

Reforms in Decentralized Procurement Scheme

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NITI AAYOG has been requested to study the trends in procurement of foodgrains and assess impact of Decentralized Procurement Scheme (DCP) system thereon and to assess the efficiency and effectiveness of the procurement agencies under DCP System.

Non- DCP States are regularly encouraged to take up Decentralized Procurement System (DCP) for foodgrains. However, it is implemented with the consent of concerned state.

As on date 15 States have adopted DCP mode for procurement of Rice (Out of which Jharkhand has partially adopted DCP operation for five revenue districts).

Further, 8 States have adopted DCP mode for procurement of Wheat (Out of which Rajasthan has partially adopted DCP operation for 9 districts. However, the State has been included in Centralized Procurement only for RMS 2017-18). Detailed list is given below in table

A High Level Committee (HLC) under the Chairmanship of Shri Shanta Kumar was set up, to review the current system of procurement of foodgrains, marketing, storage, preservation and distribution. Based on recommendation of HLC, important actions taken are as follows:-

1. Levy on rice millers has been abolished.
2. The rules for registration of Negotiable Warehouse Receipts (NWRs) has been amended to streamline its functions and to increase the use of NWRs.
3. Depot Online System is currently operational at 526 FCI depots.
4. Special focus on procurement of paddy in Eastern States has been given resulting in increase of procurement of rice during KMS 2016-17 upto 70.70 Lakh MT against 53.65 LMT during KMS 2015-16.
5. Private Players has been engaged by FCI to maximise the outreach of MSP operations in Eastern States,.
6. Government of India has approved Action Plan for construction of 100 LMT silos upto 2019-20.
7. A policy decision has been taken for non-acceptance of rice/wheat in Central Pool in the event of a surplus states declares a bonus over and above MSP.

List of DCP States

S.N.	State/UT	DCP adopted for
1.	A&N Islands	Rice
2.	Bihar	Rice/Wheat
3.	Chhattisgarh	Rice/Wheat
4.	Gujarat*	Rice/Wheat
5.	Karnataka	Rice
6.	Kerala	Rice
7.	Madhya Pradesh	Rice/Wheat
8.	Odisha	Rice
9.	Tamil Nadu	Rice
10.	Uttarakhand	Rice/Wheat
11.	West Bengal	Rice/Wheat
12.	Punjab	Wheat

13.	Rajasthan (in 9 District) **	Wheat
14.	Andhra Pradesh	Rice
15.	Telangana	Rice
16.	Maharashtra	Rice
17.	Jharkhand (5 District)***	Rice

* State has signed for Decentralized Procurement of paddy/rice from KMS 2017-18.
** State has been included in Centralized Procurement only for RMS 2017-18.
***Operated DCP System in one district during KMS 2016-17 and in 5 Districts from KMS 2017-18.

This information was given by the Minister of State for Consumer Affairs, Food & Public Distribution Shri C.R. Chaudhary today in Lok Sabha.

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