

Chapter 8 Storage

8.1. Delay in lifting and distribution of foodgrains due to non- operation of FSD operated by FCI

The foodgrains allocated by GOI were initially stored in FCI godown in Dimapur which were then transported to the five Food Storage Depots (FSD) located at Dimapur (2 depots), Mokokchung, Tuensang and Mon. Out of the five Depots operated by FCI in the State, only two Depots with a storage capacity of 15500 MT located at Dimapur were operational and the remaining three depots were closed since last 10 years. Though FCI operationalised 3 closed FSDs since November 2009, scrutiny revealed that only 500.45 MT BPL rice were lifted from FSD Tuensang and distributed till March 2011 and the remaining 1162.51MT foodgrains were lifted from FSD, Dimapur. Since the FSD Tuensang was not operational, the stockist in the vicinity of Tuensang had to lift the allotted foodgrains directly from FSD Dimapur resulting in delay in lifting and subsequent distribution to the beneficiaries as discussed in paragraph 7.2.

8.2. Performance of godowns operated by the State

As per records made available to audit, there were 81 departmental godowns with storage capacity of 10550 MT as of March 2005 out of which 30 godowns with storage capacity of 3250 MT were reported as non-functional.

Scrutiny revealed that during April 2005 to March 2011, the Department renovated 11 godowns with storage capacity of 550 MT at a cost of ₹31.46 lakh. Further six new godowns (capacity-200 MT) were constructed at a cost of ₹80.58 lakh and construction of one godown was under progress (₹18.39 lakh). The Department further, reported that 16 godowns (900 MT) were non-functional from April 2005 due to deterioration of the building. Thus, there were only 50 functional godowns in the State with storage capacity of 7150 MT as of March 2011. In addition, the Department hired three private godowns (150 MT) on rent. Details are as given below:-

Table No. 8.1

Particulars	Quantity	Capacity
No. of godowns operated by the State (as of March 2005)	81	10550 MT
No. of non-functional godowns (as of March 2005)	26	3050 MT
Godowns in dilapidated conditions(as of March 2005)	04	200 MT
No. of godowns renovated during last five years	11	550 MT
No. of godowns constructed during last six years (completed)	06	300 MT
No. of godowns under construction	01	50 MT
No. of godowns which became non operational during 2005-11	16	900 MT
No. of godowns occupied on rent	03	150 MT
No. of godown with functional status (including rented)	53	7300 MT

(Source: Departmental figures)

As per the off-take status obtained from FCI, Dimapur, the Department was lifting an average of 11774 MT foodgrains in a month against the total storage capacity of 7300 MT. Inadequate storage capacity of 4474 MT with the Department point towards the

chances of pilferage of 4474 MT of foodgrains on monthly basis and also deterioration of foodgrains.

Photographs showing the performance of two district godowns out of four test checked districts are depicted below:

District godown (50 MT) at Peren (*Photograph dated 22.7.2011*)



District godown (100MT) at Tuensang (*Photograph dated 29.6.2011*)



As could be seen from the photographs above, the infrastructure of the godowns at Peren and Tuensang was poor.

Department accepted the facts (November 2011) in the exit conference.

8.3 Storage of foodgrains at private godowns operated by the State stockist

According to PDS Control Order, the Department was responsible for the safe custody and storage of foodgrains. Scrutiny of the joint inspection reports of the FCI and the F&CS Department revealed that the appointed State stockist stores the foodgrains in their private godowns instead of storing in the Department owned 500 MT capacity godown within the premises of the Directorate office at Dimapur which remained empty and idle during the period covered in audit. By not adhering to the PDS Control Order of management of foodgrains, the Department extended undue benefit and created a scope for mismanagement and malpractice by the stockists. The photograph below depicts the

idle status of the departmental state godown at Dimapur. The impact in this regard is discussed in paragraph 7.7.1 & 7.8 of chapter 7.

Departmental State godown (500MT) at Dimapur *Photograph dated 25.7.2011*



While accepting the facts (December 2011) the Department stated that the godown was reserved for storage of Annapurna rice. The Department reply was not satisfactory as average monthly lifting of Annapurna rice was only 67.27 MT and thus the facility had remained idle.

8.4. Non-utilisation of CSS funds by GON

To enhance the storage capacity of godowns in the State, GOI sanctioned (February 1997) and released ₹60 lakh (loan component ₹30 lakh and subsidy ₹30 lakh) for construction of 17 godowns during 1996-97. The Department could not utilise the funds of ₹30 lakh sanctioned by GOI till 2009-10. Therefore, the Ministry of Consumer Affairs, GOI issued an order (August 2009) to refund the unutilised CSS fund of ₹30 lakh with penal interest of ₹36.25 lakh. In compliance with the directive of the Ministry of Consumers Affairs, the Department refunded (February 2010) the entire amount of ₹66.25 lakh to the Ministry.

Though the storage capacity in the State was not sufficient, the Department could not utilise the funds provided by GOI for enhancing the storage capacity and had to pay the penal interest of ₹36.25 lakh.

The Department accepted the facts (November 2011) in the exit conference.

Conclusion

Three out of five Food Storage Depots of the FCI remained non-functional till October 2009. The Food Storage Depot at Tuensang remained non-functional and as a result, the stockist located within the vicinity of Tuensang had to lift the foodgrains from Dimapur leading to delay in distribution.

The Department was not adequately equipped with storage facility for foodgrains. As a result, against the off-take of 11774 MT foodgrains per month from the FCI, the Department could store only 7300 MT in Government godowns and 4474 MT foodgrains were stored in private godowns of the stockist every month.

Recommendations

The Department should insist on the FCI to operationalise all the FSDs and also augment the storage capacity to avoid pilferage of foodgrains and their deterioration.

Foodgrains should be stored only in specified godowns as per PDS Control order for proper foodgrains management.