The Food Corporation of India is a Public Sector undertaking setup by an Act of Parliament on November 20, 1964, mainly with the purpose of trading in foodgrains other foodstuffs and matters connected therewith and incidental thereto. The Food Corporation of India started functioning from 1, January, 1965. The Corporation has been stabilising itself slowly and gradually over the years and now after two and half decades since it's inception, it has emerged

as one of the biggest Public Sector concerns of the country. The F.C.I. Act provides for rules to be made under it by the Central Government through official gazettee notifications and other regulations which the F.C.I. can make itself, of course, subject to the concurrence of the Government of India with a view to giving effect to the provisions of this Act.

OBJECTIVES OF THE F.C.I:

The main objective in setting up F.C.I. was to have an organisation functioning on business principles and with a flexibility of approach which would be in a position to assume a commanding role in the food-grain trade in the country. In otherwords to have an agency for carrying out effectively the basic food policy of the Government. The purpose of the Government was to acquire on behalf of the State a large portion of the foodgrain surpluses on incentive prices and timely release of those stocks through the Public Distribution System (P.D.S) at reasonable prices to the consumer. It would then restrict fluctuations in prices within the reasonable limits, minimise, if not, completely eliminate speculative trends in foodgrain trading. The intention of the Corporation was to takeover by stages
the work of Directorate General of Food of the Govern-
ment of India and to discharge such functions connected
with purchases, transportation, storage and distribu-
tion of foodgrains as may be entrusted to it by the
Central/State Governments and also any other service
linked with this primary responsibility.

SCOPE AND ACTIVITIES:

Subject to the provisions of the Act:

(a) The Corporation shall undertake the purchase,
storage, movement, transportation, distribu-
tion and sale of food grains and other
foodstuffs.

Subject to the aforesaid objective the
Corporation may also with the previous
approval of the Central Government.

(b) Promote by such means as it thinks fit, the
production of foodgrains and other food-
stuffs.

(c) Setup or assist in setting up of rice mills,
flour mills and other undertakings for the
processing of food grains and other food
stuff s.

(d) To act as a support price organisation to
ensure a minimum price for the producer of
which he can be assured in all times.
(e) To act as a credit agency for lending on the security of foodgrains and for guaranteeing the loans taken by the farmers on agreements for the purchase of food grains after the harvests.

(f) To discharge such other functions as may be prescribed or as are supplemental to any of the functions conferred on it under this Act.

A careful examination of the section covering the functions of the Corporation will reveal that the most important functions of the F.C.I. as contemplated in the Act are purchases, and sale of foodgrains and other foodstuffs. Other activities like storage, movement, transportation are considered incidental to the major activities of purchase and sale. The Corporation would be able to purchase foodgrains at the time of harvest at the notified prices of the Government of India and release to the consumers during the lean season when the prices of foodgrains, show an upward tendency. The Act also assigns certain other functions to the organisation in the field of processing of foodgrains and other foodstuffs like setting up of rice mills etc. The Act also provides for the F.C.I. to take up on itself other functions, which may be supplemental, incidental or consequential to any of
the functions conferred on the organisation under the Act.

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.

a. Chairman

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.

EXECUTIVE COMMITTEE:

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

(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 OF INDIA:

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

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 Bengal, 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.

Some of the main functions exercised by the Head office are stated as under.

1. Arranging purchase, and import of foodgrains from abroad according to the instructions of the Central Government.

2. Purchases of foodgrains in the country.

3. Maintenance of prices of foodgrains at reasonable levels as laid down by law.

4. Maintenance of a buffer stock of foodgrains and proper supervision of stocks at various stages such as handling, movement etc.

5. Clearance, storage, and distribution of imported foodgrains or locally procured stocks.

6. Construction and hiring of storage accommodation in the country.

7. To draw up and implement schemes of production credit in pursuance of Government of India directives.
8. Take all steps to increase food production and obtaining a commanding and strategic position in the foodgrains trade in the country.

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 Culcutta 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 made 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 of 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.

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 portside the Zonal Manager finalises shipping claims and time sheets in respect of despatches/demurrages of a chartered vessel.

REGIONAL OFFICES:

There are 22 Regional offices of F.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, writeoff 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 budgetory 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 foodgrain produc-
tion.

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 Govern-
ment 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
cardial 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 opera-
tion of the Corporation are carried on smoothly and
the targets are reached within the stipulated time.

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.

Broadly speaking, the District Manager will exercise the following functions:

1. Expeditious clearance of foodgrains, fertilisers from ships at ports and their delivery/despatch to recipient destinations or to Depots as per the allotment orders of the Regional Manager/Zonal Manager/Head office.

2. Adoption of measures to avoid losses in transit/storage by spillage, pilferage etc.

3. Maintenance of stores including grains, gunnies etc., in good condition and timely disposal of damaged/substandard grains and unserviceable articles.

