidy on imported grain which lands cheaper than the local grain; the subsidy was initially agreed to for the reason that the price of indigenous grain was less than the imported grain. It can be argued that low foodgrains prices in industrial areas of Bombay help in the rehabilitation of the economy of the country to some extent, but similar arguments have not been accepted in the case of other industrial towns in other States. In any case the argument has its limits; in the view of the Committee the money spent by the Centre on food subsidisation in Bombay has been out of all proportion to the advantages gained. The Committee felt that the Bombay Government could only try this costly experiment because they knew that three fourths of the money required for execution of this policy was coming from the Centre. Even in respect of the remaining one-fourth it is doubtful whether Bombay are really bearing it in full. Their issue price of local foodgrains, which is supposed to be fixed on a 'no loss, no profit basis' is the procurement price plus 7%. This 7% amounts to Re. 1 per maund and supposed to cover all incidental expenses such as the cost of establishment, transport as also of gunny bags and retail commission. The Committee understand that in respect of the enclaves transferred to the Hyderabad Government from Bombay, the former, i.e. the Hyderabad Government are finding it impossible to restrict their expenses to 7% of procurement cost and that there is a loss of at least Re. 1 per maund on common rice without taking into account overheads, and transport in excess of one mile.

It is thus apparent that the loss on local grains is met in Bombay to a certain extent from the Central subsidy on imported foodgrains.

152. Similarly, it is doubtful whether Madras Government really spend their full share of the food subsidy. Madras Government tax the sale of foodgrains at all stages except the first at the rate of $\frac{1}{3}$ per rupee. This sales-tax is levied on rice when the mills sell it to the Government or a wholesaler appointed by them. The tax is again levied when the wholesaler or the Government sell it to the retailer, and finally again when the retailer sells the grain to the consumer. There may even be a fourth stage where there is a sub-wholesaler. By this simple method Madras earn as sales-tax on foodgrains an amount equal to roughly half of their share of subsidy. In the year 1949-50 the position was as follows :

- | | |
|--|-----------------|
| (i) Amount earned by Madras Government by sales-tax on imported foodgrains | Rs. 29.3 lakhs. |
| (ii) Share of the Madras Government subsidy. | Rs. 62.9 lakhs. |

153. The Committee are of the view that the payment of huge food subsidies by the Government of India has hardly achieved the object for which the subsidy was intended. The maintenance of a reasonable price level of foodgrains within their areas is a function that devolves primarily on the State Governments themselves. It may be that for some time monetary help from the Centre was required to discharge this function. It is, however, high time now that the States are encouraged more and more to stand on their own legs in this matter. The total abolition of food subsidies immediately may cause hardship and the Committee do not therefore recommend it. At the same time the Centre should have discretion to select the places (industrial or of other importance) where foodgrains should be subsidised and the extent of such subsidy. Also the Centre's share of the subsidy should be reduced from $\frac{3}{4}$ to $\frac{1}{2}$ except in cases where on account of weak financial position, incidence of taxation, the capacity of the consumers to pay etc. such a step may not be considered as entirely justified. Further where the amount of subsidy is not large say Rs. 5 lakhs no Central subsidy should be admissible. Central subsidy should also not be allowed to States in which the general price level of foodgrains is higher than the price level of imported foodgrains. These principles and others have been incorporated in the following "principles governing food subsidies" which the Committee recommend for adoption.

PRINCIPLES GOVERNING FOOD SUBSIDIES

154. *Object.*—The object of the subsidy, which is the loss incurred in the sale of foodgrains below their economic cost, is to stabilise the prices of foodgrains in the country at a reasonable level so as to avoid hardship to consumers.

2. *Scope of Central Subsidy.*—(i) The Central share of subsidy is confined to grains imported from other countries, Pakistan being treated as a foreign country for this purpose. Imports between the Provinces *inter se* and locally procured grains are not *ordinarily* eligible for Central subsidy.

(ii) The subsidy is shared between the Central Government and the States/Administrations in the ratio of half and half.

(iii) The economic cost of imported foodgrains is the 'pool' price fixed by the Government of India ex-loading point into Railways or lorries at Port plus incidental charges and overheads upto the point of consumption. The loss is equal to the difference between the economic cost and the selling price, as approved by the Government of India, to the consumer. This loss will be shared between the Central Government and the States/Administrations in the manner stated at (ii).

3. *Method of calculation.*—In the calculation of incidental and overhead charges upto the point of consumption.—

(a) Any sales or other tax that is or may be levied by the State Government on foodgrains will be excluded.

(b) The cost of establishment would comprise

(i) expenses incurred on the maintenance, if any, of the staff at the port for the receipt of imported grain on behalf of the State/Administration;

(ii) a reasonable share of the cost of staff employed on distribution, management of transport, godowns and rationing.

(c) Subject to (a) and (b) above, the expenses incurred on weighing or measuring and handling imported foodgrains at Ports, loading into wagons, transport, unloading, transport to godowns, handling at godowns including standardisation, rebagging and salvaging and municipal octroi or terminal tax godown rent, godown and transit losses would be taken into account.

(d) As an exception to (b) and (c) the cost of gazetted and non-gazetted establishment employed in the Secretariat and administrative offices and indirect expenses of the nature of pensionary charges, audit and accounts and interest on capital will not be taken into account.

(e) For the purpose of calculations in (b), (c) and (d) imported foodgrains handed over to the State/Administration will be assumed to have been consumed at the rationed point or points nearest to the point of delivery by the Central Government.

4. *Other terms and conditions.*—(i) Selling prices of locally procured grain should *ordinarily* be fixed by the State/Administration in parity with its economic cost, i.e., the procurement price plus the usual incidentals and overheads.

(ii) Selling prices of imported grains should *ordinarily* be in parity with selling prices of corresponding variety and quality of locally procured grains.

(iii) Selling prices of both imported and indigenous grains should *ordinarily* be so fixed that the price differential existing between the different locally procured grains is reflected in the selling prices.

(iv) Selling prices of indigenous and imported grains which have been approved by the Government of India should not be increased without their prior approval.

(v) If, in any case, the conditions at (i), (ii), (iii) and (iv) are not fulfilled or there is a difference of opinion between the Central Government and States/ Administrations in respect of incidental and overhead charges relevant to the calculation of the subsidy, the Central Government will determine the rates at which a State/Administration will receive imported grain or grains from it at a Port or other point of delivery, and the conditions attaching to such issues.

(vi) Notwithstanding anything mentioned above no subsidy would be payable if the share of the Central subsidy does not exceed Rs. 5 lakhs.

Clause 3 or clause 4 (vi) should not be held to exclude the fixation by the Central Government of a flat subsidised price, taking into account, in a rough or ready manner, of the permissible incidentals and overheads. In fact, that is the system which we would recommend for adoption generally, as it would cut out meticulous scrutiny of a mass of details and account and will also avoid petty arguments.

155. We have recommended elsewhere the fixation of integrated prices for all agricultural commodities so that prices of different agricultural commodities and the prices of these in different States could be brought more into line with one another. Integrated prices will also introduce a certain amount of rationalisation in the payment of subsidies as they will be based not on the prevailing price level which may be the result of an accident, but on prices which are considered to be fair in respect of that particular State.

CHAPTER III

SUMMARY OF GENERAL RECOMMENDATIONS

156: (1) In view of the general distrust of private trade time is not yet ripe for complete de-control, but having regard to the goal of self-sufficiency in 1951 the country should be prepared from now on for the abandonment of controls and return to normalcy.

(2) In the transition period :

(a) Vulnerable sections i.e., industrial areas, highly deficit pockets and large cities should continue to be statutorily rationed. (Para. 22.).

(b) In other areas a system of controlled distribution along with free markets should function for some time to act as a check in the rise of prices. (Para. 22.)

(c) A sense of self-sufficiency should be created in the minds of people. For this purpose steps should be taken to build up buffer stocks. (Para. 23.)

(d) Steps should be taken to mitigate the rigours of control by the following measures :—

(i) In statutorily rationed areas adequate ration of not less than 14 to 16 ozs. of popular grains should be assured to each adult per day and 7 to 8 ozs to each child per day. (Paras. 24-25.)

(ii) The quality of grains supplied in the ration must be good. Only cleaned grain should be issued from the ration shops. (Paras. 26-27.)

(iii) Only pure grain should be issued in the ration. Issue of mixtures such as grist of wheat and barley or of wheat atta and - sweet potato/tapioca flour should be discontinued. (Para. 28.)

(iv) As consumers generally get under-milled rice supplied to them from ration shops pounded in their homes; the practice of undermilling of rice which is meant for use in areas not accustomed to highly under-milled rice should be partly relaxed. (Para. 28.)

- (v) There is need for re-orientation of policy with regard to procurement and rationing in rural areas. The policy of total procurement and of total rationing should be discontinued. (Para. 29).
 - (vi) Family ration cards should be substituted for individual ration cards. (Para. 34.)
 - (vii) Bonafide travellers should be allowed to take with them a certain quantity of ration. (Para. 35.)
 - (viii) The general public should be associated more and more with the Food Administration and Godown Committees consisting of officials and non-officials should be associated with godown management. (Para. 37.)
 - (ix) The cost of distribution should be brought down and the benefit of reduction in price should be passed on to the consumers except where issue prices are already low. (Para. 38.)
 - (x) The procurement prices of the same kind of grains in different States should be related to each other. The pricing policy in Bombay, Delhi, Ajmer and in the cities of Bombay is unnatural as issue prices there have been maintained at an artificially depressed level and as such should be revised. (Para. 39-42.)
- (3) All imported grains received at Port should be delivered to the recipients in standardised bags. (Para. 46.)
- (4) In regard to carriage of grain by Railways—
- (a) Only good and fit wagons, which cannot be tampered with *en-route* should be used. They should be loaded in such a manner as to prevent loss and damage in transit. (Para. 59.)
 - (b) A method of booking should be evolved which would be considered satisfactory both by the railways and the consignor/consignee Governments and should be given wide publicity. The method should be such as to ensure easy division of responsibility in regard to losses. (Paras. 61-66.)
 - (c) Greater care must be taken to protect grains *en-route* particularly at known vulnerable and transshipment points. The Representatives of the Railways, the consignor and the consignee should as far as possible be associated at the transshipment points. (Para. 67-68.)
 - (d) A clear cut method of delivery of consignments should be evolved and wide publicity given to it. (Para. 69.)
 - (e) Station Masters should be authorised to accept registration of claims from the consignee Government in a prescribed form like that the one used by the B. B. & C. I. Railway. (Para. 70.)
 - (f) Claims should be settled as far as possible by registration between the Railways and the Government concerned instead of by resort to Courts of law. (Paras. 71-72.)
- (5) In regard to storage there is need for construction of good storage godowns, particularly in the surplus areas. If it is not possible for the Governments concerned to find money for building their own godowns, private parties should be encouraged to build good storage godowns in accordance with the approved plans and specifications. For this purpose help should be given in the form of acquisition of land, release of controlled materials etc. The storage godowns should be properly maintained and grains should be fumigated at periodical intervals. (Para. 77.)
- (6) Clear specifications for the purchase of grains should be laid down and strictly adhered to. (Para. 107.)
- (7) Samples of foodgrains should be displayed in the ration shops; they should be compared with samples drawn during the stages of procurement and storage. (Para. 109.)

(8) There should be a strong inspectorate organisation, particularly in connection with the grain that moves from one State to another. (Paras. 110-111.)

(9) Retail shops should be selected on the basis of certain recognised principles. (Para. 112.)

(10) Distribution costs in respect of common items such as commission to procurement agents, use of gunny bags, shortages or losses in transit, milling charges and retailers commission should be put on a more uniform and reasonable basis. (Paras. 115-128 and 132-134.)

(11) The cost of Food Administration that is to be charged to the consumer should not be unreasonably high. It should range between -/4/- and -/8/- a maund. (Para. 129.)

(12) The State should not levy sales tax on foodgrains. (Para. 130.)

(13) Wholesalers should be eliminated and the retail commission brought down. (Para. 131-133.)

(14) All the internal grain of the same quality that is exported by surplus States should be pooled together on the basis of weighted average and one uniform price should be charged to all the recipient Governments. (Para. 138.)

(15) The recipient Governments should similarly adjust the selling prices of their local grain in relation to the indigenous grain that has been received from other areas. (Para. 138.)

(16) There should be uniform standards of weight throughout the country and the sale of grains by measure should be given up. (Para. 139-140.)

(17) The Central bonus on procurement should be discontinued. (Paras. 142-144.)

(18) The Central bonus on exports should be paid on the basis of net exports only. The export bonus on gram should be reduced from -/8/- to -/2/- a maund. (Para. 145.)

(19) In regard to Central subsidy on imported foodgrains, (a) the payment should be regulated by well recognised principles.

(b) The Centre should have discretion to select the places of industrial or of other importance where foodgrains ought to be subsidised and to determine the extent of such subsidy.

(c) Except in special cases the Centre's share of subsidy should be reduced from 3/4 to 1/2 and if the amount of subsidy does not exceed Rs. 5 lakhs, no subsidy should be paid.

(d) The Central subsidy should not be allowed to States in which the internal rice level is higher than that of imported foodgrains.

(e) The Central Government seems to have treated Bombay very generously in the matter of food subsidies. The whole case should be examined *de novo*. (Paras. 150-154.)

NEW DELHI,
30th April, 1950.

LAKSHMI KANTA MAITRA,
Chairman.

SATISH CHANDRA, Member.

V. G. KESEVA RAO, Member.

A. L. SAKSENA, Member-Secretary.

**REPORT OF THE
FOODGRAINS INVESTIGATION COMMITTEE**

P A R T I I

**Review of Administrative Arrangements and Recommendations in respect of
Individual States.**

CHAPTER IV

(a) ASSAM

157. *Places visited and discussion held.*—The Committee visited Shillong and Gauhati and had discussions with the Hon'ble the Food Minister and food officials of the State. The Committee also met the Hon'ble Chief Minister.

158. *General Food Position.*—Assam is mainly a rice producing area. It is heavily surplus in rice, but it has to depend on imports for other grains. The State used to export considerable quantity of rice during the years preceding 1947 but owing to the failure of procurement in later years no exports could be made during the years 1948 and 1949. The Principal reason for this was the smuggling of rice to Pakistan on a large scale after the partition due to unsettled conditions in the State. During 1950, however, the export target has been fixed under the Basic Plan at one lakh and eighteen thousand tons of rice which, in the opinion of the Committee, is on the low side having regard to the current year's crop and the accumulation of stock in the past years. Figures of production, procurement, export and imports are as follows :

	1947-48				1948-49				(Figures in thousand tons) 1950 (estimates)			
	Pro- duc- tion	Pro- cure- ment	Ex- port	Im- port	Pro- duc- tion	Pro- cure- ment	Ex- port	Im- port	Pro- duc- tion	Pro- cure- ment	Ex- port	Im- port
Rice	1,688	106	..	1	1,539	168	..	..	1,710	290	118	..
Wheat	..	..	..	17	..	..	..	18	..	..	..	18

159. *Procurement System.*—Procurement of paddy/rice is on a voluntary basis. But Government is the monopoly purchaser for all rice/paddy coming in the hands of licensees and rice mills. Procurement prices fixed for rice/paddy are ex-Govt. godowns. Quality specifications are fixed for rice, and only visual test is applied at time of purchase. This might well be the reason for the abnormally high shortage of about 5% usually allowed for shrinkage of paddy in storage. As rice is generally purchased through the licensees and millers, who are not likely to pay the cultivator the full price fixed by State without regard to the condition of the grain. Govt. can ensure, by fixing quality standards applicable at the procurement stage and adhering to them, a better quality of grains which will not result in so much loss.

160. Grain intended for export or for internal consumption is mostly issued from storage godowns. Sometimes, however, millers and licensees deliver grain F.O.R. or F.O.B. The total Govt. owned storage capacity is 11,850 tons and private-owned is 11,500 tons. Most of these godowns are masonry structures.

161. Food grains are transported either by rail, truck or steamer. The communications in the State are rather difficult and therefore transport charges are high. The transport charges that are incurred when grain is taken to deficit areas or sent for despatch to other States. The average cost on this account is about 0.4-0 to 0.6-0 per maund.

162. As regards imported grain, the State has appointed M/S. Shaw Wallace & Co., Calcutta to act as their clearing and forwarding agents and also to convert the wheat into atta or other wheat products and despatch the same to various destinations in Assam.

163. *Food organisation.*—The Food Organisation of the State consists of the supply staff at headquarters with the Secretary as the Head and the field staff dealing with procurement, storage and distribution. Having regard to the method of purchase in which the State plays a comparatively small part, and the small quantity procured, it is felt that the cost of organisation is on the high side. The total cost of Food Organisation is of the order of 28.49 lakhs (1949-50 budget) which works out to 0-9-0 per maund.

164. The distribution of foodgrains within the State is through statutory and non-statutory rationing and controlled distribution. Of the total population depending on Government distribution only 3.6 lakhs are statutorily rationed. In the rationed and deficit areas Government acts as wholesalers and issues are made direct to the retailers at fixed prices which are 6½% over the procurement price. In other areas distribution is made through wholesalers appointed by the Government. It is said that in the appointment of distributing agencies, i.e., wholesalers & retailers preference is given to Co-operative Societies.

165. Imported grains are distributed through wholesalers and retailers. The wholesalers are employed because imported grains have to be distributed all over the State in small quantities. Since imported grains (principally wheat) are not locally grown at all, these have to be distributed all over the State in small quantities.

166. Being a surplus area and also because of the existence of open market in almost all places there are not many complaints in Assam against the distribution system. But so long as the Government maintain rationing control, it is considered that only completely cleaned grain should be issued from the ration shops and that Godown Committees should be appointed to look after the godowns.

DISTRIBUTION COST

167. (a) *Local grains.*—Under the present system, the Assam Government fixes the wholesale issue prices from Government godowns at 6½% over the procurement prices to cover establishment, handling, storage and shortage. Over and above this there are wholesalers and retailers for whom the margin is 0-10-0 per maund each plus free gunny in the case of retailers.

The State Government could not furnish the break-up of the 6½% which amounts roughly 0-13-0 per maund. Prior to the last crop season the margin between the Government procurement price and the issue price ex-godown was only 0-10-0 per maund. Under the present method of procurement, the State does not have to incur any expenditure upto delivery into Government godowns and the only expenses relate to shortage and storage which should not, in the opinion of the Committee, exceed 4 to 6 annas a maund. Another 0-6-0 should be enough for establishment i.e. in all, the expenses for locally procured grains should not exceed 0-12-0 per maund.

168. (b) *Imported foodgrains.*—The State receives wheat at Calcutta port and has appointed M/S. Shaw Wallace as their agents for receipt and despatch. The procedure adopted by the State is to have the wheat converted into atta, flour and suji before despatch to Assam. The following are the present incidental charges stated to be incurred in the conversion of wheat and distribution of wheat products :

	Rs.	A.	P.
Pool price of wheat	15	0	0
Average transit loss 2½ %	0	7	0
Handling & docks dues	0	1	0
Cartage from dock to mill	0	4	0
Godown shrinkage	0	3	0
Handling at mills	0	1	0
(a) Assam Government's wholesale rate ex-M/S Shaw Wallace Mills	16	0	0

	Atta	Flour	Suji
	Rs. A. P.	Rs. A. P.	Rs. A. P.
Cost ex-mill of wheat	16 0 0	16 0 0	16 0 0
Loss in extraction	0 15 0	1 1 0	1 1 0
Cost of extraction	1 7 0	1 13 0	2 1 0
Average freight & transport upto sub-divisional agents godown	2 0 0	2 0 0	2 0 0
Assam Admn. charge	0 11 6	0 13 0	1 3 0
Sub-divisional agents commission	1 0 0	1 0 0	1 0 0
Wholesalers Commission	0 12 0	0 12 0	0 12 0
Retailers commission	1 0 0	1 0 0	1 0 0
(b) Retail price Total	23 13 6	24 7 0	25 1 0

From the above it will be seen that the overheads amount to more than Rs. 4 per md. which is very high. The State has not so far furnished the Committee the result of its review in regard to incidentals. Taking into consideration all the relevant factors, the following incidentals are considered reasonable.

	Per Md. Rs. A. P.
Pool price of 1 md. wheat	15 0 0
Transport from dock to mill	0 3 6
Cost of 1 md. wheat ex-mill	15 3 6
Cost of 100 mds. of wheat exmill	1,521 14 0
Milling charge at Re. 0-12-0 per md.	75 0 0
	1,596 14 0
Less cost of 5 mds, bran at Rs. 6-0-0 and 1 md. refraction at Rs. 1-8-0	31 8 0
Cost of 94 maunds of atta	1,565 6 0
Cost of 1 maund of atta	16 10 6
Average transport and handling from mill to sub-divisional agents godowns in Assam	2 0 0
Assam Administrative charge	0 6 0
Subdivisional Agents Commission	0 8 0 (a)
Issue price to the wholesaler	19 8 6
Wholesalers commission	0 10 0 (b)
Retailers commission	0 10 0 (b)
Retail issue price of atta	20 12 6

The conversion of wheat into maida or suji should be discontinued. Any flour that Assam Government may require should be indented as such from the Central Government.

(a) The atta is delivered at sub-divisional agents' godowns and the only expenditure will be shortage, storage and profit. The normal storage does not exceed a month and as such the commission now proposed i.e., Re. 0-8-0 per md. is reasonable.

(b) The wholesalers and retailers commission should not exceed the commission paid in respect of local grains namely 0-10-0 per md.

(b) BIHAR

169. *Places Visited and Discussion held.*—The Committee visited Patna, Dhanbad, Purulia and Jamshedpur. Discussions were held with the officials and representatives of the producers, trade and the consumers and also with the Hon'ble the Food Minister.

170. *General Food Position.*—Bihar is a deficit area and had to depend, for the last few years, entirely on imports to meet its rationing commitments. It produces wheat, rice and gram. The statistics of production, procurement, imports etc. are as follows :—

(in 000 tons)

Grain	1948			1949			1950 (estimated)		
	Production	Procurement	Import	Production	Procurement	Import	Production	Procurement	Import
Rice	2662	53	33	2486	45	28	2636	60	40
Wheat	361		60	366		85	366		
Bajra	24			21			20		
Jowar	17			16			17		
Maize	362		11	353			357		
Ragi	142			135			139		
Barley	36			381			381		

171. *Procurement System.*—Four methods of procurement are followed in the State, namely monopoly procurement in heavily surplus areas, direct purchases in assembling markets compulsory levy on trade, and levy on rice mills. There is, however, no levy on producers principally because of the absence of reliable records about lands. This is a special feature not only of Bihar but of all areas which have been permanently settled.

172. Purchases are made through trade. Specifications for the fair average quality are laid down and allowances are deducted for grains below that quality and for wet paddy/rice. Procurement prices have been fixed for rice, wheat and gram but only rice/paddy is procured. Fine rice is procured only to a limited extent to meet the requirements of Patna, Jamshedpur and few other urban areas.

173. Procurement has consistently dropped from over a lakh tons in 1946-47 to about 53.6 thousand tons in 1947-48 and to 41.5 thousand tons during 1948-49. It is said to be still worse during the year 1949-50. The fall in procurement is attributed to its failure in North Bihar where supplies normally came from Nepal. On account of the hardening of prices in Nepal, however, it is stated that grain does not flow so much now as before.

174. *Organisation.*—The food organisation in Bihar consists of the usual Secretariat, administrative and the field staff. In each district there is a District Supply Officer in charge of procurement, storage and distribution working under the supervision of the District Magistrate. The organisation is not an elaborate one. The total cost is 17.74 lakhs (1949-50 budget).

175. *Arrangement at Port.*—The Bihar Government employ agents at the port for despatch of imported grain. The State has its own inspectorate at the Calcutta port to look after the weight, quality and quick despatch of foodgrains.

176. *Transport.*—The rates for transport are fixed by the District Magistrate concerned. The rates of transport in Patna town seem to be high.

The average transport loss by rail is said to be 1½ per cent. The experience of Bihar Government in regard to despatch by rail, settlement of claims etc. is the same as that of other States. The Colliery Unions which are a non-official body handling substantial amounts of grain also complained of large scale thefts on railway sidings and of pilferage of grain while it is in the custody of railways. As stated already, this matter has been taken up by the Committee with the Ministry of Railways.

177. *Storage*.—The total storage capacity of godowns in the State is 66,890 tons of the type of Lahore sheds, Niseen huts, and abandoned military depots. Of these one third is Government owned. Some grain is also stored by stockists working on a commission basis. The stockists are responsible for the stock. Stockists' godowns are double locked. One key is kept with a Government official but the stockists is said to be responsible for any losses etc. that may occur in the godown.

178. It cannot be said that condition of storage godowns is satisfactory. In order to improve this without investment of Govt. money the State Govt. are encouraging private agencies to construct storage godowns by offering help in the form of controlled materials etc. The Committee consider that there is room for considerable improvement in storage of grains whether it be the structural aspect of the building or the utilisation of godown space to the best advantage of the State. The State has accepted the suggestion of the Committee for appointment of Godown Committees.

179. *Quality*.—In Bihar as elsewhere there were complaints about the poor quality of grain issued from the ration shops. The Complaints mainly consist of the non-availability of the better type of rice and the presence of stone chips and sand in rice. The Committee do not see any reason why fine rice should not be procured in larger quantities if consumers are willing to take it at a higher price. About the other complaint, display of samples and their co-ordination with those taken at the procurement and storage stages should ensure that there is no adulteration. Of course, in the view of the Committee, the only suitable measure to check this kind of thing is to completely clean the grain before it is issued to a retailer. It was stated that this will cost about 0-8-0 a maund. The Committee are surprised at this statement as in another province where the cost of living is more than that in Bihar the cost of cleaning together with the cost of the quantity of grain lost amounts only to 0-2-6 to 0-3-0 a maund. The Committee would, therefore, reiterate their recommendation about the complete cleaning of grain and also that the State should appoint Godown Committees to ensure the maintenance of quality at the godown stage. As already stated the State has accepted the last recommendation.

180. *Distribution*.—The total rationed population in Bihar is 19.5 lakhs of which only one town with a population of about 2 lakhs is statutorily rationed.

DISTRIBUTION OF FOODGRAINS TO THE MINING LABOUR

181. In Bihar, the supply of foodgrains to the mining labour is made through two "pool Organisations" known as the Indian Mining Association and the Joint Food Supply Pool. The former with its Headquarters at Jealgore (Manbhum Dt.) caters for a total population of over 2,18,000 while the latter with Headquarters at Jharia looks after a population of about 83,000.

182. During the visit of the Committee to Dhanbad, evidence was led by the Indian Collieries Union as well as others to the effect that the present arrangements left much room for wastage of foodgrains.

Also that—

- (a) the quality of the grain issued to member collieries is poor in as much as the better quality rice is sold in the black market and replaced by inferior quality ;
- (b) the arrangements for distribution are not economical with the result that the overhead expenditure is very high ; and
- (c) there was mismanagement of the organisation.

183. The Committee consider that there is some truth in these complaints. Sometime back there was an outcry against the quality of rice supplied to labour and the Deputy Regional Food Commissioner of the Central Government had to

be sent to Dhanbad. As regards mismanagement, the complaints against the Joint Food Supply Pool were sought to be corroborated by criticisms in the Press and the Auditors report for the three half yearly periods ending 30-9-46, 31-3-47 and 30-9-47. Commenting on the maintenance of Cash Sales, the auditors remarked :—

- (a) "In some cases, it was observed that though Cash Receipts counterparts are in existence but their corresponding entries do not appear in Cash Books".
- (b) "Payment side also could not be checked completely for want of a number of Bills/Receipts/Sub-vouchers etc "
- (c) "In some cases, there are vouchers duly receipted but not entered in the Books."
- (d) Quite a good number of errors of omission and commission were found in the books of accounts, the cumulative effect of which will be to disturb the results of working i.e. the Profits or losses of the Pool in the relative Periods.
- (e) In the absence of relevant advices from agents etc. it was not possible to verify the amounts paid to the different agents as commission, etc.
- (f) A large number of supporting bills and/or receipts in respect of expenses were not available.

