

Grant No. 43
48 - Ministry of Food
Medium Terms Expenditure

(Taka in Thousands)

Description	Budget 2016-17	Projection	
		2017-18	2018-19
Non-Development	11657,56,92	12898,19,00	14188,01,00
Development	439,92,00	483,90,00	532,30,00
Total	12097,48,92	13382,09,00	14720,31,00
Revenue	11736,91,52	12943,61,20	14222,03,47
Capital	360,57,40	438,47,80	498,27,53
Total	12097,48,92	13382,09,00	14720,31,00

1.0 Mission Statement and Major Functions**1.1 Mission Statement**

Ensure sufficient and safe food for all citizens of the country through integrated policy, strategy and management of food

1.2 Major Functions

- 1.2.1 Country's overall food management, planning, operation, and co-ordination;
- 1.2.2 Export, import and internal procurement of food grains (rice and wheat), maintaining sufficient food stock and its distribution and movement around the country
- 1.2.3 Fixing the procurement price and sell price of public procurement program, ensuring price stability sufficient supply of food grains
- 1.2.4 Designing and implementing various development projects of food sector;
- 1.2.5 Maintaining sufficient stock of food grains and testing the quality of grains;
- 1.2.6 Food planning, research and monitoring;
- 1.2.7 Implementing the Safe Food Act 2013; and
- 1.2.8 Fostering collaboration with various regional and international agencies regarding food management.

2.0 Medium Term Strategic Objectives and Activities

Medium-Term Strategic Objectives	Activities	Implementing Departments/Agencies
1	2	3
1. Ensure food security through sufficient stock and providing price incentive to farmers	<ul style="list-style-type: none"> • Domestic procurement of food-grains (rice, wheat) • Import of food-grains (rice, wheat) through own resources • Construction of modern and standard new food godowns and infrastructure • Repair and modernisation of the existing food godowns and infrastructure 	<ul style="list-style-type: none"> • Directorate of Food

Medium-Term Strategic Objectives	Activities	Implementing Departments/Agencies
1	2	3
	<ul style="list-style-type: none"> Maintaining minimum annual closing stock of food grains 	
2. Ensure availability of food to the poor (especially to the women and children)	<ul style="list-style-type: none"> Supply of food-grains (rice and wheat) under various targeted distribution programmes 	<ul style="list-style-type: none"> Directorate of Food
3. Ensure availability of safe food and improved nutrition	<ul style="list-style-type: none"> Issuing rules and regulations Formulating standards of additives, preservatives and colours of food items 	<ul style="list-style-type: none"> Bangladesh Safe Food Authority
4. Build institutional capacity of Food Management through Food Policy and strategies	<ul style="list-style-type: none"> Implementation of National Food Policy, monitoring the implementation of strategies and research 	<ul style="list-style-type: none"> Secretariat
5. Ensure price stability of food grains (rice and wheat)	<ul style="list-style-type: none"> Open market sale (OMS) of rice and flour 	<ul style="list-style-type: none"> Directorate of Food

3.0 Poverty and Gender Reporting

3.1 Impact of Medium Term Strategic objectives on Poverty Reduction and Women's Advancement

3.1.1 Ensure food security through sufficient stock and providing price incentive to farmers

Impact on Poverty Reduction: Generally, at the beginning of the financial year, a stock of 10 lakh metric tons of food-grains is maintained in government godowns. Government maintains stock of food-grains approximately for 5 months'. Measures have been taken to raise the government's storage capacity of food-grains to 25 lakh metric tons by the year 2020 which is now 20.40 lakh metric tons. If the target has been achieved during the crisis period, it would be possible, to stabilize market prices of food-grains through conducting Open Market Sales (OMS) of stored food-grains. This would enable the poor people to buy food-grains at low price. Through some targeted food distribution programs like OMS and fair price channels, citizens of low income group are supplied with food in cheaper price.

Impact on Women's Advancement: During the crisis period, women and children are affected more compared to others. It would be possible for poor and destitute women to buy food-grains for their families at low prices if sufficient storage of food grains could be maintained by the government.

