

SECTION- V
OPERATION OF MODEL SYSTEM

CHAPTER-10

OPERATIONAL ASPECTS OF PROPOSED SYSTEM

It would have been an ideal exercise to put the proposed system into practice and evaluate the results. However considering the money, time and complexity involved, it has not been possible to actually construct a network of the centres and run these on any scale. It is intended to compensate this lack of experimentation with few more details on the operational aspect of the system. The need for further discussion on these aspects has arisen to ensure smooth functioning of these centres in a coordinated manner. The operational parameters which has been covered are as under:

- (i) Management of Stocks
- (ii) Financial viability of the centre
- (iii) Record keeping and information system
- (iv) Manpower development and training
- (v) Extension efforts
- (vi) Structural linkages and apex organisation

The brief discussion on these aspects is given in the succeeding paragraphs

MANAGEMENT OF STOCKS

The first and foremost objective of creating the facility of rural storage-cum-procurement centres is to ensure scientific storage of foodgrains. A properly kept storage godown will not only reduce losses but bring up a culture in the rural areas to store grains in the most scientific way. It will provide them an opportunity to learn

through seeing the efficient methods of storage for foodgrains and other commodities. If the stocks are well maintained, it will encourage them to keep more and more of their grains in the godowns. On the other hand, if the stocks are not maintained properly, it will not develop confidence among the farmers and they may not be attracted towards the facility. This will not only result in waste of investments, but shatter their confidence in the scheme. The small and marginal farmers who are intended to be served through the scheme, will lose its benefit. So, the success of the scheme lies in the fact how efficiently the stocks are kept in the godowns.

The stocks in the godown should be kept in proper stacks. Standard stacking pattern being followed by FCI, CWC, SWCs etc. should be adopted. The layers of the bags should be kept in a way that there is no danger of stacks falling down. For smaller number of bags, proper stacking patterns should be devised. In no case, the bags in the godown should be left/stacked haphazardly. While stacking the bags, care should be taken, not to stack them along the walls or directly on the ground. About 75 Cm. space should be left all round the stack to facilitate sampling, inspection of stocks, air circulation, cleaning the floor, handling and fumigation of stocks. This will protect the grains from absorbing moisture from wet walls during rainy season. Dunnage should be used for stacking the bags on floor. In case, wooden dunnage is not available, mats covered with polythene sheets should be spread on the floor to avoid the bags getting direct contact with the floor.

All stacks should be properly identified by putting the stack card. A stack card should give the name of the owner, number of bags, date of receipt, intermediate receipts and withdrawals, date of fumigation, date of sampling, original grade of grain, change in grade of grains etc. In case, grains belonging to more than one farmer are kept together, they should be properly identified by putting distinctive numbers on the bags visible from outside.

Not only the grains should be inspected visually, samples at regular intervals should be taken and analysed. The grains should be analysed for their moisture content, insect infestation, foreign matter, insect damage and broken percentage. Stocks found infested should be fumigated immediately so that the infestation does not spread. While accepting the stocks for storage, it should be made sure that they are not infested initially. In case, infested stocks are brought, they should be kept separately and dis-infested before keeping them along with other stocks. Infestation, at no stage, should be allowed to enter the godown or spread during storage.

Since wet grains, broken grains and grains mixed with foreign matter are more amenable to insect attack and damage during storage, care should be taken to accept the stocks which are dry, free from impurities and well graded. The grains of single type w.r.t. grade, variety and type should be combined in one stack. Grains of different grades, types or varieties should be kept in different stacks.

Facilities for sampling, analysis of samples, fumigation, spraying of stocks should be available in the godown. The important items are

sampling probe, sieve set, magnifying lens, sample divider, moisture tester, fumigation covers and a manual duster or a foot spray. Besides these, some of the equipments which may ^{be} added depending upon the availability of funds are temperature probe, a hot air dryer, a sieve grader and a vacuum cleaner. Besides, the godown should have rat traps, bird scarer and a dehumidifier as additional equipments.

During rainy season, the stacks should preferably be covered with polythene covers. All doors and windows should be closed to minimise the entry of moist air. The roof and ventilators should be properly checked so that these do not leak when the rain falls. Drain pipes and open drains should be properly cleaned before the rainy season.

