

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

UNSTARRED QUESTION NO:1305

ANSWERED ON:05.03.2013

DIRECT CASH SUBSIDY

Biju Shri P. K.;Biswal Shri Hemanand ;Chaudhary Shri Jayant;Gandhi Shri Dilip Kumar Mansukhlal;Hazari Shri Maheshwar ;Kumar Shri P.;Premajibhai Dr. Solanki Kiritbhai;Ramasubbu Shri S.;Sampath Shri Anirudhan;Upadhyay Seema;Verma Smt. Usha

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

- (a) whether the Government proposes to introduce direct transfer of cash subsidy in place of allocation of subsidised foodgrains to the intended beneficiaries ;
- (b) if so, the details thereof and the reasons therefor along with the modalities worked out for the purpose and the monitoring mechanism being put in place for its implementation indicating the estimated annual expenditure likely to be incurred to implement the proposed scheme;
- (c) whether the Government has conducted any survey to evaluate the preference of the beneficiaries with respect to cash transfer of food subsidy over foodgrains and if so, the details and the outcome thereof;
- (d) whether some States have opposed the direct cash transfer and suggested measures for modernisation of Public Distribution system at a recent meeting held to discuss the Food Security Bill;and
- (e) if so, the details thereof and the reaction of the Government thereto?

Answer

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

- (a) There is no proposal under consideration of the Central Government at present for disbursement of food subsidy in cash instead of allocation of foodgrains to beneficiaries under Targeted Public Distribution System (TPDS).
- (b) Does not arise.
- (c) No, Madam.
- (d) and (e) In a meeting of State/Union Territory (UT) Food Ministers and Food Secretaries held on 13.02.2013 at New Delhi to discuss the recommendations of the Standing Committee on Food, Consumer Affairs and Public Distribution on the National Food Security Bill (NFSB), some States have opposed direct cash transfer in lieu of food subsidy on account of lack of banking facilities, likely impact on food security, agriculture, etc. Some States/UTs also mentioned about the activities being undertaken by them towards modernization of TPDS including end-to-end computerization of TPDS operations. All States/UTs were requested to complete the digitization of beneficiary database by March, 2013 and computerization of supply chain by October, 2013.