3.1.2 Ensure availability of food to the poor (especially to the women and children)

Impact on Poverty Reduction: In order to stabilize food-grain price in the market, the Directorate of Food conducts open market sales. On the other hand, they procure food-grains from the farmers at fair prices during the harvesting season. Through this process, it is possible to maintain poor-friendly stable market system, meeting poor people's needs for food and nutrition. Government fixes minimum procurement prices of food-grains at the local level, ensuring fair prices to the poor and marginal farmers for their crops.

Impact on Women's Advancement: Procurement of food-grains at fair prices and open market sales at low prices help in stabilizing market prices of food-grains. As a result, poor and destitute women get an opportunity to buy food grains at low prices and procure more food which helps to meet nutrition requirement. The poor families would be saved from the exploitations of the middlemen through getting opportunities to sell their food-grains direct to the government at government's pre-determined prices. As a result, women would also indirectly be benefitted.

3.1.3 Ensure availability of safe food and improved nutrition

Impact on Poverty Reduction: Ministry of Food provide food-grains for implementation of TR, FFW, VGF and VGD programmes during the lean periods and provides emergency relief goods to the disaster affected people through various interventions. Implementation of these projects generates employment opportunities for the poor people in the rural area.

Impact on Women's Advancement: Supply of food-grains for implementation of food-based programmes creates employment opportunities for the poor and destitute women. These employment opportunities augment their income, ensuring food security.

3.1.4 Build institutional capacity of Food Management through Food Policy and strategies

Impact on Poverty Reduction: Strengthening of overall food management will ensure food security of the country, which will directly contribute to poverty alleviation.

Impact on Women's Advancement: Women, who constitute half of the total population, will be directly benefited if the food security is ensured.

3.1.5 Ensure price stability of food grains (rice and wheat)

Impact on Poverty Reduction: Stability in food price will directly contribute to poverty alleviation, especially during high inflation and supply shock.

Impact on Women's Advancement: Women, who constitute half of the total population, will be directly benefited if the price stability of food can be achieved.

3.2 Poverty Reduction and Women's Advancement Related Spending

(Taka in Thousands)

Particulars	Budget 2016-17	Projection	
		2017-18	2018-19
Poverty Reduction	9366,10,40	10393,57,16	11583,63,81
Gender	5193,19,51	5740,52,15	6358,88,63

4.1 Priority Spending Areas/Programmes

Priority Spending Areas/Programmes	Related Strategic Objectives
<p>1. Domestic procurement of Rice and Wheat:</p> <p>The main requirement for food security is to build sufficient food-grain stocks at the government level to deal with any disasters and to keep market prices stable. On the other hand, government's procurement of food-grains from the farmers at promotional prices induces the farmers to produce more food-grains. For this reason, activities relating to procurement of food-grains have been given the highest priority.</p>	<ul style="list-style-type: none"> Ensure food security through sufficient stock and providing price incentive to farmers
<p>2. Import of food-grain through own resources and aid supported imports:</p> <p>It is essential to build sufficient stocks of food-grains through imports, if required, at the government level to deal with any disasters and to stabilise market prices at affordable rates</p>	<ul style="list-style-type: none"> Ensure food security through sufficient stock and providing price incentive to farmers
<p>3. In order to increase storage capacity of food-grains, construction of new and standard food godowns, silos and other infrastructures and repair and modernisation of existing food godowns and other infrastructures:</p> <p>In the interest of maintaining food security for the country, there is no alternative to modern and standard food godowns to store food-grains (rice, wheat) procured from domestic sources and imported from international markets. For this reason, construction of new food</p>	<ul style="list-style-type: none"> Ensure food security through sufficient stock and providing price incentive to farmers

