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STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025)

EIGHTEENTH LOK SABHA

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)

{Action Taken by the Government on the Observations/ Recommendations contained in the Eighth Report of the Committee (Eighteenth Lok Sabha) on Demands for Grants (2025-26) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)}

TWELFTH REPORT



LOK SABHA SECRETARIAT NEW DELHI

OCTOBER, 2025/ASHVINA, 1947 (Saka)

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Presented to Hon'ble Speaker on 4.10.2025 Presented to Lok Sabha on 2025 Laid in Raiya Sabha on 2025



LOK SABHA SECRETARIAT NEW DELHI

OCTOBER, 2025/ASHVINA,1947 (Saka)

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Composition of the Standing Committee on Consumer Affairs, Food and Public Distribution (2024-25)

Smt. Kanimozhi Karunanidhi Chairperson

MEMBERS

LOK SABHA

- 2. Shri Anto Antony
- 3. Shri Sudip Bandvopadhvav
- 4. Shri Jaswantsinh Sumanbhai Bhabhor
- 5. Smt. Malvika Devi
- 6. Shri Manish Jaiswal
- 7. Shri Sukhjinder Singh Randhawa#
- 8. Shri Manoj Kumar
- 9. Shri Sunil Kumar
- 10. Shri Bharat Singh Kushwah
- 11. Shri Ajendra Singh Lodhi
- 12. Shri Neeraj Maurya
- 13. Shri Bastipati Nagaraju
- 14. Shri Haribhai Patel
- 15. Shri Ashok Kumar Rawat
- 16. Shri Bunty Vivek Sahu
- 17. Shri Rao Rajendra Singh
- 18. Shri Ujiwal Raman Singh
- 19. Shri Bajrang Manohar Sonwane
- 20. Dr. Indra Hang Subba
- 21. Shri Rajmohan Unnithan

RAJYA SABHA

- 22. Smt. Sumitra Balmik
- 23. Shri Prakash Chik Baraik
- 24. Shri Rambhai Harjibhai Mokariya
- 25. Shri Baburam Nishad
- 26. Smt. Ranjeet Ranjan
- 27. Shri Arun Singh
- 28. Shri Ryaga Krishnaiah*
- 29. Shri Kamal Haasan@
- 30. Shri Kanad Purkayastha@
- 31. Smt. Rajathi@

SECRETARIAT

1. Smt. Maya Lingi Joint Secretary

2. Dr. Vatsala Joshi Director

Deputy Secretary 3. Dr. Mohit Raian **Executive Officer** 4. Smt. Veena Luthra

Committee constituted w.e.f. 26.09.2024 vide Bulletin Part II, Para No. 838 dated 26.09.2024.

^{*} Shri Ryaga Krishnaiah, MP, RS nominated to the Committee w.e.f. 23.01.2025 Vide Bulletin Part-II, Para No.1655 dated 27.01.2025.

[#] Shri Sukhjinder Singh Randhawa, MP, LS nominated to the Committee w.e.f. 29.1.2025 Vide Bulletin Part-II, Para No.1710 dated 30.1.2025 vice Shri Saumitra Khan, MP, LS.

[@] Shri Kamal Haasan, Shri Kanad Purkayastha and Smt. Rajathi, MP, RS nominated to the Committee w.e.f. 08.08.2025 vide Bulletin Part-II, Para No. 3117 dated 13.08.2025

INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and

Public Distribution (2024-2025) having been authorized by the Committee to submit the Report on their behalf, present this Twelfth Report on Action Taken by the Government on the Observations/Recommendations contained in the Eighth Report of the

Committee (Eighteenth Lok Sabha) on Demands for Grants (2025-26) of the Ministry of

Consumer Affairs, Food and Public Distribution (Department of Food and Public

Distribution).

2. The Eighth Report was presented to Lok Sabha and laid in Rajya Sabha on

12.03.2025. The Government has furnished its replies indicating Action Taken on the

recommendations contained in the Report on 16.07.2025.

3. The Report was considered and adopted by the Committee at their sitting held on

08.09.2025. The Minutes of the sitting of the Committee have been given at Appendix-I

to the Report.

4. An analysis of the action taken by the Government on

Observations/Recommendations contained in the Eighth Report of the Committee is

given at Appendix II.