The most important point which has come to the notice of the Committee during their visit is the comparatively high scale of ration for the mining labour. This scale is as follows :—

(a) *Basic Scale of rationed food-grains on payment of concession rates :—*

- 12 ozs. for each worker.
- 12 ozs. for each adult dependent.
- 6 ozs. for each child.

(b) *Supplementary scale of rationed food-grains issued free.*

- 8 ozs. of rice free of cost for the manual worker for each attendance.

184. It will be seen that a colliery worker gets 20 ozs. a day i.e. 4 ozs. per day more than a heavy manual worker in any other part of the country or in any industry. It is not surprising therefore that there should be allegations of rice being sold in the black market by the mining labour. The excess supply of grains to the mining labour would in the view of the Committee amount to about 6,000 tons in a year, a quantity sufficient to feed 60,000 persons for full one year.

185. The Committee also consider that the distribution cost of the grain is high and could be reduced, particularly the allowance for shortage and the supervision and distribution commission.

186. The Indian Mining Association has submitted to the Committee a Memorandum (See annexure) which was passed on to the Ministry of Food for transmission to the Ministries of Industry and Supply and Labour, with the following observations :—

- (1) The Committee generally agree with the contents of the Memorandum in so far as it describes the present state of affairs.
- (2) The Committee consider that the situation calls for review and recommend that :—
 - (i) There should be only one organisation to handle distribution of grains to the mining labour.
 - (ii) A suitable officer of Govt. should be associated with this organisation.

- (iii) The cost of distribution should be reviewed with a view to reducing the transport and wastage. Grain might be despatched direct as far as possible to the Member-collieries from the source.
- (iv) The organisation should be run ~~on~~ strictly on a "no loss, no profit" basis.
- (v) The overall ration for the workers should not exceed 16 ozs. per adult per day and this should be restricted to heavy manual workers only as in the case of other heavy manual Labour in the country.
- (vi) There should be effective check of ration cards so that ration cannot be drawn more than once and at more than one shop.
- (vii) To remove discontent amongst the member-collieries it is desirable to form advisory committees consisting of four or five member-collieries and the labour. The function should among other things, be to see that due care is taken of the grain at all stages and that it is cleaned if necessary before issue.

DISTRIBUTION COST

187. A statement showing the present and revised distribution cost per md. of grain in respect of local and imported grains is appended hereto. The statement also shows reductions, if any, that have been suggested by the Committee and the reasons therefor.

ANNEXURE

COAL INDUSTRY'S MEMORANDUM ON THE AVOIDANCE OF WASTE ON THE DISTRIBUTION OF FOODSTUFFS IN THE COALFIELDS

The provision of basic foodgrains for colliery labour was first undertaken by employers entirely of their own volition during the period of scarcity which led up to the Bengal Famine of 1943-44. The fixation of scales of rations for mining labour was subsequently confirmed by Government in December, 1943 and revised in March, 1946. The present scale provides for the issue of a basic ration at concession rates *plus* 1/4 seer of free rice per attendance and a cash bonus. Workers can also draw rations at concession rates for dependents. The actual scheme is shown in an appendix attached.

It should be emphasised, therefore, that provision of foodstuffs through the Industry first arose to avoid catastrophe and was subsequently perpetuated by Government during a period of war emergency, when there was a shortage of mining labour owing to the attractions of surface employment on war projects. The scale of rations then fixed and the cash offered were devised to attract labour to the collieries by putting a premium on attendance.

With the end of the war highly paid surface employment in other directions ceased but not the shortage of foodstuffs. The security of food supply offered by the Coal Industry has been prime attraction to the labour ever since and statistics show a tremendous increase in the number employed in recent years with an insignificant increase in production. The Chief Inspector of Mines' figures show, that over a decade, there has been a 60% increase in the average number daily employed with only a 6% increase in production.

Waste and malpractices arise from the existing system as there is no proper means of identification. Labour cannot be checked when coming and going in the open spaces of a colliery and also the migratory colliery labour can and do move freely from one colliery to another; moreover colliery managers and staff are technical.

mining men who, besides being responsible for the safety and production of their colliery, are ill-qualified to act as unofficial rationing authority for Government. It is virtually impossible to exercise an effective check on the number of dependants to be fed, and in consequence the labour is in some cases drawing rations :

- (a) for dependents which do not exist,
- (b) for able-bodied dependents who register themselves as workers at other collieries, and
- (c) it is possible for an individual to establish attendance at more than one colliery on the same day and draw multiple rations.

with the result that rations are issued twice and possibly even more than twice to the same individual.

It is inequitable at any time that food should be wastefully distributed in the coalfields area but particularly is it so now when the emphasis is on food conservation to minimise imports ; furthermore, the conditions mentioned above have a very detrimental effect as they contribute to general inflation in the following way :—

- (a) The individual has more food available than required, reducing his incentive to work on account of his drawing rations for fictitious dependents.
- (b) He is able to sell the surplus to the bazar, thus increasing his cash and reducing his incentive to work.
- (c) The surplus food is sold by the bazar to the general public at inflated black market prices thus extending the inflationary effect beyond the strict confines of the Industry.

Although the Industry have been pressing Government for nearly two years to take over the rationing and have offered their own existing food shops and storage godowns on the collieries without rent or compensation for their capital value, Government have not accepted this offer or given any relief.

It is paradoxical that in spite of urgent appeals by Government on the necessity of food conservation, the Industry have so far been unsuccessful in getting them to agree to change an obviously wasteful system. In the hope, however, that a check could at least be put upon the existing turnover of food in the coalfields, the Industry have asked that they should be allowed to convert the present value of the food concessions into a cash payment, but even this obvious but partial remedy has not so far had Government's approbation.

APPENDIX A

PRESENT SCALE OF RATIONING FOR COLLIERY LABOUR

**** (a) Basic scale of rationed foodgrains per day on payment at concession rates :—**

- 12 ozs. for each worker.
- 12 ozs. for each adult dependent.
- 6 ozs. for each child.

(b) Supplementary scale of rationed foodgrains issued free.

8 ozs. of rice free of cost for the manual worker for each attendance

**** Where desired, and provided it is available, wheat or wheat products may be taken in lieu.**

Cash concessions.

As. -/3/6 per attendance to a worker without dependent.

As. -/4/6 per attendance to a worker with an adult dependant or child or children.

As. -/6/6 per attendance to a worker with one adult dependent and a child or children.

BIHAR

STATEMENT I

Incidental expenses on distribution of locally procured foodgrains

	Present	Revised	Reduction made (—)
Commission	0 4 0	0 4 0	Please see note below (a).
Average transport	0 8 0	0 8 0	..
Establishment	0 4 0	0 4 0	..
Handling, Storage, Shortage	0 10 0	0 3 0	} (—) 0 4 0 (b)
		0 3 0	
	1 10 0	1 6 0	(—) 0 4 0

Explanations.—

(a) *Commission.*—The commission of 0-4-0 is considered very high and this point has already been brought to Bihar Govt.'s notice in the Committee's letter No. FGIC 2(7)/49 dated the 23rd January 1950. In Madhya Pradesh the Commission is only 0-1-0 per md. and even in Orissa only 0-3-0 per md. No reduction has however been made; Bihar Govt. would no doubt review it in due course.

Average transport & Establishment.—Bihar Govt.'s present rates have been accepted.

(b) *Handling, storage and shortage.*—The rate of 0-10-0 per md. for these items is very high. According to the information furnished by the Bihar Govt. along with their reply to the Committee's questionnaire, the total expenditure on commission transport, storage etc. (excluding shortage and Establishment) for year ending 1948-1949 was Rs. 47,54,704, the quantity involved being 54,39,130 mds. On an average this works out to about 0-14-0 per md. Deducting transport and commission at 0-12-0 per md. the storage and handling come to 0-2-0 per md. only. Even this is comparatively higher as against 0-0-6 in Orissa and 0-1-1 in Madhya Pradesh. In view of the difficult position in Bihar and taking a liberal view, the Committee feel that handling and storage should not exceed 0-3-0 per md.

As regards shortage the Bihar Govt.'s estimate of losses in transit and storage is very high. It need not be emphasised that it is the responsibility of the Govt. to minimise losses in storage. In Madhya Pradesh the shortage is allowed at 0-2-0 per md. and in Orissa 0-3-0 per md. It is considered that the shortage in Bihar also should not exceed 0-3-0 per md. which on an average purchase price of Rs. 14 per md. will work out to 1½%. In fact, the shortage on locally produced grains should not be more than 1%.

NOTE.—On the above basis the issue prices of rice will be as follows:—

	Common	Medium
Procurement price	13 4 0	14 4 0
Incidental expenses upto wholesale stage	1 6 0	1 6 0
Wholesale issue rate	14 10 0	15 10 0

2. The issue prices of other grains should be worked out accordingly and intimated.

STATEMENT II

Incidental expenses in respect of overseas grains imported into Bihar (Wheat)

	Present	Revised	
Handling at Port	0 4 0	0 8 4	(—) 0 4 0 (a)
Average freight	0 8 4	0 8 4	
Establishment	0 4 0	0 4 0	
Handling	1 0 0	0 2 0	(—) 0 8 0 (b).
Shortage	0 4 0	0 4 0	
Storage	0 2 0	0 2 0	
	2 0 4	1 4 4	
Less gunnies	0 4 0	0 4 0	
		1 0 4 or	
		1 0 6 per md.	

Explanations.—

(a) Under the revised arrangements communicated in the Food Ministry letter No. PY-III-4(4)/50 dated the 28th January, 1950, the imported food-grains will be delivered exwagons/trucks/lighters and as such no commission or forwarding agents at the Ports will be necessary.

(b) The charges allowed for handling, storage and shortage are the same as those allowed for other neighbouring provinces, and are considered reasonable.

NOTE.—The issue price of imported wheat will thus be :

Pool price 15 0 0 per md.

Incidental expenses upto wholesale stage 1 0 6

Wholesale issue price 16 0 6

Retail issue price will be above price plus retailers commission.

BOMBAY

189. *Places visited and discussion held.*—The Committee visited Bombay, Poona and Ahmedabad and saw the docks at Bombay as also the godowns and ration shops at all these places. They had discussions with the Hon'ble the Civil Supplies Minister, Food officials at headquarters and in the districts as also with the representatives of the trade, consumers and producers.

190. *General Food Position.*—Bombay is a highly deficit area and has, therefore, to depend mainly on imports. Statistics of production, procurement and imports are as follows :—

(in 000 tons)									
Grain	1948			1949			1950 (estimated)		
	Pro- duction	Procu- rement	Imports	Pro- duction	Procu- rement	Imports	Pro- duction	Procu- rement	Imports
Rice	1081	12	254	853	197	190	804	190	500
Wheat	344	1	294	209	32	513	281	78	
Bajra	707	3	239	563	327	346	546	332	
Jowar	1622			1411			1392		
Maize	143			114			134		
Barley	3			4			3		
Small millets	360			370			380		

191. *Procurement System.*—The system of procurement is of two kinds, namely the levy system and the voluntary system. In the first category fall the procurement of all grains other than rice and paddy. The levy demand is framed after making allowance for producers' requirements for consumption, seed, payment of wages etc. The voluntary system applies to the procurement of paddy/rice. Government is the monopoly purchaser in the surplus areas which grow paddy and if it is found that a producer has not sold all his surplus grain, then it is liable to be requisitioned.

In the Thana and Kolaba districts, however, rice mills are permitted to purchase paddy for conversion into rice, but this rice must be sold to Government.

192. Procurement prices are fixed for all grains separately for Gujrat districts and for Deccan, Karnatak and Konkan districts. The procurement prices are applicable for delivery at Government godowns or purchase centres which are so located that no village is more than 7 miles from any of the Centres or godowns. Except in the Thana and Kolaba districts procurement is made by Govt's own officers, who as a rule are on the permanent strength of the Revenue Department the cost of which is not charged to the civil schemes.

193. *Transport*.—There is little movement of grain between various districts as most of them are deficit or self-sufficient only. The average rate for transport is -/8/- per ton mile in respect of mechanised vehicles and -/1/- to -/1/6 per md. per mile for country craft.

194. The State allow a normal transit loss of $1\frac{1}{2}$ per cent for movement by rail and $\frac{1}{2}$ per cent for road transport and country craft. Any losses above this limit are the responsibility of the carrier. In regard to transit by rail, however, Bombay's average loss is said to be not less than 3 per cent. According to Bombay Government this loss occurs inspite of all possible precautions taken by them with regard to the loading of the wagons, and use of sound gunnies etc. The state is emphatically of the view that a great deal of pilferage occurs while the grain is in the custody of the railways and that the attitude of railways in accepting claims is unsympathetic.

195. *Storage*.—The total storage accommodation available within the State is of the capacity of 47,91,600 bags or about 4,79,160 tons. Of this Government owned godowns account for 2,27,450 tons; the private godowns account for the rest. The condition of the godowns owned by the State is quite satisfactory. The Government also propose to undertake a programme of construction of Lahore sheds which will add another 50,000 tons capacity of good covered accommodation.

196. The Committee were impressed with the arrangements made by Government for storage and maintenance of storage godowns, particularly in the city of Bombay. The grain is stored in bags of uniform weights and only half per cent of the aggregate stock is stored in bulk. Storage losses are only .22 per cent in Bombay city but 2.6 per cent in the districts. It is stated that this higher percentage of loss in the districts is due to the cleaning of the local grain which contains comparatively more impurities than the imported grain.

197. The institution of Godown Committees is a welcome feature of the Bombay food administration and the Committee found that these godown Committees were functioning quite successfully. The functions of these Committees (in which in addition to officials there is a representative of the authorised retail dealers, and a representative of the consumers) are to visit and see the conditions in which godown and the grains in them are kept, and to advise, if necessary, whether, any improvements are necessary or desirable. The Members of the Committee count the bags stored and check the number with the bin card put up at the godown but not inspect the accounts or otherwise interfere with the management. The Committee records inspection remarks on the visit book kept in the godown for the guidance of the godown staff.

198. *Quality*.—The instructions of the State are that all grains issued from government godowns to the retailers must be cleaned. The retailers are also under an obligation to issue grain to the consumers in an absolutely cleaned condition. In order to ensure this, the retailers have got the option to refuse to accept grain in an uncleaned condition, but once they accept such grains, it will be their responsibility to get them cleaned at their own expenses before issue to the consumers. Samples of grain as issued are compared by the inspecting staff with the samples drawn from the storage depots. Sealed samples are also maintained at the shops which the inspecting officials visit regularly.

199. The Committee found that on the whole the grain issued in the urban areas of Bombay was good, no doubt due to the measures above noted. On the other hand, in rural areas the quality was not so good, probably because cleaning is not done there on the same scale as in the urban areas. On this being pointed out the State are taking steps to get the grains in rural areas also cleaned by mechanical devices.

200. It is stated that cleaning of the grain along with the loss of grain in the process amounts only to Re. -/2/6 to -/3/- per maund as stated elsewhere in this report the Committee consider thorough cleaning of grains before issue as a very desirable measure as it makes Controls less unpopular and commend it for general adoption.

201. *Distribution.*—Distribution of grain is mostly done under statutory rationing which exists in all the cities, towns and other important places. Rationing in the rural areas is also based on a statutory order which, however, is not as comprehensive in scope as that applicable to rationed areas.

202. There is no wholesaler and issues from Government godowns are made to the retailers. In selecting retail agencies for distribution preference, it is stated, is given to Cooperative Societies, village panchayats, local bodies and trade associations. More than 55% of retail agencies of the State are managed by such societies.

203. *Distribution Cost.*—In regard to local grains the distribution cost up to the retail stage is said to be only 7% of the procurement price. Thus, the issue price for local grain is fixed at the procurement price plus 7% thereof. The statement below shows the procurement price and retail issue prices :

(In Rupees per maund)				
Districts	Grain	Procurement price	Retail issue price	Difference (Col. 4 and 3)
1	2	3	4	5
Gujrat dts.	Rice	11 1 0 to 28 10 0	12 1 4 to 31 0 8	1 0 0 to 2 6 0
	Wheat	18 0 0	19 6 0	1 6 0
	Bajra	12 0 0	12 14 8	0 14 8
	Jowar	11 0 0	11 14 0	0 14 0
	Maize	9 4 0	10 0 0	0 12 0
	Rice (Superior)	17 6 0	19 6 0	2 0 0
Karnatak, Deccan and Konkan Dts.	Medium	15 4 0	16 7 4	1 3 4
	Common	13 12 0	14 12 8	0 15 4
	Wheat	16 0 0	17 1 4	1 1 4
	Bajra	10 2 0	11 0 8	0 14 8
	Jowar	9 4 0	10 0 0	0 12 0
	Maize	8 4 0	8 15 4	0 11 4

204. The figure in column 5 is supposed to cover the following expenses—

- measuring and labour charges at godowns.
- storage charge including rent and establishment.
- transport charge—inter-godown and inter-district.
- godown deterioration and loss of grain.
- transit losses, thefts etc.
- cleaning charges in godowns.
- watch and ward and insurance.
- cost of rationing establishment.
- cost of establishment employed on procurement, distribution and supervision.

- (j) audit and accounts.
- (k) interest on capital.
- (l) depreciation on wasting assets.
- (m) cost of gunny bags.
- (n) retail commission.

205. The expenditure on items (m) and (n), i.e., cost of gunny bags (Rs. 1-9-0 per bag or 0-10-0 per maund) and the retail commission (0-8-0 per md.) would alone amount to Re. 1-2-0 which is substantially in excess of the average figure in column 5 (the quantity of superior rice which accounts for a higher margin is very small). This statement is fortified by the experience of the Hyderabad Government to whom certain enclaves belonging originally to Bombay have now been transferred. Thus, in respect of common rice the procurement price of which is Rs. 14-8-0 per maund the position in respect of expenditure on its distribution and recovery is stated to be as follows by the Hyderabad Government :—

Expenditure on distribution		(per bag)	
		Rs.	A. P.
(1) Hemalage (3 as at time of receipt and 3 as at time issue)		0	6 0
Seiving		0	0 6
Carting (8 as. per bag for one mile)		0	8 0
(2) Care of godowns			
Establishment employed for godowns		1	8 0
Retail commission		1	4 0
Gunny bag		1	8 0
Total		5	2 6
		per bag	

That is Rs. 2-1-0 per maund excluding the cost of establishment employed on supervision in the district, on maintenance of accounts, transport charges in excess of one mile and godown losses, etc.

Against this the addition to the procurement price which is supposed to cover all expenditure on distribution is 7% of procurement price (14-1-8), i.e., Rs. 0-15-6 per md.

Thus the net loss on one maund is Rs. 1-1-6.

206. The Committee cannot, therefore, uphold the claim of the Bombay Government that insofar as local grains are concerned they work on a 'no profit, no loss basis. In the estimation of the Committee the losses which the Bombay Government suffer in the distribution of local grains by fixing the distribution cost upto the retail stage at only 7% of the procurement price cannot be less than Rs. 1-8-0 per maund and might be as much as Rs. 2 per maund. For 4,65,000 tons of local grains distributed during the year 1949 the loss must be of the order of about Rs. 2 crores. As stated later the Committee consider that much of this loss is passed on to the Central Government by the simple expedient of inflating incidental expenses applicable to imported grains.

207. In para. 150-151 of Chapter II we have brought pointedly to notice the anomaly that exists in the pricing of local and imported grains in Bombay and the artificial depression of prices of imported grains. We consider the pricing policy in Bombay to be highly unnatural and recommended that the Centre should examine it thoroughly and bring it more in conformity with well recognised principles. The payment of subsidy to Bombay should be made conditional on the acceptance by that Government of the revised policy.

208. In the case of imported grains the distribution cost claimed by the Bombay Govt. is 9% of the ex-godown cost. This works out as follows :—

Grain	Pool price	Incidentals upto godown*	Overhead charges @ 9% of Cols. 2 & 3	Total incidentals upto retail stage
1	2 Rs. A. P.	3 Rs. A. P.	4 R. A. P.	5 R. A. P.
Wheat	15 0 0	1 12 0	1 8 0	3 4 0
Rice	22 11 0	1 12 0	2 3 0	3 15 0
Coarse grains	11 4 0	1 12 0	1 4 0	3 0 0

*(Includes Railway freight, handling at despatch and destination and loss in transit.)

It is noted that the distribution cost claimed for imported grains is about three times that of local grains.

209. Generally all the imported grains are consumed within the four big cities of Bombay, Poona, Ahmedabad and Sholapur and more than half of the quantity is consumed within Bombay city. On this basis, the following incidentals are recommended :—

Bombay City—		(per md.)
		Rs. A. P.
Transport from dock to godowns		0 2 6
Godown rent		0 2 0
Shortage		0 3 0
Cleaning		0 2 6
Establishment		0 5 0
		0 14 6
Less recovery for gunny		0 4 0
Total incidental upto wholesale issue stage		0 10 6

210. For Poona, Ahmedabad and Sholapur in addition to the above, the actual Railway freight and a sum of 0-3-0 for handling at destination and loss should be added.

211. The incidentals will apply for the period from 1-1-50. For the period before it, the Committee consider that the recovery of three crores of rupees should be made from the Bombay Government. A detailed report on this point has been already sent to Food Ministry.

(d) DELHI

212. Delhi is a highly deficit area, the local produce of grains being hardly sufficient for the rural population. As such there is no local procurement and the Administration has to depend entirely on imports to meet their commitments (2,25,000 tons) in regard to the rationed population. The maximum prices for local grains are also fixed not so much for the purpose of procurement but to act as a check on prices in general and also to help the Punjab in the maintenance of its rice control in the areas contiguous to Delhi.

213. The Administration get their supplies of overseas grains through the ports of Bombay and Calcutta. Roughly 50% of their rice quota is obtained from Punjab, U. P. and Madhya Pradesh. The Administration does not have any agency of its own at the ports and all work connected with clearing and forwarding is done by the agents of the Central Government. The loss in transit is stated to be about 1.6%.

214. All imported grain is received at Subzimandi Railway Station where it is delivered to the Syndicate appointed by the Government after test weighment in the presence of the representatives of the Director of Civil Supplies, the Syndicate and an independent trade inspection agency. After this the Syndicate is responsible for its transport, storage and distribution according to instructions of the Administration. For all these functions, the Syndicate is paid a fixed commission.

215. The grain is stored in godowns of the Administration the capacity of which is about 27,000 tons as against the weekly offtake of 4,000 tons. The stocks are not stored for more than 5 to 6 weeks and therefore the storage losses are practically negligible. The supervisory staff is posted at all the godowns which are double-locked; the key of one lock is held by a representative of the Syndicate and that of the other by a Government official.

216. The Administration have accepted the recommendation of the Committee for formation of Godown Committees, details of which have been given elsewhere.

217. *Quality.*—At the time of receipt of grain, the quality is tested by visual inspection by the independent inspecting agency and if the grain is considered to be below fair average quality, an analysis is made. At the retail stage, the quality of grain reaching the consumer is sought to be safeguarded by (i) the display of sealed samples in the ration shops, (ii) frequent check by inspector and (iii) issue of grain in the order of its receipt. There are also cleaning godowns attached to the issue godowns.

218. The Committee visited some storage and issue godowns and found that the general condition of the godowns was satisfactory. It was noticed that different grains are stored in the same godown. As far as possible different grains should be stored in different godowns. The quality of the grain issued to the consumer should also be checked with the quality of the grain received at the station. Since the trucks which carry the grain from the station to storage godowns and from there to issue godowns are unattended, deterioration of quality by substitution of good grain by bad grain or by an equivalent amount of dirt, etc., is not impossible.

219. The Committee noticed that the atta stocked by two adjoining ration shops in New Delhi was different from each other. In one shop the quality of atta differed from bag to bag and also from the sealed sample displayed at the shop. The Committee consider that it should be possible for local Administration to eliminate such deficiencies by more effective inspection.

220. *Distribution.*—There is statutory rationing in the Delhi urban area. Consumers get their supplies from retailers who in their turn receive supplies from issue godowns or in the case of atta from the mills. In connection with the distribution arrangement the Committee would like to make the following observations :—

- (a) At present only one quality of rice (superior, medium or inferior) is issued at a time although rice of various qualities is available in godowns. In the opinion of the Committee this creates hardship inasmuch as when rice of very superior quality is only issued (for instance U. P. rice) the "poor" consumer is forced to take it although he may not be able to afford the high price. On the other hand, when inferior rice is issued the more fastidious class is deprived of rice of a better quality.
- (b) There were complaints that the ration shops do not keep sufficient stock of each variety of rationed commodities. This causes hardship to consumers. It is the function of the Administration to see that no consumer has to go without the supply at the time that he wants it.
- (c) There is a complaint from the retailers that although they indent on the basis of ration cards registered at their shops supplies are not made in the proportion stated although there are plenty of stocks in the godowns.

(d) The Committee were disappointed with the accommodation in ration shops in New Delhi. In some of the shops a small corner at the back is reserved for issue of ration, while the main portion is utilised for other business, resulting in congestion and inconvenience to ration card holders.

(e) The standard weights used in the ration shops are not test-checked by the Inspectorate.

221. *Price policy.*—As already stated in para. 41, Chapter I, the pricing policy in Delhi is unnatural like that in Bombay. For instance, the wholesale issue price of imported wheat is Rs. 10-2-0 per maund as against the statutory price of Rs. 15-0-0 fixed for local wheat and the issue price of Rs. 16 per maund in the main wheat producing areas of Punjab and U. P. The statement below indicates the disparity in the prices of local and imported grains and the subsidy involved.

STATEMENT

(per maund)

Grain	Wholesale Issue price of imported grain		Wholesale price of local grain		Subsidy involved per maund of imported grain	
	Rs.	A. P.	Rs.	A. P.	Rs.	A. P.
Wheat	10	2 0	15	0 0	7	0 0
Maize	7	4 0	9	14 0	6	1 0
Millets	8	0 0	8	12 0	5	5 0
			to			
			9	2 0		

The main object of the Central Government subsidy was to keep the local prices at a reasonable level and not to unduly depress them by artificial means. Although the policy of the Government is not to subsidise locally procured grains, the issue prices of imported grains have made it necessary to subsidise the indigenous grains received to the extent of about Rs. 1-8-0 per maund. There were strong representations from consumers of other States about the preferential treatment accorded to the Delhi Administration by the Central Government. If the argument is that it is necessary to protect the industrial population, a similar argument would apply in the case of most other industrial areas. Delhi is not as big an industrial city as Calcutta, Kanpur and Coimbatore where the prices are not so much depressed. The Committee, therefore, consider that there is no reason whatsoever to maintain the issue prices at the present low level. If it is necessary to maintain the present level of prices in the Capital city for particular sections of the community, the Committee would suggest that ways and means of protecting only that class may be examined and the natural price level restored gradually in the case of other consumers.

222. *Distribution costs.*—A statement of incidental expenses which are considered reasonable in respect of imported grains is attached. Particular attention is invited to the retailer's commission which is very high i.e., 0-13-0 per maund for wheat and rice and 0-7-0 per maund for other grains plus gunny in both cases. In the neighbouring State of Punjab the rate of commission is only 0-8-0 per maund and the gunny is not allowed free. The Committee recommends that, as in Punjab, the cost of gunny should be recovered in full from the retail dealer, if it is not returned by him.

STATEMENT

DELHI

Incidentals on imported grains

	Rs.	A.	P.	
Average railway freight	1	3	0	Per md.
Stockists charges	0	6	0	"
Shortage in transit	0	2	0	"
TOTAL	1	11	0	"
<i>Less credit for gunnies</i>	<i>0</i>	<i>4</i>	<i>0</i>	
Total incidentals upto wholesale issue stage	1	7	0	
Retail commission	0	13	0	plus " free*
				gunny for
				wheat and
				rice.
	0	7	0	plus free*
				gunny for
				other grains.

* The full cost of gunny should be recovered from the retailer.

(e) HYDERABAD

223. The Committee was able to visit only the Hyderabad City where ration shops and godowns were seen. Discussions were also held with the Hon'ble the Food Minister and the Food Officials.

224. Hyderabad is a deficit area and has to depend on imports. The procurement of foodgrains is made under the 'levy' system at prices fixed by the State for delivery into godowns. Purchases are made through trade or private incidentals appointed by the State as agents. Purchases in the open markets are also made by the Hyderabad Commercial Credit Corporation which is a part of the Supply Department.

