

Organization and Management of Food Corporation of India

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Abstract : *Food problem is one of the most serious problems in India, The problems has remained unsolved in India not for one or two years but for decades and has been daunting our country since long time. Even after 70 years of planned development, food is a serious concern of millions of Indians.*

Though food problem in India is the result of many social, economic and political factors, its aggravation and continuous persistence can be attributed to the absence of proper food policy. The gravity of the food problem has never been realised in true sense except at times of serious crisis. The Government has never followed a proper food policy, which included the reorganisation of agriculture and other related measures.

After Independence the National Government tried to solve the food problem with reinforced controls and rationing. The distribution of food grains on largescale was also resorted to supply them at reasonable prices. In addition to this, several measures were adopted to provide food security which failed measurably.

It was in the above background that the Government of India finally decided in 1964 to setup the Food Corporation of India (F.C.I), on November 20th 1964. The then ministry of Food and Agriculture moved in the Parliament a "Bill to provide for the establishment of Food Corporation for the purpose of trading in food stuffs and for matters connected¹ there with and incidental thereto."

The objectives and reasons attached to the bill made it clear that the underlying idea in setting up a State Agency was that it would function in a commercial manner in buying and selling food grains, so that the producer will be able to obtain the minimum price that may be announced from time to time and the consumer is protected from the vagaries of speculative trade. The statement of objectives and reasons further states that "the Agency will also be used to buildup gradually the buffer stocks and that the Corporation will be encouraged to function generally as an autonomous organisation working on commercial lines."²

ORGANISATIONAL STRUCTURE :

BOARD OF DIRECTORS :

The management of the affairs and running the business of the Food Corporation of India will be in the hands of the Board of Directors appointed by the Central Government. The Board of Directors will discharge its functions taking into consideration the interest of the producer as well as the consumer and conduct the affairs of the organisation on business principles. It may also receive from time to time instructions from the Central Government on questions of policy. In case of any doubt as to whether a question is or is not a question

of policy, the decision of the Central Government thereon shall be final. The Board of Directors of the Corporation shall consist of the following members, viz.³

- a. Chairman
- b. Three Directors to represent respectively the Ministries of Central Government dealing with 1. Food 2. Finance 3.Co-operation.
- c. The Managing Director of Central Warehousing Corporation (C.W.C.)
- d. A Managing Director
- e. Six other Directors

All the above Directors are appointed by the Central Government except the Managing Director of the C.W.C., who by virtue of his posting as Managing Director of C.W.C., will be one of the Directors of the Board.

The Chairman will normally preside over the Board meetings and in his absence any other Director elected by the Directors present will preside. All questions, which come up before the Board meeting will be decided by a majority vote of the Directors present and in the event of equality of votes, the Chairman or the person presiding will exercise a second or casting vote.

A person shall be disqualified for being appointed as the Director of the Corporation.

- a. if he has been adjudicated Insolvent or
- b. is of unsound mind or
- c. convicted by any offence involving of moral turpitude or
- d. has been dismissed from the services of the Government or Corporation owned or controlled by the Government.

TERMS OF OFFICE OF CHAIRMAN, MANAGING DIRECTOR, AND OTHER DIRECTORS :

The term of office of the Chairman shall be three years from the date of assumption of office as Chairman. The term of office of Managing Director and of a Director not being an officer of the Government shall be three years from the date of assumption of office by such Managing Director or Director as the case may be.

A Director, being an officer of the Government shall hold office during the pleasure of the Central Government. All the outgoing Chairman, Managing Director or other Directors shall be eligible for reappointment.

In the event of the occurrence of any vacancy in the office of a Director by reason of his death, resignation, removal, or otherwise, the Central Government may appoint another person in his place and the person so appointed shall hold office only so long as the Director whose place he fills would have been entitled to hold office, if the vacancy had not occurred. Provided that no casual vacancy occurring within three months of the date of expiry of the normal term of office of a Director shall be filled under this rule. Any

member of the Board of Directors of the Corporation or a Committee thereof, who has any direct or indirect pecuniary interest in any matter coming-up for consideration at any of the Board or Committee meeting shall not take any part in any deliberations or decisions of the Board or Committee with respect of the matter.⁴

EXECUTIVE COMMITTEE :

The Board of Directors constitute an Executive Committee, which consist of :⁵

- (a) Chairman of the Board
- (b) Managing Director
- (c) Three Directors of whom one will be a non-official.

