

CCI probe against Uttarakhand Agri Produce Marketing Board

New Delhi, July 21: Fair trade regulator CCI has ordered a detailed probe against Uttarakhand Agricultural Produce Marketing Board for alleged anti-competitive ways in procurement of Indian Made Foreign Liquor (IMFL) in the state.

Uttarakhand Agricultural Produce Marketing Board is the exclusive wholesale licensee of foreign liquor, including IMFL, in the hill state.

CCI has decided to start investigation after prima facie finding violations of competition norms.

The decision of the Competition Commission of India (CCI) has come on a complaint from the International Spirits and Wines Association of India, a grouping of international spirits and wine companies having business in India.

The complaint was also filed against Garhwal Mandal Vikas Nigam and Kumaun Garhwal Mandal Vikas Nigam — the exclusive sub-wholesalers of foreign liquor in Uttarakhand.

It was alleged that Uttarakhand Agricultural Produce Marketing Board placed orders with alcoholic beverage manufacturers for



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supply of IMFL in an arbitrary and discriminatory manner with no relation to the consumer demand in the market.

The Commission noted that the Board along with its sub-wholesalers are the only source of procurement and distribution of alcoholic beverages in Uttarakhand and there appears to be a steep decline in the quantum of procurement of certain IMFL brands in 2015 as against 2014.

... being the only source of procurement and distribution of alcoholic beverages in the state of Uttarakhand, the discriminatory and arbitrary procurement/distribution by oppo-

site parties from IMFL manufacturers distorts competition," the watchdog noted. The Commission said it is prima facie convinced that such conduct has limited and restricted production of IMFL and resulted in denial of market access, according to the order dated July 19.

Citing sudden decline in the procurement of IMFL brands of some companies between August and October 2015, along with retailer concerns about the non-availability of IMFL brands, CCI noted that the Board has not made procurement of IMFL in accordance with the actual consumer demand.

PTI

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FCI grain stocks continue to be higher than buffer norms

Sandip Das

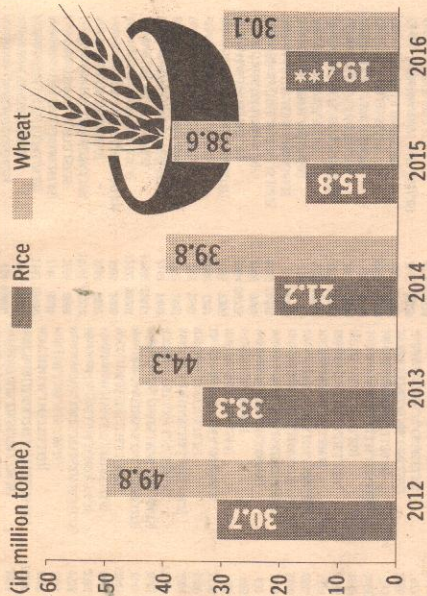
New Delhi, July 21: Despite a sharp fall of 22% in wheat procurement from farmers this year, the Food Corporation of India (FCI) continues to hold higher foodgrain stock than the prescribed buffer norms.

According to latest data, the foodgrains' stock consisting of rice and wheat with FCI and state government-owned agencies at the start of this month was close to 50 million tonne against the buffer norm of 41.1 MT. Although the grain stocks have dipped by more than 3 MT from June 1 stocks, the higher grain stock at present is attributed to a record rice purchase in excess of 34 MT in the ongoing kharif marketing season (2015-16).

Thanks to a sharp fall in wheat purchase in recently concluded rabi marketing season (2016-17) to 23 MT from 28 MT purchased from farmers a year back, FCI at present has a wheat stock of 30.2 MT against the norm of 27.5 MT for July 1.

In case of rice, the stock at the start of the month was close to 20 MT which does not include 5.2 MT of rice yet to be received from millers. This is against the prescribed buffer stocks norm (including strategic reserve norm) of 13.5 MT for July 1. A food ministry official acknowledged that FCI has excess rice stock while in case of wheat it is close to the norm.

FCI food stock*



*as on July 1 for each year,

**excluding 5.2 MT rice to received from millers

Source: FCI

However, the volume of grain to bulk purchasers in FCI at the start of the month has been lowest in comparison to last five years. From 80.5 MT of grain stocks with FCI on July 1, 2012, the volume of stocks has come down by more than 38% to close to 50 MT at the start of this month.

While in case of wheat, the FCI has been offering excess wheat stocks to bulk private purchasers through Open Market Sale Scheme (OMSS), the sale of rice under OMSS has not got encouraging response in last few years. In 2015-16, FCI could sell more than 7.7 MT of wheat under OMSS to bulk buyers while in the current fiscal more than 3 lakh tonne has been sold so far. However in case of OMSS (rice), the corporation could sell only a small quantity of while purpose being served".

Food minister Ram Vilas Paswan recently stated that FCI has enough stock of foodgrains to meet the requirements of Public Distribution System (PDS) and ensuring strategic reserve despite drought situation which prevailed in the last two years. A high-level committee (HLC) for FCI restructuring chaired by former food minister Shanta Kumar in its report submitted earlier this year had observed that "during the last five years, on an average, buffer stocks with FCI have been more than double the buffer stocking norms, costing the nation thousands of crores of rupees loss without any worthwhile purpose being served".

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