225. As regards imported grains, the State has its own forwarding and clearing agents at ports to whom a small commission of 3 or 4 annas a ton is paid.

226. The usual methods of transport are by carts, lorries and rail. Transit losses are avoided by making the contractors responsible for losses exceeding 25%. In case of rail transport, however, the transit loss is considerable, no claim is preferred if the loss does not exceed 2% on test weightment. Even in respect of such claims the experience of the State Government with the Railways has been disappointing.

227. The godowns in Hyderabad City are in good condition and consequently the loss incurred in storage is low. There is no problem of godown accommodation in the City.

228. The Food Organisation of the State consists of Secretary and the H. C. C. C., the main functions of which are procurement, movement, storage and distribution. This Corporation is really a department of the Government. The average cost per maund of this Organisation alone works out to about 0-10-0 per maund, which is extremely high.

229. *Quality.*—The grain issued to the consumers are generally cleaned before issue and sealed samples are maintained in the ration shops. The arrangements made in this respect appear to be satisfactory. The Committee however consider that the quality of grain locally produced can be improved if the State pays more attention to the quality at time of purchases as at present there is no schedule of allowances applicable to grain below fair average quality and also because the quality is judged by visual test alone.

230. The distribution is done through rationing in rationed areas and for non-rationed areas quotas are fixed for each district and grains are issued under the supervision of the Government. There is no wholesaler and all supplies are made by the Hyderabad Commercial Credit Corporation direct to the retailer.

231. A statement showing the incidental expenses considered reasonable is appended. Particular attention is invited to the following items.

232. *Organisation.*—As already stated the cost of the Organisation termed as Hyderabad Commercial Credit Corporation is 0-10-0 per md. This Corporation was originally set up to deal with foodgrains on work as on the other articles such as groundnut, pulses, etc. Now, however, its work is confined to Food alone but no substantial reduction has been made in the establishment. The necessity for curtailing the expenditure incurred on this Organisation is obvious.

233. *Retail commission.*—The commission is 0-9-2 per maund *plus* a free thrice used gunny, the cost of which may be taken at about 3 as. a maund. Compared to the commission allowed in the neighbouring States of Mysore and Madras this is high. The Committee have suggested a review of the rate of the commission.

INCIDENTALS ON LOCALLY PROCURED GRAINS

From procurement to consuming area—

	Present Rs. A. P.	Revised Rs. A. P.
(a) Cartage from godown to Rly. station	0 3 6	0 3 0
(b) Rly. freight, lorry hire, etc.	0 6 0	0 6 0
(c) Shortage during transit	0 3 0	0 2 0

From Station to godown—

(a) Hemalage for wt. at station before effecting delivery	0 0 4	0 0 4
(b) Unloading from wagons and loading into carts	0 0 3	0 0 3
(c) Carting from station to H.C.C.C. godowns	0 3 0	0 3 0

From godown till issue to consumers.—

(a) Unloading at H.C.C.C. godowns	0 0 2	0 0 2
(b) Cleaning and standardising	0 1 2	0 1 2
(c) Shortage in cleaning and storage	0 6 6	0 3 0
(d) Establishment and administrative charges (godowns)	0 8 0	0 8 0
(e) Godown rent	0 1 6	0 1 6
(f) Interest	0 1 10	..
(g) Gunny	0 3 4	} 0 3 0
(h) Depreciation of gunny	0 0 8	
(i) Commission to local units	0 1 8	0 1 8

TOTAL	2 8 11	2 1 1
Less sale-proceeds of gunnies	0 0 9	0 0 9
	2 8 2	2 0 4

INCIDENTAL EXPENSES ON IMPORTED GRAINS

From port to Hyderabad Station.—

	Present Rs. A. P.	Revised Rs. A. P.
(a) Incidentals at port at I. G. Rs. 5 per ton	0 3 0	..
(b) Railway freight (average)	1 0 0	1 0 0
(c) Shortage during transit at $\frac{1}{2}$ sr. per maund (taking average rate Rs. 20 per md.)	0 3 0	0 2 0

From Hyderabad Station to godowns.—

(a) Customs duty at Rs. 5 per cent.		
(b) Hemalage for weight at Rly. Station or before effecting delivery	0 0 4	0 0 4
(c) Unloading from wagons and loading into the carts at Rs. 5 per 100 bags	0 0 3	0 0 3
(d) Carting from Rly. station to H.C.C.C. godown	0 3 0	0 3 0

From godown till issue to consumers.—

	Present Rs. A. P.	Revised Rs. A. P.
(a) Unloading at H.C.C.C. godowns from carts at Rs. 2-8-0 per 100 bags.	0 0 2	0 0 2
(b) (i) Cleaning and Standardising	0 2 0	0 2 0
(ii) Shortages in cleaning	0 2 0	0 2 0
(c) Shortage during storage at 3/4 sr. per maund.	0 8 0	0 8 0
(d) Establishment and administration charges (GD)	0 1 0	0 1 0
(e) Godown rent inclusive of repairs and maintenance	0 1 10	..
(f) Interest		
TOTAL	2 8 7	2 2 9
Less cost of gunny twice or thrice used		0 2 9
		2 0 0

(f) MADHYA PRADESH

234. *Places visited.*—The Committee visited only Nagpur, the capital of the State and one or two adjoining places where they inspected ration shops, godowns, etc.

235. *Discussions held.*—Discussions were held with the Secretary of Food Department, his deputies, and technical officers, and the Hon'ble the Food Minister. The Committee also called on the Hon'ble the Chief Minister.

236. *General Food position.*—Madhya Pradesh grows mainly rice and juar and to a lesser extent wheat and gram. The production of other grains is small or negligible. The State is surplus in rice only, slightly surplus in gram and deficit in other grains including wheat.) Normally the State exports rice and imports wheat. The statement below shows the production, procurement, exports and imports during the past two years and in 1950.

Grain	1948 Produc- tion. (47-48)	Pro- cure- ment.	Ex- port	Im- port	Produc- tion (48-49)	Pro- cure- ment.	Ex- port	Im- port	Produc- tion	1950 (estimates) Pro- cure- ment	Ex- port	Im- port.
Rice	2304	210	159	..	2062	236	70	..	2175	..	250	..
Wheat	268	2	..	61	409	5	..	54	395	5	..	(a)
Juar	1200				738				1063			
Bajra	23				15				15			
Maize	62	17	14	..	65	1	..	46	64	2		
Barley	8				9				9			
Ragi and Small Millet	148				148				148			

All figures are in thousand tons.

(a) No ceiling quota for imports has been fixed. The State has been allotted 3,000 tons of wheat for April.

237. *System of procurement.*—Prior to decontrol, the monopoly system of procurement was followed in the State. Since decontrol in December 1947, the system followed is a kind of levy known as Partial Compulsory Procurement. Under this system a certain percentage of foodgrains is delivered to the Government by all the licensed dealers out of their primary purchases from producers and the non-licensed dealers at the rates prescribed by the State. Originally the levy was fixed at 40% which has been gradually raised to the present level of 60%. The basis of calculation of the levy is the stock return which is submitted weekly by the licensees to Dy. Commissioners. In the integrated districts of Surguja and Bastar the system of levy is not followed. In Bastar procurement is voluntary while in the Surguja district there is no official procurement and only export permits are issued for pre-determined surpluses.

238. *Organisation.*—The cost of the food administration of the State is Rs. 29.07 lakhs (1948-49 budget) distributed as follows :—

Establishment employed on procurement Rs. 9.1 lakhs. i.e., 1½ annas per md.

Establishment employed on distribution
(Rationing) Rs. 5.26 lakhs. i.e. Re. 0-2-1 pies per maund.

The Food Organisation of the State consists, as usual, of the Secretariat, an administrative office under a Director of Civil Supplies and the executive staff in districts. The latter work under the control of the Deputy Commissioner, who is responsible for procurement, storage and distribution within his district.

239. On the technical side there is a Marketing Adviser who advises Government on quality standards, prices and allowances for deviation from the prescribed standards. Since the procurement season lasts only for a few months, for the rest of the year much of the procurement staff is to some extent idle. It was explained to us that this was to some extent unavoidable because in Madhya Pradesh, the producing districts were distinct from the consuming districts and it was always not possible to shift the entire procurement staff after the procurement season is over to the consuming districts. We were however, informed that in the next year's budget (1950-51) the State propose to affect economies in the food administration to the extent of Rs. 4.73,000.

240. While discussing organisation, the Committee would repeat their recommendation [see Chapter II-E(i)] that there is need for a strong and impartial inspectorate to look after the quality and quantity of the grain exported.

241. *Transport.*—Movement of foodgrains within the State is by cart, trucks and rail. Carts are used mostly by the cultivators for bringing the grain to the mandis. State movement takes place either by trucks or rail. The rate for road transport varies with local conditions from 2 pies to 10 pies per md. per mile on metalled roads and a little higher in places away from the metalled roads.

242. The transport charges for movement within the State alone amount to Rs. 1-1-0 per md. comprising 0-3-6 per md. for movement within the districts from one godown to another and another 0-13 6 per md. for movement from producing to consuming areas. The reason for this seemingly heavy charge is that in the State rice, wheat and juar producing areas are all separately grouped together far away from each group with the result that the surplus of one group has to be carried to the consuming areas in the other group and *vice versa*. Thus even though cross movements may not be many, there is considerable haulage. As regards the transport charge of 0-3-6 per md. for movements within the district which accounts for an expenditure of Rs. 16 lakhs per annum, some of the expense is due to lack of proper storage accommodation at the purchasing points, with the result that grain has to be sent to other storage godowns before the final despatch to consumption centres. Suitable storages at purchasing centres or at consumption centres should help to reduce this expenditure. Since Madhya Pradesh is a surplus State and will continue to export grains it is obviously in its interest to arrange for suitable storages at the procurement or consumption points. At the suggestion of this Committee Government is considering proposal to encourage construction of storage godowns by trade or private parties to prescribed specifications and at places approved by the State Government. The State would offer help in the form of supply of controlled structural materials, acquisition of land or by giving an undertaking that the Govt. will take on lease storages for specific periods.

243. Madhya Pradesh, like others, complain of high percentage of loss in transport by rail and of the general apathy of the railways to handle this matter in a prompt manner. They had to file several suits against the Railways in order to protect themselves from the limitation clause. As stated already this matter has been taken up by the Committee with the Railway Ministry.

244. *Storage.*—The total storage accommodation available with the State is to the extent of 34.16 lakh of bags or over 3 lakh tons. Of these more than 125 godowns centres (capacity 31.18 lakh bags) are situated at railheads, 48 godowns

(capacity 19·19 lakh bags) at roadheads and the rest about 44 godowns (capacity 10·58 lakh bags) at other places. These godowns are classified into A, B and C types according to their structural variations.

Out of the total storage, the storage owned by the Govt. does not exceed 10% and only this accommodation can be said to be fairly good.

245. Foodgrains are generally stored in bags except in the districts of Raipur and Bilaspur where the millers who purchase paddy and process rice on their own account store the rice in bulk for some time. This is done in ordinary rooms known as 'kothas' which form part of the building of the mill, the walls of which are made of brick and the floor is cemented. The rice is bulked in such a way that the pressure is distributed either on two or three of the walls and no covering is placed against the walls. Only such rice is heaped or bulked in one place which during the process of heaping get, automatically mixed. It is stated that the bulking rice in this way keeps the grain at atmospheric temperature which minimises the chances of insect infestation.

246. The Committee, however, could not visit the godowns in the interior. The general arrangements and the maintenance of godowns in Nagpur were on the whole satisfactory. But the position does not appear to be the same in other areas. As already stated the storage godowns are not located in a manner which will ensure minimum loss and minimum movement. For example storage accommodation is in excess of requirements at some places and short in others such as important procurement and consumption centres. The State has 19 portable Nissen huts which they are now planning to distribute to places where there is shortage in godown accommodation. Two such huts have already been transferred to Mandla and two to Nagpur.

247. As in the case of other States the Committee have suggested the institution of godown committees consisting of the principal Government food officers, a representative of the Trade having experience of storage, a representative of the retail dealers and a representative of the consumers to inspect godowns frequently. The State have agreed to implement the recommendation.

248. *Distribution.*—The distribution system in the State is not elaborate for the reason that the procurement is undertaken mainly for export purposes, the residual quantity being distributed in Govt. shops in certain selected places in order to have some check on the prices of foodgrains. The basic system of distribution is through fair price shops in the consuming areas. Provisioning has been in force in 16 towns.

249. The Committee noticed that while grain in Govt. shops was issued by weight, the other shops usually sell it by measure. During their visit to certain other places the Committee noticed a great deal of abuse of the measure system. At the instance of the Committee, the state has agreed to examine the matter with a view to the adoption of the weight basis of sale in other shops also. If this is done, the Committee feel that the difference between the controlled price and the market price will be much more marked than now.

250. *Quality.*—The Committee met with the usual kind of complaints about quality in rice. But the complaints were fewer as open markets function side by side with Government ration shops. The complaints about quality are no doubt, due to the somewhat defective instructions in the sense that they mention only the kind of grain that should not be issued, and not the kind of grain to which issues should conform. Secondly compulsory cleaning is confined to grains in which there is weevilling in excess of 6% which in the opinion of the Committee is too high a percentage of tolerance. First of all it should be possible for Government to procure grains on strict standard specifications and thereby eliminate such complaints; in any case it is not beyond their power to issue grains strictly in accordance with F. A. Q. specifications. The Committee has therefore, suggested to the State as to others that only cleaned grain should be issued from the ration shops, and for

this purpose mechanical or hand operated sieves should be installed in the issue godowns. The State was hesitant in accepting this recommendation as the financial loss involved was in its opinion too much. It supported its view by quoting the case of imported wheat issued to them last year which it said was highly weevilled. The Committee feels that the experience of the State in the matter of imported wheat was a little unusual, as this wheat is generally even more clean than the indigenous wheat. They trust that the State experience of last year would be repeated this year and that it will be possible for them to introduce this much-needed reform which the Committee has no doubt will have a beneficial effect on their own market prices also.

251. Sealed samples of grain are not at present displayed at the ration shops. The State has agreed to introduce them and to make test analysis of samples drawn at the various stages.

252. *Distribution costs.*—The Distribution costs represent the expenses incurred by the State from the procurement to the retail stage.

A statement of incidental expenses as agreed upon is appended. The statement shows reductions, if any, which the State has accepted and the reasons for such reduction.

Particular attention is however, invited to the following items :—

Retailers commission.—The commission is 0-5-3 per md. plus gunny. The latter amounts to another 0-6-8 per md. We were told that the retail commission had been reviewed a few months ago and reduced by 0-2-0 a md. In the opinion of the Committee the reduction made was inadequate. In the neighbouring State of Madhya Bharat the commission is 0-6-0 a maund. The Committee would therefore, strongly recommend a reduction to a total of 0-8-0 a md. Some of the methods by which this reduction would be effected would be found in our recommendations on the subject.

Transport from procurement to consuming centre.—This item accounts for about Rs. 0-14-0 per md. As already stated the producing areas of each grain are separately grouped and in the movement of one grain from a group to another and *vice versa* considerable haulage is involved. On the other hand in the case of exports this expenditure seems to be avoidable. It was pointed out by the State that owing to the delay on the part of the recipients in moving their quotas, the grains had to be moved to the consuming centres where storage is available. If recipient areas lift their quotas quickly, this extra movement can be cut out altogether. The Committee have fixed different rates of incidentals for exports from producing and consuming areas and it is desirable that the recipients move their quota as quickly as possible and thus save an expenditure of over 0-13-0 per md.

STATEMENT I.

LOCAL CONSUMPTION—RICE

(a) (Procurement area)

	Per md.
1. Commission	0 1 0
2. Cartage, Hamalage, weighing and bagging	0 2 0
3. <i>Miscellaneous charge.</i> —	
Rent godown Chowkidari and Intergodown movement within the district	0 4 6
4. <i>Surcharge.</i> —	
Establishment charge	0 4 4
Shortage due to dryage & storage	0 2 0
5. Gunny	0 6 4
	0 8 0
TOTAL—upto wholesale stage	1 5 10
6. Retailers commission	0 5 3
	1 11 1

LOCAL CONSUMPTION—RICE

(b) (Consuming area)

	Per md.
	Rs. A. P.
1. Commission to agent	0 1 0
2. Cartage, hamalage, weighing and bagging	0 2 0
3. <i>Miscellaneous charge</i> —	
Rent of godown, chowkidari, transport from a godown to another within district	0 4 6
4. <i>Surcharge</i> .—	
Establishment	0 4 4
Shortage in storage and transit	0 3 0
	0 7 4
5. Gunny	0 8 0
6. Transport and handling from procurement to consuming area	0 13 2
	2 4 0
7. Retailers commission	0 5 3
	2 9 3

STATEMENT II.

LOCAL CONSUMPTION—JUAR

(a) (Procurement area)

	Per md.
1. Commission	0 0 9
2. Cartage, hamalage, weighing and bagging	0 2 0
3. Miscellaneous charge	0 4 6
4. <i>Surcharge</i> .—	
Establishment	0 4 4
Shortage	0 1 0
	0 5 4
5. Gunny	0 8 10
TOTAL—upto wholesale stage	1 5 5
6. Retailers commission	0 5 3
	1 10 8

LOCAL CONSUMPTION—JUAR

(b) (Consuming area)

1. Commission	0 0 9
2. Cartage, hamalage, weighing and bagging	0 2 0
3. Miscellaneous charge	0 4 6
4. <i>Surcharge</i> .—	
Establishment	0 4 4
Shortage in transit and storage	0 1 6
	0 5 10
5. Gunny	0 8 10
6. Transport from procurement to consuming area	0 13 2
	2 3 1
7. Retailers commission	0 5 3
	2 8 4

STATEMENT III
LOCAL CONSUMPTION—WHEAT AND GRAM
(a) (Procurement area)

	Per md.					
	Wheat			Gram		
	Rs.	A.	P.	Rs.	A.	P.
1. Commission	0	1	0	0	1	0
2. Cartage, hamalage	0	2	0	0	2	0
3. Miscellaneous charge	0	4	6	0	4	6
4. Surcharge.—						
Establishment	0	4	4			
Shortage	0	2	0	0	6	4
	one anna for gram)			0	5	4
5. Gunny	0	8	10	0	8	10
	1	6	8	1	5	8

LOCAL CONSUMPTION—WHEAT AND GRAM
(b) (Consuming area)

1. Commission	0	1	0	0	1	0
2. Cartage, hamalage etc.	0	2	0	0	2	0
3. Miscellaneous charge	0	4	6	0	4	6
4. Surcharge.—						
Establishment	0	4	4	0	4	4
Shortage in transit and storage	0	3	0	0	1	6
5. Transport from procurement to consuming area	0	13	2	0	13	2
6. Gunny	0	8	10	0	8	10
	2	4	10	2	3	4
7. Retailers commission	0	5	3	0	5	3
	2	10	1	2	8	7

STATEMENT—IV
EXPORTS—(RICE)
(a) (Procurement area)

	Per md.		
	Rs.	A.	P.
1. Commission to agent	0	1	0
2. Cartage, hamalage, weighing and bagging	0	2	0
3. Miscellaneous charge	0	4	6
4. Surcharge.—			
Establishment	0	4	0
Shortage	0	2	0
Interest	0	1	0
5. Transport and handling from godown to station	0	2	6
	1	1	0

without
gunny.

EXPORTS—(RICE)
(b) (Consuming area)

	Per md.		
	Rs.	A.	P.
1. Commission	0	1	0
2. Cartage, hamalage, weighing and bagging	0	2	0
3. Miscellaneous charge	0	4	6
4. Surcharge.—			
Establishment	0	4	0
Shortage	0	2	0
Interest	0	1	0
5. Transport from procurement to consuming area	0	13	2
6. Transport from godown to station	0	2	6
	1	14	2

without
gunny.

STATEMENT V.
EXPORTS.—JUAR
(a) (*Procurement area*)

	Per md.	
1. Commission	0 0 9	
2. Cartage, hamalage, etc.	0 2 0	
3. Miscellaneous charge	0 4 6	
4. <i>Surcharge.</i> —		
Establishment	0 4 0	
Shortage	0 1 0	
Interest	0 1 0	
5. Transport from godown to station	0 2 6	
	0 15 9	without gunny.

EXPORTS—JUAR
(b) (*Consuming area*)

	Per md.	
1. Commission	0 0 9	
2. Cartage, hamalage, weighing etc.	0 2 0	
3. Miscellaneous charge	0 4 6	
4. <i>Surcharge.</i> —		
Establishment	0 4 0	
Shortage	0 1 0	
Interest	0 1 0	
5. Transport from procurement to consuming area	0 13 2	
6. Transport from godown to station	0 2 6	
	1 12 11	without gunny.

STATEMENT VI.
EXPORTS—GRAM
(a) (*Procurement area*)

	Per md.	
1. Commission	0 1 0	
2. Cartage, hamalage etc.	0 2 0	
3. Miscellaneous charge	0 4 6	
4. <i>Surcharge.</i> —		
Establishment	0 4 0	
Shortage	0 1 0	
Interest	0 1 0	
5. Transport from godown to station	0 2 6	
	1 0 0	without gunny.

EXPORTS—GRAM
(b) (*Consuming area*)

	Per md.	
1. Commission	0 1 0	
2. Cartage, hamalage etc.	0 2 0	
3. Miscellaneous charge	0 4 6	
4. <i>Surcharge.</i> —		
Establishment	0 4 0	
Shortage	0 1 0	
Interest	0 1 0	
5. Transport from procurement to consuming area	0 13 2	
6. Transport from godown to station	0 2 6	
	1 13 2	

STATEMENT VII

Incidental expenses on imported grain (wheat)

	(Per mownd)		
	Rs.	A.	P.
Railway freight	1	3	0
Handling from station to godowns	0	2	6
Loss in transit	0	2	0
Rent of godowns and inter-godowns movements	0	2	3
Loss in storage	0	2	0
Establishment	0	3	0
	1	14	9
Less recovery for gunny	0	2	9
	1	12	0

(g) MADHYA BHARAT

253. The Committee visited Indore and Ujjain and held discussions with the Food Officials and representatives of Trade and consumers. We also visited several Govt. godowns and the ration shops at the above places.

254. Madhya Bharat is more or less self sufficient in foodgrains and exports small quantities to other places when crops are good. The procurement is by the 'levy' system. There is statutory rationing in the city of Indore. In all other bigger towns there is a system of controlled distribution and relief shops.

255. The following points regarding distribution of foodgrains may be noted:—

(1) The system of distribution of grains through family ration cards is working well and this has enabled the State to maintain the retail commission in respect of grains other than rice at a very reasonable level. This ensures saving of time both to the retailers and consumer. There are also less chances of abuses by the trade.

(2) As regards quality of grains, the Committee recommends that only cleaned grain should be issued from ration shops and Godown Committees consisting of officials and non-officials associated to look after the upkeep of godowns.

(3) The Committee noticed that the price of rice is fixed quite out of proportion to the price of paddy. This is fixed at a higher rate than what it reasonably should be, particularly in the case of fine and medium rice which however are not procured in large quantities. The Committee suggests that this matter may be examined by the State.

(4) As regards the distribution cost, figures of actual expenditure were not available in the absence of which it is rather difficult to examine the incidental charges properly. However in the light of the information furnished to us and on the basis of the basic principles laid down earlier in this report the Committee recommend the following charges for local grains and imported grains. The fact that these charges are high is borne out by the statement made by Government in the Madhya Bharat Legislative Assembly that the Government had made a large profit during the year 1949-50 on foodgrain transactions.

INCIDENTAL EXPENSES

(a) Local grains

	Present	Revised
Average transport	0 12 0	0 10 0
Handling	0 12 0	0 2 0
Storage	0 12 0	0 2 0
Shortage etc.	0 4 0	0 3 0
Establishment	0 2 0	0 4 0
Loss in gunny	0 2 0	0 2 0
	1 14 0	1 7 0
		per md.

(b) Imported grains.

	Present	Revised	Reduction made
Handling at Bombay	0 3 0	..	0 3 0 (a)
Railway freight	1 8 0	1 8 0	..
Internal transport	0 12 0	0 8 0	0 4 0 (b)
Shortage	0 11 0	0 4 0	0 7 0 (c)
Overheads for storage establishment etc. at 8%	1 6 0	0 2 0 Storage 0 3 0 Establishment.	1 1 (d)
<i>Less recovery value of gunny</i>	4 8 0	2 9 0 0 4 0	1 15 0
		2 5 0	

(a) This expenditure is no longer necessary under Central Governments' revised arrangement.

(b) If cross movements are avoided, the charges could easily be reduced.

(c) The amount allowed represents more than 1.5% loss, which is more than reasonable.

(d) The expenses on establishment and storage have been exaggerated. Expenditure should not ordinarily exceed more than -/3/- per md.

(h) MADRAS

256. *Places visited and discussions held.*—The Committee visited godowns, ration shops, mills etc. at Madras, Mahabalipuram, Chinglepet, Tiruchirappalli and Madura. We had discussions with food officials and non-officials representing producers, consumers and the trade. We also called on the Hon'ble the Chief Minister and other Ministers.

257. *General food position.*—Madras is a highly deficit area and depends to a large extent on imports. The figures in respect of production, procurement and imports are as follows :—

(In '000 Ton)

	1947-48			1948-49			1949-50 (estimates)		
	Production	Procurement	Import	Production	Procurement	Import	Production	Procurement	Import
<i>Grain</i>									
Rice	4,344	1,011		4,217	1,328	114	4,741	1,500	300 (total quota)
Bajra	481			405			448		
Jowar	957	12	201	902	81	125	932	100	
Maize	20			19			12		
Other millets	768			768			620		
Wheat			58			118			

258. *Procurement system.*—The "total" procurement system under which the entire produce, which is surplus to the requirements of the producer, is taken over by the Government, is followed throughout the State. The procurement price^r apply to delivery of grain at village site but deductions are made from the procure^sment price if the village site is more than 3 miles from a rice mill. The procurement^s is generally made through procurement agents, who are paid a fixed commission. 1

259. For imported grain there are agents at the ports for taking delivery of grain from the Central Government and despatching the same to various destinations under instructions of the Government.

260. There were strong criticisms of the procurement, system, the chief being the following :—

- (i) The assessment is based on rough estimates prepared by the village officers and as such estimates are made well before the harvest, they are generally not correct ;
- (ii) The powers invested in the Supply Officers are very wide with the result that they are abused ; and
- (iii) Favouritism is shown to the richer producer and poor producers with smaller holdings are generally harassed.

261. As already stated, we consider that there is some substance in these complaints, and we have brought them to the notice of the State Government. There is a general demand for change over to the "levy" or the monopoly purchase system.

262. *Organisation.*—The Food Organisation consists of a Commissioner of Civil Supplies. The Deputy Commissioners assisted by District Supply Officers in each district are responsible for procurement, transport, rationing etc.

263. The total cost of Food Organisation is Rs. 142.37 lakhs (1949-50 budget) which works out to Rs. 0.4-7 per md.

264. Unlike other major States wholesalers are employed in Madras, the commission paid to them being 2 to 3 annas a maund. This amount should really be considered to be an addition to the expenditure on establishment.

265. *Storage.*—The storage capacity of godowns owned or leased by the State is 1,00,000 tons only. The storage of the remaining 17½ lakh tons is found by wholesalers, who function everywhere except in Madras, Visakapatam and Coimbatore.

266. The State godowns were in a fair condition but those belonging to trade were rather poor. It was stated that the leakage in Madras city godowns was 2 to 3%, one of the reasons for which was said to be the temporary nature of the staff employed in the godowns. But as brought out later in this Report, this shortage was not evident due to the incorrect conversion ratio of weights and measures.

267. The State Government have undertaken a programme of storage construction by co-operative societies by giving free grant and/or loan according to the collections by way of donations by the members of co-operative societies. No doubt facilities by way of issue of controlled materials should also be made available. Godown Committees should also be appointed to look after the godowns.

268. *Transport.*—The normal methods of transport are by road, rail and canal. No transit loss is allowed at the procurement stage. In the case of rail transport loss upto 2% of the booked weight or 5 mds. per wagon whichever is less is ignored and if the loss exceeds this then claims are made. In the case of movement by canal loss upto 2 lbs. per bag is allowed. Since no loss as such is provided for in the distribution costs it is evident that these losses also were met by the incorrect conversion ratio. It is strange that such high losses, particularly those by rail, are considered to be normal losses.

