The food problem is one of the most serious problems in India. The problem has remained unsolved not for one or two years but for decades and has been daunting our country since long time. Commenting on the problem, Prof. Datwala stated that "food problem in India is not a crisis but a chronic malady".

Food problem in India has got a long history. India has faced several food scarcity years caused by famines or floods. The food shortages have occurred due to many famines. During the last 150 years, India had experienced nearly twenty six major famines. The frequency and cyclical order of famines have showed the peculiar susceptibility of this country to crop failures and recurrent shortages of food supply.
Though food problem was the result of many famines, it was not a national concern till 1943. It was because the famines in those days were sporadic and local in their incidence. Each famine was confined to a limited drought affected area. Famines in those days merely implied temporary cessation of food supplies caused by failure of rains. The scarcity of food in one part could not be felt in other parts due to the isolated character of Indian villages.

After the advent of railways, famines came to signify general shortage of foodgrains. Gradually, the regional disparities in the availability of foodgrains, as also their prices, began to produce repercussions in other parts of the country. Thus, the Bengal famine caused widespread havoc to large parts of the country claiming the lives of millions. Though the production of foodgrains was satisfactory in the country, Government could not check the grave food situation due to inept handling of the situation. The partition of the country in 1947 further weakened the country on food front as the country received relatively large percentage of population (82 per cent) with less percentage of land (74 per cent) under cereal production.
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 its true sense except at times of serious crisis. The government has never followed a long-term policy which includes the reorganisation of agriculture and increase in production. At most the government have tried to solve the food problem with a policy of ad hocism rather than a coherent and well thought-out policy. The government have taken only temporary and situation warranted measures. Thus, the food policy adopted by the government comprised appointment of many committees and adoption of many measures like rationing, controls, decontrols, restrictions on movement of foodgrains, imports, wholesale trade etc. The highly volatile and inconsistent policy is, thus, responsible for the food problem to play hide and seek game in the country for a long time.

Even after 43 years of planned efforts securing quantitative food is still a problem to many.
According to the World Bank Report of 1982, nearly 40 per cent of the people in India suffer from undernutrition. The number of malnourished is more than the number of undernourished. The food problem in India is serious both quantitatively and qualitatively. The present food problem in India is characterised not by the shortage of foodgrains in the market, but by the high prices at which the foodgrains are beyond the reach of the common man.

Thanks to green Revolution and modern trends in agricultural productivity, which have brought enormous surplus to the market. The recent problem is not the scarcity of food, but that of security of food to the people. The bumper crops have brought glut in the markets forcing the farmers to face distress sales. Despite large marketable surpluses, the poorer sections are unable to get sufficient food from the national production. As 2100 to 2400 calories of food a day is required for a healthy and active life, majority of the Indians subsist on around 1000 calories a day. Many people in India are unable to obtain required quantity of food at reasonable prices due to lack of necessary purchasing power. The most disturbing element of food scene is the persistence of indefensible dispar
ties in the access to food in the country. The food supplies are not reaching the poor people due to the prevailing poverty and consequent lack of purchasing power. The crux of the problem is, thus not the self sufficiency in food but that of provision of food at fair prices to all those who lack necessary purchasing power.

Food is a basic requirement and it must be provided on regular basis in adequate amount for all round development of human beings. Provision of food is, thus, an important function of the modern welfare government. It involves the direct intervention by the government in foodgrains trade. So some countries in the world are paying careful attention to food storage and distribution programmes to combat malnutrition and reduce hunger by starting buffer stock operations. The necessity of a proper food policy has been recognised widely to combat the food problem.

In India the basic food policy of the government is to protect both the producer and consumer from fluctuations. The primary producer must be ensured a minimum price that is announced from time to time by the Government and the consumer must be protected against the vagaries of exploitation. The Government's
food policy aims at protecting the producer from falling prices and the consumer from rising prices. For carrying out the food policy, Government of India established the Food Corporation of India (F.C.I) at the end of 1964. The Corporation began its operations from January 1965.

The F.C.I. is one of the biggest undertakings of the Central Government with an investment of more than ₹3000/- crores. It is a huge monolithic organisation with a wide network of departments, agencies and agents spread all over the country. It carries on an average 30 million tonnes of foodgrains everyday thought the length and breadth of the country from the snow bound peaks of Ladašh to the coastal back waters of Kerala, from the deserts of Rajasthan to the dense tropical forests of Mizoram.

