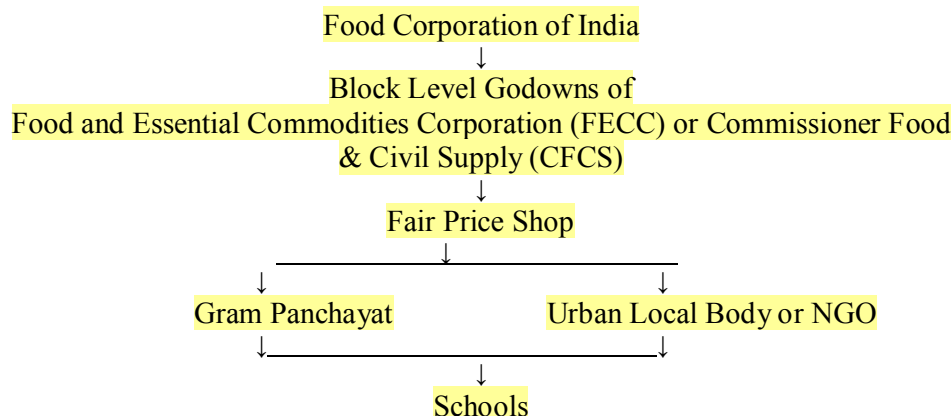


CHAPTER-4

FOOD GRAINS MANAGEMENT

The GOI provided food grains free of cost at the rate of three kg per month per child for ten months under the dry food grains scheme and 100 gram per child per school day under the cooked MDM scheme. Allocation of food grains was made by GOI to FCI against the approved annual plan and its flow up to school level was as under:



4.1 Quality of food grains

The Supreme Court directed (November 2001) the FCI to ensure food grains of Fair Average Quality (FAQ) for the scheme. GOI also incorporated it in the guidelines NP-NSPE, 2004. This was to be ensured through joint inspection by the officers of the State Government and the FCI. Samples of food grains were to be obtained at the time of off take from FCI, off take from block level godowns and issue from Fair Price Shops (FPSs).

Fair average quality of food grains was not ensured

These samples as per directions (July 2006) of the State Government were also to be sent to DMs, District BSAs and officers of Food and Civil Supplies for verifying the quality of food grains at different levels. The Assistant General Manager (Quality Control), FCI, Lucknow, however, intimated (June 2007) that no sample was collected at State or District level for quality testing of food grains.

Thus, despite the Supreme Court's directives, the quality of food grains was not ensured at any stage though there were numerous complaints regarding inferior quality of food grains, especially of rice in all the test checked districts. Visual inspection of food grains by the joint inspection team (Audit personnel and a representative of the Department) showed that food grains had broken more than permissible limit of 25 *per cent*, foreign matter, damaged/discoloured grains, etc in 244 (76 *per cent*) of the 320 schools inspected and in all the NGOs of Lucknow, Kanpur Nagar, Agra, Ballia and Kannauj.

The Government replied (January 2008) that necessary action was being taken to collect samples and display these at District and Block levels and at the FPSs for tri-level sample matching.

4.2 Management of food grains at State level

According to the records of the MDM Authority, Food and Civil Supplies Department and FCI, requirement, allotment, lifting and utilization of food grains during 2002-07 was as under:

Table 4

Year	Total number enrolled (in lakh)	Food grain required ⁶	Allotment by GOI	Quantity Released by FCI	Quantity Lifted By CFCS/ FECC	Quantity released to Fair price shops	Utilisation as shown in progress report ⁷	Beneficiary days ⁸ (in crore)
Quantity in lakh quintal								
2002-03	148.56	44.57	44.57	40.53	37.94	35.25	NA	NA
2003-04	163.75	49.12	49.12	41.94	40.48	38.31	NA	NA
April 2004- August 2004	169.97	15.30	50.99	45.23	42.36	39.86	17.11	NA
September 2004- March 2005		23.80					28.12	171.29
2005-06	186.44	41.02	33.60	29.41	35.62	33.55	28.03	267.88
2006-07	187.20	43.99	28.15	26.90	33.54	32.01	26.90	314.49
Total		217.80	206.43	184.01	189.94	178.98		

Notes: Allotment of food grains was reduced from 2005 as cooked MDM scheme was introduced from September 2004 requiring lesser quantity of food grains compared to dry food grains scheme. Progress reports for the period 2002-04 relating to dry food grains were not available with the Director, Basic Shiksha/ Mid-day Meal Authority. Requirement of food grains during 2005-07 is based on annual work plans.