269. *Quality.*—There were not many complaints about the quality of foodgrains in the ration shops in urban areas and the Committee's own test-check showed that the quality on the whole was fairly good. But wheat was found generally weevilled on account of long storage due to small off-take. Although the system of maintaining sealed samples in ration shops exists there is no coordinated check of samples from the procurement to the issue stage nor is there any compulsory cleaning of grain at the godowns before issue. In the opinion of the Committee, there would be greater satisfaction to the consumer if the grain that is issued to him is cleaned before issue.

270. *Distribution and distribution cost.*—All forms of distribution, statutory, non-statutory and controlled distribution are in force in the State. Wholesale distribution on Government account is confined to Madras City, Visakapatam, Malabar and other places. The retail shops are fed through wholesalers.

271. In this connection the following observations are made:—

- (i) *Necessity of elimination of wholesalers.*—The necessity of elimination of middlemen is obvious. The profit and the interest charges that are paid to him and which amount to from 2 to 4 annas a maund can be saved at least to the extent of half, if this thing is done by Government. Moreover one private party in the custody of which grains now pass will be eliminated. The State Government has not kindly taken to the suggestions, on account of want of godown space, capital investment and the possible loss of sales-tax which is now paid by the wholesalers. The Committee are not convinced by these arguments and suggest that steps may be taken like other State Governments to eliminate the wholesaler thereby affording some relief to the consumer.
- (ii) *Sales-tax.*—The Committee have already dealt fully with this point elsewhere in the Report. It is the suspicion of the Committee that one of the main reasons why Government do not take kindly to the elimination of middlemen is the amount of sales-tax which they earn on account of existence of these intermediaries. The public opinion even in Madras is very hard against the imposition of sales-tax on foodgrains and the Committee would, therefore, reiterate their recommendation in respect of its immediate abolition, as in the present circumstances a tax on foodgrains is an anomaly as also an anachronism.
- (iii) *Administration charges.*—So far the Madras Government were not charging anything for the cost of their administration. They want to include 5 to 6 annas a maund on this account now. As stated elsewhere the Committee has no general objection to the inclusion of an administration charge provided it is confined to a reasonable figure but when Madras Government are levying a sales-tax the imposition of this charge would seem to be to mean an undue hardship to the consumer.

The Committee noticed that the off-take from some of the ration shops in the rural areas was very small. They consider that the establishment employed in connection with such shops is more or less a waste and should be curtailed.

Weights and measures.—In Madras while procurement prices are fixed in terms of standard weight, the sale of foodgrains is made in terms of volume. This necessarily involves the conversion and re-conversion in between, a system which is confusing as well as leading to abuse.

The Members of the Committee personally made a large number of test-checks at the ration shops. It was invariably found that the number of measures contained in a bag was more than the assumed figure fixed for the purpose. It is true that in some cases the retailer showed a certain amount of the excess as receipt in his books, but human nature being what it is, it is hardly to be doubted that he did himself well also in the process. Issue by measure works particularly against the consumer in the matter of issue of wheat which was weevilled by long storage. In this connection the consumer was doubly affected, namely—

- (i) on account of the measure being actually slightly less in weight than the figure assumed for the purpose of issue; and
- (ii) by reason of the weevilled wheat being still less in weight although in volume it remains more or less the same as sound wheat.

On the recommendation of the Committee the Madras Government agreed to conduct a test experiment in Madras City through a Cooperative Society which had a large number of branches in the City. This Cooperative Society which accepted the experiment in the initial stage is now trying to back out and is advancing varied

and petty reasons as to why it could not undertake this experiment. This in itself shows that the gain which the retailer now makes on account of sales by measure will be eliminated or considerably reduced if the weight method is followed. In Bombay also years back sales were made by measures but the Bombay Government had no hesitation in changing over to the weight method in the interest of the consumer. The Committee are strongly of the opinion that the Madras Government should overcome all obstacles and introduce a uniform weight method. Sale of foodgrains by measure is an outmoded practice and is an anachronism and should be abolished without delay.

272. Appended are lists of incidental expenses which the Committee consider reasonable in the case of imported foodgrains. In respect of local grains the Madras Government have already issued a printed pamphlet which gives the details, district by district.

STATEMENT

Incidental expenses on imported grains.

	(Per Maund).					
	Present			Revised		
	Rs.	A.	P.	R.	A.	P.
Forwarding agents commission	0	0	2	..		
Transport to godowns	0	2	6	0	2	6
Godown storage	0	0	2	0	0	2
Storage loss	0	0	6	0	0	6
Handling, weighing and standardisation	0	2	0	0	2	0
Establishment charge (Overheads)	0	1	0	0	1	0
Any other charges	0	0	3	..		
Total incidentals upto wholesale issue to retailers	0	6	7	0	6	2
Less recovery for gunny				0	2	6
Total				0	3	9
				or 0	3	8

As regards outside Stations the incidentals should include in addition Rly. freight plus a margin of profit (0-2-0 per md.) for the wholesalers.

(i) MYSORE

273. The Committee visited Bangalore and had discussions with the Food officials and Hon'ble the Food Minister.

274. The State is a deficit area and has to rely on imports. Its local procurement consists mainly of rice, jowar and ragi. Figures of production, procurement and imports are as follows :—

(In '000 tons).

	1948			1949			1950 (estimates)		
	Production	Procurement	Imports	Production	Procurement	Imports	Production	Procurement	Imports
Rice	253	77	40	244	73	52	234	90	75
Jowar	92	1	12	81	25	31	48	45	
Ragi	450			372			405		
Wheat	..	..	10	..	..	47	..		

(In '000 tons).

275. The procurement system is the same as in Madras namely total procurement under which all the surplus after allowance for family consumption, seed purposes etc. is delivered to the Government. The procurement is effected through village officers. It is said that the grain procured is of fair average quality, but since no quality standards have been laid down, there is wide divergence in the quality of the grain procured. It was also found that the bags were not standardised at the procurement point before despatch. Standardisation of bags would enable correct assessment to be made in respect of losses that occur in transit etc.

276. The State has forwarding agents at Madras and Marmagaoa Ports from which imported grain is generally delivered to the State.

277. Grains are generally sent from the purchasing centres to the nearest reserve godowns for storage. Paddy, however, is first stored at the purchasing centre, is converted into rice and then sent to the Reserve godowns. Transit loss is about 0.5%.

278. All grain is distributed through rationing. The total rationed population is 57.25 lakhs of which 4 towns with a population of over 12 lakhs are statutorily rationed. There is no wholesaler and the grain is issued direct to the retailers.

279. The State has made the usual arrangements for checking of quality of grain at retail stage and also laid down the procedure for instituting complaints, if any. Here also, as everywhere, the Committee would suggest issue of cleaned grains only and of display of samples at the ration shops and its coordination at the various stages. The appointment of Godown Committees on the lines of Bombay would also improve the condition of godowns and the quality of grain issued therefrom.

280. *Weights and Measures.*—Here also, the Committee would invite attention to their general remarks (Chapter II-E) in regard to the necessity to issue of grain by weight, and of the standardisation of weights. It is true that both procurement and issue of local grains is made in terms of measures while the imported grain is first converted into measures. But there is a chance for malpractice at various stages particularly at the wholesale stage.

281. *Distribution Cost.*—A statement showing the incidental expenses in regard to local and imported grains is appended. In the case of imported grain, the statement shows also the revised charges which are considered reasonable. In the case of local grains, no reduction is considered possible immediately, but the following points are recommended for consideration with a view to bringing down the incidental expenses.

Commission.—At present the State pays a commission of 0-2-0 per palla at a flat rate to the village officers. It was stated that in some villages the procurement amounted to 30,000 pallas. It would be desirable from the financial point of view, to fix a sliding scale of commission, the rate decreasing as the quantity increases.

Milling charge.—The milling charge is about 0-12-0 per md. while in the adjoining State of Madras, it is only 0-8-0 per md. This was pointed out to the State Government, who have agreed to examine the same with a view to reduce it, if possible.

Godowns.—In Mysore there is a system of having sub-godowns from which issues are made. These are distinct and separate from the reserve godowns. As this system necessitates compulsory movement of grain from one godown to another before issue, it was suggested that the two may be combined and all godowns used both for storage and issue, so that unnecessary movement and loss in transit may be minimised.

It was also pointed out to the State Government, that if parboiled rice were produced there would be some reduction in cost, and the percentage of broken and fragments would go down.

STATEMENT I.

Incidental expenses on local foodgrains.

	Rice (per palla of 2.9 maunds)			Millets (per palla of 220 lbs. ragi and 232 lbs. jowar).		
	Rs.	A.	P.	Rs.	A.	P.
Commission	0	4	0	0	2	0
Transport and handling at despatch and delivery points	0	6	0	0	6	0
Depreciation on gunny	0	6	0	0	6	0
Godown rent and shortage	0	8	0	0	8	0
Commission to retail merchants	0	14	0	0	12	0
Average Rly. freight				0	12	0
Total upto retail stage	2	6	0	3	0	0
	or			or		
	0	13	1	1	2	0
	per md.			per md of ragi and Rs. 1-1-0 per md. of jowar		

STATEMENT II.

Incidental expenses in respect of imported foodgrains.

	Present (per ton) Rs. A. P.			Revised (per ton) Rs. A. P.			Reductions made Rs. A. P.		
Port Charges	1	0	0	0	3	0	0	13	0 (a)
Average Rly. freight	18	12	0	17	8	0	1	4	0 (b)
Handling at destination	1	12	0	1	12	0			..
Transport to interior	4	2	0	4	2	0			..
Godown rent and shortage	5	2	0	5	2	0			..
Total	30	12	0	28	11	0			
	or			or					
	1	2	3	1	1	0			
Less recovery value of gunny	✓		per md.			per md.			
						0			
						4			
						0			
						per md.			
Total incidental upto wholesale stage				0	13	0			
				✓		per md.			

Explanations:

(a) Under the revised procedure all imported grains will be delivered ex-wagon and it is not therefore necessary for States to maintain any agents at Ports. As the Mysore State propose to pay only a nominal amount of 0.3-0 per ton, the Committee had no objection to their retaining an agent.

(b) The average Railway freight has been arrived at taking into consideration that Mysore receives most of the grain from Madras Port and also that efforts should be made to consume the imported grain at the places nearest to the ports.

(j) ORISSA

282. *Places Visited.*—The Committee visited Cuttack, Puri, and Bhubaneswar and went round the ration shops and godowns.

283. *Discussions Held.*—Discussions were held with the Hon'ble Minister, the Secretary, other Civil Supplies Officers and procurement agents, retailers and consumers.

284. *General Food Position.*—Orissa is mainly a rice-producing area. It is surplus in rice and deficit in other grains. The following statement shows the production, procurement, exports and imports during past two years and during 1950.

(In '000 tons)

	1947-48				1948-49				1950 (Estimated)			
	Production	Procurement	Export	Import	Production	Procurement	Export	Import	Production	Procurement	Export	Import
Rice	2,146	177	148	..	2,187	168	121	..	2,044	100	134	}
Milletes	148	..	..	..	147	..	..	..	147	..	..	
Wheat	2	..	..	6	2	..	..	7	1	..	..	

285. *Procurement System.*—Purchases are made by the monopoly system. Procurement is done through approved agents aided by a number of sub-agents who are selected from the trade. The agents are responsible for transport and storage of foodgrains and are subject to general supervision by Government officials in regard to the quality of grains procured. In case of doubtful quality, samples are drawn by a special staff maintained for the purpose and analysed in the Government laboratory. A consolidated commission of 0.2-0 per md. of paddy and 0.3-0 per md. of rice is allowed to the agent. Additional payments are made to cover incidental expenses such as storage, shortage, handling, insurance, interest etc.

286. During a discussion with the Committee, the procurement agents stated that as their financial resources were limited, the Government should give monetary help. By doing so the procurement could be considerably improved. Perhaps there is exaggeration in this but the request has been brought to the notice of the State Government.

287. *Organisation.*—The food organisation is a simple one consisting as usual of the Secretariat and the field staff which consists of the Civil Supply Officers, supervisors, inspectors etc. whose main duty is to supervise arrangements from the procurement to the distribution stage. The entire staff in the districts works under the general supervision and direction of the Collectors of the district.

288. The cost of the Food Organisation is Rs. 19.84 lakhs. In terms of procurement distribution etc. it works out approximately to:—

	Ra.	a.	p.
Procurement	0	4	9 per md.
Rationing and Storage etc.	0	1	2 "

289. *Transport, Storage.*—The Government plays very little part in transport and storage of foodgrains, its function being restricted, as already stated, to general supervision while the grain is in the custody of the stockists who are responsible for the transport from the purchase to the wholesale issue stage and for the storage of grains.

290. Transport in Orissa is a problem due to the fact that grains have to be carried for long distances on bad roads. The transport charges form a considerable portion of the incidental expenses. The Committee while accepting the view that

under the present conditions obtaining in the State the rate of transport is not unreasonable, hope that with planned improvement of communications in the State the cost of transport may be reduced.

291. The capacity of Government godowns is of the order of about 27,000 tons only consisting of masonry structures and Sheds. Government godowns are reasonably good but private godowns which outnumber the Government godowns are not quite satisfactory.

292. In view of the highly surplus nature of the State the need for construction of good godowns in surplus areas is obvious. Steps should accordingly be taken by the Government to encourage construction of storage to Government specifications by private people.

293. *Distribution.*—The process of distribution is very simple. The Government shops function only to keep prices in check in deficit areas. The purchasing agents also act as wholesalers and issue grain to the retailers under the general supervision and direction of the Civil Supplies Staff.

294. The grain sold in controlled shops, is rather poor in quality. In order to improve the quality, sealed samples should be displayed in ration shops and the grain issued from these shops should be compared and checked frequently with sealed samples. In fact, there should be a complete follow-through of samples at all stages namely, procurement, storage and distribution. All grain issued from a Government shop must be clean and good inspite of the fact that the open market where the consumer can get the grain of his choice functions side by side.

295. *Weights and measures.*—While in most of the controlled shops, the standard maund was in use in others the local maund (i.e. 105 tolas to a seer) was being used. While prices of food grains are fixed in standard maunds issues are made in local maunds. This is not satisfactory as it creates confusion. The comparison between the controlled price and open market price is also rendered difficult. The need for uniformity in weights and measures is too obvious to need emphasis.

296. The State has already passed a Weights and Measures Act which should be enforced as early as possible.

297. *Distribution cost.*—Statements showing the present and revised distribution costs per md. of grain are appended hereto. The statement also shows reductions, if any, that have been suggested by the Committee and the reasons therefor.

STATEMENT I.

LOCAL CONSUMPTION (Rice).

I. Incidental charges when rice is procured as such. (per md.)

	Present Incidental			Revised Incidental			Reductions Made (—).		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Commission	0	3	0	0	3	0			
Gunny depreciation	0	1	3	0	1	3			
Sewing, weighing and bagging	0	0	6	0	0	6			
Handling	0	0	3	0	0	3			
Storage charge	0	0	6	0	0	6			
Interest	0	1	10½	0	1	10½			
Insurance	0	0	7	0	0	7			
Shortage	0	5	0	0	4	0	(—)0	1	0 (a)
Transport	0	7	0	0	6	0	(—)0	1	0 (b)
Administration	0	4	6	0	4	6			
Conversion	0	0	6				(—)0	0	6 (c)
Unforeseen charge	0	0	6				(—)0	0	6 (d)
Surcharge (godown)	0	0	6	0	0	6			
Rounding	0	0	½	0	0	½			
	1	10	0	1	7	0			

(a) *Shortage*.—This is reduced from 0-5-0 to 0-4-0 per md. The margin of 0-5-0 is too high. In Madhya Pradesh, the allowance for dryage and shortage is allowed at 0-2-0 per md. only. Even in Uttar Pradesh, it is only 0-4-6 per maund, but the apparent higher margin is due to the fact that their rice prices range upto Rs. 30/- per maund. Also according to the Orissa Government's statement the maximum allowance for shortage both in transit and storage is only 3/4 seer per md. which on an average purchase price of Rs. 12/- per maund will not exceed 0-3-6. It is felt that 0-3-0 is quite reasonable and efforts should be made to keep this item at the minimum level possible. There should however be a reduction of -1/- i.e. the shortage may be fixed for the time being at -4/-. It has been argued that in dealing with this matter, not only the allowance for shortage but the total of the charges payable to the purchasing agents should be taken into account. On this basis also, in Madhya Pradesh and Madras, the charges would work out to -6/1 and -6/- per maund respectively against the -11/- of Orissa.

(b) *Transport*.—It has been already stated that the high transport cost is mainly due to the difficult communications in the State. But the Committee feel that the Government should properly review the transport charge which was allowed some years back. From the figures furnished by the State it appears that the net recovery at the rates now in force would be more than their actual expenditure during 1947-48. The Government should review the transport charges and see whether further reduction can be effected.

(c) *Conversion*.—The justification for this charge is not understood. In Orissa Govt's. letter No. 1057 ST (RT) dated the 17/18th December, 1948 it was stated, in justification of this charge, that with the increase in milling cost and by comparison with the paddy prices, a slightly additional charge was necessary. Now that the rice prices are calculated on the basis of paddy price plus all incidentals including the milling charge, the question of additional charge does not arise. Further the milling charge in Orissa is much higher than in the neighbouring province of Madras where it is only -6/6 per md. of rice as against -8/- per md. of paddy or -12/- per md. of rice allowed in Orissa.

(d) *Unforseen charges*.—In no other province such a provision exists and it is not reasonable to charge the consumer for such contingencies.

Note.—For example the issue price of rice (common) will be :

	Rs.	A.	P.
Purchase price	11	2	0
Incidental charges	1	7	0
		per maund	
Wholesale issue price	12	9	0
Retail issue price at -4/- to -8/- Retailers Commissions	12	13	0
		to	
	13	1	0
		per maund.	

STATEMENT II.

LOCAL CONSUMPTION (Paddy).

Incidental charges when paddy is procured and issued as such.—

(per md.)

	Present Incidental Rs. A. P.	Revised Incidental Rs. A. P.	Reductions Made (—). Rs. A. P.
Commission	0 2 0	0 2 0	..
Gunny depreciation	0 1 3	0 1 3	..
Sewing, weighing and bagging	0 0 6	0 0 6	..
Handling	0 0 3	0 0 3	..
Storage charge	0 0 6	0 0 6	..
Interest	0 1 2½	0 1 2½	..
Insurance	0 0 4½	0 0 4½	..
Shortage	0 3 0	0 2 0	(—)0 1 0 (a)
Transport	0 7 6	0 6 6	(—)0 1 0 (b)
Administration	0 3 6½	0 3 6½	..
Conversion	0 0 9	..	(—)0 0 9 (c)
Unforeseen charge	0 0 6	..	(—)0 0 6 (d)
Surcharge for godowns	0 0 4½	0 0 4½	..
	1 5 9	1 2 6	(—) 0 3 3

(a) to (d).—Same remarks as in Statement I.

Note.—The issue price of paddy will work out as follows :—

	Rs. A. P. (per md.)
Purchase price	6 5 0
Incidental charges	1 2 6
Wholesale issue price	7 7 6
Retail issue price at -/4/- to -/8/- retailers' commission	7 11 6
to	
	7 15 6

STATEMENT III.

LOCAL CONSUMPTION (Rice).

Incidental charges when procurement is in form of Paddy and issued as rice.

	Present Incidental	Revised Incidental	Reductions Made (—)
	per md. of paddy.		
	Rs. A. P.	Rs. A. P.	Rs. A. P.
Commission	0 2 0	0 2 0	..
Gunny depreciation	0 1 3	0 1 3	..
Sewing, weighing and bagging	0 0 6	0 0 6	..
Handling	0 0 3	0 0 3	..
Storage charge	0 0 6	0 0 6	..
Interest	0 1 2½	0 1 2½	..
Insurance	0 0 4½	0 0 4½	..
Shortage	0 3 0	0 2 0	(—)0 1 0 (a)
Transport	0 7 6	0 6 6	(—)0 1 0 (b)
Milling charge	0 8 0	0 8 0	
	1 8 7	1 6 7	
		per md. of paddy	
		or 2 4 0	
		per md. of rice at 63% extraction.	
		0 4 6	
		0 0 6	
		2 9 0	
		per md. of rice.	

Add other incidentals same for rice.

Administration.
Surcharge for godowns

(a) and (b)—See remarks in Statement I.

Note.—Ex-godowns issue price for common rice will be :

Cost price of paddy required to produce 1 md of rice at 63% extraction
at the rate of 6-5-0 per md. of paddy..

Rs. 10 0 4

Add incidentals above

2 9 0

Wholesale issue price

12 9 4

per md.

Say 12-9-0

Retail issue price

12-13-0 to 13-1-0.

2. The above calculations are for parboiled rice. For raw rice as the milling charge is only 0-5-0 per md. of paddy, the incidental charges will be about 0-4-9 less per md. of rice and so also the issue price.

Explanation.—Upto the conversion of paddy into rice including transport, the incidentals are worked out in terms of paddy and after conversion the same charges as are allowed for rice procurement are added as the Administration charges and surcharge for godowns per md. of rice whether procured as such or converted from. paddy should be the same.

STATEMENT IV.

EXPORTS.

Incidental charges on exports of rice.—

(In Rs. per md.)

	Present Incidentals	Revised Incidentals	Reductions Made (—)
Total incidentals upto ex-godown for issue	1 10 0	1 7 0	(—)0 3 0(a)
Further transport charges from godowns to F.O.R	0 10 0	0 10 0	
Total upto F.O.R.	2 4 0	2 1 0	(—)0 3 0
		Plus cost	of gunny.

(a) See remarks in Statement I.

The issue prices F.O.R. will be the procurement price plus Rs. 2/1/- plus cost of gunny. Thus in the case of common rice the F.O.R. issue price works out to 13-3-0 as follows:

	Rs.	A.	P.
Purchase price	11	2	0
Incidental charges	1	7	0
Additional transport upto F.O.R.	0	10	0
	13	3	0

STATEMENT V.

IMPORTS FROM OVERSEAS (WHEAT).

Incidental charges upto wholesale stage.

(In Rs. per md.)

	Present	Revised	Reduction made(—)
Clearing agents Commission	0 3 0		(—)0 3 0(a)
Railway freight including handling at receiving point.	1 0 0	Rly. freight 0 12 0 Handling 0 2 0	(For Flour 0-14-0 per md. (—)0 2 0(b)
Surcharge for shortage, damage etc. and establishment at 4%	0 10 0	Shortage in transit. 0 2 0 Establishment. 0 3 0	(—)0 5 0(c)
<i>Wholesalers margin :—</i>			
Transport from station to godowns	0 3 0	0 3 0	
Godown rent	0 0 3	0 0 3	
Insurance	0 0 2	0 0 2	
Interest	0 0 6	0 0 6	
Shortage in storage etc.	0 0 6	0 0 6	
Other items	0 0 3	0 0 3	
Profit	0 5 4	0 3 4	(—)0 2 0(d)
	2 7 0	1 11 0	

(a) *Clearing agents Commission.*—Under the revised arrangements communicated in the Food Ministry Letter No. PY. III 4 (4)/50 dated the 28th January, 1950 the imported grains will be delivered *ex-wagon/trucks/lighters* and no commission agent will therefore be necessary.

(b) *Railway freight.*—Under the revised principles already communicated in the Committee letter No. FGIC 4 (1)/49 dated the 24th December, 1949, imported grains from overseas should be consumed at the nearest rationed point and any balance left at the next nearest point and so on. On this consideration, the Rly. freight for Orissa would have to be taken upto Cuttack, Puri, for which Rly. freight will be about 0/9/0 and 0/10/9 per md. for wheat. But considering the fact that wheat will have to be distributed all over the Orissa Province, the Railway freight has been taken rather liberally at 0/12/0 per maund.

The charge of Re. 1/- per maund claimed by Orissa included handling at the receiving station. A separate provision has been made for this at 0/2/0 per maund. Thus the total works out to 0/14/0 per md. as against Orissa's Re. 1/-.

(c) For shortage and establishment the Orissa Government have calculated at 0/10/0 per md. on basis of 4% surcharge. This is very high and the charges of 0/5/0 per md. are based on the same principle adopted for other provinces *e.g.* Madhya Pradesh.

(d) *Wholesalers margin.*—The present margin of 0/10/0 for wheat and 0/12/6 for flour is very high. Besides making provision for all expenses including establishment, the profit element alone is 0/5/4 per md. and 0/7/6 per md. respectively. In many other provinces, the incidentals are reduced by the elimination of the wholesaler and issuing direct to retailer. In the neighbouring province of Madras where also the wholesaler exist, the profit does not exceed 0-2-0 per md. It seems that 0-3-4 is quite reasonable and this rate should be uniform for all grains and flour.

STATEMENT VI.

IMPORTS.

Incidental charges on grains imported from other provinces within the country.

	Rs. A. P.
1 Railway freight	Actuals.
2 Loss in transit	0 2 0
3 Handling at receiving station	0 2 0
4 Wholesalers margin	0 8 0*(For details please see statement V).
5 Establishment	0 3 0
Total upto wholesale stage	Actual Rly freight plus 0-15-0 per md.

Retail issue price will be 4 as. to 8 as. in addition.

(k) PATIALA AND EAST PUNJAB STATES UNION

298. The Committee visited Patiala and had discussions with Hon'ble the Chief Minister, the Chief Secretary and other food officials. We also saw the representatives of the trade, the consumers and the producers.

299. Production statistics of foodgrains are not reliable but it is evident that the State is a surplus in wheat and gram. The export quota fixed for the State in 1950 is 70,000 tons.

300. There is no procurement system worth the name in PEPSU. After discussion with the Committee and as a first step the State agreed to procure grains through the trade, allowing the latter a small holding charge. It is, however, understood that the State has now agreed to make the procurement through a Government organisation. The Committee is doubtful whether the State can bring into being an experienced and competent organisation for procurement in the year 1950.

301. Since there is no rationing in the State the only expenditure that the State incurred in connection with foodgrains applied to the export quota. The contention of the State is that these charges should be allowed on the scale approved for the neighbouring State of Punjab. Since the establishment employed by the State, the distance which the grain travels and the godowns and storage warranted by it are not on the same scale as that in the Punjab, this claim of the State cannot be upheld. The Committee consider the following incidental expenses as reasonable.

	Rs. a p (Per maund)
Mandi charges	-/4/2 (same as for Punjab)
Godown rent etc.	-/2/0
Shortage	-/2/0
Establishment	-/3/0
Total incidental upto issue from godowns	-/11/2
FOR EXPORT	
Add cartage and handling upto station	-/4/-
Interest charges	-/1/0
Inspection fee	-/0/9
	1/0/11 or
	✓ Rs. 1/1/0 per maund against
	Rs. 1/8/3 in Punjab.

(1) PUNJAB.

302. *Places visited.*—The Committee visited Amritsar, Moga, Ludhiana and Simla where they went round the ration shops, godowns etc.

303. *Discussions held.*—The Committee had discussions with the Secretary and other officials in the districts and also with the representatives of the producers, traders and consumers.

304. *General Food Position.*—Punjab is mainly a rabi area. Though the Partition made it a deficit area there is reason to believe that it is more or less self-sufficient now. In 1950 it is expected to export small quantities of rice and gram. The production, procurement, exports and imports during the last two years and during 1950 (estimated) are as follows :—

(In 000 Tons)												
	Production	1948 Procurement.	Export	Import	Production. 48-49	Procurement	Export	1949 Import	Production	1950 (Estimates) Procurement	Export	Import
1	2	3	4	5	6	7	8	9	10	11	12	13
Wheat	820	46	..	80	980	202	..	68	950	136	-30	..
Rice	95	6			100	26	2		140	28		
Bajra	203	15			260	48	14		180	45		
Jowar	56				63							
Maize	262				254							
Barley	113				114							

305. *Procurement system.*—Wheat, barley, and rice are purchased under a monopoly system of procurement. The aim is to take all marketable surplus into Government's hands. In the case of wheat and barley, the trade is utilised but the grain coming to the market can be purchased only by the Pucca Arhatis or other buyers authorised by Government such purchases being on Government account. Maximum prices are fixed for different mandis subject to quality deductions. In the case of rice control has been established over rice dealers and rice millers under

which all paddy arriving in mandis is taken over by dealers authorised by Government and all rice produced at mills is at the disposal of Government. For this purpose all husking chakkis in villages are debarred from producing rice.