The Corporation has its head quarters in Delhi. From the organisational point of view, the entire country has been devided into four Zones as North, South, East and West. North Zone of F.C.I comprises the states of Uttar Pradesh, Punjab, Haryana, Himachal Pradesh and Jammu and Kashmir with Zonal office at Delhi. The South Zone comprises the States of Andhra Pradesh
Karnataka, Tamilnadu, Kerala and Pandicherry with zonal office at Madras. The East zone of F.C.I is spread over the states of Orissa, West Bengal, Bihar, Assam and North East prorinrer provinces with zonal office at Calcutta. The West zone of F.C.I has its zonal office at Bombay, comprising the states of Maharashtra, Madya Pradesh, Gujarat, Rajasthan and the Goa including union territories of Diu and Daman.

Each zone has been further divided into regions. Each state has been made as F.C.I region with regional office at each of the state headquarters with jurisdiction generally corresponding to the territorial jurisdiction of the state. Again each state has been organised into several F.C.I districts. F.C.I districts are quite different from the revenue districts of the States. The number of F.C.I districts in any State depends upon the surplus or deficit nature of the State in the production of important foodgrains like rice and wheat.

The Andhra Pradesh State is one of the four regions of F.C.I in South Zone. All the 23 revenue districts in Andhra Pradesh state have been devided into 14 F.C.I districts. The districts with more
rice production like East and West Godavaries, Krishna, Nellore are made as independant F.C.I districts while Kurnool, Anantapur and Cuddapah with less rice production are clubbed together to form one F.C.I district.

The study of the functioning of F.C.I in Andhra Pradesh region includes the procurement, storage, transportation and distribution (sale) of important foodgrains. The management of foodgrains trade, as presented in the previous chapters is assigned to F.C.I and it has ventured into multiple and diverse activities.

The functioning of F.C.I is uniform throughout the country. The important functions of F.C.I in Andhra Pradesh are procurement, transportation, storage and sale of food grains like rice, wheat, jower, bajra, maiza etc. Procurement operations of F.C.I in Andhra Pradesh confine mostly to rice and paddy in view of the predominance of rice production. Andhra Pradesh is the second largest rice producing state next to Punjab. It contributes nearly 12 per cent to 16 per cent of rice to the national production. The procurement of other foodgrains like jower, Bajra, maize, wheat etc., is only occasional and marginal.
Food Corporation of India procures both rice and paddy in Andhra Pradesh. Rice is procured through mill levy. Food Corporation of India procures rice from millers on behalf of the Central Government. Andhra Pradesh is a surplus state, contributing 15 lakh tonnes every year to central pool. The quota of central pool of foodgrains are collected by Food Corporation of India through mill levy. In this regard, Food Corporation of India acts in close liaison with the State Government. Producer levy is not in force in Andhra Pradesh. The percentage of mill levy is 50 per cent. Food Corporation of India purchases only fairly Average quality (P.A.Q) foodgrains subject to the specifications of the Central Government. Besides, collecting mill levy, F.C.I purchases paddy directly from producers at the notified prices. Food Corporation of India purchases paddy from farmers under price support scheme. Generally Food Corporation of India purchases paddy at the request of the State Government, when market prices are low. Owing to number of difficulties in paddy procurement, F.C.I prefers to procure rice to paddy. Thus, paddy procurement which used to be 50 per cent in the total procurement in 1980-81 was only marginal in 1988-89. Though Andhra
Pradesh is primarily an agricultural state, its contribution to national procurement is only 13 to 15 per cent.

Transportation of foodgrains is another important functions of Food Corporation of India in Andhra Pradesh State. Transportation of foodgrains from the place of production to the place of consumption is a distinct and prime function of F.C.I in the country. F.C.I transports rice especially the boiled rice to Kerala where they are largely demanded. In the same way transportation of rice from coastal districts where they are widely produced, to Rayalaseema is also effected to maintain public distribution system. F.C.I makes use of only railways for transporting foodgrains. Usually F.C.I. employs food specials for transporting foodgrains from one place to other. Railways give priority to foodgrains next to defence material in transportation. F.C.I. employs on an average 250 wagons every year to move foodgrains from and to the different places in the state.