NEW DELHI; 8 September, 2025 17 Bhadrapada, 1947 (Saka) Kanimozhi Karunanidhi, Chairperson, Standing Committee on Consumer Affairs, Food and Public Distribution

REPORT

CHAPTER - I

This Report of the Standing Committee on Consumer Affairs, Food and Public Distribution deals with the action taken by the Government on the Observations/Recommendations contained in the Eighth Report of the Committee (Eighteenth Lok Sabha) on Demands for Grants (2025-26) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

- 1.2 The Eighth Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 12.03.2025. It contained 13 Observations/Recommendations. Action taken replies in respect of all the 13 Observations/Recommendations contained in the Report have been received and these have been categorized as follows:
 - (i) Observations/Recommendations which have been accepted by Government:

Recommendation Nos.: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 & 13

(Chapter – II, Total: 13)

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies:

Recommendation No.: Nil

(Chapter – III, Total: 0)

(iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and require reiteration:

Recommendation No: Nil

(Chapter – IV, Total: 0)

(iv) Observations/Recommendations in respect of which final replies of Government are still awaited:

Recommendation No: Nil

(Chapter – V, Total: 0)

- 1.3 The Committee trust that utmost importance will be given to the implementation of the recommendations accepted by the Government. The Committee desire that final action taken notes to the Observations/Recommendations contained in Chapter- I of this Report should be furnished to the Committee within three months of the presentation of this Report.
- 1.4 The Committee will now deal with action taken by the Government on some of the recommendations.

A. Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)

Recommendation (Sl. No.3, Para No. 3.16)

1.5 The Committee in their original report observed/recommended as follows:-

"The Committee observe that the 'Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' has been approved to be implemented in all States/UTs for the period of 3 years i.e April 2023 to March 2026 with a total outlay of Rs. 349.90 crore. The Committee also note that Memorandum of Understandings (MoUs) have already been signed with 35 States/UTs (signing of MoU with Tamil Nadu in under process) for implementation of the SMART-PDS scheme. Budget division has allocated funds of Rs. 67.00 crore during 2025-26 as per requirement of funds for activities provisioned in the SMART-PDS scheme. The Committee have been informed that funds are to be released to States/UTs for State Project Implementation Team (SPIT) and to NIC/NICSI for development of SMART PDS application & other services for implementation of Centrally Sponsored Scheme -Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) during 2025-26. NIC, HQ has been entrusted with the task for development of the SMART PDS Application to be roll out pan India. The Committee feel that Smart PDS is an amalgamation of technology and conventional distribution system which would not only bring transparency in the PDS but also help in efficient monitoring and fast delivery. The Committee, therefore, desire the Department to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS reaches all the eligible beneficiaries within the scheduled time frame. The Committee may be apprised about the actual progress on regular basis."

1.6 The Ministry in its action taken reply has stated as under:-

"The SMART-PDS scheme was launched by this Department and is to be implemented in all States/UTs. At present, this Department has signed MoUs with 35 States/UTs (except Tamil Nadu, which is

under process) for the SMART-PDS scheme. This Department has been continuously pursuing the State Government of Tamil Nadu to share the signed MoU for the implementation of the SMART-PDS scheme. The Department is putting forth all efforts to bring all States on board so that the benefits of SMART-PDS should reach all the eligible beneficiaries. This Department has been putting up efforts to expedite the implementation of the SMART PDS and bring all the States/UTs on board. As part of these efforts, the following developments have been made towards rolling out the scheme pan-India:

- (i). Implementation of Ration Card Management System (RCMS) & Fair Price Shop (FPS): Four (4) States/UTs viz. Andaman & Nicobar Islands, Arunachal Pradesh, Mizoram and Maharashtra have completed the implementation.
- (ii). Implementation of Distribution: The implementation has been done in twelve (12) States/UTs, viz. Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Arunachal Pradesh, Goa, Tripura, Andaman & Nicobar Islands, Daman & Diu and Uttarakhand(partly).
- (iii). Allocation & Supply Chain: Completed for Four (4) States/UTs viz. Andaman & Nicobar Islands, Sikkim, Mizoram and Daman & Diu."
- 1.7 The Committee had observed that the 'Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' has been approved to be implemented in all States/UTs for the period of 3 years i.e April 2023 to March 2026 with a total outlay of Rs. 349.90 crore. The Committee also noted that Memorandum of Understandings (MoUs) have already been signed with 35 States/UTs (signing of MoU with Tamil Nadu in under process) for implementation of the SMART-PDS scheme. The Committee, therefore, had desired the Department to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS reaches all the eligible beneficiaries within the scheduled time frame.

The Department in its Action Taken Reply has stated that the Department is putting forth all efforts to bring all States on board so that the benefits of SMART-PDS should reach all the eligible beneficiaries. The Department has further stated that implementation of Ration Card Management System (RCMS) & Fair Price Shop (FPS) have been completed in four States/UTs, implementation of Distribution has been done in twelve

States/UTs and allocation & Supply Chain has been completed for four States/UTs.

The Committee, therefore, reiterate their original recommendation and strongly desire the Department to put forth their earnest efforts in bringing all States on board so that the benefits of Smart-PDS reaches all the eligible beneficiaries within the scheduled time frame. The Committee may be apprised about the progress in this direction.