306. In the case of other foodgrains, viz. gram, maize, bajra and jowar, the monopoly system of purchases does not apply. Purchases are made at market prices subject to the maximum statutory price.

307. *Organisation.*—The Food Organisation consists of the Secretariat staff and the District staff. The Director General of Food is the head of the whole food organisation under the administrative control of the Chief secretary and is assisted by various officers who are separately responsible for the general supervision, direction and advice in regard to procurement, storage, distribution, inspection, etc. On the District side each district is in charge of the District Food Controllers who are really the Central Pivot of the whole organisation in the Districts and are responsible for all work connected with the procurement, movement, storage and distribution. In eight districts, however, there are District Organisers in charge of Food and Civil Supplies under whose supervision the District Food Controller works. In big rationed towns there are also Food Supply Officers who are responsible for supervision of the supplies in these towns subject to the control of the District Food Controllers. The General Food Administration is under the supervisory charge of the Deputy Commissioners.

The cost of food organisation in Punjab is Rs. 36 lakhs a year (1949-50 budget)
On each maund of foodgrains the distribution is—

Procurement	Rs. 24.52 lakhs or Re. 0.4-3 per md.
Rationing and distribution	Rs. 8.6 lakhs or Re. 0.1-6 per md.

308. *Transport.*—The normal mode of transport is by bullock carts and by rail. Lorries are rarely used except in hilly areas. Movement of grains is done mostly by agents under the general supervision of Government. The average loss in transit amounts to less than 1 per cent.

309. In respect of imported grains, however, the experience of the State has been rather disappointing. Here the loss is of the order of 3 per cent. As stated earlier, the Committee have devoted considerable attention to the losses in Railway transit and have separately dealt with it.

310. *Storage.*—The godowns space available with the State seems to be of the order of 3 to 3½ lakh tons capacity. Of these, however, the Government owned godowns are comparatively limited, consisting only of 8,500 tons bulk storage bins located in different places and some transit storage of the type of Lahore sheds at Moga and two other places of 3,000 tons. Private godowns were, generally speaking poor in quality.

311. The Committee visited godowns at Moga, Ludhiana and Amritsar; it was felt that the problem of good storage in Punjab is one which needs attention. In one sense the position is comparable to that in U. P. and Madhya Pradesh, that is, for want of sufficient and good accommodation at suitable places, the grain procured cannot be stored at the purchase or the consuming centre.

312. The Committee have suggested to this State the taking up of storage construction programme either on its own account or through private people by giving necessary help. The State has agreed to take action accordingly.

313. *Quality.*—There were complaints about quality in respect of imported wheat, but as there will be no imports by Punjab in the year 1950 the complaints are not a live issue. The Punjab wheat sold in the mandis and available in the ration shops was of fair average quality although it must be said that the quality did undergo some deterioration on account of the long storage which in the opinion of the Committee was unnecessary. In this connection reference is invited to our remarks under the head 'distribution cost'.

314. The general public in Punjab preferred the issue of whole wheat or atta to a mixed form of grist which was being issued at several places. The Committee consider that the issue of this mixed grist should be discontinued as it is unnecessary and leads to avoidable discontent.

315. Another improvement which the Committee would suggest is the display of samples in sealed glass cases or bottles in the ration shops so that the consumer may know what kind of grain he is to expect. There should also be test-check of these samples with the grain issued from the storage depots.

316. *Distribution cost.*—A statement showing the present and proposed distribution costs per maund of grain handled is appended. The statement also shows reductions, if any, that have been suggested by the Committee and the reasons therefor.

317. Particular attention is invited to the item for cleaning and standardisation the provision for which is made by the Punjab Government at Rs. 0-1-2 per maund. This item represents the deterioration in quality due to the grain being kept in long storage. In Punjab, Government have got a Provincial Reserve, the balance stock in which on 24-12-49 was 213,329 tons consisting of the following :

	Tons
Wheat	156,441
Rice	26,371
Other grains	30,517

The average monthly (Dec. 1949) consumption of wheat, rice and coarse grains in Punjab is 21,140 tons in approximately the following ratio :

	Tons.
Wheat	17,335
Rice	1,905
Other grains	1,900

It will thus be seen that the balance of stock in the Provincial Reserve amounted on 24-12-49 in fact to about a year's requirements. In the case of other reserves in the country the buffer stock amounts to about three to four months' requirements only. In the opinion of the Committee the stock which the Punjab Government keeps is too high and can be considerably reduced with advantage. The amount of money locked up in keeping 129,000 tons of grain in excess of requirements amounts to about Rs. 4.9 crores. Then there is the godown and other staff and the godown rent on which extra expenditure is being incurred on account of the unnecessary high reserves. The Committee consider that the matter requires careful examination and consideration at the hand of the Punjab Government.

PUNJAB

STATEMENT I (A)—SUPERIOR RICE.

Incidental charges in respect of issues from Provincial Reserve godowns for local consumptions.

	Basmati and Sela Basmati		Parmal, Mushkin and Sela of these varieties		Hansraj, Hongra of all superior varieties.		Reduction made (-)	
	Present	Revised	Present	Revised	Present	Revised		
Establishment	0 5 0	0 4 0	0 5 0	0 4 0	0 5 0	0 4 0	—0 1 0	(a)
Carrying charges from Mill to station.	0 7 1	0 7 1	0 7 1	0 7 1	0 6 0	0 6 0	..	(b)
Despatch commission @ 0/8/0 per Rs. 100 on value of rice and bags,	0 2 2	0 2 2	0 2 0	0 2 0	0 1 7	0 1 7	..	
Premium per md. on early despatches @ 0-1-0	0 1 0	0 1 0	0 1 0	0 1 0	0 1 0	0 1 0	..	(e)
Carriage and handling inclu- ding Railway freight,	0 11 0	0 11 0	0 11 0	0 11 0	0 11 0	0 11 0	..	
Godown rent, chowkidari etc.	0 3 0	0 3 0	0 3 0	0 3 0	0 3 0	0 3 0	..	
Shortage	0 2 0	0 2 0	0 2 0	0 2 0	0 2 0	0 2 0	..	
Total incidental charges for issue Ex. P. R. Go- downs.	1 15 3	1 14 3	1 15 1	1 14 1	1 13 7	1 12 7	(-)	

Explanation :—

(a) *Establishment.*—According to the information furnished by the Punjab Government along with their letter No. PR9 Camp.—57400 dated the 22nd February, 1950, the average rate of establishment charge per maund during 1950-51 is only 0-4-2·1 per md. as against 0-4-·009 per md. during 1949-50. The information also reveals that during the year preceding 1950-51, the rate of establishment charge was being fixed at a much higher level than the actuals resulting in a gain to the Government. In these circumstances, a rate of 0-4-0 per maund is considered very reasonable.

(b) *Carrying charges from Mill to Station.*—Although it is stated that this item represents the actuals paid under the monopoly scheme, it is not clear why this charge is much higher than similar charges allowed in respect of movement by trade direct. The Committee have, however, accepted these charges for the time being with the request that Punjab Government should review the same with a view to reduction.

(c) *Premium for early despatches.*—The premium on this account has been accepted at the reduced rate of 0/1/0 per md. But it is, however, for consideration, whether this item cannot be cut out gradually altogether.

STATEMENT I (B)

MEDIUM AND COARSE RICE

Incidental charges in respect of issues from Provincial Reserve godowns for local consumption

(Rs. per maund)

Details of charges	Medium rice including Sone Begmi, Channa, Dara Military and Sela. Joshi		White Tota and Kanni		Reduction made(—)	
	Present	Revised	Present	Revised		
Establishment;	0 5 0	0 4 0	0 5 0	0 4 0	—0 1 0	(a)
Carrying charges from Mill to Station	0 6 0	0 6 0	0 4 8	0 4 8	..	(b)
Despatch Commission @ /0-8-0 per Rs. 100 on value of rice and bags,	0 1 6	0 1 6	0 1 0	0 1 0	..	
Premium on early despatches @ 0/1/0	0 1 0	0 1 0	0 1 0	0 1 0	..	(c)
Carriage, handling charges including Railway freight.	0 11 0	0 11 0	0 11 0	0 11 0	..	
Godown rent, chowkidari etc. ;	0 3 0	0 3 0	0 3 0	0 3 0	..	
Shortage	0 2 0	0 2 0	0 2 0	0 2 0	..	
Total incidental charges for issue ex. P. R. Godowns	1 13 6	1 12 6	1 11 8	1 10 8	—0 1 0	

Explanation

(a), (b), and (c) : Same remarks as under statement I (A).

STATEMENT II

Incidental charges for local consumption in respect of grains other than Rice.

(Rs. per maund)

Details of charges	Present	Revised	Reduction made (—)		
Establishment charge ...	0 5 0	0 4 0	(—) 0 1 0		(a)
Mandi charges	0 4 2	0 4 2	..		
Godown rent, chowkidari etc.	0 3 0	0 3 0	..		
Shortage	0 3 0	0 3 0	..		
Quality deductions and cleaning etc.	0 2 0	..	(—) 0 2 0		(b)
Carriage and handling charges including Railway freight.	0 4 0	0 4 0	..		
Bank Commission	0 0 2	0 0 2	..		
Total incidental charges upto issue ex. P. R. Godowns	1 5 4	1 2 4	(—) 0 3 0		
	or	or			
	1 5 0	1 2 0			

Explanation.—(a) Establishment : Same remarks as under Statement I (A).

(b) *Quality deductions and cleaning.*—The justification for this charge was said to be the deterioration actually taking place in the grains due to long storage. It was understood that the Provincial Government have built a huge reserve. On the 24th December according to that Government's monthly food review, the size of this reserve was 213,329 tons which was equal to more than 10 months' offtake of the month ending 17th December. In other Provinces the size of the reserve does not exceed 1½ to 4 months' offtake and since the building up and maintenance of a reserve of the size of 10 months' consumption must mean more wastage, loss, strain on administrative machinery and locking up of available financial resource of the State, it is for serious consideration of the State Government whether the present size of the reserve should be maintained. In any case, we do not consider that it is fair to charge more than 0/3/0 per mtl. to the consumer for shortage and cleaning. This is the level of expenditure in other Provinces.

STATEMENT III (A) EXPORTS—SUPERIOR RICE.

Incidental charges on exports ex-Provincial Reserve Godowns.

(Rs. per maund)

	Basmati and Basmati		Sela		Parimal, Mushkin their		Hansraj and Sela;		Mongra of all superior varieties		Deductions made(—)			
	Present	Revised	Present	Revised	Present	Revised	Present	Revised	Present	Revised	—	0	1	0 (a)
Total incidental charges upto issue ex-P.R. Godowns.	1 15 3	1 14 3	1 15 1	1 14 1	1 13 7	1 12 7	—	0	1	0	(a)			
Carrying charges and handling upto F. O. R. ;	0 4 0	0 4 0	0 4 0	0 4 0	0 4 0	0 4 0	0 4 0	0 4 0	0 4 0	0 4 0				
Interest charge	0 1 6	0 1 6	0 1 6	0 1 6	0 1 6	0 1 6	0 1 6	0 1 6	0 1 6	0 1 6				
Inspection fee for inspection of both weight and quality at Rs. 1¼ per ton ;	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9	0 0 9				
Total incidental charges upto F. O. R.	2 5 6	2 4 6	2 5 4	2 4 4	2 3 10	2 2 10	—	0	1	0				

Explanation—

(a) Same remarks as under Statement I (A).

STATEMENT III (B) EXPORTS—MEDIUM AND COARSE RICE.

Incidental charges on exports ex-provincial Reserve Godowns.

(Rs per maund.)

Details of charges	Medium rice including sone, Bāgmi, Chana, Dara, Military and Sela Joshi		White		Total and Kauni		Reduction made (—)			
	Present	Revised	Present	Revised	Present	Revised	(—)	0	1	(a)
Total incidental charges for issue ex-P. R. Godowns.	1 13 6	1 12 6	1 11 8	1 10 8	(—)	0	1	(a)		
Carriage and handling upto F. O. R.	0 4 0	0 4 0	0 4 0	0 4 0						
Interest charge	0 1 6	0 1 6	0 1 6	0 1 6						
Inspection fee for inspection of both weight and quality @ 1¼ per ton.	0 0 9	0 0 9	0 0 9	0 0 9						
Total incidental charge upto F. O. R.	2 3 9	2 2 9	2 1 11	2 0 11	(—)	0	1	0		

Explanation

(a) Same remarks as under Statement I (A).

STATEMENT III (C)

EXPORTS—ALL GRAINS OTHER THAN RICE.

Incidental charges on exports ex-Provincial Reserve Godowns

Details of charge				(Rs. per md.) Reduction		
	Present	Revised	made (—)			
Total incidental charges upto issue ex-P. R. Godowns	1 5 0	1 2 0	(—) 0 3 0	(a)		
Carrying charges and handling upto F. O. R.	0 4 0	0 4 0	..			
Interest charge	0 1 6	0 1 6	..			
Inspection fee for inspection of both quality and weight at Re. 1/4 per ton.	0 0 9	0 0 9	..			
Total incidental charge upto F. O. R. on exports ex-P. R. Godowns.	1 11 3	1 8 3	(—) 0 3 0			

Explanations.

(a) Same remarks as under Statement II.

STATEMENT IV

IMPORTS (OVERSEAS).

Incidental charges on Overseas grains from port of delivery to issue ex-P. R. Godowns.

Details of charge				(Rs. per md.) Reduction made.		
	Present	Revised				
Handling at Port	0 3 0	..	—	0 3 0	(a)	
Average Railway freight	1 12 0	1 12 0	..			
Handling charges at receiving station	0 3 0	0 3 0	..			
Establishment charge	0 5 0	0 4 0	—	0 1 0	(b)	
Godown rent, chowkidari etc.	0 3 0	0 3 0	..			
Shortages	0 5 0	0 3 0	—	0 2 0	(c)	
Total incidental charges	2 15 0	2 9 0	—	0 6 0		
Less recovery for used gunny	..	0 4 0	—	0 4 0		
Total incidentals upto issue ex-P. R. Godown	2 15 0	2 5 0	—	0 10 0		

Explanations:—

(a) Under the revised arrangement communicated in the Food Ministry letter No. PYIII 4 (4)/50 dated the 28th January, 1950, the imported grains (overseas) will be delivered ex-wagon/trucks/lighters and no commission or forwarding agent at the Port will be necessary.

(b) Same remarks as under Statement I. Actually, the establishment charge on imported grains should be calculated at a lower level as no expenses are incurred in their procurement.

(c) The existing margin of 0/5/0 per md. for shortage will work out to about 2 per cent. on wheat. The Committee feel that this is very high and the shortage should not exceed 1 per cent. On this basis the shortage for Punjab should not be more than 0/3.0 per md. The Committee have taken note of the Punjab Government's complaint of excessive loss in transit by rail and the matter has been taken up with the Railway with a view to improve the position. Thus the issue price of imported wheat will work out as follows:—

	Rs.	A.	P.	
Pool price	15	0	0	per md.
Incidental charges upto issue ex. P. R. Godowns	2	5	0	
Wholesale issue price	17	5	0	
Retail issue price	17	5	0	plus the retail commission.

NOTE.—The present issue prices of imported grains if fixed at a lower level should not be raised, but should be subsidised to the extent necessary and the loss to be borne by the Central and State Government in the ratio fixed.

STATEMENT V
EXPORTS—GRAM

Incidental charges on exports of Gram direct through trade.

	Present			Revised			Reduction made
	Rs.	A.	P.	Rs.	A.	P.	
Agent's Commission	0	0	10	0	0	10	..
Inspection fee at Re $\frac{1}{4}$ per ton	0	0	9	0	0	9	..
Bank fee at 0/1/0 per cent.	0	0	1	0	0	1	..
Establishment charge	0	6	0	0	4	0	— 0 2 0 (a)
	0	7	8	0	5	8	— 0 2 0
				plus gunny			

Explanation :—

(a) Same remarks as under Statement I.

STATEMENT VI
EXPORTS—RICE

Incidental charges in respect of exports of Rice direct by Trade.

	Present			Revised			Reduction made
Agent's commission	@0	80%		@0	8	0%	
Inspection fee at $\frac{1}{4}$ per ton	@0	0	9	@0	0	9	
Bank charge	@0	1	0	@0	1	0	
	per			per			
	Rs.	-100		Rs.	100		
Administration charge	0	6	0	0	4	0	(—) 0/2/0(a)
Other charges under monopoly procurement scheme	as detailed below*						

Explanation :—

(a) Same remarks as under Statement I.

*In the case of rice, in addition to above charges, the following charges payable to sellers in accordance with the Procurement scheme will be allowed.

(1) Carrying charges	Basmati, Hans- raj Permal and Sela of these	Sone, Begmi Channa, Sela, Joshi, Dara and Mongra of all supe- rior varieties	White total incl- uding Sela and Kanni
	Rs. A. P.	Rs. A. P.	Rs. A. P.
(i) Direct from Mill station	0 4 11	0 4 4	0 3 8
(ii) From Mill to godowns and then to station Mill to godowns,	0 1 8	0 1 6	0 1 5
Godown to station if goods stored for less than 60 days	0 4 4	0 3 9	0 3 0
Godown to station if grain stored for over 60 days	0 5 4	0 4 9	0 4 2

(2) Premium for early delivery at 0/1/0 per maund. The Committee would request Punjab Government to consider the cutting out of this item gradually altogether.

(3) Additional transport charge in the cases of those mandis which are comparatively at a long distance.

(m) TRAVANCORE/C IN

318. *Places visited and discussions held.*—The Committee visited Trivandrum, Nagarcoil, Shuchindram, Cochin and Ernakulam and had discussions with the Chief Minister and food officials of the State.

319. *General Food Position.*—The State is highly deficit in foodgrains and has to depend on imports to enable it to meet its requirements. Figures of production, procurement and imports are as follows :—

(Figures in thousand tons)

Grain	1947-48			1948-49			1949-50		
	Pro-duction	Pro-cure-ment	Impor-ts	Pro-duction	Pro-cure-ment	Impor-ts	Pro-duction	Pro-cure-ment	Impor-ts
Rice	294	70	321	273	15	313	278	90	300
Wheat	..	..	28	..	..	38	..	..	
Others	..	..	22	..	..	..	..	..	

320. *Procurement system etc.*—Total procurement system is followed in the State. All surplus grain after making allowance for consumption and seed requirements etc. of the producer is taken by the Government at fixed rates. All the grain is purchased through Government officials but there is no prescribed schedule of quality allowances for paddy and any quality deduction is left to the visual test of the procurement officials. There is no standardisation of bags at the purchasing points. The Committee consider that steps should be taken immediately to remedy these defects, so that the quality of grain can be improved and the loss in transit minimised and located.

321. Generally, the transport of local grains from the purchasing points to mills or Government depots are done through contractors. Grains are generally transported by water. The average rate for water transport is 1 to 2 pies per maund per mile. For road transport the rate is 3½ pies per maund per mile. In both cases carriers are held responsible for any loss in excess of ½ per cent. In the case of imported grains, however, which are carried for some distance by rail, the transit loss is 1½ per cent.

322. The total storage capacity of the State is about 1,40,000 tons out of which about one third is owned by the Government. The Committee found that the condition of godowns was generally good except one godown at Cochin.

323. The State has accepted the suggestion of the Committee to encourage the building of godowns to Government specifications by giving help in the form of controlled materials. This policy might be more effective in Cochin area where there are a number of people having lands, but are in need of controlled materials.

324. The State has accepted the idea of formation of 'Godown Committees', and it was stated that details are being worked out and that orders will be issued shortly.

325. The whole State is under statutory rationing i.e., grains are distributed in all areas whether surplus or deficit or urban or rural through a system of rationing.

326. While in Cochin there are no wholesalers and issues are made direct to the retailers, the distribution is generally done in Travancore through wholesalers and retailers except in the procurement areas. It was suggested to the State that wholesalers should be eliminated as far as possible except in areas where the Government does not have its own godowns and has therefore to depend on wholesalers for distribution.

327. In the case of local grain both procurement and issue is made in terms of measure known as 'para'. In the case of imported grain, which is received by weight the issues are made by measure by assuming a certain number of measures to a bag.

328. The Committee test-checked the contents of some bags and found the number of measures to vary considerably in some cases from the assumed figures. The variation almost invariably worked against the consumer. For example the assumed number of measures in a bag of 160 lbs. of C. P. Rice is 68 edangalies which on actual weightment weighed only 153 lbs., benefiting the middleman to the extent of 7 lbs. in 160 lbs. i.e., $4\frac{1}{2}$ per cent. The Committee have suggested that the State should use weights both at the procurement and the issue stage. Meanwhile, it should review urgently the assumed number of measures to a bag for the different kinds of grains. The State Government feel rather hesitant to change the age-long custom of issuing grain by measure, but are instituting inquiries about the correct number of measures to each bag of rice and wheat of various varieties. The Committee, however, strongly feel that the time has come when a reform, of the kind suggested is of prime importance.

329. *Quality.*—At present there is no co-ordinated check of samples at various stages of procurement, storage and distribution. The Committee have impressed on the State the necessity of issuing completely cleaned grain and of displaying samples at the shops. The State has agreed to consider the suggestions.

330. *Distribution Cost.*—Statement showing the incidental expenses per maund of grain both local and imported (overseas) is appended.

STATEMENT I
Incidental expenses on locally procured grain (paddy/rice).

LOCAL PADDY			
TRAVANCORE AREA		R A P	
Measuring charge	0 0 10	per maund	
Transport to granaries	0 3 9	" "	
Rent of granaries	0 1 3	" "	
Shortage in transit and storage	0 1 8	" "	
Establishment (part)	0 3 0	" "	
Cost of gunny (second hand)	0 5 0	" "	
	0 15 6	" "	
COCHIN AREA			
Transport to mills from purchasing centres	3 0 0	per 6 mds. paddy	
Milling charge at 0 4 9	1 12 6	" "	
Shortage	1 2 4	" "	
Deterioration	0 4 7	" "	
Godown rent	0 1 10	" "	
Transport to sub-depots	0 15 0	" "	
Total incidentals for 6 mds. of paddy or 4 mds. of rice when converted	7 4 3		
Incidentals on 1 md. of rice=1 13 0 or Rs. 1 3 4 per maund of paddy.			

The above incidentals are for issues upto issue ex-Government godowns and to these will be added wholesalers and retailers commission in Travancore area and retailers commission only in Cochin area.

	Wholesalers margin	Retailers margin
Handling and stacking	0 1 6 per md.	0 1 6 per md.
Rent	0 0 1.5 " "	0 0 2 " "
Interest	0 1 0 " "	0 1 0 " "
Shortage	..	At $1\frac{1}{2}$ lbs. per maund when wholesale issue is made by volume.
Profit	0 1 9 " "	0 2 0
Transport	$3\frac{1}{2}$ pies per md. per mile by road and 2 pies per md. per mile by water.	1 anna per md. per mile by road and 6 pies by water.

(a) The shortage allowance allowed by Cochin and deterioration of $\frac{1}{2}$ per cent. is high. When paddy is milled immediately after purchase and if due allowance is made at the time of purchase by fixing quality specifications, the margin can be substantially reduced.

STATEMENT II.

Incidental expenses for imported grains.

	Travancore			(Rs. per maund) Cochin		
Average transport and handling	0	9	9	0	4	0
Shortage in transit	0	4	0	}	0	5
Shortage in storage	0	2	0			
Miscellaneous charges	0	1	0			
Godown rent	0	1	0			
	1	1	9		0	9
					3	

The consumption of the imported grain in the two areas of Travancore and Cochin is in the proportion of 2.7 : 1. On this basis the average rate of incidental expenses works out to Re. 0-15-6 per md. Allowing for establishment and for gunnies the expenses will be :

	Rs. A. P.		
Total average as above	0	15	6 per md.
Administration charge	0	3	0 „ „]
	1	2	6
Less recovery value of old gunny	0	4	6
	0	14	0 per md.
	against the present incidentals of 0 15 0 per md.		

(n) UTTAR PRADESH

331. *Places Visited.*—The Committee visited Kanpur, Gorakhpur, Allahabad, Meerut, Hapur and Lucknow. Some near by procurement centres, storage and issue godowns and ration shops were inspected.

332. *Discussions held.*—We had discussions with the food officers of the places concerned including the Commissioner and Hon'ble the Food Minister. We also interviewed Hon'ble the Chief Minister.

333. *General Food Position.*—U.P. produce almost all grains. It is, however, not a surplus area. A certain amount of rice was exported from the State and more wheat was imported. The statement below shows the production, exports and imports during the year 1947-48, 1948-49 and 1949-50.

(Figures in '000 tons)

Grain	1948				1949				1950			
	Pro- duc- tion	Pro- cure- ment	Im- port	Ex- port	Pro- duc- tion	Pro- cure- ment	Im- port	Ex- port	Pro- duc- tion	Pro- cure- ment	Im- port	Ex- port-
Rice	1,990	84	2	..	2,374	128	..	33	2,412	155	142	195
Wheat	2,641	..	118	..	2,333	151	323	..	2,411	175	(total ceiling quotas).	
Bajra	509	1	17	..	339	42	..	1	482	101	..	..
Jowar	506				263				305			
Maize	750				263				305			
Barley	726				1,412				1,501			
Minor Millets	323				315				321			

334. *Procurement System.*—Two different methods of procurement were being followed in the State. For the Rabi procurement a system of direct levy on the cultivator's produce was followed under which each cultivator paying a rent in excess of Rs. 7 per annum was required to deliver to Government such quantities of Rabi food grains as were equal in value to the total of his Rabi rent and canal dues calculated at the prices fixed by Government. The levy was on a sliding scale. The levy was first charged on the produce of the cultivator and the balance left after paying the levy could be freely sold or disposed of in any manner the producer liked. To facilitate procurement, a large number of purchasing centres spread all over the State were opened temporarily.

335. As regards Kharif the system of monopoly procurement is followed. For this purpose the producing areas which happen to be largely concentrated, are bottled up by means of legal bans imposed on movements thus creating a sort of artificial superfluity in those areas.

336. In the case of rice this system works easier since paddy has to pass through mills which are licensed. The millers are required to produce rice upto pre-determined specifications and to deliver it to Government at specified rates.

337. During 1950-51, however, the State propose to change their system of Rabi procurement from the levy system to the monopoly system on the Punjab model, as there has been considerable agitation against the levy and the State has to resort to drastic measures.

338. *Prices of foodgrains.*—The procurement prices of Rabi foodgrains are as follows :—

Grain	Basic price	Bonus	Cartage	Total
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Wheat	10 4 0	2 12 0	0 8 0	13 8 0
Gram	8 3 0	0 13 0	0 8 0	9 8 0
Barley	7 3 0	0 13 0	0 8 0	8 8 0

The basic price denotes the price payable to the cultivator at his field. As however, produce is delivered by cultivators in Mandis or in procurement centres, specially opened by Government, cartage upto a maximum amount of 0-8-0 per maund is allowed to him to bring the produce to these centres or Mandis.

339. The prices are, of course, applicable only to the quantities purchased by Government, there being no statutory control over the prices of the rest of the produce.

340. For Kharif grains, however, prices are fixed statutorily in primary Mandis with differentials for transport and other charges. The prices fixed for 1949-50 Kharif crop are—

	1948-49	1949-50
	Rs.	Rs.
Rice I	32	26 to 30
Rice II	27	22 to 24
Rice III	22	18 to 20
Rice IV	16 12 0	14 to 15
Rice V	14 0 0	12 0 0
Bajra	8 8 0	9 0 0
Jowar	9 0 0	8 0 0
Maize	8 8 0	8 0 0

341. *Organisation.*—U.P. has a large and costly food administration as follows :—

(i) Establishment employed on procurement, storage etc. Re. 0-6-2 per md.

(ii) Establishment employed on rationing and distribution. Re. 0-4-10 per md.