Priority Spending Areas/Programmes	Related Strategic Objectives
godowns, silos and other infrastructures, and repair and modernisation of existing food godowns and other infrastructures have been considered as the third priority area.	
<p>4. Distribution of food grains at fair prices for poor people:</p> <p>In order to ensure that low and small income groups can buy food-grains at affordable prices during price hike, distribution of food-grains at fair prices to them has been identified as the priority area of this Division.</p>	<ul style="list-style-type: none"> Ensure availability of food to the poor (especially to the women and children)
<p>5. Ensuring Quality of Food Grains:</p> <p>It is important to maintain quality of food grains and other food items to ensure health safety of the citizen</p>	<ul style="list-style-type: none"> Ensure availability of safe food and improve nutrition

4.2 Medium Term Expenditure Estimates and Projection (2016-17 to 2018-19)

4.2.1 Expenditure by Department/Agencies/Operational Units

(Taka in Thousands)

Description	Budget	Revised	Budget 2016-17	Projection	
	2015-16			2017-18	2018-19
Bangladesh Safe Food Authority	4,35,36	10,00,00	10,50,00	10,66,60	10,94,46
Secretariat	1064,87,58	1188,98,41	2009,38,90	2261,91,78	2803,54,98
International Organisations	3,00	3,00	3,00	3,00	3,00
Procurement	8483,10,00	6708,58,30	8312,05,10	9160,99,51	9876,39,44
Other Food Management Functions	771,50,00	673,54,67	893,11,95	1000,58,00	1000,58,00
Directorate of Food	696,27,74	398,32,65	541,43,46	599,54,97	662,06,84
Regional Offices	4,28,29	5,34,29	6,71,15	7,10,35	7,53,32
District Offices	50,59,91	66,39,77	81,71,94	85,95,79	90,51,64
Upazilla Offices	126,76,33	170,91,33	214,48,32	225,68,79	237,45,72
Government Flour Mills	2,98,03	3,51,47	4,98,40	5,30,28	5,63,32
Controller of Movement & Storage	13,92,04	18,42,05	23,06,70	24,29,93	25,60,28
Grand Total :	11218,68,28	9244,05,94	12097,48,92	13382,09,00	14720,31,00

4.2.2 Expenditure by Economic Group Wise

(Taka in Thousands)

Economic Group	Description	Budget	Revised	Budget 2016-17	Projection	
		2015-16			2017-18	2018-19
	Revenue Expenditure					
4500	Pay of Officers	16,25,95	55,35,84	58,33,69	61,38,34	64,60,70
4600	Pay of Establishment	91,47,11	136,65,63	143,95,81	151,79,72	160,10,51
4700	Allowances	101,33,95	92,45,23	155,28,03	162,48,81	170,09,76
4800	Supplies and Services	153,40,37	90,72,53	148,97,83	117,06,83	110,96,29
4900	Repairs and Maintenance	31,96,86	31,67,69	32,64,62	35,05,35	37,32,41
5500	Other Interest	5,00,00	20,00,00	5,00,00	6,00,00	6,00,00
5800	Subsidies and Incentives	934,10,58	1072,48,61	1790,13,49	2013,87,44	2515,26,18
5900	Grants in Aid	4,35,36	10,00,00	10,50,00	10,66,60	10,94,46
6100	Contributions to International Organisation	3,00	3,00	3,00	3,00	3,00
6300	Pensions and Gratuities	100,00,00	95,94,44	191,88,00	230,25,60	276,30,72
6400	State Trading	9248,92,00	7361,72,97	9200,17,05	10154,99,51	10870,39,44
	Total : - Revenue Expenditure	10686,85,18	8967,05,94	11736,91,52	12943,61,20	14222,03,47
	Capital Expenditure					
6800	Acquisition of Assets	59,06,75	8,20,96	19,76,00	12,15,04	12,49,15
6900	Acquisition / Purchase of Land & Landed Properties	18,75,00	4,55,40	4,00,13	4,50,00	3,00,00

