

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

UNSTARRED QUESTION NO:424  
ANSWERED ON:06.08.2013  
NATIONAL FOOD SECURITY SCHEME  
Mani Shri Jose K.

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

- (a) whether the rolling out of the proposed National Food Security Scheme is likely to inflate the subsidy burden on the national exchequer from 0.8 to 1.2% of the Gross Domestic Product;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether apprehensions have been raised that this scheme could be a disincentive to the small and marginal farmers;
- (d) if so, the details thereof and the reaction of the Government thereto;
- (e) whether suggestions have been received from same quarters, for strengthening the existing Public Distribution System in the States rather than embarking on the scheme which requires massive investment; and
- (f) if so, the details thereof and the reaction of the Government thereto?

**Answer**

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

(a) and (b): There is no scheme of the Government named National Food Security Scheme. However, Government has promulgated the National Food Security Ordinance (NFSO), 2013 on 5.7.2013 to provide for food and nutritional security in human life cycle approach. The estimated annual food subsidy requirement for implementation of the Ordinance, at 2013-14 costs, is about Rs. 1,24,747 crore, compared to the estimated food subsidy requirement of about Rs. 1,00,953 crore under existing Targeted Public Distribution System (TPDS) and other welfare schemes (OWS). As a percentage, the food subsidy expenditure is estimated to go up from 0.9% of the Gross Domestic Product (Budget Estimate for 2013-14) for the existing TPDS and OWS to 1.1% for implementation of NFSO. The actual expenditure will however depend upon the dates from which the NFSO is actually implemented in different States/UTs.

(c) and (d): Apprehensions about NFSO being anti farmer have appeared in the media on the ground that if wheat, rice etc are provided at low cost by the Government, farmers will not receive proper price for their produce.

Government fixes Minimum Support Prices (MSP) for foodgrains for offering remunerative prices to farmers. As per the present procurement policy, all the foodgrains conforming to prescribed specifications offered for sale at specified centres are purchased by the public procurement agencies at Minimum Support Price (MSP). This procurement is therefore open-ended and without any cap. The apprehension therefore about farmers not getting proper price for their produce is not correct.

(e) and (f): Suggestions/inputs on various aspects, including reforms in PDS, have been received during the process of finalization of the legislation on food security.

Strengthening of TPDS is a continuous process. To improve functioning of TPDS, Government has been regularly requesting State and UT Governments for continuous review of lists of Below Poverty Line (BPL) and Antyodaya Anna Yojana families, ensuring timely availability of foodgrains at fair price shops, ensuring greater transparency, improved monitoring and vigilance at various levels, and introduction of new technologies such as computerisation of TPDS operations. Further, the NFSO, 2013 also contains provisions for reforms in the TPDS, which inter alia include, doorstep delivery of foodgrains to the TPDS outlets, application of information and communication technology tools including end-to-end computerization, leveraging "aadhaar" for unique identification, with biometric information of entitled beneficiaries for proper targeting of benefits, diversification of commodities distributed under the Public Distribution System over a period of time etc.