FINANCIAL VIABILITY OF CENTRE

The financial viability of the centre is important both from the view point of continuity of the centre as well as its growth. A system which is not self-sustainable and dependent upon the subsidies have little chances to succeed in the long run. The recurring subsidies may annihilate the system and no economy can bear them on continuous basis. So, for the system to stay and grow continuously on its own strength, it is very essential that it should be able to run with its own income.

The income of the centre will come from rental charges, service charges on the loans and procurement of stocks; the expenditure will be incurred on staff, maintenance of stocks, maintenance of records, repairs of building and repayment of capital loans. Unless the income

is sustained at a pre-determined level and expenditure is kept within the stipulated limit, the centre may run into rough weather. All measures should be taken to fully utilise the facilities of the centre, not only to ensure a tradeoff between costs and returns, but also generate nominal surpluses to help growth and meet eventualities.

Some of the factors which may be appropriately considered include avoiding overstaffing of the centre, inducing maximum number of farmers to get loan and sell their produce to the centre, fuller utilisation of the godown and minimising expenses on repairs of building by ensuring sound construction. Keeping the expenditure under control and maintaining a regular income flow from the centre will help in ensuring the viability of the centre.

RECORD KEEPING AND INFORMATION SYSTEM

Design of record keeping and information system is an integral component of the total system design. A system may have a very sound hardware but without an efficient software, it may be of little utility. For a credit linked storage-cum-procurement centre also, it is very essential that a system of record-keeping is designed prior to putting the system in operation. Similarly, to monitor and control the operations of the centre, there is a need for well-designed information system. Without these components, it may be difficult to retrieve and reconcile the records, derive desired information as well as co-ordinate and control various activities of the centre.

It is not intended here to design the complete records since it involves a very complex exercise and requires a separate research consideration. However, the broad categories of records are being mentioned for an overall appreciation of the system. The records in the centre should

pertain to day-wise receipts and deliveries, stack-wise record, stores received and consumed, infestation and sample analysis data, loans and repayment, item-wise expenditure, rental and service charges received, procurement and transfer of stocks, cash book, bank book etc. Since the entries in records are inter-related, these need to be designed in such a way that information is not unnecessarily duplicated and at the same time it is available in the form in which it can be easily retrieved and used.

The performance for monitoring and control system will have to be designed to provide information on commodity-wise receipts and delivery, customer-wise receipts and deliveries, stores consumed, item-wise expenditure, item-wise income, loans paid and amounts recovered, quantity of grains procured and transferred, cash and bank balance etc. While some of the information may be compiled weekly or fortnightly, others may be compiled monthly, quarterly or yearly only. The frequency of report will depend upon the nature of the information, its criticality, efforts required in collection and its importance for an effective control of the system.

MANPOWER DEVELOPMENT AND TRAINING

For running the centres, it is not only sufficient to have requisite manpower, but also necessary that the persons are well trained and equipped with necessary knowledge and skills. Since the persons with the requisite training are not available from any institute, it is essential that the proper arrangements are made to train the recruits in various related disciplines before they take up their jobs in the centre.

The manager of the godown should be provided suitable training in various scientific storage practices, procurement of foodgrains and credit delivery and disbursement practices. Since he is overall incharge of the centre, he

should also be provided training in administration and financial management. The accountant should be provided training in maintenance of account books preparation of reports, handling of cash etc. He should also be provided some training in storage practices, procurement of foodgrains as well as credit disbursement practices.

Since facilities for such training are not available in the academic institutions, the training will have to be provided with specialised agencies. Food Corporation of India, Central Warehousing Corporation, State Warehousing Corporations have already arrangements to provide this type of training. Their training infrastructure can be further strengthened to provide training to the personnel from these centres. Both class-room as well as on-the-job training should be imparted to the new recruits to acquire both the knowledge and skills of the operations. Since CWC and SWC are not involved in the procurement operations, separate modules should be arranged to impart training on procurement operations and credit disbursement.

