

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1354

ANSWERED ON:16.11.2010

UNIVERSAL DISTRIBUTION SYSTEM

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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has received any recommendations/suggestions for removing Above Poverty Line (APL) and Below Poverty Line (BPL) categorisation and differential pricing system under food based welfare schemes; and

(b) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (b): Targeted Public Distribution System (TPDS) focused on the poor was introduced in June, 1997. Under TPDS, foodgrains @ 35 kg per family per month are allocated to States/Union Territories (UTs) for 6.52 crore Below Poverty Line (BPL)/Antyodaya Anna Yojana (AAY) families for distribution at highly subsidized prices. Depending upon their availability in central pool and past offtake, foodgrains are also allocated to Above Poverty Line (APL) families at subsidized prices. Presently, the allocations for APL category range between 15 and 35 kg foodgrains per family per month.

There have been demands for Universal Public Distribution System. However, Government is not considering to introduce Universal Public Distribution System as the focus on poor will get diluted. It would require procurement of huge quantities of wheat and rice which would result in less availability of foodgrains in the market, leading to rise in open market prices. If the same quantity of foodgrains is distributed equally among all, then the scale of issue will have to be reduced. Further, in order to manage the level of food subsidy, the issue prices of rice and wheat may have to be increased substantially from the present Central Issue Prices (CIPs) which have not been revised during the last eight to ten years. This may result in BPL and AAY families getting reduced scale of foodgrains and paying higher prices.