Economic Group	Description	Budget	Revised	Budget	Projection	
		2015-16		2016-17	2017-18	2018-19
7000	Construction and Works	444,14,25	261,99,64	335,40,87	420,83,32	481,69,00
7400	Advances to Government Employees	87,10	82,00	90,40	99,44	1,09,38
7900	Development Import Duty and VAT	9,00,00	1,42,00	50,00	0	0
	Total : - Capital Expenditure	531,83,10	277,00,00	360,57,40	438,47,80	498,27,53
	Grand Total :	11218,68,28	9244,05,94	12097,48,92	13382,09,00	14720,31,00

5.0 Key Performance Indicator (KPIs)

Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
			2014-15		2015-16		2016-17	2017-18	2018-19
1	2	3	4	5	6	7	8	9	10
1. Minimum closing stock of food-grains	1	MT (Lakh)	13.13	12.86	11.83	13.00	13.25	13.50	14.00
2. Food-grain storage capacity	1	MT Lakh	18.63	19.04	19.43	19.54	20.40	20.59	21.59
3. Ensuring fair price to the farmers for their crops	2	Ratio of procurement price and production cost of rice	1.16	1.16	1.15	1.16	1.17	1.18	1.18
		Ratio of procurement price and production cost of wheat	1.10	1.08	1.10	1.10	1.15	1.15	1.15
4. Ensuring low price of food-grains to the poor	3	Ratio of OMS price and retail market price of rice	0.80	0.77	0.80	0.77	0.80	0.80	0.80
		Ratio of OMS price and retail market price of wheat	0.80	0.74	0.80	0.74	0.78	0.78	0.78

6.0 Recent Achievements, Activities, Output Indicators and Targets and Expenditure Estimates of the Departments/Agencies

6.1 Secretariat

6.1.1 Recent Achievements: To bring more efficiency in public food distribution system, the previous Open Market Sale (OMS) Policy 2012 has been replaced with new OMS Policy 2015. To implement the National Food Policy 2006, an Action Plan has been prepared, Bangladesh Country Investment Plan (CIP) 2011 has been adopted for improving the nutritional status and ensuring food security. Implementation of CIP is being monitored each year and the Implementation Progress Monitoring Report is prepared regularly. The monitoring report of 2015 has been published recently. A new project titled "Meeting the Under Nutrition Challenge (MUCH)" has been launched in 2014 and under this project, efforts are underway to update the National Food Policy 2006. To mitigate health hazard from adulterated food, Safe Food Act, 2013 has been enacted. To implement the act, Bangladesh Safe Food Authority has been created and the Safe Food (Food Confiscation and Administrative Procure) Rules, 2014 has formulated.

6.1.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2014-15		2015-16		2016-17	2017-18	2018-19
1	2	3	4	5	6	7	8	9	10	11
1. Implementing National Food Policy, and monitoring work plan and research on food management system	Monitoring report	1	Number	5	5	5	5	5	5	5

6.1.3 Medium Term Expenditure Estimates by Operational Unit, Programmes and Projects

(Taka in Thousands)

Name of the Operational Unit/Programme/ Project	Related Activity	Actual 2014-15	Budget	Revised	Medium Term Expenditure Estimates		
			2015-16		2016-17	2017-18	2018-19
1	2	3	4	5	6	7	8
Operational Units							
4801-0001 - Secretariat	1	75,80,51	108,99,00	106,49,80	202,75,41	241,55,09	288,28,80
4801-0005 - Subsidy for OMS	1	339,52,85	934,10,58	1072,48,61	1790,13,49	2013,87,44	2515,26,18
4806-4361 - A.F.M.A.	1	2,60	3,00	3,00	3,00	3,00	3,00
4821-0001 - Import under Foreign Assistance	1	30,57,75	200,00,00	226,80,90	315,52,60	344,25,00	344,25,00
4821-0010 - Import under Own Resources	1	756,93,25	2800,00,00	1066,50,00	1106,00,00	1458,00,00	1458,00,00
4821-0015 - Domestic Procurement	1	5236,47,12	5483,10,00	5415,27,40	6890,52,50	7358,74,51	8074,14,44
4825-0040 - Operating Expenses	1	557,58,63	771,50,00	673,54,67	893,11,95	1000,58,00	1000,58,00
Total : Operational Units		6996,92,71	10297,72,58	8561,14,38	11198,08,95	12417,03,04	13680,55,42
Total : Non Development		6996,92,71	10297,72,58	8561,14,38	11198,08,95	12417,03,04	13680,55,42
Approved Projects							
4801-5012 - Institutionalization of Food Safety in Bangladesh for Safer Food		0	16,98,00	10,00,00	11,50,00	6,49,25	0
4801-5080 - Block Allocation for Unapproved Project	1	0	4,80,00	0	5,00,00	0	0
Total : Approved Projects		0	21,78,00	10,00,00	16,50,00	6,49,25	0
Total : Development		0	21,78,00	10,00,00	16,50,00	6,49,25	0
Total :		6996,92,71	10319,50,58	8571,14,38	11214,58,95	12423,52,29	13680,55,42