The Head of the Food Organisation is the Commissioner who is also the Secretary to Government. He is assisted by a Deputy Commissioner (Procurement) and a Deputy Commissioner (Rationing). There is also a Technical Officer known as the Provincial Marketing Officer.

The administration staff consists of 4 Regional Food Controllers who are in charge of each of the four regions in which the whole State consisting of 51 districts is divided. The Regional Food Controller is in-charge of procurement, storage and movement of grain upto the consuming centres. To help him there are technical officers known as the Regional Marketing Officers. He has also on his staff an Assistant Officer who looks after transport. The Regional Food Controller has, however, nothing to do with the distribution staff in the consuming areas. This staff is under the charge of Town Rationing Officer.

342. The Committee is inclined to think that this division of responsibility between the two officers, the R.F.C. and the T.R.O. results in some duplication, for example, in a rationed city there are two sets of godowns—one known as the R.F.C.'s godowns and the other as T.R.O.'s godowns. It sometimes happens that while the former are comparatively empty the latter are so full that the grain has to be transported to other areas.

343. In this connection, it must be said that the quality of foodgrains issued from the ration shops hardly reflects the amount of expenditure incurred by the U.P. Government on technical staff and the maintenance of analysis laboratories. It may be that the specifications in accordance with which grain is initially procured are themselves loose and unduly lenient.

344. The State is changing over from the levy system to the monopoly purchase system and in this connection the State is reviewing the expenditure on its Food Organisation. The Committee have been assured that there will be substantial reduction and that the points made by them will be duly considered.

345. *Arrangements at Ports for Receipt of Imported Grains.*—The U.P. Government have been maintaining a staff of their own at the Ports for ensuring correct weight, quality and prompt despatch of imported food grains. In addition they have appointed despatching agents at the Ports and are paying them at the rate of 0-1-0 per maund which amounts to 3½ lakhs of Rupees per year. It was pointed out by the Committee that this latter expenditure is not necessary at all since the Government of India under the revised arrangements are delivering the grain loaded into wagons. All that is necessary is that the U.P. Government staff should be present at the docks at the time that the consignment is being weighed and packed. The State have accepted the recommendations of the Committee and are terminating the services of the despatching agents.

346. *Storage.*—The storage accommodation in the State is of the following types :

(i) Khattis, pucca and katcha ;

(ii) Pucca godowns built to designs and specifications ;

(iii) Newly constructed sheds ; and

(iv) Other godowns, buildings and kothas both katcha and pucca.

347. The total storage accommodation available in the State is of the order of 7 lakh tons capacity ; most of it is private owned and had been taken on lease. Government owned accommodation is limited mostly to Khattis and one or two good godowns like those at Kanpur.

348. The condition of private storage is, generally speaking, rather poor. The Kothis of Dharamialas and of old dilapidated houses, however stately they may have been once, hardly lend themselves to good food storage. Further, the accommodation in the purchasing centres is so meagre that the foodgrains have to be sent to other storage centres for storing before final despatch to the consuming points. It was pointed out by the Government that there was considerable dearth of suitable storage accommodation when the State undertook procurement and rationing of foodgrains initially and naturally all sorts of godowns available were taken over by Government. After that, some construction on Government account was taken up, namely, about 2,000 khattis mostly in purchasing centres and some in the consuming centres, but this programme was held up owing to financial stringency. U.P. Government accept the theory that storage should be so arranged that grain may move direct from the procurement to consuming centres without the necessity of its having to be transported first to a storage centre. They are working on this plan and have acquired the use of some of the abandoned military buildings in Bareilly, Chandausi and Banaras or have constructed some godowns of their own. Owing to the prevailing financial stringency and the goal of self-sufficiency in 1951, not much can, however, be expected by way of Government construction. On the other hand, at the instance of the Committee, the U.P. Government are exploring ways and means of encouraging construction by private parties by giving them help in acquisition of lands, supply of controlled materials like steel, cement, etc. and giving an undertaking that the State will take these godowns on leave for a specific period.

349. The necessity for a system whereby the public may be directly associated with godown management has already been referred to in the main Report. The State have accepted the necessity of such association and have taken steps to form committees in all their regulated towns termed as 'Issue Godown Committees' consisting of officials and non-officials as follows :

- One representative of consumers
- One representative of retailers
- One Member of Legislature
- One representative of the Trade
- Local Chief Marketing Officer
- Town Rationing Officer or Deputy
- Town Rationing Officer (Issues)
- Health Officer attached to the Municipality.

350. One defect from which most of the godowns in U.P. suffer is that the cleaning godown or cleaning yard is situated at some distance from the storage and the issue godowns. As most of the grain is supposed to be cleaned before issue, it has to pass through cleaning godowns at some stage. Pilferage is likely to take place in the process as it would be a simple thing to pilfer a part of the quantity either in the storage or the cleaning godown or in transit and show the equivalent quantity as loss in cleaning without actually cleaning the grain. In addition to loss by pilferage this would result in the deterioration in quality also. It is desirable to see that the cleaning godown form a part of the issue godown itself, as in the new godown at Kanpur, so that not only the chances of pilferage but also wastage in transit, additional handling charges can be eliminated.

351. *Distribution.*—Wholesalers are not employed by the U.P. Government, the retailers being issued grain directly from the Government depots in rationed areas. It is stated that only shop-keepers with good reputation and who were established retail-dealers in the year 1940 or before are usually employed. Many of these retail agencies are now being gradually replaced by the Consumers Co-operative Stores. The usual kind of a Co-operative Store, as one understands, it is a shop run by members of an association of consumers and as such the management shops i.e., the one run by the Co-operative Societies is expected to be superior to

that of shops managed by private individual, because the main motive here is that of mutual help and not of profit making. But presumably on account of the financial resources of many of these Societies being poor, a new kind of Co-operative Stores has come into being in the State in which the so-called Co-operative Society leases out the business to a private retail dealer on a commission basis: the lessee retaining 4% to cover all his expenses and profit and passing on 1% to the co-operative Society as its profit. The Committee has suggested to the State Government that the growth of such mushroom shops should be stopped as these shops bring a bad name to the co-operative movement in general. It is commonly believed that such shops are responsible for more than the ordinary lapses attributable to a retailer, since they consider themselves to be under the protection of the Government Co-operative Department and therefore, not so much amenable to the discipline of the Food Inspectorate. The Committee think that there is some truth in this complaint and have brought the matter to the notice of the State Government.

352. The retailers' commission in U.P. is 5% which amounts to 0-13-0 per maund for wheat. In the neighbouring State of Punjab the commission is only 0-8-0 per maund and the Committee believes that this commission in U.P. could also be cut down. The State Government, on our suggestions, are considering the reduction of the commission to 4%, which may be good enough to begin with in the case of wheat but is high in the case of rice.

In this connection attention is also invited to our general recommendation regarding the reduction of the retail commission in which some methods have been suggested as to how the reduction could be effected.

353. *Export to other areas.*—As has already been stated U.P. export rice to other areas. U.P. produces some of the finest qualities of rice grown in the country but this rice is not generally procured nor exported outside the province. The most common variety that is exported is known as class III, the procurement price of which is Rs. 19-8-0 per maund and which costs the recipients about Rs. 22 per maund F.O.R. There has been some justifiable complaint with regard to price as the price level of rice in some of the recipient areas, for example, Madras, and Bengal, is much lower than that in U.P. This complaint was particularly voiced against the rice exported last year. Procurement prices of rice in U.P. have now been somewhat lowered and the specifications also tightened up. In the opinion of the Committee there is room for still tightening up of the specifications and reducing the procurement prices and this would no doubt be done by the State Government in the next year when the general level of foodgrain prices also would have been brought down. Meanwhile, it has been suggested to the State that they should produce more par-boiled rice for export. This rice is more popular in the areas which are the recipients of U.P. rice as it contains less percentage of brokens and is cheaper on account of some absorption of moisture during the process of boiling. The U.P. Government have accepted the recommendations of the Committee and have converted some of the more important mills in producing areas to the production of par-boiled rice. They have also fixed the price of this rice by Re. 1 per maund less than the raw rice of same variety. They would be able to produce very much more par-boiled rice next season when the conversion of the mills will have been more extensively effected.

354. *Quality.*—In Uttar Pradesh, there is a fairly developed organisation for the check and analysis of foodgrains at various stages of its passage from the procurement point to issue point. When grain is taken over by the Government from the agent, four samples are drawn of which one is analysed on the spot by the Government purchasing staff; one is sealed and given to the supplier; the third is sent to the Regional Check Laboratory while the fourth is kept by the Marketing Inspector. When the grain is despatched by the Marketing Inspector, the copy of the analysis report is sent to the Marketing Inspector at the receiving end and the sample of the consignment as received is drawn and compared with the report. Samples are again drawn at the Cleaning godown before and after the grain is cleaned

355. Thus the continuity of comparison is broken at the issue godown stage and again there is no comparison in quality between the grain issued from the issue godowns and that issued from the ration shops.

356. Other reasons for the poor quality of grain at the ration shops are :—

- (i) poor quality of specifications prescribed for initial procurement of food-grains. For example, in the case of wheat and barley, the specifications in Punjab are superior than those in U.P. as follows :

	Wheat		Barley	
	U.P.	Punjab	U.P.	Punjab
Dirt	2%	1½%	2%	1½%
Other grains	5%	2%	4%	2%
Damaged and slightly damaged	5½%	2%	5%	4%
Shrivelled	1%	1%	3%	3%
Weevilled	3%	½ to 2%	3%	½ to 2%

Again in the case of rice, brokens and fragments are allowed from 20% to 60% according to the different grades of rice while in Punjab these are allowed from 12% to 50% and in Madhya Pradesh upto 45% only.

- (ii) the separation of the cleaning godowns or yard from the storage and issue godowns. The cleaning yard or godown should be a part of storage or issue godowns themselves.

357. The Committee feel that things would improve only if completely cleaned grain is issued from the rationshops and this can be ensured at the storage or issue centre so that retailers may not be able to resort to adulteration. The cleaning shall not cost more than Re. 0-2-6 to 0-3-0 per md. and could easily be met by the reduction suggested by the Committee in the retailers margin.

358. The Inspectorate Organisation in urban rationed areas seems to be quite adequate. We are told that there is one Inspector for every 15 shops ; and if, to this is added the large technical staff employed by the Food Department, the U.P. consumer seems to be entitled to a better quality of grain than he gets now.

359. *Distribution cost.*—A list of incidental expenses as agreed to with the U.P. Government in respect of all grains separately for (i) local consumption, (ii) exports and (iii) imports is appended hereto. These charges were applicable till the end of March 1950. With the introduction of the monopoly purchase system for Rabi grains, the Committee consider that there should be considerable reduction in the procurement expenses which should be reflected in the distribution cost. Other points which need attention are as follows :

Commission.—The purchasing agent's commission is allowed at the rate of Rs. 1-4-0 to 1-13-0 per cent. On an average this works out to 0-4-0 a md. for rice and about 0-3-0 for other grains. In the neighbouring State of Punjab, where also a similar system of procurement is in force, the rate of commission is only 0-8-0 per cent and in Madhya Pradesh also the commission is only 0-1-0 per md. for wheat and rice and 0-0-9 for jowar. The State should, in the opinion of the Committee, bring down this commission to a more reasonable figure.

Storage and handling.—As already stated elsewhere, the high incidence of transport and handling is to some extent due to the lack of sufficient godown accommodation at the purchasing and consuming centres with the result that a large quantity of grains procured have to be sent to the storage centres first and then to the consuming centres. Thus storage and handling are involved at three points *viz.* (i) purchase points (ii) storage points and (iii) consumption points. The State have

agreed to build storage godowns either on Government or private account at the purchase and/or consumption points and when this materialises there would be some reduction on this item.

Shortage.—The longer transport and movement of grains from point to point results in greater shortage. Herein also the Committee feel that with the improvements in storage capacity the long haulage and consequent handling, there would be some reduction.

Establishment.—Administration charges in U.P. are high. The following comparison will be of interest:

State	Cost of Establish- ment	Total quantity involved (1949)	Cost per maund
	(budget 1949-50)	(in tons)	
U. P.	124 lakhs	641,000	Rs. A. P. 0 12 0
Punjab	36 „	344,000	0 6 2
Madhya Pradesh	29 „	342,000	0 5 0

STATEMENT I

LOCAL DISTRIBUTION

(a) *Incidental charges on RICE III if sent direct to consuming centres.*

	Per md.- Rs. A. P.
1. Commission	0 4 0
2. Handling at purchasing centre	0 1 8
3. Temporary storage at the purchasing centre	0 1 0
4. Shortage in storage	0 1 6
5. Carriage to Railhead	0 3 9
6. Freight	0 6 0
7. Loss in transit	0 1 0
8. Handling at the receiving railhead	0 2 0
9. Storage	0 3 0
10. Loss in storage	0 4 0
11. Handling before issue	0 2 9
12. Octroi	0 1 3
13. Staff	0 15 6
TOTAL	2 15 5

LOCAL DISTRIBUTION

(b) *Incidental charges on RICE III if sent through storage centre.*

	Per md.
	Rs. A. P.
1. Commission	0 4 0
2. Handling at the purchasing centre	0 1 8
3. Temporary storage at purchasing centre.	0 1 0
4. Shortage in Storage	0 1 6
5. Carriage to Railhead	0 3 9
6. Freight	0 6 0
7. Loss in transit	0 1 0
8. Handling at the receiving railhead and carriage to storage	0 2 0
9. Storage	0 3 0
10. Loss in Storage	0 4 0
11. Handling and carting to Railhead	0 2 0
12. Railway freight to consuming centres	0 2 5
13. Shortage in transit	0 1 2
14. Handling at consuming centre	0 1 5
15. Storage cost	0 3 2
16. Loss in storage	0 3 1
17. Handling before issue	0 2 9
18. Staff	0 15 6
19. Octroi	0 1 2
TOTAL	3 12 7

STATEMENT II

EXPORTS.—RICE III

(a) *Incidental charges on rice supplied direct from the purchasing centres.*

	(per maund)
	Rs. A. P.
1. Commission	0 4 0
2. Handling charges at the purchasing centre	0 1 8
3. Cost of temporary storage at the purchasing centre	0 2 0
4. Shrinkage in temporary storage	0 2 11
5. Carriage to Railhead and handling	0 3 9
6. Cost of bag	0 10 0
7. Staff	0 9 0
TOTAL	2 1 4

Or Rs. 1-7-4 without gunny.

EXPORTS.—RICE III

(b) *Incidental charges on Rice III passing through storage.*

	(per md.)
	Rs. A. P.
1. Commission	0 4 0
2. Handling at purchasing centre	0 1 8
3. Temporary storage at purchasing centre.	0 1 0
4. Shortage in storage	0 1 6
5. Carriage to Railhead	0 3 9
6. Freight	0 6 0
7. Loss in transit	0 1 0
8. Handling at the receiving Railhead and carriage to Storage	0 2 0
9. Storage	0 3 0
10. Loss in storage	0 4 0
11. Handling and carting to Railhead	0 2 0
12. Bag	0 10 0
13. Staff	0 9 0
14. Octroi	0 1 2
TOTAL	3 2 2

Or Rs. 2-8-2 excluding gunny.

STATEMENT III

LOCAL DISTRIBUTION OF WHEAT

(a) *Incidentals on wheat under the Direct Procurement (levy) system, when sent direct to the consuming Centres.*

	(per md.) Rs. A. P.
1. Commission	0 4 0
2. Handling at the purchasing centre	0 1 8
3. Carriage from the purchasing centre to consuming centre including Rly. freight	0 10 4
4. Loss in transit	0 1 2
5. Octroi	0 0 11
6. Handling at the consuming centre before storage	0 2 0
7. Storage cost	0 3 0
8. Loss in storage	0 2 6
9. Handling charge at the time of issue and cleaning	0 3 0
10. Staff	0 15 6
TOTAL	2 12 1

LOCAL DISTRIBUTION OF WHEAT

(b) *Incidentals on wheat Under the Direct Procurement (Levy) System, when sent through the Storage Centres.*

	(per md.) Rs. A. P.
1. Commission	0 4 0
2. Handling at the purchasing centres	0 1 8
3. Carriage from purchasing centre to Storage centre	0 6 2
4. Loss in transit	0 0 2
5. Storage cost	0 2 11
6. Loss in storage	0 1 2
7. Handling at the storage centre before despatch	0 2 0
8. Railway freight to the consuming centre	0 4 1
9. Shortage in transit	0 1 6
10. Octroi	0 1 2
11. Handling charges at the consuming centre before storage	0 2 0
12. Storage cost	0 3 0
13. Loss in storage	0 2 6
14. Handling charges at the time of issue and cleaning	0 3 0
15. Staff	0 15 6
TOTAL	3 2 10

STATEMENT IV

INCIDENTAL CHARGES ON IMPORTED WHEAT

(On the basis of imports from Calcutta $\frac{1}{2}$, Bombay $\frac{1}{2}$).

	(Per md.) Rs. A. P.
1. Freight	1 2 0
2. Handling charges at the destination	0 2 0
3. Shortage in transit	0 2 0
4. Octroi	0 1 4
5. Storage cost	0 3 0
6. Loss in storage	0 2 0
7. Handling charges at the time of issue and cleaning	0 3 0
8. Staff	0 6 6
TOTAL	2 5 10
<i>Less gunnies</i>	<i>0 3 10</i>
	2 2 0

STATEMENT V

LOCAL DISTRIBUTION OF MILLETS

(a) Incidental expenses if sent direct to the consuming Centres.		(per md.) Rs. A. P.
1. Commission		0 2 10
2. Handling at the purchasing centres		0 1 8
3. Cost of temporary storage		0 2 0
4. Shrinkage in temporary storage		0 0 9
5. Carriage to railhead and handling		0 3 9
6. Railway freight		0 5 2
7. Loss in transit		0 0 6
8. Octroi charges		0 0 10
9. Handling at consuming centre before storage		0 2 1
10. Storage cost		0 3 8
11. Loss in storage		0 2 9
12. Handling before issue		0 2 3
13. Staff		0 15 6
TOTAL		2 11 9

LOCAL DISTRIBUTION OF MILLETS

(b) Incidental expenses when sent through storage centres.		(per md.) Rs. A. P.
1. Commission		0 2 10
2. Handling at the purchasing centres		0 1 8
3. Temporary storage		0 1 0
4. Shrinkage		0 0 9
5. Carriage to Railhead		0 3 9
6. Freight		0 4 0
7. Loss in transit		0 0 6
8. Handling at Storage point		0 2 0
9. Storage cost		0 3 0
10. Handling before despatch		0 3 4
11. Railway freight		0 2 2
12. Shortage in transit		0 0 6
13. Octroi		0 0 10
14. Handling at the consuming centre		0 1 9
15. Storage cost		0 3 8
16. Loss in storage		0 1 4
17. Handling before issue		0 2 9
18. Staff		0 15 6
TOTAL		3 3 4

STATEMENT VI

EXPORTS.

1. Incidental charges on MILLETS if supplied direct from the purchasing centres.		(per md.) Rs. A. P.
1. Commission		0 2 10
2. Handling charges at the purchasing centre		0 1 8
3. Cost of temporary storage		0 2 0
4. Shrinkage in temporary storage		0 1 6
5. Carriage to railhead and handling		0 3 9
6. Cost of Bag		0 10 0
7. Staff		0 9 0
TOTAL		1 14 9

Or Rs. 1-4-9 without bag.

EXPORTS

II. *Incidental charges on MILLETS if supplied from storage centres* (per md.)

	Rs.	A.	P.
1. Commission	0	2	10
2. Handling at the purchasing centre	0	1	8
3. Temporary storage	0	1	0
4. Shrinkage	0	0	9
5. Cartage to Railhead	0	3	9
6. Freight	0	6	0
7. Loss in transit	0	0	6
8. Handling at Railroad and carting	0	2	0
9. Storage cost	0	3	0
10. Loss in storage	0	2	0
11. Handling and carting to Railhead	0	2	0
12. Octroi	0	0	10
13. Staff	0	9	0
TOTAL	2	3	4

(o) VINDHYA PRADESH

360. The Committee visited Rewa and had discussions with the officials.

361. The State is surplus in rice and gram which are exported to other States.

362. Procurement is done through the trade. Each stockist having more than 25 maunds of grain at a time has to obtain a license and submit stock returns every week under the provisions of the Foodgrains Control Order. The Government has got a lien on 80% of such stocks. The State do not handle the grain itself, but issue export permits to stockists who make all arrangements for export.

363. There is no procurement for local consumption as no place is rationed. The following points may be noted in respect of grain that is exported.

364. *Quality*.—Other States have complained about the quality of Vindhya Pradesh rice. It is the responsibility of the recipient administrations to make arrangements for the inspection of quality of grain which is offered for export. The system does not appear to have functioned very smoothly in view of the complaints of other States as they have out of necessity to lift their quotas. The Committee recommend that some agency may be set up for the inspection of quality of foodgrains before despatch. In this connection a non-official trade agency as is already working in Punjab is commended. The fee of Rs. 1-4-0 per ton as is paid in Punjab may also be paid here for this service.

365. *Storage*.—There are no Government owned godowns and all grain is stored in the accommodation available with the trade. The condition of these godowns is rather unsatisfactory.

366. The Committee recommend that private trade may be encouraged to construct new godowns according to Government specifications by making available to them building materials at controlled rates. The total incidental expenses come to Rs. 1-12-0 per maund plus administration charges of 0-4-0 per maund. The Committee consider that the administration charges are reasonable and there is no room for reduction in this case.

367. As for the incidental charges of Rs. 1-12-0 per maund which is paid to the traders for all their services no detailed break-up is available. With dependence on traders it is difficult to reduce this amount. If, however, the Government encourage the construction of godowns and handle the grain themselves, it might be possible to minimise the incidental expenses to some extent.

(p) WEST BENGAL

368. *Places visited*.—The Committee visited the procurement and storage godowns, ration shops, etc. at Calcutta. Burdwan and Bolpur.

369. *Discussions held.*—Discussions were held with the Hon'ble the Civil Supplies Minister, Officials, and non-officials representing producers, consumers, millers, trade and chambers of commerce etc. The Committee also interviewed the Hon'ble the Chief Minister.

370. *General Food Position.*—West Bengal is a deficit area. Its main produce is paddy. Figures of production, procurement and imports are as follows :—

(‘000 tons)

	1948			1949			1950 (estimated)		
	Produc- tion (1947-48)	Procure- ment	Imports	Produc- tion (1948-49)	Procure- ment	Imports	Produc- tion	Procure- ment	Imports
Rice	3,404	463	298	3,297	438	298	3,763	506	250

371. *Procurement system.*—The procurement of grains is mainly on a voluntary basis. For this purpose all surplus districts are cordoned off and export from these areas on private account is banned. Procurement is done through (a) direct purchasing agents appointed by Govt. and (b) rice mills.

Procurement prices are fixed for rice/paddy of different qualities and are payable at the purchase centres or godowns. Schedules of quality standards are prescribed and the Inspector-assessors check the quality by mechanical examination and visual tests at the procurement points.

372. Evidence was led before the Committee to the effect that (i) the purchasing agents were not experienced which resulted in the procurement of inferior grains and (ii) that the incidental expenses and margin for shortage, storage etc. allowed to these agents were high. It was stated that procurement could be more effective and less costly if mills could be allowed to undertake procurement in their respective areas.

373. The Committee feel that from the purely financial point of view, it would be advantageous to extend the system in which the mills functioned as procurement agents also.

374. *Organisation*—The Food Organisation consists of the Secretariat with different Directorates for procurement, storage and inspection and for distribution grains.

375. The Food Administration costs 289.86 lakhs (1949-50 budget) which in terms of procurement, storage and distribution is approximately as follows :—

	Rs. A. P.
(a) Expenditure on procurement staff	0 3 6
(b) Expenditure on storage staff	0 3 3
(c) Expenditure on rationing and distribution staff	0 12 1

376. It will be seen from the statement below that the cost per head of rationed population in West Bengal is much heavier than that in other places.

	Total cost of rationing (1949-50 budget)	Total statutorily rationed population	Cost per head of rationed population
West Bengal	1,73,07,700	60.93 lakhs.	Rs. a. p. 2 13 0 ✓
Bombay City	52,10,270	36.5 lakhs.	1 7 0
Uttar Pradesh	52,79,600	64.76 lakhs.	0 13 0

The Committee have suggested a review by the State Government of expenditure on establishment with a view to reduction.

377. *Quality.*—The complaints with regard to quality of foodgrains issued to the consumers appear to be very widespread in the city of Calcutta. The nature of the complaints were generally (i) the presence of gravels or dust in rice, (ii) a high percentage of broken and (iii) dirty appearance. The Committee also found that the foodgrains visibly deteriorated from the procurement to the distribution stage. The good Burdwan paddy, which the Committee saw in the godowns at Burdwan had collected a substantial amount of dirt and impurities by the time it came to be issued from the Calcutta godowns. The Committee surmise that if a comparison is made between the allowances paid to a miller on paddy issued from the Calcutta godowns with the allowances received by Govt. at the time of procurement the result would be startling. Within the limited time at their disposal the Committee could not probe into this problem more fully but they have no doubt that leakage, pilferage and some substitution takes place between the procurement and issue stages. The Committee have suggested to the State that they should go thoroughly into this problem and trace the stage or stages at which the loss or deterioration takes place.

378. Apart from the improvements in the management of storage godowns the Committee have also suggested that only cleaned grain of good quality should be issued from the ration shops and that small godown committees consisting of the Chief Food Officer, one representative of the authorised retail dealers, one representative of the Trade preferably a storage expert and a representative of the public should be associated with the management and check of the foodgrains stored in the godowns. State Government have accepted the policy underlying the recommendation which is that efforts should be made to give to the consumer at this stage of controls a much better quality of grain. The State Government are deputing an officer or two to Bombay to study their methods of storage and cleaning of grain with a view to introduce the same improvements in Calcutta. Another measure suggested to the State was the intensification of inspection at the various stages between procurement and distribution and of test-check and display of samples at the ration shops in sealed glass cases or bottles. The various recommendations of the Committee in this behalf are under the active consideration of the State Government.

379. In line with the general policy of giving the consumers the kind of grain that they like was the suggestion of the Committee to issue only pure wheat or atta in place of the grist containing a mixture of wheat and barley. When the Committee visited the State, the barley composition was as high as 40%. Later it was reduced to 25, 10 and 5%. Now only pure wheat is issued. The decision of the Central Government not to import any barley in the year 1950 has helped considerably in this matter.

380. *Cost of distribution.*—Appended to this report is a list of distribution costs for the various grains handled by the State. The list shows the present and the proposed incidental expenses, reductions, if any, made by the Committee, and the reasons therefor. Particular attention is invited to the following items :

Shortage in transit of imported grains.—There is said to be a loss of 4 to 5% in the transit and storage of imported foodgrains. This is considered by the Committee to be very high as all the imported foodgrains are taken over by the West Bengal Government from the Calcutta Port itself. In the consignments which the Regional Food Commissioner transfers to the Central Government godowns at Calcutta transit loss of only .1 to .25% occurs. The Committee arranged several meetings between the Regional Food Commissioner and the West Bengal Government and the agreement now reached is that the West Bengal Govt. would receive all grain after cent per cent weightment in the presence of their own officer. This arrangement should make a big difference to the leakage that in the opinion of the Committee is now taking place at this stage.

Milling charges.—The policy of the West Bengal Govt. seems to have been to distribute the grinding of wheat to all the mills and to fix milling charges at a rate which gives the mills a certain amount of profit. Since milling available for Calcutta is not sufficient to engage the full capacity of the mills concerned, it is obvious that such an arrangement can result only in the payment of a milling charge which could not be justified on financial and business grounds. In other words, the Govt. of India which subsidise the imported grain and the consumers of Calcutta pay for the idle milling capacity in Calcutta. The Committee consider that an arrangement of this kind is unjustified because the Calcutta mills on account of their high capacity would be idle even in a period of free trade. The Committee have, therefore, impressed on the West Bengal Government the necessity of reducing the milling charges by getting their grain milled in a fewer but more efficient type of mills. The State is considering the matter.