Based on the utilization shown in the progress reports, utilization of food grains per capita, per day worked out to 164 gm during 2004-05, 105 gm during 2005-06 and 86 gm during 2006-07. Thus, average consumption of food grains was higher during 2004-06 while it was only 86 gm during 2006-07 against the prescribed quantity of 100 gm. The reasons for varied per capita utilization of food grains during 2004-07 had not been analysed by the MDM Authority.

As of December 2007, 10.63 lakh quintal food grains (cost: Rs 60.06 crore at the rate of Rs 565) for the period 2005-07 was lying with the fair price shops indicating poor management in supply of food grains to the implementing agencies. Further, during 2002-07, FECC/ CFCS lifted 189.94 lakh quintals of food grains (against release of 184.01 lakh quintal) from the FCI and released 178.98 lakh quintals to the FPSs. The MDM Authority/ Department did not take any action to analyse/ ascertain the position of 10.96 lakh quintals food grains valuing Rs 61.92 crore lying with transporting agencies. The reasons for such a huge quantity of food grains lying with the FPSs and transporting agencies were not furnished by the Government/ MDM Authority (December 2007) as also for excess lifting of 5.93 lakh quintal by the transporting agencies from FCI during the period 2002-07.

Food grains valuing Rs 121.98 crore was lying with transporting agencies and FPSs

⁶ Food grains requirement as calculated in audit on the basis of norms prescribed by GOI
The basis of calculation from 2002-03 to August 2004 was based on:
Enrolment X 3 kgs X 10 months
The basis of calculation from September 2004 to March 2005 was based on
Enrolment X 140 School days X 100 grams

⁷ Quarterly Progress Report sent to GOI for March.

⁸ Calculated by multiplying actual number of school days in a year with the number of students

4.2.1 Management of food grains at District level

Food grains are lifted by the CFCS and FECC for releasing to FPSKs as per the monthly demand placed by BSAs. A test check of records relating to the management of food grains at the district level showed the following:

**Excess food grains valuing Rs 62.15 lakh were released to FPSs
Food grains costing Rs 30.82 lakh were shown as loss in godowns**

- In seven districts⁹ of Agra region, transporting agencies lifted 8.69 lakh quintal food grains from the FCI during 2004-07 and released 8.80 lakh quintal food grains to FPSs. The reasons for excess release of 11 thousand quintal food grains valuing Rs 62.15 lakh by the transporting agencies were not furnished (January 2008).
- Records of the FECC in five¹⁰ districts and CFCS of Kushinagar showed that 5454.20 quintal of food grains costing Rs 30.82 lakh were shown as loss in their godowns during 2003-07. As per guidelines, no losses on account of transportation and storage were, however, permissible.

The discrepancies in lifting and release of food grains at the district level by the transporting agencies and losses during transportation/ storage, as brought out in the foregoing paragraphs, indicated lack of effective monitoring of lifting/ release of food grains by the transporting agencies which was fraught with the risk of misappropriation of food grains.

The Government replied (December 2007) that food grains were lifted on the basis of actual students as on date. Reply is not based on facts as there was substantial difference between the quantities lifted and released to FPSs .

4.2.2 Mis-match between utilization of food grains vis-à-vis conversion cost at district level

Mis-match between the quantity of food grains and conversion cost was not investigated

Requirement of food grains for cooked MDM was calculated at the rate of 100 gm and conversion cost at the rate of Re. one up to 14 August 2006 and thereafter, Rs. two for each beneficiary present. The food grains consumed had a direct relationship with the conversion cost. The utilisation of food grains during 2004-07 conformed to the conversion cost only in three to five of the 16 test checked districts. In the remaining 11 to 13 districts, five to seven districts showed excess consumption of food grains ranging between one and 37 *per cent* and six districts showed payment of excess conversion costs ranging between three to 70 *per cent* (*Appendix-IV*). The possibility of misappropriation/ pilferage of food grains can not be ruled out in view of mis-match between the quantity of food grains and the conversion cost.

