1) what are the reasons for continous rising debt stock of FCI? Discuss the reforms for the better functioning of FCI and robust food management system in India.

A) Food Corporation of India an govt agency assigned the task of procuring food grains at MSP prices, storage facilities and distributing the subsidized grains through PDS system. ~~The~~ It was setup in 1965 to limit the import of foodgrains from western countries and to acheive self sufficiency & food security in the country. But for the past 6 years it has excessive surplus of arand 30 million tonnes of food grains than the required amount. Along with this the Central govt didn't turn to FCI and paid the required bills leading to an outstanding debt of 2.65 lakh crores in FY 2020. At the time of economic slowdown coupled with fiscal burden, Central govt was unlikely to mop the debt stock of FCI in the near future. But to address the issue, reforms in the food management system ~~ne~~ will be helpful to FCI.

Reforms for better functioning of FCI:- [shanta kumar committe recommendation]

1) At present 67% of the total population are covered under beneficiaries. This should be reduced by proper social auditing to 40% of the population to target the poorest of the poor.
2) The FCI should let go the procurement of rice & wheat to states (or) other state organizations and should concentrate on other commodities present in the MSP basket.
3) In PDS at states level, there is about 40-50% of stock deviation and in some states upto 60-70%. The Central govt should resort to iron hand measures to create deterrence in the officials.

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4) The excess food grains should be exported to other countries thus supporting the economic growth.

5) FCI should try an alternative to pds in some developed states with cash distribution in their accounts thus reducing the burden.

6) The buffer storage facilities of FCI are substandared and it may be time to build silos for proper management of stock.

7) The reserve price at which FCI sells the grains at OMSS should be enhanced to avoid losses.

8) End-end computerisation of all the process from procurement to distribution.

The govt should take proactive measures to calm down the burden on FCI, which is very essential to the food security of country. It should compensate the losses of FCI and should not risk the other funds like NSSF which is the public amount of various individuals savings.