Government. ration shops.—In addition to the retail private shops, Government run a large number of its own shops in which the service is no better than in others. The Govt. staff normally employed in these shops is out of all proportion to the cost of staff employed in private shops. Normally there are six employees in each shop against about three in other private shops. The Committee are certain that the cost of establishment of these retail shops is not met by the retail commission and Government lose on the deal. - In view of the fact that we have recommended a further reduction in the existing scale of retail commission, the problem of disbanding these shops becomes very urgent. It is realised that closing of these shops may result in some hardship to a number of employees of the shops, but in the opinion of the Committee the point of disbandment of Government shops should be considered only from the purely business point of view. The matter is under the active consideration of the West Bengal Government.

The present arrangement is that paddy supplied for being milled in Calcutta is first taken to a storage godown and then issued to a mill. This involves double handling and double transport and the Committee therefore suggested that in order to eliminate these, arrangements should be made to issue paddy direct to the millers from the Station. The West Bengal Government are not, however, inclined to accept this suggestion in view of their past experience when they had to pay a large amount of money as losses to the mills. The Committee do not consider that this point has been given the consideration that it deserves. In their view, if a wagon is booked from a producing area to Calcutta and a joint analysis of the grain received is made at the station as is done in Delhi for imported grain before the grain is issued to the Delhi Syndicate, then there would hardly be much difference of opinion as to the allowances to be made to the mills. In fact, analysis at this point would make it feasible to correlate the allowances that are allowed to the mills to the allowances that have been given by the procurement agent to Government at the procurement stage. On the other hand, as already stated, there would be a saving in handling and transport.

Retail Commission.—The existing rate of retail commission is Re. 1 per maund plus free gunny which in the opinion of the Committee is high as it means to the retailer a net income of more than Rs. 300 per month. The Committee have recommended that the commission should be reduced to 0-12-0 plus gunny. The State Govt. are considering the matter.

STATEMENT I

Incidental expenses when procurement is in the form of Rice.

(In rupees per maund)

	Present	Revised	Reductions made
Agents commission	0 2 0	0 2 0	..
Storage	0 2 0	0 2 0	..
Handling	0 2 0	0 2 0	..
Transport (overall)	0 13 0	0 8 0	0 5 0 (a)
Rly. freight	0 6 0	0 6 0	..
Loss in transit and storage	0 7 0	0 4 0	0 3 0 (b)
Cost of bag	0 12 0	0 10 0	0 2 0 (c)
Total	2 12 0	2 2 0	0 10 0

Explanations

(a) *Transport.*—The extra transport charge of Re. 0-10-0 per maund to provide as safe margin should not form a part of the permissible incidentals. These extraordinary charges would, in any case, be met to a large extent by the profit that the State are making on fine and superfine rice.

The proposed figure of Re. 0-8-0 per maund is based on the actuals for 1947-48 and 1948-49 communicated by the State. The charges for commission, storage, transport and handling and freight amounted to less than Rs. 1-4-0 per maund i.e., Rs. 1-3-9 and Rs. 1-3-8 respectively. After deduction of the other charges, i.e., commission, 0-2-0 storage 0-2-0, handling 0-2-0 and freight 0-6-0, the balance representing expenditure on transport works out to less than 0-8-0 per maund.

(b) *Loss in transit and storage.*—The state itself has given the shortage in respect of rice as 1·2% in transit and ·8 % in storage. The total shortage amounts to 2% which although higher than in other places such as Orissa and Bihar, has however, been accepted for West Bengal. 2% on the average purchase price of Rice of Rs. 12-12-0 per maund works out to 0-4-0 per md.

(c) *Cost of bag.*—The Committee has already pointed out that in other areas gunnies of larger capacity are used. A change over to the practice obtaining in other areas is, therefore, advocated. In these areas, the cost of gunnies is allowed at Re. 0-10-0 per maund, which should be more than sufficient for West Bengal on account of haulage being comparatively less.

STATEMENT II

Incidental expenses when procurement is in the form of paddy which is subsequently milled into Rice. (In Terms of One Maund of Rice.)

(In rupees per maund)

	Present	Revised	Reduction made
Agents commission	0 2 0	0 2 0	..
Storage	0 2 0	0 2 0	..
Handling	0 2 0	0 2 0	..
Transport	1 1 0	0 10 0	0 7 0 (a)
Rly. freight	0 6 0	0 6 0	..
Shortage in transit and storage	0 7 0	0 5 0	0 2 0 (b)
Milling charge	1 4 0	1 4 0	.. (c)
Gunny	0 12 0	0 10 0	0 2 0 (d)
Total	4 4 0	3 9 0	0 11 0

Explanations

(a) *Transport Charge*.—Please see remarks in Statement I. As regards the allowance of 0-10-0 per maund, this is made at a higher rate to cover additional cost at procurement points for 1½ maunds of paddy, than that allowed for rice.

(b) *Shortage*.—The margin of 0-5-0 per maund is worked out on the basis of information furnished by the State i.e., 1·6 % in transit and ·4% in storage in the paddy stage and another ·8% for loss in storage after conversion into rice.

(c) *Milling charge*.—The Committee has separately pointed out that the milling charge of Rs. 1-4-0 per maund is on the high side. A review is suggested ; no reduction has, however, been made.

(d) *Gunny*.—Same remarks as under Statement I.

STATEMENT III

Incidental expenses in respect of paddy brought to the Mills in the rationed areas and then milled into Rice.

Commission	Rs. 0 1 6	per md. of paddy (a)
Storage and shortage	0 3 6	„ (b)
Handling and Transport	0 8 0	„ (c)
Railway freight	0 6 0	„
Handling at Mills	0 1 0	„
A. Total incidental expenses per maund of paddy upto mills.	Rs. 1 4 0	
Incidental expenses per 1½ maunds of paddy required for 1 md. of rice.	Rs. 1 14 0	
Milling charge	1 4 0	„ (d)
Cost of gunny ²	0 10 0	
B. Total incidental expenses per md. of rice upto exmill.	3 12 0	
Add transport to godowns and shortage.	0 4 0	„ (e)
C. Total incidental expenses upto ex-godown issue stage.	Rs. 4 0 0	per md. of rice

Explanations

(a) *Commission* Calculated at the rate of 0-2-0 per maund of rice, commission and then rounded off.

(b) *Storage and shortage*.—This is worked out at about 2% for shortage in storage and transit and another 0-1-0 for storage. It is necessary that the paddy produced should be despatched as early as possible to the mills.

(c) *Transport*.—This is allowed at the same rate as for rice although the transport should be a little less.

(d) *Milling charge.*—Same remarks as in Statement II.

(e) *Transport to godowns and shortage.*—This is based on the amount of shortage communicated by the Govt. (i.e., .8 % in storage) on the total cost price, and a transport and handling charge of 0-2-6 per maund total coming to 0-4-0 per maund.

STATEMENT IV

Incidental expenses in respect of imported foodgrains.

(In Rs. per md.)

	Present						Revised					
	Grains other than flour and maize	Flour	Maize	Grains other than flour and maize	Flour	Maize	Grains other than flour and maize	Flour	Maize	Grains other than flour and maize	Flour	Maize
Port commissioners charge	0 0 6	0 0 6	0 0 6	0 0 6	0 0 6	0 0 6	..	..	..	..	..	..
Average transport	0 4 8	0 4 1	0 1 10	0 4 8	0 4 1	0 1 10	}	0 0 5 0	0 0 3 0	}	0 0 5 0	0 0 3 0
Handling Charges	0 1 3	0 1 3	0 1 0	0 1 3	0 1 0	0 1 0						
Supervision charge to flour mills.	..	0 0 2	..	..	0 0 2	..						
Storage	0 2 0	0 2 3	0 2 0	0 2 0	0 2 3	0 2 0						
	0 8 5	0 8 3	0 5 4	0 8 5	0 8 3	0 5 4	0 5 0	0 5 0	0 3 0	0 5 0	0 5 0	0 3 0
Shortage.	4 to 5%			0 3 0	0 3 6	0 2 6	0 3 0	0 3 6	0 2 6	0 3 0	0 3 6	0 2 6
Total incidental expenses upto wholesale stage				0 8 0	0 8 6	0 5 6	0 8 0	0 8 6	0 5 6	0 8 0	0 8 6	0 5 6

Explanations

The West Bengal Govt. could not furnish the full details of actuals on each individual item. That Govt's figures showed that the actual expenditure amounted to 0-5-4 per md. during 1947-48 and 0-5-1 per maund during 1948-49 as against the claim of 0-8-0 and 0-7-8 per maund respectively. The revised charges are based on the actuals furnished by the State less 0-0-6 port commissioners charges.

(g) OTHER STATES

381. It was not possible for the Committee to visit States other than those for which specific recommendations have been made in this Chapter. The problems of these States are, however, more or less akin to others and therefore our general remarks apply equally to them. Distribution costs can also be fixed for these States in accordance with the general basic principles recommended by us and at more or less a level approved for a neighbouring area.

APPENDIX I

No. FGIC 1 (2)/49

GOVERNMENT OF INDIA

MINISTRY OF FOOD

FOODGRAINS INVESTIGATION COMMITTEE

JAMNAGAR HOUSE,

New Delhi, the 17th September, 1949.

From

Shri A. L. Saksena, I. A. & A. S.,
Secretary, Foodgrains Investigation Committee.

To

All Provincial/Union/State Governments

Sir,

I am directed to refer to this Ministry's letter No. PY 623 (6), dated the 12th September, 1949 regarding the appointment of the above Committee to review the arrangements for the procurement and distribution of foodgrains and to enclose a questionnaire in respect of (i) indigenous foodgrains and (ii) imported foodgrains. It is requested that the replies to the questionnaire may please be furnished so as to reach the Committee by the 10th October, 1949 at the latest.

2. If any difficulty or doubt is felt in regard to any particular point included in the questionnaire, a reference in regard thereto may please be made to the Committee immediately. This reference should not, however, hold up replies to other questions.

Yours faithfully,

(Sd.) A. L. Saksena

Secretary, Foodgrains Investigation Committee.

Copy to :—

All Regional Food Commissioners
Deputy Regional Food Commissioners and
Regional Commissioners.

MINISTRY OF FOOD
FOODGRAINS INVESTIGATION COMMITTEE

QUESTIONNAIRE FOR PROVINCIAL GOVERNMENTS/UNIONS/
STATES

A.—INDIGENOUS FOODGRAINS*

(1) *Procurement.*

Please describe fully, with particular reference to the following points, the system of procurement of foodgrains by Government. If different methods are in force in different parts of the Province/State/Administration, please detail them—

- (a) What is the procurement price and does it apply to supply at village-sites or at Mandis ? If the latter, is there any element in the procurement price for cartage upto the Mandis ? Please give a break-up of the procurement price, if possible.
- (b) What safeguards, if any, exist to ensure that the cultivator does, in fact, receive payment at the notified procurement price ?
- (c) What tests are applied to see that the grain is of fair average quality ? Are grains below fair average quality also procured and if so, upto what percentage ? If there is a schedule of allowances applicable to grain below fair average quality please enclose a copy of the schedule.

In the procurement of paddy is any allowance made for dryage ? If so, what is the basis and scale of such allowance ?

- (d) What is the procurement agency, trade or Government's own officers ? In both cases please indicate the expenses incurred at the procurement stage including handling charges, if any, at the purchasing centres.

(2) *Custody and transport upto the wholesale distribution stage.*

Please describe fully, with particular reference to the following points, the arrangements made for the custody and transport of foodgrains following their procurement, upto the wholesale distribution stage—

- (a) Are foodgrains stored at the purchasing centres pending distribution or are grains immediately transported to destination stations ? If the former, is there adequate and sound storage accommodation at the purchasing centres ? Are grains bagged before storage and are bags made out in uniform weights ?
- (b) What are the expenses at purchasing centres on :
 - (i) storage ;
 - (ii) losses in storage ; and
 - (iii) despatch to other stations or godowns.
- (c) How are the despatching stations selected ? Has this selection during the past two years led to any cross-movement within the Province/State ? If so, please give details.
- (d) What are the normal methods of transport, the transit losses and expenses upto the wholesale distribution godown ? Please give a detailed break-up.
- (e) What safeguards, if any, are taken to ensure minimum losses in transit and in godowns ?

- (f) What godown space is in the possession or control of Government ? Please give details of location, structural condition and capacity.
- (g) What steps are taken for the safe custody and the maintenance of quality of the grains while they are in the godown ?
- (h) What are the arrangements in regard to the milling of paddy and wheat ? Please give details of the average expenses on these services.
- (i) What are the arrangements in regard to wholesale distribution ? Are the wholesalers Government themselves or trade working under the control of the Government ? In the latter case, what is the control exercised by Government over the trade particularly with regard to quality and quantity of foodgrains in the custody of the trade ? What is the wholesalers' commission ?

(3) Issue to Consumers:

Please describe fully, with particular reference to the following points, the arrangements made for distribution of foodgrains to consumers by wholesalers—

- (a) System of distribution ;
- (b) Retailers margin of profit ;
- (c) Maintenance of quality in the retailers shops and its test-check with the quality supplied to them ;
- (d) Chances of adulteration, pilferage or leakage in the wholesale and the retail stages ;
- (e) Expenses incurred by Government at the retail stage i.e., on rationing staff etc. What is the expenditure per head of rationed population ?
- (f) Classification of rice and fixation of separate issue prices thereof ;
- (g) Classification of rationed population into rice or wheat-eaters and regulation of issue or ration accordingly .
- (h) Issue of grist i.e., wheat atta mixed with milled coarse grains atta.
- (i) Is there any standardization of weights and measures ? If so, what arrangements have Government made to test-check the weights and measures used by the retailers with the standard weights and measures ?
- (j) Are there any general complaints from the rationed population about short weights, quality etc. and if so, what is their nature and extent ? What remedial measures, if any, have been taken by Government in this direction ?

(4) Financial.

Specific suggestions in regard to the maintenance of quality and reduction in the incidental expenses may kindly be given—

- (a) Does Government sell the locally procured grains at their economic cost or above or below it ? If the latter, please give full details and indicate the losses incurred or profits made by the Government during the years 1947-48 and 1948-49.
- (b) Are separate *pro forma* and other accounts maintained for transactions in connection with the procurement and distribution of foodgrains ? If so, please generally explain them indicating the stages at which they are subjected to internal/statutory audit. Please furnish a copy of the latest available *pro forma* account.
- (c) What are the arrangements for purchase and distribution of gunny bags ? Please indicate how these gunnies are used and how are they finally

disposed of. Does the Provincial/State foodgrains account receive credit for the sale-proceeds of old gunnies ?

(d) Please prepare a statement showing grainwise and areawise :

- (i) Procurement price ;
- (ii) Incidental expenses from the procurement to the wholesale stage ;
- (iii) Incidental expenses from the wholesale to the retail stage ; and
- (iv) Retail issue price to the consumers.

Are items (ii) and (iii) based on actuals ? If there is any profit or loss, explain it fully.

(e) Please give details of administration charges, if any, that are included in the incidental expenses and the basis on which they have been fixed. Please furnish a copy of statement of actual expenditure for 1947-48 and the budget for 1948-49 and 1949-50 relating to food administration under the following heads :—

- (i) Cost of procurement staff ;
- (ii) Cost of rationing staff ;
- (iii) Cost of other staff (the nature of their duties should be detailed) ; and
- (iv) Miscellaneous.

(5) *Miscellaneous.*

Where open markets exist, what are the prices at which—

- (i) the trade purchases from the cultivator ;
- (ii) the Commission that is paid by the trade to the *katcha* and the *pukka* arhatiyas ;
- (iii) the trade sells in rationed and other areas ; and
- (iv) the trade pays for services like transport, milling and storage.

(6) What is the suggestion of the Provincial/State Governments in regard to the tendering of evidence before the Committee by recognised trade or consumers associations or private persons in regard to all or any of the points mentioned in this memorandum ? Do they wish to indicate any such association or person whose evidence may be valuable to the Committee ?

(7) *Additional Questions in respect of grains locally procured and exported under the Basic Plan.*

(a) Please describe the arrangements for export of foodgrains to other areas in India with particular reference to the following :—

- (i) What are the f.o.r. prices charged for different grains and how do these prices compare with the wholesale prices at which these grains are issued for local consumption ? Please explain in detail, differences if any, between the two prices.
- (ii) Are exports made on Government own account or by trade ? In the latter case what arrangements exist to ensure quality and weight ? In both cases please describe fully the financial arrangements made with the recipient Governments and whether they have proved satisfactory.

(b) Please give a list of the stations from which exports were made from 1-10-48 indicating :—

- (i) the quantity (grainwise) exported from each station, and
- (ii) the mandis from which these grains were initially procured.

MINISTRY OF FOOD.

FOODGRAINS INVESTIGATION COMMITTEE

QUESTIONNAIRE FOR PROVINCIAL GOVERNMENTS/UNIONS/STATES

B.—IMPORTED FOODGRAINS

(1) *Procurement.*

Please describe fully, with particular reference to the following points, the arrangements that exist for the taking over of the imported grains from the Government of India at Ports :—

- (a) What is the quantity of imported grains (grainwise and portwise) that were taken over from Central Government during 1948 and 1949 ?
- (b) What is the agency employed by Government for receiving grains at Port ? What expenses are incurred by this Agency ?
- (c) What arrangements are made by Government at the Port Station to ensure correct weight, quality and transportation of the grains without delay to destination stations ?
- (d) What arrangements, if any, exist to ensure minimum losses, and wastage in transit ? What has been the experience of Government in regard to losses on foodgrains moved by Railways ? Please indicate the nature and number of claims made on the Railways for such losses and the extent to which these claims were accepted.
- (e) On what principles is the destination station selected ? Please give a list of the destination stations together with the quantity (grainwise) despatched to these stations and the places to which the grains were finally sent for consumption. Have there been any cross movements during the last two years ? If so please give details.
- (f) What are the expenses incurred :
 - (i) from despatch station to receiving station by rail ;
 - (ii) handling at the receiving station ; and
 - (iii) incidental charges from receiving stations to godowns.

(2) *Custody of Imported Grains.*

(a) What is the normal period of storage of imported grains before they are issued for distribution ? If trade agency is employed for either storage, transport or distribution, please explain fully the arrangements and the remuneration paid to such agency.

(b) Are imported grains kept entirely separate and issued as such or are they mixed with local grains ?

(The Provincial/State Governments may please indicate whether the arrangements for storage, inspection at godowns, etc. of imported grains are the same as for local grains. If they are different, the variation may please be explained).

(3) *Issue to Consumers :*

(a) Please explain whether the arrangements for issue to consumers are the same as for local grains ? If there is any material difference, it may please be indicated.

(b) Are selling prices of imported grains the same as those of corresponding local grains ? Any difference between the two may be indicated and explained fully.

(c) If there are different selling prices for the same kind of imported and indigenous grains, how are these enforced and what steps are taken to prevent high priced grains being mixed with low priced grains and being passed on to consumers by retailers at the higher price ?

(4) *Gunnies.*

The imported grain is delivered by the Govt. of India in gunny bags ; please indicate how these gunnies are used and how are they finally disposed of ? Does the Provincial/State foodgrains account receive credit for the sale-proceeds of old gunnies ?

(5) *Financial.*

(a) Do Govt. sell imported grains ;

(i) at cost price (i.e., on a no loss, no profit basis).

(ii) at subsidised rate ; or

(iii) at pooled rate (i.e., pooling of local and imported grains).

Please give full details and indicate the losses incurred or profits made by Govt. during the years 1947-48 and 1948-49.

(b) Are separate *pro forma* and other accounts maintained for transactions in connection with the procurement and distribution of imported foodgrains ? If so, please generally explain them indicating the stages at which they are subjected to internal/statutory audit. Please furnish a copy of the latest *pro forma* accounts.

(c) Please give details of the administration charges, if any, that are included in the incidental expenses and the basis on which they have been fixed. Please furnish a copy of budget expenditure for 1948-49 and 1949-50 relating to food administration.

(6) What is the suggestion of the Provincial/State Government in regard to tendering of evidence before the Committee by recognised trade or consumers' association or private persons in regard to all or any of the points mentioned in this memorandum ? Do they wish to indicate any such association or person whose evidence may be valuable to the Committee ?

(7) *Additional Questions in respect of grains imported from other areas out of locally procured foodgrains.*

(a) Please describe the arrangements for the import of foodgrains from surplus areas within the country with particular reference to the following points :—

(i) What are the f. o. r. prices charged, by the different supplying administrations for different grains ? Are the prices charged by them the same as those notified or fixed for local consumption ?

(ii) Are imports made on Government own account or by trade ? In the latter case, what arrangements exist to ensure quality and weight ? In both cases please describe fully the financial arrangements made with the supplying administrations and whether these have proved satisfactory.

(b) Please give a list of the stations at which imports were received from 1-10-48 indicating—

(i) the quantity (grainwise) received at each station ; and

(ii) the places to which these grains were subsequently despatched for consumption. Has there been any cross movement within the last two years ? If so, please give details.

APPENDIX II

Statistics of Rationed population as reported upto 31-3-1950

[Population—All figures in thousands]

S. No.	STATES.	Areas rationed.												Total popula- tion Ra- tioned	Remarks
		Statutory		Non-Statutory		Relief quota shops/ Fair Price Shops!			Controlled Distribution						
		Urban.		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural			
		No.	Pop.	Pop.	No.	Pop.	Pop.	No.	Pop.	Pop.	No.	Pop.	Pop.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Assam	12	359	..	..	..	1315*	..	..	..	..	..	**	1674	*Essential personnel. **Particulars of population under controlled distribution are awaited from Assam Govt.
2	West Bengal	10	6093†	..	..	..	910†	..	..	..	..	..	..	7003	†The decrease in rationed population is mainly due to the cancellation of a large number of ration cards at the time of revalidation. ‡The decrease is mainly due to the fact that rice and paddy are now available in the markets at moderate rates.
3	Bihar	1	223	..	20	926	803	..	..	..	..	..	..	1952	
✓4	Bombay	@148	10378	..	..	..	..	..	..	..	..	..	9000	19378	@The decrease in the number of rationed towns from 152 to 148 is due to (1) one town mainly Okhamandal has been treated as rural area and (2) four towns namely Belgaum City, Shahpur, Angol and Madhavpur-Vadgaon, have been treated as one rationed area namely Belgaum City Rationed area.

APPENDIX II—contd.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
5	Madhya Pradesh	..	..	..	3**	666	..	82	@	818†	..	..	..	1484	**Provisioning has been withdrawn in all towns except three towns namely Nagpur, Amraota and Akola. †Pop. calculated on basis of oftakes. Figures of one distt. are awaited.
6	Madras	73	5928	..	..	..	28074*	..	..	..	..	..	(B)	34002	*21.216 million population depended in Govt. Shops throughout the year and 6.858 million pop. drawing ration part of the year converted into rationed population throughout the year. (B) Madras Govt. are unable to furnish particulars of control distribution which operates in deficit pockets of surplus distts.
7	Oriasa	..	..	..	17	411	..	..	..	..	..	..	..	411	
8	East Punjab	20	1843	..	..	..	..	114	@	4846*	7	220	..	6909	*Population fed, during Jan. 1950.
9	Uttar Pradesh	53	6476	..	..	..	..	8	501†	..	..	..	476†	7453	†Includes figures for Rampur also. Pop. figures of Govt. servants, Rly. employees, their dependents and refugees in non-rationed areas.
10	Ajmer-Merwara	3	342	..	2	16	..	..	..	305	..	..	..	663	
11	Coorg	..	..	..	2	25	8	..	..	..	..	..	..	33	
12	Delhi	3	1598	57	..	..	..	..	..	129	..	..	..	1784	
13	Himachal Pradesh	..	..	..	..	..	..	15	@	291	..	..	..	291	
14	Kutch	..	..	..	4	120	..	..	..	480	..	..	..	600	
15	Andaman and Nicobar	1	11	5	..	..	..	..	..	..	..	..	..	16	
16	Mysore	4	1204	..	..	..	4521	..	..	..	..	..	..	5725	

APPENDIX II—concl'd.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
17	Travancore	5	@	5324	..	..	..	..	..	..	..	..	..	5324	
18	Cochin	1	1734	..	..	..	..	..	..	..	..	..	..	1734	
			(whole)												
19	Greater Rajasthan Union—														
	(i) Jaipur	..	..	..	11	700	..	..	..	..	..	..	900	1600	
	(ii) Jodhpur	1	268	..	..	..	..	11	@	1805	12	278	..	2351	
	(iii) Bikaner	1	147	..	..	..	..	..	..	..	20	1160	..	1307	
	(iv) Jaisalmer	..	..	..	..	..	..	..	..	93	..	..	..	93	
	(v) Former Rajasthan.	..	..	..	12	391	..	..	..	112	2	32	..	535	
20	Hyderabad (Dn.)	8	1885	416	..	..	..	..	..	..	91	@	2540	4841	
21	Madhya Bharat	2	362	..	4	545	..	40	@	1600	..	..	..	2507	
22	Jammu and Kashmir	..	..	..	23	369	..	..	..	..	..	..	..	369	
23	Saurashtra	3	425	..	..	..	..	42	@	3300	..	..	..	3725	
		349	39276	5802	98	4100	35631	312	501	13779	132	1690	12916	113764	
		45078			39800			14280			14606				

No. of towns		Population (Urban and Rural) (In thousands.)	
Under Statutory Rationing	349	45,078	
Under Non-Statutory Rationing	98	39,800	
Under Relief Quota Shops	312	14,280	
Under Controlled Distribution	132	14,606	
	891	113,764	

N. B.—@Urban population is included in Rural population.

APPENDIX III

*Rationed foodgrains as reported upto 31-3-1950 daily size and composition
(in ozs. per adult daily for children take one-half)*

S. No.	Province/State	Over- all scale of ration.	Total allow- ance in rice and wheat taken to- gether	Maximum composition								Remarks
				Rice	Wheat and its pro- ducts	Mill- etc.	Milo	Maize	Barley	Gram	Others	
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Assam—											
	1. Shillong	12	12	12	12	..	..	..	..	..	..	
	2. Dhubri	12	12	10.9	1.1	..	..	..	..	..	..	
	3. Dibrugarh	12	12	10	2	..	..	..	..	..	..	
	4. Tinsukia	12	12	10	2	..	..	..	..	..	..	
	5. Gauhati	12	12	12	12	..	..	..	..	..	..	
	6. Other places (7 towns)	1.6 to 4.5	1.6 to 4.5	..	1.6 to 4.5	..	..	..	..	..	..	
2	West Bengal—											
	(1) Calcutta Industrial Areas.—											
	(a) Rice-eaters	12	12	10.29	1.71	..	..	..	..	..	..	w.e.f. 27-3-1950.
	(b) Wheat-eaters	12	12	..	12	..	..	..	..	..	..	
	(2) Asansol and Kharagpur											
	Rice-eaters	12	12	8	4	..	..	..	..	..	..	
	Wheat-eaters	12	12	..	12	..	..	..	..	..	..	w.e.f. 19-9-1949.