4. Arrangement and hiring of suitable and adequate accommodation for storage of grains and stocks.

5. Timely payment of contractors bills or departmental labours and expeditious disposal of claims
against Food Corporation of India.

6. Keeping a watch on the proper performance by contractors of their responsibility as per terms and conditions of agreement extended by them with the Corporation.

7. Maintenance of proper accounts, inventories etc. and submission of reports and returns prescribed to concerned authorities.

8. Inspection and suggestion of suitable sites for construction of godowns in consultation with local revenue and P.W. D. authorities and contacting Railway authorities for laying railway sidings and expeditious acquisitions of land and possession of required properties with the help of local authorities.

9. To arrange taking delivery of sugar stocks from sugar mills and despatches the sugar stocks according to instruction of Regional/ Zonal Manager.

10. Preferring of claims arising out of shipments of foodgrains and fertilisers handled at ports and relating to despatch/demurrage, short landing, damaged cargo etc.

11. Preferring of claims on railways in respect of shortages/damages in receipt.

12. Opening of purchase centres for purchases of foodgrains according to targets fixed for the District and expeditious despatch to Depot or
milling of such stocks as and when necessary.

13. Supervision of modern rice mills if any within the District for efficient and profitable running.

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 staff 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.
The following are some of the important functions exercised by storage depots.

1. **Maintenance of stocks in good condition**, examining the stocks at least once in a fortnight for quality control and arranging periodical dusting, fumigation in case of infestation, periodical aeration, control of rat menace etc.

2. **Maintenance of proper accounts of stocks of foodgrains, fertilisers, gunnies, twine and dead stock articles stored in the godowns.**

3. **General upkeep of the godowns and their surroundings especially during rainy season.**

4. **Ensuring the checking of godowns from leakage, water logging etc., during rainy seasons.**

5. **Making security and fire fighting arrangements.**

6. **Provision of dunnage.**

7. **Release of stocks as per the directions of the Regional/District Managers.**

8. **Proper supervision of handling and transport work.**

9. **Conducting storage operations to ensure that the valuable stocks of the Food Corporation of India are held in good condition and prompt
precautionary steps taken when signs of deterioration of stocks are noticed.

PORT OFFICES:

F.C.I. is a gigantic organization engaged in trading of foodgrains. It is authorised to carry on import and export of foodgrains, fertilisers, and other food stuffs to have a commanding position in foodgrains supply. For this purpose F.C.I. maintains many port offices to expedite port operations at Dock ports. It has port offices at all important ports in India. The port offices of F.C.I. are to make necessary arrangement at the ports to receive or loading of the cargo.

The port offices perform the following functions in receiving or sending the cargo.

1. To arrange for completion of all formalities required with the port, the customs authorities and the shipping companies and to obtain clearance documents.

2. To accept notice readily when served by the master of the vessel.

3. To arrange for proper stevedoring.
4. To collect the documents such as Manifest storage plan, surety certificate, Lloyds survey, temperature records etc., and to arrange for inspection of foodgrains on arrival before discharge commences.

5. To arrange for expeditious clearance of the cargo from the ship holds at ports and clearance of the stocks from the port, tranship to sheds either for delivery to state government directly or to move to storage Depots according to allotment made.

6. To maintain proper accounts of gunnies and twine utilised in dock.

7. To arrange for sale of damaged grains and of slack bags.

8. To prefer claims of short landing within the time schedule.

9. To arrange scrutiny and signing of time sheets in consultation with the master of the vessel and also to submit the time sheets in time.

10. To arrange preparation of shipping accounts like distribution statements in time.

11. To arrange for adequate supply of labour for filling of bulk cargo and also for loading of bags into trucks and wagons.

12. To maintain close liaison with the port and the railways for wagons supply.
In brief the Food Corporation of India came into being on January 1, 1965 to carry-out the basic food policy of the Government. Since then, foodgrain trade in the public sector gradually passed into the hands of the F.C.I. In the beginning the Corporation inherited the then existing physical facilities and personnel of the erstwhile Department of Food. Over the years the Corporation grew gigantic and is now the principal autonomous agency of the Government of India for handling procurement, storage, transportation, distribution and imports of foodgrains and for implementing the national food policy.

The affairs of the Corporation are determined by Board of Directors. On operational level, the Corporation carries its purchase, storage, transportation and distribution of foodgrains and other food stuffs through its own network. The Corporation has countrywide network with a workforce of nearly two and half lakh employees. The Corporation has its Headquarters at New Delhi. It has four Zonal offices covering North, South, East and West parts of the country. For operational purpose each State has been made into a region and FCI has 22 Regional offices each at the
Headquarters of states capital. Each Region (State) is divided into various P.C.I. districts. District offices are responsible to carryon the functions of F.C.I. like procurement, storage, and sale of foodgrains. F.C.I. maintains owned storage points throughout the length and breadth of the country. It also operates port offices to import foodgrains and other commodities entrusted to it at all important ports.