

# Achievements & Initiatives taken by the Ministry of Consumer Affairs, Food & Public Distribution in last three years

## Major reforms in automation of the Public Distribution System (PDS)

### Buffer stock of about 20 Lakh MT of pulses built under Price Stabilization Fund (PSF) scheme

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Shri Ram Vilas Paswan, Union Minister for Consumer Affairs, Food & Public Distribution held a Press Conference today to brief about the initiatives and reforms done by the Ministry in last three years. Shri Paswan said that the Ministry of Consumer Affairs, Food & Public Distribution achieved significant mile stones since May 2014. A number of initiatives were taken to make foodgrain management more efficient and to ensure food security in the country. Shri Paswan said that interests of farmers and consumers are high on the agenda of the Government.

#### Major Reforms in Public Distribution System (PDS) for better Targeting, Transparency & Accountability

**Automation of Fair Price Shops:** Based on the pilots and learnings from the States/UTs, in November 2014 Department of Food & Public Distribution prescribed the guidelines and specifications for use of PoS at FPS. **At present 2,04,162 FPSs (as on 15<sup>th</sup> May 2017) out of 5,26,377 have PoS.**

**Direct Benefit Transfer (Cash):** "Cash Transfer of Food Subsidy Rules, 2015" were notified on August 21, 2015 under which food subsidy is directly credited to the account of the beneficiaries. At present Chandigarh, Puducherry and Dadra & Nagar Haveli (in few urban areas) are implementing this scheme.

**Aadhaar Seeding in PDS:** To weed out duplicate/in-eligible/bogus ration cards and to enable rightful targeting **77.56% i.e. about 17.99 crore ration cards (as on 15<sup>th</sup> May 2017)** have been Aadhaar seeded. Under Section-7 of the Aadhaar Act 2016, the Department has notified the use of Aadhaar to receive subsidized foodgrains or Cash transfer on 8th February 2017.

**Deletion of ration cards:** As an outcome of digitization of Ration Cards/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 2.33 crore ration cards have been deleted/cancelled. Based on this the Government has been able to achieve **Rightful Targeting of Food Subsidies of about Rs 14,000 Crore per annum.**

**Digital/Cashless/Less-cash Payments in PDS:** To promote the use of less-cash/digital payment mechanisms, the Department has issued detailed guidelines for use of AePS, UPI, USSD, Debit/Rupay Cards and e-Wallets on 7<sup>th</sup> December 2016. **At present in 10 States/UTs a total of 50,117 FPSs are enabled for digital payments.**

#### FCI Reforms

##### Silos: Use of modern technology in storage

A road map for creation of 100 Lakh MT storage capacity in the form of Steel Silos by FCI and other agencies including State Governments on PPP mode for wheat and rice has been approved. Construction has been planned in 3 phases upto 2019-20.

As against a target of selection of Silo Operator for 36.25 LMT in 2016-17, **operators have been identified for 37.50 LMT**. As against target for achieving 5 LMT capacity of silos, 4.5 LMT has been completed and 0.5 LMT is due for completion shortly.

### **Depot Online System**

To bring all operations of FCI Godowns online and to check leakages and automate operations at depot level, a “Depot Online” system was launched in 31 Depots on pilot basis across 27 States in March, 2016. Now, the **Depot Online System has been rolled out in 510 depots of FCI**.

### **Pension Scheme and Post Retirement Medical Scheme in Food Corporation of India (FCI)**

There was long pending demand from employees of FCI for introduction of Pension Scheme and Post Retirement Medical Scheme. Both the schemes were approved by Government of India in August 2016 and will cover serving and retired employees of FCI. **Pension Scheme has been implemented with effective from 01.12.2008 and Post Retirement Medical Scheme is effective from 01.04.2016.**

### **Supporting the Farmers**

FCI has initiated special efforts for procurement in the Eastern States of India, where there were frequent complaints of distress sale of paddy and procurement system was ineffective. Accordingly, State-wise **5-year Action Plan has been drawn by FCI for Uttar Pradesh (with focus on Eastern U.P.), Bihar, Jharkhand, West Bengal & Assam**, where concerns exist about distress sale of paddy (procurement is already robust in Chhattisgarh & Odisha).

