

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

UNSTARRED QUESTION NO:1460  
ANSWERED ON:21.08.2012  
CASH FOR FOODGRAINS  
Patel Shri R.K. Singh

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

- (a) whether the State Governments distribute foodgrains to the Below Poverty Line (BPL) families in the States at subsidised rates with the assistance of the Union Government;
- (b) if so, the details thereof and along with the price of the said foodgrains, Statewise;
- (c) whether there are reports that the poor quality of foodgrains which are not lifted by the BPL families are picked up by the middlemen at subsidised rates and resold to the Food Corporation of India (FCI) at a much higher rates;
- (d) if so, the details thereof and the reaction of the Union Government thereto;
- (e) whether in view of such irregularities the Union Government proposes to provide cash subsidy to the BPL families in lieu of foodgrains; and
- (f) if so, the details thereof and the time by which it is likely to be implemented?

**Answer**

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

(a) & (b): Central Government allocates foodgrains (rice and wheat) under Targeted Public Distribution System (TPDS) to States/Union Territories (UTs) for distribution to Below Poverty Line (BPL) category at highly subsidized Central Issue Prices (CIPs) of Rs.5.65 per kg for rice and Rs.4.15 per kg. for wheat. Some State/UT Governments further subsidise the foodgrains being distributed to TPDS beneficiaries in the respective States/UTs. State/UT wise details of the end retail price of foodgrains (rice and wheat) being distributed by them under TPDS are at Annex.

(c) & (d): No such instance has come to the notice.

(e) & (f): Proposals have been received by the Government from State Governments namely Bihar, Delhi, Haryana and Uttar Pradesh for direct disbursement of food subsidy in cash to Below Poverty Line (BPL)/Antyodaya Anna Yojana (AAY) families on pilot basis instead of distribution of foodgrains and sugar to them under Targeted Public Distribution System (TPDS). Under the proposed scheme, Government will allocate funds directly to district authorities for disbursement of cash subsidy based upon the number of AAY and BPL ration cards in the selected pilot districts. The district authorities will open an exclusive account for this purpose in the treasury bank branch. The district offices will disburse the amount of food subsidy to the respective bank/post office accounts of AAY and BPL ration cardholders on the basis of their entitlements. The draft scheme is under preparation to test the feasibility of this alternative mode of transfer of food subsidy to BPL/AAY families under TPDS.