4.2.3 Consumption of food grains

According to the prescribed menu, wheat based MDM was to be supplied for two days and rice based MDM for four days in a week. The implementing agencies were provided food grains accordingly. In PS, Rasra, Ballia, rice based MDM was not distributed during 2004-07 and in PS Karnai, Ballia, only khichadi was served during this period. In PS, Ehar-I Dalmau, Rae Bareli, only khichadi was served by the Gram Pradhans between September 2004 and November 2006 and in PS Sidhauri, Shahjahanpur, only Khichadi and rice-dal were served by the Gram Pradhan during April 2005 to March 2007.

⁹ Agra, Aligarh, Etah, Firozabad, Hathras, Mathura and Mainpuri.

¹⁰ Bareilly, Budaun, J.P Nagar, Shahjahanpur and Shravasti.

These instances indicated that rice sufficient for four days was utilized for six days to serve rice based MDM and similarly, wheat sufficient only for two days was utilized for six days to serve wheat based MDM. The disposal of saved wheat/ rice as a result was not on record. The BSAs neither called for nor the implementing agencies submitted the statement of utilization of wheat/ rice received and used during the period.

The Government replied (January 2008) that instructions had been issued to district level officers to inspect two schools weekly to check the quality and quantity of cooked MDM and cooks had been instructed to take the weight at the time of receipt of food grains from the Gram Pradhans. The Government also ordered an enquiry into the incidents of serving only khichadi or only rice based meal to children in districts Ballia, Rae Bareli and Shahjahanpur.

The fact remained that the Government initiated action only after audit had pointed out irregularities and internal controls were not effective to check all such irregularities.

4.2.4 Management of food grains at FPSs and implementing agency level

The block level godowns of the FECC/ CFCS were to release food grains to FPSs for onward supply to the implementing agencies.

In the test checked districts, the BSAs informed the block level incharge of godowns of FECC/ CFCS the quantity of food grains to be released to FPSs. However, the concerned FPSs and implementing agencies were at times not informed about the quantity released as was revealed from the information collected from 106 FPSs in six districts¹¹. This resulted in non-lifting of 7.15 quintal wheat and 23.40 quintal rice by the implementing agencies in Lucknow district since July 2005. The food grains not lifted remained in the godowns of FPSs and was stated to have rotten according to the District Supply Officer, Lucknow resulting in loss of 30.55 quintals of food grains.

Food grains were required to be kept in kitchen-cum-stores constructed in school premises. However, according to information furnished by 224 selected schools¹² of the rural areas, food grains were kept in school premises in 36 cases and at the residence of the Gram Pradhan or at some other places in 88 cases. The information about location of storage of food grains of the remaining 100 schools was not available with the schools.

The guidelines envisaged that the district nodal officer, i.e. DM, would inform each school about their monthly allocation of food grains. However, this was not done. Stock of food grains and number of beneficiaries were also not displayed in any of the 320 schools pointing towards lack of transparency in the implementation of the scheme.

The Gram Pradhans as per instructions of the State Government (July 2006) were required to maintain records relating to conversion cost and food grains and to furnish progress report monthly to the Education Department. The Gram Pradhans neither furnished any report relating to receipt and utilization of food grains, nor did the BSAs concerned called for the same. The

¹¹ Agra-23, Bareilly-19, Budaun-24, Etah-01, J P Nagar-33 and Kushinagar-06

¹² Out of 320 selected schools 224 schools were of rural area and 96 schools were in urban areas.

excess/ mis-utilization of food grains, if any, at the Gram Pradhan level could therefore, not be assessed.