Attempt is to increase procurement of rice in these States so as to reach out to all farmers in various paddy growing districts of these States. **The procurement target from the eastern states by the end of KMS 2019-20 is 155.93 Lakh MT. Presently, the figure stands at 53.65 LMT for KMS 2014-15.**

Accordingly, FCI opened 635 procurement centres (including 401 with private support) in KMS 2015-16 and 722 (including 459 with private support) in KMS 2016-17 (as on 28.03.2017) comparison to only 141 in previous Season. Total 61841 and 20063 (as on 28.03.2017) procurement centres have been opened in KMS 2015-16 and KMS 2016-17 respectively.

Due to these efforts of FCI, State agencies and private players, the procurement of rice has been increased to 70.70 LMT in KMS 2015-16 and 63.99 LMT in the ongoing KMS 2016-17.

### **Liquidation of Sugarcane Arrears**

Sustained surplus production over domestic consumption in the past 5 sugar seasons had led to subdued sugar prices, which had stressed the liquidity position of the industry throughout the country leading to build up of cane price arrears. Due to the above, the peak cane price arrears for 2014-15 sugar season at all India level reached Rs.21837 crore as on 15.4.2015. To mitigate the situation, Government has taken the following measures:

- Extended financial assistance of Rs.4305 crore under soft loan scheme, which were directly credited to farmers account on behalf of sugar mills through banks. About 32 lakh farmers have been benefited. Interest subvention of Rs. 425 crore has been released under the scheme.
- Facilitated supply of ethanol under **EBP programme** by fixing remunerative price and waiving off excise duty on supply of ethanol during sugar season 2015-16 (up to 10<sup>th</sup> August, 2016).
- A comprehensive **performance based production subsidy** has been extended @ Rs.4.50 per quintal of cane crushed payable to farmers against their cane dues contingent on mills undertaking export and supplying of ethanol. Under the scheme, an amount of Rs 525 Cr has been released so far.

**Due to these measures, 99.33% of cane dues payments of farmers for 2014-15 sugar season and 98.21% for 2015-16 sugar season have been cleared.**

**Ethanol Blending Programme (EBP)** has achieved historical success as supplies of ethanol during the ethanol season 2015-16 have reached record level of more than **110 crore litre which has never been achieved earlier**. During 2014-15 and 2013-14 seasons supplies were 68 crore litre and 37 crore litre respectively

### Abolition of Levy System

In previous years, rice used to be also procured under levy system from the rice millers/dealers at prices announced separately for each State. Levy on rice is imposed by the State Governments in exercise of powers conferred on them by the Central Government under the Essential Commodities Act, 1955. As direct purchase of paddy from the Farmers through the purchase centres opened by the Government Agencies is more beneficial to the farmers, the Government of India abolished levy system w.e.f. 01.10.2015 i.e. in KMS 2015-16.

### Stabilization of prices of Pulses

For the first time, a buffer stock of up to 20 lakh MT of pulses has been created through the Price Stabilization Fund (PSF) scheme of the Department of Consumer Affairs with the objective of managing price volatility of pulses for consumers. As on 15.05.2017, a buffer of around **20 lakh Tonne** of pulses has been built comprising **16.27 lakh Tonne** of pulses procured from farmers domestically and 3.79 lakh Tonne of imported pulses so as to extend remunerative prices to farmers. Significant procurement of **14.71 lakh MT** of pulses were undertaken during Kharif Marketing Season 2016-17 **benefitting lakhs of farmers**. Such efforts for improving availability by much higher production of pulses led to moderation in their prices benefiting consumers at large.

### Consumer Protection Initiatives

#### National Consumer Helpline

A new Integrated Grievances Redressal Mechanism portal (INGRAM) (<http://consumerhelpline.gov.in>) was launched in August, 2016 to disseminate information to consumers and for lodging grievances online with facility to track status on real-time basis. This portal is available in both Hindi and English.

The Portal provides for **registering grievances online 24x7**. Consumers can lodge complaints through **two all India Toll-free numbers, 1XXX-XX-4000** and also through a **short code 14404**, with the help of call centre agents or registering complaints online by accessing the portal. The portal receives around 40,000 grievances per month.

In order to make the consumer helpline efficient and reduce the waiting time, the number of Consumer Helpline agents has been **increased from 14 to 60** in 2016 and will be increased to 120 shortly by **setting up zonal consumer helpline (ZCH)**.

