

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

UNSTARRED QUESTION NO:2171

ANSWERED ON:27.03.2012

DIVERSION OF FOODGRAINS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Agarwal Shri Rajendra; Banerjee Shri Ambica; Bheiravdanji Shri Gadhvi Mukeshkumar; Dharmshi Shri Babar Gajanan; Dhurve Jyoti; Laguri Shri Yashbant Narayan Singh; Naranbhai Shri Kachhadia; Ramasubbu Shri S.; Reddy Shri Anantha Venkatarami; Shekhawat Shri Gopal Singh; Shetkar Shri Suresh Kumar; Singh Rajkumari Ratna; Singh Shri Pradeep Kumar; Singh Shri Ravneet; Singh Dr. Sanjay; Tanwar Shri Ashok; Yadav Shri Dharmendra

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

- (a) whether the Public Distribution System (PDS) has come in for a lot of criticism from the Central Vigilance Commission (CVC) and other agencies for diversion/theft of foodgrains in the recent past;
- (b) if so, the details thereof indicating the quantum and value of foodgrains lost during the last three years alongwith the expenditure incurred on implementation of PDS, State-wise;
- (c) the names of the States where PDS implementation was found to be the worst alongwith the corrective steps taken in this regard;
- (d) whether food experts have called for reforms to make the Targeted Public Distribution System (TPDS) more efficient and responsive to the changing conditions;
- (e) if so, the details thereof and the reaction of the Government thereto; and
- (f) the other steps taken by the Government to strengthen/streamline PDS to check diversion and ensure supply of foodgrains to the poor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)and(b): Central Vigilance Committee (CVC) on Public Distribution System (PDS) with Justice D. P. Wadhwa as Chairman was set up by the Hon'ble Supreme Court to look into maladies affecting functioning of PDS and to suggest remedial measures. The CVC has submitted reports in respect of 22 States/UTs and also a report on Computerization of TPDS to the Hon'ble Supreme Court. In these reports, CVC has referred to deficiencies in the functioning of TPDS such as inclusion and exclusion errors, bogus/ineligible ration cards being in circulation, diversion/theft of foodgrains, beneficiaries not getting their entitled quota of foodgrains and allotment of fair price shops in an arbitrary manner.

There have been reports/complaints about irregularities in the functioning of TPDS including loss of foodgrains. Complaints/reports as and when received by the Central Government, are sent to the concerned State/UT Governments for enquiry and appropriate action. However, accurate assessment of quantum and value of foodgrains lost is not available.

The expenditure incurred on implementation of PDS by Government of India is in the form of food subsidy released to Food Corporation of India (FCI) and Decentralized Procurement (DCP) States on the basis of offtake of foodgrains.

Total funds allocated by Ministry of Finance for food subsidy and subsidy released for Above Poverty Line (APL), Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) families under TPDS during last three years and budget provision for the current year are as under:-

(Rs. in crore)

Year Funds allocated by Finance Scheme-wise Subsidy

APL BPL AAY

2008-09	43695	7294	16157	12615
2009-10	58242	12595	19564	14224
2010-11	62930	15875	20385	14083
2011-12	62382#	##	##	##

Amount indicated by Ministry of Finance. However, it is yet to be allocated. ## Scheme-wise breakup of subsidy released for the year is worked out after the end of the financial year.

(c)to(f) Central Government allocates foodgrains (wheat and rice) to States/UTs under TPDS @ 35 kg per family per month to the accepted number of 6.52 crore BPL families, including about 2.43 crore AAY families. A State-wise statement on the allocation/offtake of foodgrains during 2010-11 and 2011-12 (up to January, 2012) is enclosed as Annexure.

Reforms in TPDS and its strengthening and streamlining is a continuous process. To improve functioning of TPDS, Government has been regularly issuing advisories and requesting State/UT Governments for continuous review of lists of BPL and AAY families, ensuring timely availability of foodgrains at Fair Price Shops (FPSs), ensuring greater transparency in functioning of TPDS and improved monitoring and vigilance at various levels. A Conference of States/UTs on Best Practices and Reforms in TPDS was held in July, 2010. Another Conference on issues including computerization of TPDS was held with States/UTs in February, 2012.

With a view to modernize TPDS and make it more efficient and responsive to the changing conditions, all States/UTs have been requested to undertake end-to-end Computerization of Public Distribution System (PDS) on priority basis which includes Fair Price Shop (FPS) Automation, Computerization of Supply-Chain, digitization of beneficiary database, setting up of transparency and grievance redressal mechanism etc.