

# Year End Review-2017: Department of Food & Public Distribution

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Following are the major highlights of the activities of the Department of Food & Public Distribution during the year 2017:

## 1. Implementation of the National Food Security Act, 2013 (NFSA)

- Persistent efforts has resulted in **universal implementation of the NFSA**, 2013 in all 36 States & UTs, **benefiting 80.72 crore persons** in the country by providing them access to highly subsidized foodgrains at Rs.1/2/3 per kg. for coarse grains/wheat/rice respectively.
- The **prices of foodgrains** specified under NFSA – Rs.3 per kg for rice, Rs.2 per kg for wheat and Re.1 per kg for coarse grains – which were valid upto July, 2016, **have been continued** upto June, 2018.
- During the Financial Year 2017-18 (upto 13.12.2017), Rs.2959.22 crore has been released to State Governments as Central assistance to meet the expenditure incurred on intra-State movement of foodgrains and fair price shop dealers' margins. Such an arrangement has been made **for the first time** under NFSA. Under erstwhile TPDS, State Governments were required to either meet this expenditure on their own or pass it on to beneficiaries (other than AAY beneficiaries).

## 2. End-to-end Computerization of TPDS Operations

- As an outcome of digitization of Ration Card/beneficiary records, de-duplication due to Aadhaar seeding, transfer/migration/deaths, change in economic status of beneficiaries, and during the run-up to and implementation of NFSA, a total of **2.75 Crore ration cards** have been deleted/cancelled by State/UT Governments during the years 2013 to 2017 (up to November 2017). Based on this the Government has been able to achieve an estimated '**Rightful Targeting of Food Subsidies**' of about **Rs. 17,500 Crore** per annum.
- To modernize and to bring about transparency in the Targeted Public Distribution System (TPDS), the Department is implementing scheme on End-to-end Computerization of TPDS Operations at a total cost of 884 Crore on cost-sharing basis with the States/UTs. The Scheme provides for digitization of ration cards & beneficiary records, computerization of supply chain management, setting up of transparency portals and grievance redressal mechanisms.
- Key achievements under the scheme are as follows:-

Sl.	Schematic Activity	Achievement
1	Digitization of ration cards / beneficiaries data	Completed in <b>all States/ UTs</b> .
2	Online allocation of food grains	Started in <b>30 States/UTs</b> .
3	Computerization of Supply Chain Management	Completed in <b>20 States/UTs</b> , and the work is in progress in the remaining States/UTs.
4	Transparency portals	Set up in <b>all States/UTs</b>
5	Grievance redressal facilities	Either or both toll-free helplines/Online registration facility is available in <b>all States/UTs</b> .

- To identify and weed-out duplicate/ineligible beneficiaries, and to enable rightful targeting of food subsidies, seeding of Aadhaar numbers of beneficiaries with their Ration Cards is being done by States and UTs. Presently, **81.35%** of all ration cards have been seeded.
- As part of the scheme, electronic **Point of Sale (ePoS)** devices are being installed at Fair Price Shops (FPSs) for distribution of foodgrains through authentication and electronic record-keeping of the sale transactions. As on date, **2.83 lakh FPSs** out of total 5.27 lakh FPSs have ePoS devices in 23 States/UTs.
- Launch of hybrid model of DBT:**

A pilot scheme on DBT (In-cash & In-kind) on the pattern of “PAHAL” has been launched in Nagri Block of Ranchi District, Jharkhand w.e.f. October 2017. Under this scheme, the subsidy amount (economic cost, less the central issue price) is directly transferred into the bank account of the eligible NFSA beneficiaries in advance in the beginning of the month. The beneficiary then can purchase the foodgrains as per entitlement from the Fair Price Shop at economic cost of the foodgrains after authentication on Point of Sale (PoS) device. Central Issue Price is contributed by the beneficiary. This model enables continued support to the procurement exercise from farmers at MSP, while dis-incentivising any leakage of food grains from PDS.

