

# WEIGHING IN ON PMGKAY, THE FREE GRAINS SCHEME

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In New Delhi, in 2020 | Photo Credit: PTI

The [extension](#) of the [Pradhan Mantri Garib Kalyan Anna Yojana \(PMGKAY\)](#), a scheme to distribute free foodgrains to the poor, for another three months, comes as a surprise for many reasons.

First, in the months prior to the latest extension made in late September 2022, there was much debate on the relevance of freebies. Second, there were reports in June that the Expenditure Department at the Centre did not favour it, citing a funds crunch. It also held the view that such a scheme was no longer needed “in non-pandemic times”. This has to be viewed in the context of the Russia-Ukraine conflict, raging since February 2022, and its adverse impact on the world’s food and energy sectors.

Even more surprising is the Government’s reason: that it wanted to support the poor and the vulnerable, estimated to be 80 crore, during the festival season between October and December. No such consideration was shown when the scheme was discontinued between December 2020 and April 2021, another important time for festivities. The country had still to recover from the effects of the first COVID-19 wave, which was the trigger for the launch of the scheme in April 2020.

Critics of the ruling Bharatiya Janata Party point out that the scheme’s extension is with an eye on the Assembly elections in Himachal Pradesh and Gujarat, respectively. Also, the first extension fell in the period when the Bihar Assembly poll was held and the BJP shared power with the Janata Dal (United) in the State. The scheme is also regarded as one of the factors responsible for the BJP’s victory in the 2022 Uttar Pradesh Assembly elections.

In contrast, the PMGKAY was not in force during December 2020-April 2021 when five States including West Bengal, Kerala and Tamil Nadu, went to the polls. It was re-introduced in May 2021 when there were indications of a second pandemic wave, and has been running since without interruption.

Aimed at providing an additional allocation of foodgrains (rice or wheat) from the central pool at five kilograms per person per month free of cost, the PMGKAY benefits cardholders of the

Antyodaya Anna Yojana (AAY) and Priority Households (PHH) categories, both falling under the National Food Security Act (NFSA). This is over and above the regular monthly quota under the NFSA, i.e., 35 kg per month per family for AAY and 5 kg per month a person for PHH. The PMGKAY covers even Direct Benefit Transfer (DBT) beneficiaries. After taking into account the estimated outgo of foodgrains — about 122 lakh tonnes during the current phase of extension, the aggregate allocation will be around 1,121 lakh tonnes. With the expenditure of 44,762 crore for the existing phase, the overall expenditure of the PMGKAY will be approximately 3.91 lakh crore.

Policymakers and experts concede that the scheme made a difference to food security and public health during the pandemic. Be it the Parliamentary Standing Committee on Food and Public Distribution or the authors of an IMF-published working paper, “Pandemic, Poverty, and Inequality: Evidence from India” (April 2022), the scheme has received commendation. The working paper concluded that “the social safety net provided by the expansion of India’s food subsidy program absorbed a major part of the pandemic shock.” However, it would have been far better had the Government taken the decision to extend the scheme based on findings of an objective study regarding the impact of the PMGKAY, as suggested by the Standing Committee in its March 2022 report.

At least now, the central authorities should commission a study and make its findings public. Just as it did in the initial months of the pandemic, the Centre should consider providing 1 kg pulses free to States on a regular basis, or at least at highly subsidised rates.

To keep the budgetary allocation under control, rules on quota for rice or wheat can be changed suitably. While it is all right to provide foodgrains free during the pandemic, the central and State authorities need to ponder over the scheme’s continuance, given the chronic problem of diversion from the Public Distribution System (PDS). In the non-pandemic period, the problem of diversion assumes a bigger dimension when a family of five, covered under PHH and living in a congested city, encounters practical difficulties in storing 50 kg rice or wheat a month, of which 25 kg is free. In many States, including West Bengal, Kerala and Karnataka, the 50 kg is free. In Tamil Nadu, for over 10 years, rice-drawing card holders, be they PHH or non-PHH, have been getting rice free.

In fact, the proposed study should be the basis for updating the database of foodgrain-drawing card holders, scrutinising the data critically and zeroing in on the needy. The task should not be onerous, given the widespread application of technological tools in the PDS such as Aadhaar, automation of fair price shops and capturing of the biometric data of beneficiaries. Using this database, the Centre and States can decide whether the size of the PHHs — nearly 71 crore — can be pruned or not.

In addition, if they feel the need to go beyond the mandate of the NFSA, as is being done under the PMGKAY, they can supply the foodgrains at a reasonable price. The culture of providing essential commodities free of cost at the drop of a hat has to go.

The elimination of the problem of diversion of foodgrains has to be taken up with renewed vigour as, after all, farmers toil hard in the fields to produce the grains and many deserving persons remain outside the food security net.

ramakrishnan.t@thehindu.co.in

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