Another important function of F.C.I. in Andhra Pradesh is storage. Storage of foodgrains in proper form, forms an integral part of foodgrain trade. The grain saved is the grain grown and proper storage is
essential to protect the quantitative and qualitative aspects of the foodgrains. F.C.I stores foodgrains in different parts of the country to make their easy availability in all places at the same price. For this purpose it has many storage points throughout the length and breadth of the country. Apart from its godown facilities, the Corporation also makes use of the storage facilities provided by Central Ware housing Corporation (C.W.C.), State Ware housing Corporation (S.W.C), Agriculture Refinance and Development Corporation (A.R.D.C) and other private agencies. The large scale operations of F.C.I. necessitated it to hire second grade storage spaces and to resort to open air storage. F.C.I has 32 storage depots with a total storage capacity of 9.14 lakh tonnes in all the districts except a few. F.C.I. hires all the 45 storage godowns of A.R.D.C. to store its foodgrains using the entire storage capacity of 2.87 lakh tonnes. F.C.I. makes use of the storage facilities of C.W.C. on general preservation system in places where its own storage points are not existing. Due to paucity of storage facilities in some places, F.C.I is resorting to open storage under C.A.P arrangement.
Indian Government is committed to supply foodgrains to vulnerable sections of the society at low prices. The Central Government has assigned this onerous duty to F.C.I. F.C.I. releases foodgrains to State Governments and other agencies to supply foodgrains to people at prescribed prices. F.C.I. is the mainstay on which the entire edifice of public distribution rests. F.C.I. issues foodgrains to public distribution agents at prices fixed by the Central Government. The Public distribution in Andhra Pradesh depends largely on F.C.I. F.C.I. issues 10 lakh tonnes every year for the purpose of Public distribution in Andhra Pradesh.

In making foodgrains available to the people F.C.I holds a position of great responsibility and authority. F.C.I. is provided with an unparalleled opportunity to carry out the policies of government in a vital and sensitive area, namely, food for the people. During all these years of its existence, the F.C.I. has to a great extent, succeeded in the basic objectives of the government policy, namely, to procure foodgrains at prescribed prices and make them available to the consumes at lesser prices.
Apart from protecting consumers from the rising prices, it is one of the basic objectives of F.C.I. to ensure farmers a fair price under price support scheme. F.C.I helps the farmers both ways of either allowing them to enjoy higher price than the support price or the support price whichever is beneficial to the farmers. As the rice millers in Andhra Pradesh are supposed to surrender levy to Central and State Governments in substantial quantities, the rice millers normally purchase paddy at higher prices than the minimum support prices fixed by the government of India. In case millers try to exploit the farmers by paying lesser prices than those fixed as support prices, the farmers have a channel to dispose their paddy to F.C.I. at support prices.

However, the paddy procurement of F.C.I. in Andhra Pradesh is only nominal. In actual practice the paddy purchasing centres opened by F.C.I. are neither beneficial nor convenient to farmers. Hence price support scheme of F.C.I. is ineffective and the farmers are forced to sell to millers at less than notified price. Besides, the procurement system of F.C.I. is best with many problems which harm the interest of
The transportation of food grains from the production centres to the consuming centres by F.C.I involves heavy efforts and expenditure. For supplying foodgrains at a fixed price to every distributing agency at the same price irrespective of the distance covered, F.C.I. consumes an abnormally huge amount as transportation subsidy. At the same time unplanne and unnecessary movement of foodgrains is a common phenomenon with F.C.I. resulting in more transit losses.

Regarding storage of foodgrains, the performance of F.C.I. has been not satisfactory. It is proved that the storage in F.C.I. godowns is more costlier than storage costs in C.W.C. or S.W.C. godowns. The Parliamentary Committee of 1981-82 even recommended for the separation of storage activity from F.C.I. F.C.I is criticised for allowing the stocks lay in open air for longer periods which results in more storage losses and for issuing substandard grains for Public Distribution.

The F.C.I is criticised as a white elephant of the Central Government consuming colossal subsidy from the government on maintaining buffer stocks, on transportation and distribution of food grains. The
F.C.I has come under criticism mainly for its non-accountability in regard to distribution of substandard foodgrains to public distribution system.

It is but natural for an enterprise which has to shoulder very many onerous duties to suffer from some lacunas. The affairs of the Corporation can be set right by decentralising the operations and entrusting them to other organisations. For example, the Parliamentary Committee on Public undertakings (1981-82) recommended that the warehousing functions of the F.C.I should be entirely left to the Warehousing Corporations. The Committee stated that "the ownership of all Warehouses owned or financed by the Central Government should be with one body i.e. Central Ware Housing Corporation". The decentralization will result in more compact and manageable units for each activity and the F.C.I. as principal body will be in a position to exercise better control on them by fixing norms which the agencies have to fulfill. It is also necessary that the government takes necessary steps to bring under control the present high cost of the public distribution system, so that the present heavy burden of subsidies on the nation is reduced.
Finally, F.C.I. is a great pride to the nation. It's procurement operations and sale operations exert profound influence on the general price level and that way helps the stabilisation of prices. It is the mainstay of Public Distribution System in India and thus provides food security to the people. The F.C.I has a significant role in the matters associated with food policy of the government. Its existance can be made more relevant with the removal of some of its problems in the field of procurement, storage, movement and distribution of foodgrains which have been presented in the previous chapters.