APPENDIX III—contd

1	2	3	4	5	6	7	8	9	10	11	12	31
	(3) Other places—											
	Rice-eaters	12	12	9.71	2.29	..	..	..	..	..	..	w.e.f. 19-9-1949.
	Wheat-eaters	12	12	..	12	..	..	..	..	..	..	
3	Bihar—											
	1. Jamshedpur	12	12	12	12	..	..	..	..	..	..	
	2. Other places	5	5	2	4	..	..	..	..	..	..	
		to	to	to	to							
		12	12	7	12							
✓ 4	Bombay—											
	1. Greater Bombay	12	10.86	2.86	8	1.14	..	..	1.14	..	..	w.e.f. 4-12-1949.
	2. Ahmedabad	12	7.09	2.29	4.8	4.91	..	4.91	4.91	..	..	w.e.f. 28-11-49.
	3. Poona	12	8.4	2.88	5.52	3.6	..	..	3	..	..	w.e.f. 28-11-49.
	4. Sholapur	12	6	2.4	3.6	6	..	..	6	..	..	w.e.f. 3-8-49.
	5. Surat	12	4.8	1.2	3.6	7.2	..	7.2	7.2	..	..	w.e.f. 4-12-49.
	6. Nasik	12	6	2.16	3.84	6	..	6	6	..	..	w.e.f. 27-11-49.
	7. Belgaum	12	7.2	4.8	2.4	4.8	4.8	4.8	4.8	..	..	w.e.f. 30-10-49.
	8. Hubli	12	4.91	2.28	2.63	7.09	7.09	..	6.58	..	..	w.e.f. 27-11-49.
	9. Ahmednagar	12	6	1.2	4.8	6	..	..	..	..	..	w.e.f. 4-12-49.
	10. Baroda	12	8.4	2.4	6	3.6	3.6	3.6	..	..	..	w.e.f. 30-10-49.
	11. Kolhapur	12	9.25	2.39	6.86	2.75	2.75	2.75	..	..	..	w.e.f. 4-12-49.
	12. Other places	12	4.4	1.1	2.4	2.4	2.4	2.4	2.4	2.4	..	w.e.f. 1-12-49.
			to	to	to	to	to	to	to	to		
			12	7.2	8.7	7.6	7.6	7.6	7.6	7.6		
N. B.—(i) Necessary instructions have been issued allowing consumers to have wheat and coarse grains against rice.												
5	C. P.	12	12	12	12	..	12	..	..	..	..	In the provisioning rationed towns.
6	Madras				I*	II						
	Rice-eaters	12	12	8	10	12	2	2	2	..	..	w.e.f. 21-8-49
	Mixed-eaters	12	12	4	10	12	6	6	6	..	..	I. Wheat and Wheat flour (Maida)
	Millet-eaters	12	12	2	10	12	8	8	8	..	..	II. Semolina.
												*w.e.f. 29-1-1950.

N. B.—(i) Bankers bread (12 ozs.) may be issued to all card holders towards their rice and/or non-rice portion.

(ii) The taking of maize, milo, local millets, wheat, wheat-flour (Maida) and/or Semolina, is optional.

APPENDIX III—contd.

1	2	3	4	5	6	7	8	9	10	11	12	13
7 Orissa		12	12	12	12 (Nominal)							No rationing of rice in Orissa but wheat wheat products are fully rationed to wheat-eaters.
8 East Punjab		12	12	1-24	12	..	..	..	12	12	..	With effect from 15-9-1949 Maize-Bajra or its atta to the extent of one maund per card per-month subject to the availability of stocks, in addition to the usual ration.
9 U. P.—												
1. Western Districts		14	10	2	8*	..	..	4	4	4	14†	w.e.f. 1-9-49.
2. Hill Districts and Eastern Districts		14	10	4	6*	..	..	4	4	4	14†	† Mixed Atta/and/or mixture of food-grains.
(Also Bengalees, Madrasis and residents of Hills who are living in plains).												*The option of taking wheat in lieu of rice has been withdrawn from 2-2-1950.
10 Ajmer-Merwara. —												
1. Ajmer City	}											
2. Nasirabad												
3. Beawar												
4. Pankhkar												
5. Bijainagar		12	8	*	8	4	..	..	4	4	..	w.e.f. 30-1-1950.
11 Coorg		12	12	12	..	..	..	..	..	..	12*	*Rice is issued only on medical certificate.
12 Delhi—												*Ragi w.e.f. 1-4-49.
Rice-eaters		12	10	8	10	12	..	12	12	12	..	w.e.f. 24-3-50.
Wheat-eaters		12	10	1*	10	12	..	12	12	12	..	*w.e.f. 3-10-49.
Mixed-eaters		12	10	4	10	12	..	12	12	12	..	

APPENDIX III—*contd.*

1	2	3	4	5	6	7	8	9	10	11	12	13
<i>States—</i>												
1 Mysore—												
Rice-eaters	9	9	6	3	..	..	..	..	..	..	..	2 ozs. of gram per head is also being issued on an informal scale of rationing vide letter dated 30-12-49.
Mixed eaters	11.6	5.7	3.7	2	5.8	..	..	..	..	..	..	
2 Travancore	8	8	8	..	..	..	..	..	..	..	..	w.e.f. 12-3-50.
3 Cochin	8	8	8	..	..	..	..	..	..	..	..	w.e.f. 6-3-50.
4 Hyderabad (Dn.)	12	8	4	4	4	..	4	..	..	..	..	
5 Madhya Bharat Union.—												
1. Indore City	12	8	1	7	4	..	..	..	..	..	..	w.e.f. 1-2-50.
2. Dhar	12	10	2	8	2	..	..	..	..	..	..	w.e.f. 1-2-50.
3. Greater Gwalior	12	8	2	6	2	..	2	..	..	..	..	w.e.f. 1-1-50.
4. Ujjain	12	8	1	7	4	..	..	..	..	..	..	w.e.f. 1-2-50.
5. Mhow City	12	8	2	6	4	..	4	..	..	..	..	w.e.f. 1-1-50.
6. Ratlam	12	7	1	6	4	..	..	..	..	..	..	w.e.f. 1-2-50.
6 Jaipur	10.3 to 12	4 to 5.3	..	4 to 5.7	2 to 4.9	..	..	..	..	2 to 4	..	w.e.f. 1-2-50. * Rice to the extent of 2 ozs. is issued only to refugees.
7 Bikaner.	12	8	..	8	4	..	..	4	..	..	..	
8 Jodhpur State—												
1. Jodhpur City	12	8	4	8	4	..	..	4	4	..	..	w.e.f. 30-1-50.
2. Towns under C. District.	8 to 12	6	* 6	6	..	..	..	2 to 6	2 to 6	..	..	w.e.f. 30-1-50. * Rice was supplied against 4 ozs. wheat and 2 ozs. coarse grains.
9 Jaisalmer	12	12	*	12	..	..	..	..	..	..	..	* Re 1-0-0 worth of rice per head per month.

10 Saurashtra

11.7

6.3

1

5.2

2.7

2.7

..

..

..

..

w.e.f. 1-2-1950.

N.B.—Instructions have been issued to issue any other foodgrain except Bajra instead of rice to those who desire to take it.

11 Jammu and Kashmir.—

1. Jammu

12

12

4

8

..

..

..

..

..

..

*During December 1949, the scale was composed of 20½ seers of paddy and 1½ seers of atta per head per month.

2. Srinagar

*

APPENDIX III—*conold.*

Rationed foodgrains in the Relief Quota Shops as reported upto 31-3-1950

Daily size and composition (in ozs.)

S. No.	Provinces/States	Daily overall scale of ration	Wheat	Rice	Maize	Others	Remarks
1	West Bengal	7.31	0.74	6.57	..	..	
2	Bombay	12	1.2 to 3.6	0.3 to 6	..	10.5 to 7.8	
3	C. P.						No fixed scales of ration has been fixed.
4	East Punjab	12	10 to 12	..	12 to 14	2 to 12	*Rice is issued in lieu of wheat.
5	U. P.	14	10	2 to 4	4	4	
6	Ajmer-Merwara	12	..	..	..	12*	*Barley, gram.
7	Delhi	14	10	8	14	14	
8	Saurashtra	10.66	6.4	0.63	..	3.73	
9	Madhya Bharat Union	10	8 to 8	2	..	4	
10	Jodhpur	12	..	..	12	12	
11	Hyderabad	6 to 12	1.5 to 6	0.5 to 4	2	2 to 12	
12	Himachal Pradesh	10	10	..	..	..	

APPENDIX IV.

Estimate of Cereals Production in 1950 compared with actuals of last Four years.

In 000 Tons

Area/Grain	1945-46		1946-47		1947-48		1948-49		1950
	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate
1. Assam									
Rice	1,610	1,505	1,270	1,421	1,156	1,688	1,254	1,539	1,710
2. W. Bengal									
Rice	2,895	2,688	3,648	3,708	2,691	3,404	3,283	3,297	3,768
Jowar	1	1	1	1	1	1	..	..	1
Bajra	..	..	2	2	..	..	..	..	..
Maize	39	39	33	33	31	31	26	30	30
Ragi	2	2	2	2	2	2	2	2	2
Wheat	25	25	47	26	19	19	24	24	29
Barley	14	14	49	18	15	15	14	19	19
Total	2,970	2,768	3,782	3,790	2,759	3,472	3,349	3,372	3,844
3. Bihar—									
Rice	2,400	458	2,728	2,768	2,652	3,615	2,558	2,441	2,636
Jowar	19	18	18	16	16	17	18	16	17
Bajra	22	19	23	22	22	24	23	21	20
Maize	400	373	405	302	409	362	404	353	357
Ragi	139	139	126	126	142	142	135	135	139
Wheat	376	353	369	346	361	361	380	366	366
Barley	353	303	357	375	367	367	383	381	381
Total	3,709	3,723	4,024	3,955	3,969	3,888	3,901	3,713	3,916
4. Orissa—									
Rice	2,229	2,123(a)	2,249	2,230(a)	2,189	2,146(a)	2,145	2,187(a)	2,044
Jowar	8	8	..	9	7	7	7	7	7
Bajra	..	1	1	1	1	1	1	1	1
Maize	7	7	6	6	6	6	5	6	6
Ragi	60	60	61	61	59	59	58	58	59
Small Millets	75	75	75	75	75	75	75	75	75
Wheat	1	2	1	2	2	2	1	2	1
Barley	..	..	..	..	..	..	..	..	..
Total	2,381	2,276	2,393	2,394	2,339	2,296	2,292	2,336	2,192
5. Madras—									
Rice	4,884	4,258	4,955	4,931	4,766	4,344	4,397	4,217	4,741
Jowar	1,271	917	1,237	894	1,103	957	873	992	982
Bajra	670	492	683	517	557	481	421	465	448
Maize	29	16	28	19	22	20	12	19	12
Ragi	546	546	664	664	588	588	572	572	500
Small Millets	998	768	768	768	768	768	768	768	768
Wheat	..	..	..	..	..	..	..	..	..
Barley	..	..	..	..	..	..	..	..	..
Total	8,398	6,992	8,185	7,793	7,804	7,158	7,043	7,033	7,303

127.
APPENDIX IV—contd

(In '000 Tons)

Area/Grains	1945-46		1946-47		1947-48		1948-49		1950
	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate
6. Bombay—									
Rice	1,017	1,146	1,040	1,166	857	1,072	791	844	804
Jowar	815	1,209	1,326	1,406	1,300	1,622	1,113	1,411	1,392
Bajra	525	501	553	591	553	707	444	563	546
Maize	35	45	31	72	57	143	110	114	134
Ragi	166	166	173	173	90	179	189	189	202
Small Millets	181	181	181	181	181	181	181	181	178
Wheat	273	363	151	159	344	337	274	202	281
Barley	3	2	2	6	3	3	3	4	3
Total	3,015	36,10	3,457	3,753	3,390	4,244	3,105	3,508	3,540
7. C.P.—									
Rice	2,175	2,161	2,054	1,823	2,102	2,304	2,039	2,062	2,175
Jowar	1,186	1,019	974	826	1,017	1,200	960	738	1,003
Bajra	20	20	14	16	25	23	21	15	16
Maize	42	43	37	43	35	62	68	65	64
Ragi	1	1	3	1	3	3	3	3	3
S. Millets	145	145	145	145	145	145	145	145	145
Wheat	482	444	176	114	268	268	337	409	395
Barley	3	3	3	3	8	8	3	9	399
Total	4,054	3,886	3,406	2,971	3,603	4,013	3,626	3,446	3,859
8. U.P.									
Rice	1,713	1,862	1,485	1,808	1,535	1,990	1,822	2,374	2,412
Jowar	451	569	454	427	395	506	256	263	305
Bajra	488	557	532	474	423	509	293	339	432
Maize	879	975	703	756	440	750	222	478	505
Ragi	21	21	14	14	17	17	9	9	15
S. Millets	306	306	306	306	306	306	306	306	306
Wheat	1,897	2,329	2,848	2,363	2,641	2,641	2,502	2,333	2,311
Barley	1,038	1,466	1,431	1,676	1,735	1,726	1,547	1,412	1,501
Total	6,823	8,085	7,773	7,829	7,492	8,445	6,962	7,514	7,937
9. East Punjab—									
Rice	115	115	127	127	122	95	123	100	140
Jowar	54	45	50	53	48	56	36	63	55
Bajra	326	307	236	216	265	203	161	260	180
Maize	350	300	340	332	320	262	273	254	260
Ragi	..	3	..	3	..	..	..	..	..
Wheat	1,055	1,066	1,019	1,019	820	820	1,044	980	950
Barley	106	106	114	111	113	113	113	114	114
Total	2,006	1,932	1,886	1,861	1,688	1,549	1,765	1,771	1,699

APPENDIX IV—*contd.*

(In 009 Tons)

Area/Grain	1945—46		1946—47		1947—48		1948—49		1950
	Plan Estimate	Final Estimate	Plan Estimate	Final Estimate	Plan Estimate	Final Estimate	Plan Estimate	Final Estimate	Plan Estimate
10. Ajmer									
Jowar	6	3	4	6	6	7	1	1	3
Bajra	2	1	1	2	2	3	1	1	1
Maize	6	7	8	10	9	11	3	8	4
Wheat	5	7	7	8	7	7	9	9	4
Barley	2	14	15	17	20	20	17	10	7
Total	21	32	35	43	44	48	31	29	19
11. Bhopal									
Wheat	..	45	..	8	..	33	..	69	..
Rice	9	5	6	6	4	4	7	7	7
Maize	..	1	1	1	2	2	2	2	3
Jowar	18	14	15	15	24	24	14	31	27
Total	25	65	22	30	30	63	28	109	37
12. Coorg—									
Rice	46	43	41	41	35	34	40	44	40
Ragi	1	1	1	1	1	..	1	..	1
Total	47	44	42	42	36	34	41	44	41
13. Cooh-Bihar									
Rice	69	69	69	69	69	69	69	69	69
14. Delhi—									
Jowar	4	6	5	5	5	5	7	4	5
Bajra	15	12	12	12	9	9	19	5	5
Maize	1	1	..	..	..	..	..	..	2
Wheat	10	12	9	11	10	10	10	11	12
Total	33	35	27	32	25	25	40	21	29
15. Kutch									
Jowar	8	8	7	7	9	5	1	..	7
Bajra	26	25	22	21	9	8	4	5	16
Wheat	3	7	7	2	6	6	4	6	7
Barley	..	..	1	1	1	1	1	1	1
Total	37	40	37	31	25	20	10	12	31
16. Himachal									
Rice	29	32	29	32	29	32	24	32	14
Millers	6	..	5	..	4	4	6	6	2
Maize	73	85*	95	95	48	65	71	71	45
Wheat	72	50	88	55	90	60	87	57	56
Barley	29	47*	18	3	19	19	18	18	29
Total	209	214	235	185	190	180	208	184	148

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APPENDIX IV—contd.

(In '000 Tons)

Area/Grain	1945-46		1946-47		1947-48		1948-49		1950
	Plan Estimate	Final Estimate	Plan Estimate	Final Estimate	Plan Estimate	Final Estimate	Plan Estimate	Final Estimate	Plan Estimate
17. Manipur—									
Rice	75	..	75	..	75	..	75	..	75
18. Tripura—									
Rice	245	..	245	..	245	..	245	..	245
19. Hyderabad—									
Rice	408	480	345	489	459	450	296	340	321
Jowar	917	899	863	935	888	865	726	618	761
Bajra	105	92	65	81	119	73	60	87	66
Maize	31	28	23	36	34	54	29	34	27
Ragi	32	32	9	9	11	11	9	10	12
S. Millets	95	95	95	95	95	95	95	95	64
Wheat	52	52	2	5	20	20	45	14	69
Barley	..	1	1	1	1	1	1	2	1
Total	1,840	1,679	1,403	1,651	1,627	1,578	1,261	1,200	1,321
20. Kashmir—									
Rice	325	325	325	325	325	325	325	325	325
Jowar	3	3	3	3	3	3	3	3	3
Bajra	46	46	46	46	46	46	46	46	46
Maize	301	301	301	301	301	301	301	301	301
S. Millets	9	9	9	9	9	9	9	9	9
Wheat	176	176	176	176	176	176	176	176	176
Barley	36	36	36	36	36	36	36	36	36
Total	896	896	896	896	896	896	896	896	896
21. Mysore—									
Rice	219	193	241	295	270	253	234	244	234
Jowar	54	61	61	87	67	92	49	81	48
Bajra	2	2	12	10	6	6	6	6	..
Ragi	259	259	426	426	450	450	324	372	405
S. Millets	35	35	35	35	35	35	35	35	38
Total	569	550	775	853	828	836	648	738	725
22. PEPSU—									
Rice	30	†	32	†	32	†	7	†	17
Jowar	32	6	9	9	3	7	7	7	13
Bajra	117	110	108	108	90	90	48	48	67
Maize	105	†	68	68	49	49	59	59	61
Wheat	274	240	261	251	228	218	272	262	274
Barley	45	†	48	20	47	47	37	37	45
Total	603	565	526	456	449	411	430	413	477

APPENDIX IV—*contd.*

(In '000 Tons)

Area/Grain	1945-46		1946-47		1947-48		1948-49		1950
	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate
23. Rajasthan—									
Rice	18	18	18	18	18	18	15	18	10
Jowar	151	144	178	120	148	148	110	152	80
Bajra	388	377	531	355	320	374	228	260	200
Maize	98	91	239	211	171	211	122	188	60
Wheat	396	367	300	214	262	262	362	305	250
Barley	201	130	309	121	178	178	167	146	150
Total	1,252	1,127	1,575	1,030	1,097	1,191	1,004	1,069	750
24. Madhya Bharat—									
Rice	40	65‡	40	65‡	40	65‡	40	65‡	40
Jowar	464	445	369	369	346	346	500	271	425
Bajra	64	68	79	79	66	66	37	37	75
Maize	61	60	54	54	93	98	76	76	100
Wheat	494	460	116	119	172	172	267	267	300
Barley	29	67	23	23	30	30	47	47	47
Total	1,152	1,160	681	709	747	772	967	763	987
25. Vindhya Pradesh—									
Rice	170	*	170	*	170	*	170	‡	160
Jowar	50	69	42	42	42	42	27	27	40
Bajra	2	3	2	2	2	2	1	1	2
Maize	10	9	8	8	7	7	6	6	8
Wheat	42	57	47	45	91	91	74	74	123
Barley	24	‡	18	36	75	75	65	65	65
Total	298	138	287	133	387	217	343	173	393
26. Saurashtra—									
Rice	14	38	20	34	9	17	1	8	11
Jowar	57	95	53	65	50	61	2	107	93
Bajra	200	227	169	161	80	188	11	136	174
Wheat	59	89	48	33	63	63	27	27	94
Barley	..	..	..	..	..	..	..	..	..
Total	330	449	290	293	202	320	41	278	372
27. Travancore-Cochin—									
Rice	255	332	293	332	294	332	273	332	273
Maize	..	2	..	2	..	2	..	2	..
Total	255	334	293	334	294	334	273	334	273
28. Bilaspur—									
Wheat	5	3	6	5	4	4	2	2	5
Barley	..	..	..	..	..	..	..	..	..
Total	5	5	6	5	4	4	2	2	5

APPENDIX IV—concl'd.

(In 000 Tons)

Area/Grain	1945-46		1946-47		1947-48		1948-49		1950
	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate	Final Esti- mate	Plan Esti- mate
<i>Grand Total:—</i>									
Rice	20,990	19,892	21,408	21,069	20,144	21,247	20,288	20,626	22,266
Jowar	5,567	5,539	5,669	5,295	5,478	5,971	4,710	4,792	5,327
Bajra	3,019	2,855	3,041	2,716	2,600	2,813	1,830	2,296	2,344
Maize	2,467	2,383	2,380	2,349	2,034	2,431	1,794	2,066	1,979
Ragi	1,227	1,229	1,479	1,480	1,363	1,455	1,302	1,356	1,337
S. Millets	1,850	1,614	1,619	1,614	1,618	1,614	1,620	1,614	1,437
Wheat	5,742	6,134	5,685	4,971	5,617	5,570	5,966	5,595	5,754
Barley	1,916	2,253	2,426	2,450	2,649	2,640	2,461	2,302	2,413
Total	42,778	41,889	43,702	42,544	41,503	43,741	39,971	40,547	42,857

*Including figures for pepsu.

†Included with Himachal Pradesh.

‡Including figures for Vindhya Pradesh.

§Included with Madhya Bharat.

(a) Including figures for Tripura State.

APPENDIX V

Statement Showing Estimates of procurement during 1950 as compared with actuals in previous years.

(In '000 Tons)

Province/State	1946	1947	1948	1949	1950
					Target.
1. Assam :					
Rice	118	119	106	168	290
2. W. Bengal :					
Rice	397	447	463	438	506
3. Bihar :					
Rice	107	97	53	45	60
Wheat	7	3	..	..	..
Others	4	..	..	..	..
Total	✓ 118	100	53	45	✓ 60
4. Orissa :					
Rice	143	132	177	168	150
5. Madras :					
Rice	1,297	1,566	1,001	1,326	1,500
Others	14	111	12	81	100
Total	1,311	1,677	1,023	1,407	1,600
6. Bombay :					
Rice	193	129	12	197	190
Wheat	86	17	1	32	78
Others	178	224	3	327	332
Total	457	370	16	556	600
7. C. P & Berar :					
Rice	322	341	210	236	240
Wheat	31	..	2	5	5
Others	✓ 42	..	17	1	✓ 2
Total	✓ 395	341	229	242	✓ 247

APPENDIX V—*contd.*

Province/State.	1946	1947	1948	1949	1950
					Target.
8. U. P. :					
Rice	103	88	84	128	155
Wheat	240	229	..	151	175
Others	119	84	1	42	101
Total	462	401	85	321	431
9. East Punjab :					
Rice	12	6	6	26	28
Wheat	94	47	46	202	136
Others	28	14	15	48	45
Total	134	67	67	276	209
10. Ajmer :					
Others	..	..	..	1	6
11. Bhopal :					
Others	..	..	..	..	5
12. Coorg :					
Rice	12	13	8	14	11
13. Coochoechar :					
Rice	..	..	..	..	6
14. Kutch :					
Wheat	..	..	..	..	2
Others	..	..	..	3	7
Total	..	..	..	3	9
15. Himachal Pradesh :					
Wheat	..	..	..	..	1
Others	..	..	..	..	1
Total	..	..	..	..	2

APPENDIX V—*contd.*

(In 000 Tons)

Province/State	1946	1947	1948	1949	1950
					Target.
16. Hyderabad :					
Rice	60	74	60	77	114
Wheat	18	27	2	1	10
Others	76	160	95	116	122
Total	154	261	157	194	246
17. Kashmir :					
Rice	..	..	..	58	4
18. Mysore :					
Rice	64	87	77	73	90
Others	5	6	1	25	45
Total	69	93	78	98	135
19. Pepsu :					
Rice	..	..	..	..	2
Wheat	1	16	5	12	25
Others	31	13	16	47	30
Total	32	29	21	59	57
20. Rajasthan :					
Rice	..	..	..	..	2
Wheat	..	..	..	15	60
Others	..	..	..	118	183
Total	..	..	..	133	245
21. Madhya Bharat :					
Rice	..	..	..	6	4
Wheat	5	1	2	79	73
Others	12	1	6	38	62
Total	17	2	8	123	139
22. Vindhya Pradesh :					
Rice	4	..	14	12	16
Wheat	..	..	..	..	2
Others	..	..	..	..	1
Total	4	..	14	12	19

APPENDIX V—*contd.*

(in 000 tons)

Province/State	1946	1947	1948	1949	1950
					Target
23. Saurashtra :					
Rice	..	..	..	2	5
Wheat	..	..	..	6	12
Others	..	..	..	18	45
Total	..	..	..	26	62
24. Travancore-Cochin					
Rice	62	83	70	75	90

APPENDIX VI

Statement showing Inter-State exports and imports during 1950 as compared to previous years.

(In '000 Tons)

Province/State	1946	1947	1948	1949	1950 (ceiling quota)
(1)	(2)	(3)	(4)	(5)	(6)
1. Assam :					
Rice	—56	—24	1		—118
Wheat	16	10	17	18	+18
Total	—40	—14	18	18	
2. West Bengal :					
Rice	39	62	92	92	} +250
Wheat	211	110	147	239	
Others	23	61	59	67	
Total	273	233	298	398	
3. Bihar :					
Rice	29	87	33	28	} +40
Wheat	65	31	60	85	
Others	68	27	11	..	
Total	152	145	104	113	
4. Orissa :					
Rice	—116	—132	—148	—121	—134
Wheat	3	6	6	7	+9
Total	—113	—126	—142	—114	
5. Madras :					
Rice	260	110	274	114	} +300
Wheat	—262	14	58	118	
Others	138	53	201	125	
Total	660	177	533	357	
6. Bombay :					
Rice	148	150	254	190	} +500
Wheat	337	219	294	513	
Others	256	258	239	346	
Total	741	627	787	1,049	

APPENDIX VI—*contd.*

(In '000 Tons)

Province/State	1946	1947	1948	1949	1950
7. C. P. & Berar :					
Rice	—189	—88	—159	—70	—250
Wheat	48	61	54	54	
Others	..	—145	—14	46	
Total	—141	—118	—119	30	
8. U. P. :					
Rice	24	43	2	—33	—195
Wheat	89	25	118	323	+142
Others	67	82	17	—1	
Total	180	150	137	289	
9. East Punjab :					
Rice	..	..	..	—2	—30
Wheat	75	75	80	68	
Others	..	..	..	—14	
Total	75	75	80	52	
10. Ajmer-Merwara :					
Rice	1	3	3	3	} +50
Wheat	18	17	18	25	
Others	5	7	2	9	
Total	24	27	23	37	
11. Bhopal :					
Others	..	..	..	..	—10
12. Coorg :					
Rice	—12	—13	—8	—14	—10
13. Delhi :					
Rice	12	22	14	15	} +180
Wheat	91	63	106	145	
Others	11	24	11	1	
Total	114	109	131	161	

APPENDIX VI—Contd.

(In '000 Tons.)

Province/State	1946	1947	1948	1949	1950
14. Kutch :					
Rice	2	3	6	2	} +18
Wheat	1	1	8	17	
Others	..	11	20	14	
Total	3	15	34	33	
15. Himachal Pradesh :					
Wheat	3	1	1	5	+4
16. Hyderabad :					
Rice	3	31	6	36	} +85
Wheat	4	27	15	60	
Others	—39	36	7	4	
Total	—32	94	28	100	
17. Kashmir :					
Rice	..	2	3	9	} +20
Wheat	13	5	16	40	
Others	1	1	..	4	
Total	14	8	19	53	
18. Mysore :					
Rice	79	28	40	52	} +75
Wheat	63	11	19	49	
Others	73	36	12	30	
Total	215	75	71	131	
19. Pepsu :					
Wheat	—1	—15	—5	—11	} —70
Others	—31	—13	—16	—39	
Total	—32	—28	—21	—50	
20. Rajasthan :					
Rice	1	3	4	4	} +50
Wheat	26	19	32	50	
Others	—12	10	8	37	
Total	—15	32	44	91	

APPENDIX VI—Contd.

Province/State	1946	1947	1948	1949	1950
21. Madhya Bharat :					
Rice	1	9	7	3	} —15
Wheat	2	14	24	8	
Others	—19	18	..	5	
Total	—16	41	31	16	
22. Vindhya Pradesh :					
Rice	—4	..	—14	—16	} —15
Others	..	..	..	—1	
Total	—4	..	—14	—17	
23. Saurashtra :					
Rice	11	8	17	16	} +25
Wheat	38	14	52	73	
Others	17	61	42	52	
Total	66	83	111	141	
24. Travancore-Cochin :					
Rice	303	306	321	313	} +300
Wheat	70	27	28	33	
Others	18	2	22	..	
Total	391	335	371	346	
25. Defence, Collieries, etc. :					
Rice	130	80	104	106	} +230
Wheat	180	102	116	111	
Others	8	10	11	8	
Total	318	192	231	225	
GRAND TOTAL					
Rice	{ —377 1,043	—257 947	—329 1,181	—256 983	
Wheat	{ —1 1,605	—15 852	—5 1,269	—11 2,041	
Others	{ —101 685	—13 842	—30 662	—55 748	
Total	{ —479 3,333	—285 2,641	—364 3,112	—322 3,772	

Note:—"—"—Indicates Exports.