While initially arrangement for training may be made with the existing agencies, in the long-run, it may be essential for them to make their own arrangement through the state level or national level organisations or a separate training institution. Suitable training packages should be developed to impart training in well defined areas. New approaches and audio-visual aids should be used to transmit the messages. Arrangement for in-company training should be made to provide experience under trained

staff. Even the old employees should be given refresher courses or sent to institutions of higher learning to orient them to the new developments in the field. They should be sent to visit the relatively well managed godowns. They should also be exposed to the new developments through the journals and books published in their areas of work.

In short, it is essential to provide appropriate training to the employees as well as refresh their knowledge so that they can keep up their performance on the job. An organisation at the national level should be entrusted the job of providing the necessary training for the purpose.

EXTENSION EFFORTS

For any new scheme, it is essential that the intended beneficiaries are properly informed about it. Not only that, the information reaching the beneficiaries should be of right type without undue distortions. The success of the scheme, to a great extent, depends upon how well the users are informed. Moreover, since the scheme involves huge capital investment, it is very necessary that the centres are used at earliest after completion of civil construction. Their full and maximum utilisation is crucial for the viability of the centres. Thus a good marketing strategy needs to be worked out so that the services can be appropriately utilised by the farmers.

Extension network available with State Government and other Quasi Government or Voluntary Agencies should be used for the purpose of educating the farmers. Besides, the publicity should be arranged

through mass media. The farmers should be prompted to visit the godown where they should^{be} informed about the services of the centres. The published material should be circulated and audio-visuals prepared about the activities of these centres.

The most effective means of communication are the user-farmers themselves. In case the farmers who use the services of the centre initially get full satisfaction, they will be instrumental to spread the message to many others. Thus, if the services provided are good, these will attract other farmers too. However, if the services provided initially are not satisfactory, it will have opposite effect. Thus good services alongwith strong means of information and education to the farmers are essential for an effective delivery of the services to the intended users.

STRUCTURAL LINKAGES AND APEX ORGANISATION

Since the centres will be small entities located at different places, their independent existence will be difficult. These centres will require assistance in design and construction of physical facilities, procurement of loans and funds for construction, recruitment and training of manpower, developing norms for credit, storage and marketing operations, design of records and books, marketing of services and co-ordination with national and state level developmental agencies for smooth flow of credit and orderly procurement operations.

Since, centres by themselves will not be able to procure assistance individually, it is very essential to have an apex level organisation which can provide assistance to the centres in the above mentioned areas. Simultaneously, it should monitor and control the working of these centres so that they do not go sick. The apex organisation may also provide financial and advisory assistance to the centres which do not take off well initially. It will also carry the responsibility of the preparation of master plan to locate these centres so that all the areas are well served without overcrowding the facilities in a particular area.

The apex organisation will have specialists on its roll to design and monitor the functions which otherwise cannot be done by the centres themselves. It will have engineering division to look after design and construction of the centres; recruitment and training division for providing assistance in training and recruitment of personnel; finance division to arrange loans and funds for construction as well as assist weak centres; co-ordination division to monitor the functions and co-ordinate with other agencies for smooth flow of credit and marketing operations at the centres; and a research division to design various operational systems and update them from time to time. The research division will also carryout surveys to locate new centres and evaluate the services of the centres through independent studies. It will also keep track of the new developments and environmental changes to respond to new and changing socio-economic scene in the rural areas.

The apex organisation will take the policy decisions and issue guidelines to the local centres for their establishment and operations. It will keep liaison with the Planning Commission, Central and State Governments, Reserve Bank of India, Food Corporation of India and other related agencies to prepare suitable instructions and guidelines for smooth and healthy operations of these centres. The apex level organisation will operate at the national level with Regional Centres at selected places. The funds for establishment of National and Regional Organisation will be initially provided from the Centre Government Budget for 5 years period. Later, it will run from the funds obtainable from the centres.

Loan and assistance for establishment of apex organisation as well as local centres may also be arranged from international agencies like World Bank, EEC, International Foundations, UNDP etc. However, it should be made sure that after the initial assistance, the scheme should be self-sustainable and does not require subsidies or financial assistance from State or Central Government. Only then, it can maintain its autonomous status and have an unhindered growth.