The executive committee will be competent to deal with any matter within the competence of the Corporation subject to the general control, direction and superintendence of the Board of Directors. The Chairman of the F.C.I. will be the Chairman of the Executive Committee also.

ORGANISATIONAL SET UP OF FOOD CORPORATION OP INDIA :

The F.C.I. will have to function on commercial lines, broadly with the following set up.⁶

1. HEAD OFFICE : It was first setup in Madras in 1965 and was subsequently shifted to New Delhi, in 1967.
2. ZONAL OFFICES : The entire country was divided into four zones and four zonal offices one each for the North, South, East and West Zones were set up. The North zone has its headquarters at New Delhi, South at Madras, East at Calcutta and West at Bombay respectively.

The zonal setup came into being only in 1967. The North Zone consists of the states of Uttar Pradesh, Punjab, Haryana, Himachal Pradesh and Jammu and Kashmir. The South Zone comprises of the States Andhra Pradesh, Tamil Nadu, Karnataka, Kerala and Union Territory of Pondicherry. The East Zone comprises the States of Orissa, West Benga, Bihar, Assam and North East Frontier provinces like Meghalaya etc.

The West Zone spreads over Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Goa and Union Territory of Diu, Daman.

REGIONAL SETUP :

Each state has been made as a Region with a Regional office at the headquarters of the State with jurisdiction generally corresponding to the territorial jurisdiction of the State.

DISTRICT SETUP :

Each State {Region} has been divided into number of F.C.I. districts. The F.C.I. districts are different from revenue districts in each state. The setup and functions of the Head office, Zonal offices, Regional offices, District offices and Depots and Port offices are briefly stated below:

HEAD OFFICE :

The Board of Directors will guide the activities of Corporation with the Chairman at its head. The Managing Director as the Chief Executive of the Corporation and also the Secretary have their offices in the Head office. The Head office lays down broad policy decisions and directions etc. to be followed by all subordinate offices of the F.C.I. It will directly be incharge of the preparation of the consolidated budget of the Corporation with its complete breakup among various subordinate offices and will maintain a scrupulous watch over the expenditure against appropriations. It will have to collect market intelligence, statistical information etc, study, analyse and formulate its policies for the purpose of issuing suitable directives to subordinate offices to ensure that the activities of the Corporation proceed on proper lines.

There are several Heads of Department in the Head office at Delhi such as Commercial Manager, Secretary, Financial Adviser, Manager (imports), Manager (Planning and Research), Manager (Engineering), Manager (Quality Control), Chief traffic Manager etc. All these Senior Heads assist the Managing Director in the execution of the policies of the Corporation and in the day to-day working of the Corporation.

ZONAL OFFICE :

The zonal offices are constituted at Delhi for North at Madras for South, at Calcutta for East and at Bombay for west Zones respectively. Zonal Manager will be either an IAS/IPS officer drawn from one of the states in the zone or an officer of the Corporation itself. The Zonal Manager is primarily responsible for the supervision and control of all the Regional offices in the Zone and will act in close liaison with the state governments through the Regional Managers, The Zonal Manager will issue directions to Regional Managers regarding purchases of foodgrains to be stored in the respective regions. In order to assess the satisfactory working of the various regions, the Zonal Manager will conduct a detailed inspection at least once in a year. The Zonal Manager has been delegated with powers like settling of contracts, write-off the storage losses etc., and to exercise original and appellate jurisdiction in respect of disciplinary matters pertaining to the employees of the F.C.I. The Zonal Manager convenes the regional Managers' Conference periodically to get a first hand picture of the working of the Corporation in all the regions and to lay-down guidelines for the most efficient working of the Regional, District offices etc.⁷

The Zonal Manager exercises his powers and supervises the operations of the Corporation in the zone with the assistance of a Deputy/Asst.

Financial Adviser, Joint Managers and Deputy Managers etc.. They Deputy Financial Adviser will be incharge of budgetory control and consolidation of accounts for submission to Head office.