4.3 Joint inspection of schools

During the joint inspection of schools by the inspection team, following was observed:

- In PS, Kilabalak, Rae Bareli, fund for conversion cost was available but food grains were not supplied while in PS, Gora Bazaar, Rae Bareli, five quintal rice rotted (August 2007) for want of funds for conversion cost.
- In Shri Gandhi Adarsh Kanya Vidyalaya, Jamuna Bridge, Agra, 4.21 quintal rice pertaining to 2004-05 was not utilized and was in rotten condition.



Bags of rotten rice lying in PS, Gora Bazar, Rae Bareli,

- PS, Rajbhawan Marg and PS, Kanaujia Ward, Nagar Kshetra, Kushinagar sold 2.81 quintal and 4.74 quintal rice equivalent to MDM for 7,550 beneficiary days, in the open market at the rate of Rs six per kg and Rs five per kg respectively and utilized the proceeds in cooking of MDM as funds for conversion cost were not provided.

The above facts indicated lack of proper coordination in issuing food grains and payment of conversion cost to the implementing agencies at the DM level.

The Government replied (January 2008) that to remedy the situation it had issued necessary instructions in June 2007 and the Director, MDM authority reiterated these instructions in November 2007.

4.4 Delay in release of food grains

Allotment of food grains was valid only for the month for which it was allotted by Deputy Regional Food Controller (Dy.RFC) and could not be carried forward to the subsequent month. The BSA, Barabanki did not furnish the details of utilization of food grains for March 2004 and did not place timely demand for July 2004. As such, the Dy.RFC, Barabanki did not release 8,783.76 quintal and 9,305.79 quintal food grains for April 2004 and July 2004 respectively. Thus, due to non-placement of demand by the BSA, Barabanki and lack of monitoring by the DM, Barabanki and Director, Basic Education, children were deprived of MDM (in the shape of dry food grains) for the months of April 2004 and July 2004.

The Government replied (January 2008) that the Director, Basic Education who was the controlling authority of the concerned BSA had been directed to intimate the action taken against the erring BSA.

Children were deprived of MDM due to non-placement of timely demand

440 MT food grains were seized in Delhi while taking away from UP

4.5 Theft of food grains

Eight trucks containing 440 Metric Tonne (MT) food grains for MDM of Bulandshahar district issued to a Delhi based NGO, Ekta Shakti Sangathan, were seized (January 2006) in Delhi, though the food grains were lifted from FCI godown at Bulandshahar for delivery in Bulandshahar itself. The trucks were taken to Delhi without any justification.

The Director released (June 2006) Rs. 70 thousand to BSA, Bulandshahar from MME funds for legal expenses and transportation of food grains back to Bulandshahar. However, only 105.70 MT food grains were retrieved and utilized. The whereabouts of the remaining 334.30 MT food grains were not furnished. In reply, the Director stated (October 2007) that the BSA, Bulandshahar was suspended and the then DM was charge-sheeted. Regarding utilization of food grains, it was stated that the information had been called for from BSA, Bulandshahar. The Programme Approval Board, Ministry of Human Resource Development, GOI, Department of School Education and Literacy had also desired (May 2007) a detailed report of the case but no report was sent as of January 2008.

The Government replied (January 2008) that action had been initiated against the erring DM.

Thus, due to lack of proper monitoring at the DM and BSA level, 4.40 lakh children were deprived of MDM for ten days.

4.6 Conclusion

The quality of food grains for MDM was not assured. Food grains remained with transporting agencies and FPSKs during 2002-07 due to poor management of transportation. Food grains shown as loss in godowns of transporting agencies had not been investigated. There was mismatch between the quantity of food grains utilised and the conversion cost paid.

4.7 Recommendations

- Availability of fair average quality of food grains should be ensured.
- Transporting agencies should be allowed to lift food grains from FCI after adjusting the un-utilised balances of previous lifting and losses reported by these agencies need to be investigated.
- The system of issuing food grains to FPSKs need to be streamlined and food grains lying with them retrieved or cost thereof recovered.
- The mismatch between the quantity of food grains and conversion cost should be investigated for remedial action.