

# YEAR END REVIEW-2018: DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION

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Ministry of Consumer Affairs, Food & Public Distribution

## Year End Review-2018: Department of Food & Public Distribution

### Ministry of Consumer Affairs, Food and Public Distribution

Posted On: 14 DEC 2018 2:20PM by PIB Delhi

Following are the major highlights of the activities of the Department of Food & Public Distribution during the year 2018:

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

- i. 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.
- ii. 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 were initially valid for a period of three years from the coming into force of the NFSA. These rates were extended from time to time upto June, 2018. These have been further extended upto June, 2019.
- iii. During the Financial Year 2018-19 (upto 05.12.2018), Rs. 2575 crore has been released to State Governments as Central assistance to meet the expenditure incurred on intra-State movement & handling 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

- i. 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.
- ii. 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.

iii. 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	Completed in <b>all States/UTs</b> except UTs of Chandigarh & Puducherry which have adopted DBT/Cash transfer Scheme.
3	Computerization of Supply Chain Management	Completed in <b>25 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	Toll-free helplines/Online registration facility is available in <b>all States/UTs</b> .

iv. 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, **85.61%** of all ration cards have been seeded.

v. 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, **3.61 lakh FPSs** out of total 5.34 lakh FPSs have ePoS devices in 29 States/UTs.

vi. **Intra state portability of ration cards: Facility enabling PDS beneficiaries to lift their entitled foodgrains from any fair price shop in the State has been started fully in Andhra Pradesh, Haryana, Karnataka, Telangana, Maharashtra, Gujarat, Rajasthan, Tripura, Kerala and partially in Madhya Pradesh.**

vii. **'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.**

viii. **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.**

### 3. Supporting the Farmer

During KMS 2017-18, a **record quantity** of 381.84 Lakh MT paddy (in terms of rice) was procured. In 2016-17 KMS it was 381.07 LMT. During RMS 2018-19, a quantity of 357.95 lakh MT of wheat was procured which is **highest in last five years**. In RMS 2017-18 this was 308.24 LMT.

### 4. Improving Foodgrain Management

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 2017-18, FCI has moved 134 container rakes against the target of 100 leading to approx. **freight savings of Rs. 662 lakhs**. During 2018-19, 77 rakes have been moved (as on 15.10.2018) which led to approx. freight savings of Rs. 352 lakhs.

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

- i. 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. 51.45 crore loans have been availed against NWRs upto 31.10.2018.
- ii. 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.

## 6. Sugar Sector

Due to surplus sugar production and depressed ex-mill prices of sugar the liquidity position of sugar mills was adversely affected leading to accumulation of cane price dues which reached to an alarming level of about Rs.23,232 crores in the last week of May, 2018. With a view to improve the liquidity position of sugar mills enabling them to clear cane price arrears of farmers, the Government has taken the following measures during last few months:-

- i. **In order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has fixed a minimum selling price of sugar at Rs.29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar.**
- ii. Extending Assistance to sugar mills @Rs.5.50/quintal of cane crushed for sugar season 2017-18 to offset the cost of cane amounting to about Rs.1540 crore;
- iii. Created buffer stock of 30 LMT in sugar season 2017-18 for which Government will reimburse carrying cost of Rs.1175 crore towards maintenance of buffer stock;
- iv. Extending soft loans of Rs. 6139 crore through banks to the mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which Government will bear interest subvention of Rs. 1332 crore;
- v. Extending Assistance to sugar mills @Rs.13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane amounting to about Rs.4163 crore;
- vi. Extending Assistance to sugar mills for defraying expenditure towards internal transport, freight, handling and other charges to facilitate export of sugar from the country in sugar season 2018-19 amounting to about Rs. 1375 crore.
- vii. Government has also notified new National Policy on Bio-Fuels, 2018 under which sugarcane juice has been allowed for production of ethanol. Further, the Government has fixed remunerative price of ethanol produced from C-Heavy molasses and B-Heavy molasses/sugarcane juice separately for supply under EBP during ethanol season 2018-19.

As a result of above measures, all India cane price arrears of farmers have also come down to Rs. 5465 crore from the peak arrears of about Rs. 23232 crore on State Advised Price (SAP) basis for sugar season 2017-18. On FRP basis, all India cane price arrears of farmers have come down to Rs. 1924 crore from the peak arrears of about Rs. 14538 crore.

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(Release ID: 1555926) Visitor Counter : 333

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