The Zonal Manager also issues instructions to Regional, District offices regarding issue of fertilizers to State Governments, private parties, quantity of wheat to be issued to flour mills, movement of rice, sugar etc. to various Depots. On the portsido the Zonal Manager finalises shipping claims and time sheets in respect of despatches/demurrages of a chartered vessel.⁸

REGIONAL OFFICES :

There are 22 Regional offices of P.C.I. covering the entire country. Except in few cases, a State has been made as a region. The regional offices are headed by Regional Managers who are either I.A.S. officers drawn from the cadre of the states in which the regional offices are situated or suitable officers of the Corporation. The regional manager is mainly responsible for the supervision and control of District offices and Depots, offices setup for direct purchases and for clearance work at ports located within the jurisdiction of his region. He conducts periodical inspection of all District offices and Depots under his control and submit a report based on his inspection to zonal office. This should be done atleast once in a year. The Regional Manager is vested with powers to settle contracts, write off storage losses upto certain limits and will exercise original and appellate jurisdiction regarding disciplinary matters of the employees as may be prescribed from time to time.

As in the case of Zonal Manager, the functions of a Regional

Manager are also primarily of supervisory in nature. He is generally assisted in the regional set up by a Deputy Manager to deal with establishment, procurement matters, working of rice mills etc., and by a Deputy Manager (Accounts) for budget, finance and other accounts matters and other officers. The accounts officers will be incharge of budgetary control and consolidation of all Depot stock accounts. The periodical verification of all the stocks in the region must be done methodically and completely and a copy sent to Zonal and Head offices. This will be in addition to the physical verification done by Zonal squad occasionally.

DISTRICT OFFICE :

Administrative point of view every Region (State) has been divided into number of F.C.I. districts. F.C.I. districts are different from revenue districts in a state. In every Region the F.C.I. districts are correspondingly less than the revenue districts. The reason is that some districts are clubbed together to form one F.C.I. district basing on the surplus or deficit nature of the district in food-grain production.

The District office is headed by a District Manager who will be normally a permanent employee of the Corporation, though in some cases officers from private and public sector or from local State Government are taken on a deputation for a limited period.

The District Manager being a field officer incharge of all operations of the Corporation within the limits of his jurisdiction, is a very responsible officer of the Corporation. So it is on his efficient functioning that the success of the Corporation in various spheres of work,

such as purchase operations, clearance work at ports, storage depots etc., depends. He should be a very tactful person and should maintain cordial relations with the senior officers of the local State Government in Food Department, Civil Supplies Commissioner or Director of Civil Supplies, Collectors etc. In order to ensure that the procurement operation of the Corporation are carried on smoothly and the targets are reached within the stipulated time.⁹

The District Manager will exercise such original, administrative and financial powers as are delegated to him. In addition to being incharge of the purchase operations in the District he will also be responsible for the movement of the stocks of foodgrains to the Depots and their proper maintenance. He will also exercise such administrative and disciplinary powers over the staff employed under him as per the powers delegated to him. Payment to purchases, all collections from sales bills for service rendered will be settled in the District Office.

For the proper discharge of duties in the District office setup, the District Manager will be assisted by Asst. Managers to deal with the establishment, procurement matters, accounts, quality control, storage, contracts etc.

STORAGE DEPOTS :

All the foodgrains acquired will be stored in the Depots, F.C.I. has its own Depots throughout the country. Storage Depot in a cluster of godowns located at a place. Storage of foodgrains is a vital aspect in the foodgrains trade. The staffs of the Depots maintain proper accounts of receipt and issue of foodgrains quality control over the stocks and release the stocks whenever they are required under the orders of Regional District Manager. The Depots will be under the control of Asst. Managers. He will be assisted by office staff and quality inspectors.

Balance Sheet

The Food Corporation of India (F.C.I.) came into being on January 1, 1965. Since then, foodgrain trade in the public sector gradually passed into the hands of F.C.I. The Corporation inherited the then existing physical facilities and personnel of the erstwhile Department of food. The F.C.I. is now a principal, autonomous agency of the Government of India for handling procurement, imports, storage, movement and distribution of food grains and for implementing the national food policy. It carries out these functions through its own network and also makes Use of the services of other agencies of the State or Central government agencies.

Some of the State Governments have, in turn, setup their own corporations which act as agents to F.C.I. for procurement and are responsible to the respective State Governments for internal distribution. Besides these corporations, Food departments and Co-operatives, there are other Public organisations such as the Central and State Ware-housing corporations which also handle the work of storage and movement of foodgrains on behalf of F.C.I. The foodgrain trade by States, thus comprises not only F.C.I. but also other agencies whose network is also fairly widespread. The F.C.I. is thus assigned the responsibility of foodgrain trade on behalf of Central Government. The Corporation has been trying to implement the basic food policy of the government, which aims at the protection of both producer and consumer.

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