6.2 Directorate of Food

6.2.1 Recent Achievements: During the last three financial years, a total of 62.21 lakh MT of food-grains were procured from domestic and external sources. During the same period, 61.45 lakh MT of food-grains were sold/distributed through the Public Food Distribution System. Out of these, a total of 11.32 lakh MT of food-grains were sold exclusively through Open Market Sales (OMS) and Fair Price Channel. During this period, 19 new office buildings, 225 food godowns and boundary walls/internal roads of 23 godowns were constructed, and 220 dilapidated food godowns and infrastructure were reconstructed/repared. In addition, during the same time, 1,499 new employees have been recruited and training has been imparted to 1,224 staff members.

6.2.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2014-15		2015-16		2016-17	2017-18	2018-19
1	2	3	4	5	6	7	8	9	10	11
1. Domestic procurement of rice	Procured rice	1	MT (In lakh)	16.50	14.71	16.50	14.00	18.50	16.00	16.00
2. Domestic procurement of wheat	Procured wheat	1	MT (In lakh)	2.00	2.05	11.50	1.50	3.00	1.75	2.00
3. Import of food grain (rice and wheat)	Imported food grain	1	MT (In lakh)	0.60	3.34	1.10	6.25	6.01	11.05	11.05
4. Sales/distribution of food-grains (rice and wheat) under the Open Market Sales (OMS)/Fair Price Programme	Sales/distribution through OMS/Fair Price	5	MT (In lakh)	6.50	2.89	8.00	5.00	8.50	6.50	7.50
5. Distribution of food (rice and flour) through targeted distribution programmes	Distribution of food grain	2	MT (In lakh)	18.90	12.28	20.19	14.00	17.38	16.00	20.24
6. Repair and modernisation of the existing food godowns and related infrastructure	Capacity of godowns	1	Capacity (Lakh MT)	0.60	0.50	0.75	0.85	0.85	0.90	0.95
7. Construction of modern and standard new food godowns and related infrastructure	Capacity of godowns	1	Capacity (Lakh MT)	0.10	0.35	0.75	0.50	0.50	0.55	1.00

6.2.3 Medium Term Expenditure Estimates by Operational Unit, Programmes and Projects

(Taka in Thousands)