#### 4. Intra state portability of ration cards:

Facility enabling PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State where ePoS device has been installed has been started in states of Andhra Pradesh, Haryana, Jharkhand, Karnataka, Chhattisgarh (750 FPSs), and Telangana (2273 FPSs).

#### 5. ‘Integrated Management of PDS’ (IM-PDS)

A new Central Sector Scheme has been approved to be implemented during FY 2018-19 and FY 2019-20 for establishing Public Distribution System Network (PDSN) to implement national level portability, central data repository and central monitoring system of PDS operations.

#### 6. Launch of ePoS transactions portal:

Annavitran Portal ([www.annavitran.nic.in](http://www.annavitran.nic.in)) has been implemented to display electronic transactions made through ePoS devices for distribution of subsidized foodgrains to beneficiaries. This portal also shows all India picture of Aadhaar authentication of beneficiaries besides allocated and distributed quantity of foodgrains up to district level.

#### 7. Supporting the Farmer

During KMS 2016-17, a **record quantity** of 381.07 Lakh MT paddy (in terms of rice) was procured. In 2015-16 KMS it was 342.18 LMT. During RMS 2017-18, a quantity of 308.24 lakh MT of wheat was procured which is **highest in last five years**. In 2016-17 this was 229.61 LMT.

#### 8. Improving Foodgrain Management

1. A new guideline on usage charges for packaging of procured paddy from KMS 2017-18 onwards has been implemented in consultation with all States and FCI. It is estimated that the said policy could result in **savings of approx 600 crore each season**.
2. About 40 million tonnes of food grains are transported by FCI across the country in a year. Movement of food grain is undertaken by rail, road, sea, coastal and riverine systems. In 2016-17, 13 containerized movement was undertaken which led to freight savings of around Rs. 44 lakhs. During 2017-18, FCI has moved 58 container rakes (as on 15.10.2017) leading to approx. **freight savings of Rs. 159 lakhs**.

#### 9. Warehousing Development and Regulatory Authority (WDRA)

1. The process of registration of warehouses with WDRA has been simplified. The new rules will promote increase in the number of warehouses registered with WDRA. This would enhance facility of pledge finance for the farmers through Negotiable Warehouse Receipts (NWR) system. During the year Rs.90.35 crore loans have been availed against NWRs so far.
2. Electronic Negotiable Warehousing Receipt (eNWR) System and WDRA Portal has been **launched** to transform the process of registration of warehouses online and to issue e-NWR instead of paper-NWR which will be a more credible financing tool.

#### 10. Sugar Sector

1. Due to persistent surplus of sugar stock during the preceding five years, the cane price arrears for 2014-15 sugar season at all India level peaked at **Rs.21837 crores** as on 15.4.2015. In order to facilitate clearance of cane price arrears, the Central Government took various initiatives viz: providing **soft loans** of Rs.4305 crores, providing financial assistance of Rs. 425 crore through **raw sugar export** incentive scheme, providing **production subsidy** of about Rs.539 crore to offset cost of cane and facilitate timely payment of **cane price dues of farmers** for the sugar season 2015-16. As a consequence of these measures, **99.33%** of cane dues payments of farmers for 2014-15 sugar season and **99.77%** (on Fair and Remunerative Price-basis) for 2015-16 sugar season have been cleared. About **99.47%** of cane dues on FRP basis have also been cleared in respect of sugar season 2016-17.
2. Sugar prices remained stable during the year despite low production in the country as a consequence of policy interventions including increasing of import duty on sugar and allowing only **limited quantity of imports restricted to deficient regions** in the country. The policies not only ensured stable prices but also did not disrupt the domestic production and enabled the sugar mills to pay the farmers their cane dues on time.

#### 11. Export of Foodgrains from Central Pool Stock

Government of India provided food grains as humanitarian food assistance to the following countries during 2017:-

Sl. No.	Country	Quantity (in metric tonnes)
1.	Sri Lanka	100
2.	Zimbabwe	500
3.	Lesotho	500
4.	Namibia	1000

Further a quantity of 1.10 lakh MT of wheat has also been approved for donation to Afghanistan and supply from FCI's stocks is under progress.

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