To ensure speedy disposal of grievances, the helpline has **partnered with around 240 companies including major e-commerce, product and services companies** (as convergence partners) whereby complaints received are forwarded online to them and monitored by helpline.

### Grievances Against Misleading Advertisement (GAMA)

In order to address the grievances pertaining to misleading advertisements, **in March 2015 a portal "Grievances Against Misleading Advertisement (GAMA) was launched**. Consumers can register complaints against false/misleading advertisements on this portal.

The GAMA portal is operated by the Advertising Standards Council of India (ASCI) under an MoU signed between ASCI and the Department for processing these complaints and advising self-regulation. Till date, a **total of 3220 complaints have been registered on the GAMA Portal**. Of these, 1683 complaints have been resolved and 750 complaints rejected. Remaining complaints have been escalated to the concerned line Ministry.

### Other Digital Initiatives

An Online Consumer Mediation Centre (OCMC) for e-commerce complaints was launched in December, 2016 and is in the process of being operationalized. **A mobile app named "Smart Consumer"** has also been launched in December, 2016. This app helps the consumer to scan the bar code printed on any packaged commodity and thereby know the details of the product, company etc. and also to register a complaint.

The Department has tied up with a Social Media Network “**Local Circles**” to provide an electronic platform for consumers to discuss consumer related issues to generate awareness, get feedback and enable policy interventions where required. A microsite (<https://goo.gl/8Xcyhu>) was launched in December, 2016 in collaboration with “Google India” to educate consumers on internet and digital safety. FAQs on Internet Safety, Safe Financial Transactions and e-commerce are available in the microsite.

### **Direct Selling**

With the intention of facilitating ‘Ease of doing business’, guidelines for direct selling were issued after detailed deliberations by an Inter-Ministerial Committee. The guidelines are in the form of an Advisory to State Governments and provide transparency, ease to consumers and establishing a grievance redressal mechanism for consumers.

### **Bureau of Indian standards (BIS) Act, 2016**

A new Bureau of Indian standards (BIS) Act, 2016 was notified on 22<sup>nd</sup> March, 2016, establishing the Bureau of Indian Standards (BIS) as the National Standards Body of India. The Act contains provisions for including goods, services and systems, besides articles and processes for the purpose of standardization. It has enabling provisions for the Government to bring under compulsory certification regime any article, process or service which it considers necessary from point of view of health, safety, environment, prevention of deceptive practices, security etc. Enabling provisions have also been made for making hallmarking of the precious metal articles mandatory. The new Act also allows multiple type of simplified conformity assessment schemes including Self Declaration of Conformity (SDOC) against any standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. It enables the Central Government to appoint any authority, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is provision for repair or recall, including product liability of the products bearing Standard Mark but not conforming to the relevant Indian Standard.

### **Legal Metrology (Packaged Commodities) Rules**

For ease of doing business, the Legal Metrology (Packaged Commodities) Rules, were amended to give relaxation to affix a label on imported packages. ***An exemption was made for any thread which is sold in coil to handloom weavers in the interest of small weavers. To safeguard the interest of readymade garment industry, an advisory was issued that loose garments are not covered under the Legal Metrology (Packaged Commodities) Rules.***

In order to safeguard the interest of the consumers, harmonization of the provisions of the Legal Metrology (Packaged Commodities) Rules and Essential Commodities Act was done enabling the Government to fix the Retail Sale Price for Essential Commodities so that such essential commodities are sold at the fixed retail price and quantity in packaged form.

### **National Building Code**

After an extensive and laborious exercise for 2 years involving around 1000 experts under 22 Expert Panels, the Bureau of Indian Standards brought out state-of-the-art new version of the Building Code, namely, **National Building Code of India 2016**. The NBC 2016, with its vast coverage on accessibility, low income housing, rural and hill area habitat planning, structural safety of buildings in regions prone to natural disasters like earthquake etc. can prove to be of great **socio-economic relevance** including for **Accessible India Campaign** of the Government of India. The provisions on use of new/innovative materials and technologies and on prefabricated construction techniques can give fillip to speedier construction to meet the objectives of **Housing for All by 2022** as envisaged by the Government of India. The provisions on information and communication enabled buildings will facilitate implementation of the vision areas of **Digital India Campaign**.

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