Name of the Operational Unit/Programme/Project	Related Activity	Actual 2014-15	Budget	Revised	Medium Term Expenditure Estimates		
			2015-16		2016-17	2017-18	2018-19
			4	5	6	7	8
1	2	3	4	5	6	7	8
Operational Units							
4831-0001 - Directorate of Food	1-7	41,80,16	68,47,70	65,38,03	78,78,33	80,98,58	86,65,68
4831-0003 - Chief Controller, Dhaka Rationing	1-7	2,42,76	2,79,70	3,71,78	4,78,42	5,04,09	5,30,89
4831-0005 - Silo	1-5	18,70,41	21,89,34	27,25,84	34,44,71	36,11,55	37,80,27
4833-0000 - Regional Offices	1-5	3,67,73	4,28,29	5,34,29	6,71,15	7,10,35	7,53,32
4835-0000 - District Offices	1-5	46,12,41	50,59,91	66,39,77	81,71,94	85,95,79	90,51,64
4837-0000 - Upazilla Offices	1-5	120,47,43	126,76,33	170,91,33	214,48,32	225,68,79	237,45,72
4839-0000 - Government Flour Mills	4	1,17,62	2,98,03	3,51,47	4,98,40	5,30,28	5,63,32
4841-0000 - Controller of Movement & Storage	1-5	13,07,31	13,92,04	18,42,05	23,06,70	24,29,93	25,60,28
Total : Operational Units		247,45,83	291,71,34	360,94,56	448,97,97	470,49,36	496,51,12
Total : Non Development		247,45,83	291,71,34	360,94,56	448,97,97	470,49,36	496,51,12
Approved Projects							
4831-5014 - * Construction of 1.05 lakh M.T Capacity new food godowns (01/07/2013-30/06/2016) Approved	7	2,24,91	189,75,00	34,43,00	178,42,00	125,22,43	0
4831-5015 - Modern Food Storage Facilities Project-MFSP	7	12,01,85	300,66,00	88,66,00	220,00,00	352,18,32	532,30,00
4831-6044 - Construction of a Concrete Grain Silo of 50000 MT capacity at Mongla port with Ancillary Facilities (01/01/10 - 31/12/14) - Approved	4,6,7	100,64,22	50,00,00	150,88,00	0	0	0
4831-6047 - * Construction of Multistoried Warehouse at Santahar grain Silo, Bogra (25,000 M.T.) (1st Revised) (01/01/2012-30/06/2016) Approved	6,7	94,47,73	62,70,00	28,00,00	25,00,00	0	0
Total : Approved Projects		209,38,71	603,11,00	301,97,00	423,42,00	477,40,75	532,30,00
Total : Development		209,38,71	603,11,00	301,97,00	423,42,00	477,40,75	532,30,00
Total :		456,84,54	894,82,34	662,91,56	872,39,97	947,90,11	1028,81,12

* Projects/Programmes should be listed on the basis of priority.

6.3 Bangladesh Safe Food Authority

6.3.1 Recent Achievements: Seventy pure food court has been assigned across the country including six divisional headquarters. As the Safe Food Act 2013 has been included in the schedule of Mobile Court Act 2009, Executive Magistrates are conducting mobile courts to prevent the food adulteration. The Sanitary Inspectors of Dhaka South City Corporation and Dhaka North City Corporation have been given the authority to act as Safe Food Inspector. Draft of four important regulations has been prepared to test and analyse food samples for pollutant, toxins hazardous residuals.

6.3.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2014-15		2015-16		2016-17	2017-18	2018-19
				5	6	7	8	9	10	11
1	2	3	4	5	6	7	8	9	10	11
1. Formulation of rules and regulations	Rules/regulations formulated	3	Number	1	1	6	6	6	8	2
2. Fixing the admissible limit of additives/ preservative/ colours in food	Fixing the admissible limit	3	Number	-	-	5	5	8	10	10

6.3.3 Medium Term Expenditure Estimates by Operational Unit, Programmes and Projects

(Taka in Thousands)

Name of the Operational Unit/Programme/ Project	Related Activity	Actual 2014-15	Budget	Revised	Medium Term Expenditure Estimates		
			2015-16		2016-17	2017-18	2018-19
1	2	3	4	5	6	7	8
Operational Units							
4805-3482 - Bangladesh Safe Food Authority	3	1,71,00	4,35,36	10,00,00	10,50,00	10,66,60	10,94,46
Total : Operational Units		1,71,00	4,35,36	10,00,00	10,50,00	10,66,60	10,94,46
Total : Non Development		1,71,00	4,35,36	10,00,00	10,50,00	10,66,60	10,94,46
Total :		1,71,00	4,35,36	10,00,00	10,50,00	10,66,60	10,94,46

* Projects/Programmes should be listed on the basis of priority.