B. Construction of godowns

Recommendation (Sl. No.9, Para No. 4.15)

1.8 The Committee in their original report observed/recommended as follows:-

"The Committee note that during the year 2024-25, FCI has an owned storage capacity of 147.00 Lakh Metric Tons (LMT) compared to a significantly higher hired storage capacity of 261.09 LMT. The Committee has been informed that the reason for FCI's reliance on hired storage is that hiring or constructing godowns through warehousing corporations and private investors is more cost-effective than building and maintaining FCI-owned storage facilities. The Committee further observe that, despite the substantial disparity between owned and hired storage capacities, there has been no comprehensive assessment or evaluation regarding the total expenditure incurred on rental liabilities compared to the cost of maintaining owned storage capacities across various States and Union Territories (UTs). This lack of a systematic analysis makes it difficult to fully assess whether the current approach of relying heavily on hired storage is indeed more cost-efficient in the long run, or not.

The Committee, therefore, strongly recommend that a detailed survey or study be conducted to assess the expenditure on rental liabilities associated with hired storage facilities as compared to the costs of maintaining owned storage capacity in all States and UTs. Such a study will provide valuable insights into the true cost-effectiveness of FCI's storage strategy and enable informed decision-making regarding future investments in storage infrastructure."

1.9 The Ministry in its action taken reply has stated as under:-

"A Committee of 03 officers has been constituted to study the matter."

1.10 The Committee in their original report noted that during the year 2024-25, FCI has an owned storage capacity of 147.00 Lakh Metric Tons (LMT) compared to a significantly higher hired storage capacity of 261.09 LMT. The Committee further observed that, despite the substantial disparity between owned and hired storage capacities, there has been no comprehensive assessment or evaluation regarding the total expenditure incurred on rental liabilities compared to the cost of maintaining owned storage capacities across various States and Union Territories (UTs). The Committee, therefore, had strongly recommended that a detailed survey or study be conducted to assess the expenditure on rental liabilities associated with hired storage facilities as compared to the costs of maintaining owned storage capacity in all States and UTs. The Department in their written replies has stated that a Committee of 03 officers has been constituted to study the matter.

While reiterating their earlier recommendation, the Committee desire the Department to conduct study to assess the expenditure on rental liabilities associated with hired storage facilities as compared to the costs of maintaining owned storage capacity in all States and UTs in a time bound manner. Outcome of the Committee so formed in this regard may be shared with the Committee and they may be apprised about the progress made in the matter.

CHAPTER II

OBSERVATIONS/ RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No.1, Para No. 2.11)

The Committee note that total Budget allocated to the Department of Food & Public Distribution is Rs. 261406.37 crore for the year 2025-26 which includes Rs. 211386.14 crore for Revenue section and Rs. 50020.23 crore under Capital section. The Committee further note that BE for Revenue Schemes during 2024-25 was Rs. 212976.21 crore which was reduced at RE stage to Rs. 205366.31 crore and Actual Expenditure was also reduced to Rs. 176202.04 crore. Further, for Capital Section during 2024-25, BE was Rs. 50043.54 crore which was also raised at RE Stage to Rs. 50108.66 crore but Actual Expenditure was reduced to Rs. 24476.70 crore. In light of the differences between the RE and actual expenditure under the Capital section, the Committee recommend that the Department should adopt a more accurate and informed approach when preparing future budget estimates.

Reply of the Government

2.2 For FY 2024-25, the actual expenditure occurred under Capital Section was to the tune of Rs. 24549.59 crore against the BE of Rs. 50043.54 crore and RE of Rs. 50108.66 crore. So far as less expenditure under Capital Section is concerned, this was mainly due to lesser release of 'Ways and Means Advance' against the allocation of Rs. 50000 crore in BE and RE. This advance is provided to FCI as per their cash flow requirement and needs to be repaid within the same financial year by FCI. This advance is budget neutral. It is availed only after utilizing subsidy. Out of Rs. 50000 crore, Rs. 24445.33 crore was utilized and remaining Rs. 25554.67 crore was surrendered.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 2, Para No. 2.12)

2.3 The Committee believe that such differences and variations between Revised Estimates and Actual Expenditure can be effectively addressed through careful and proactive planning. The Committee, therefore, urges the Department of Food and Public Distribution to actively engage with States and Union Territories, encouraging them to submit financial proposals in a timely manner. Additionally, the Department should take further initiatives to ensure that allocated funds for various schemes and programs are fully utilized within

the financial year. To enhance the effectiveness and efficiency of fund utilization, the Committee recommend the Department to establish clear key performance indicators (KPIs) to quantify the achievements. These KPIs should be used to monitor the performance of schemes and projects, with a focus on ensuring their timely completion. Furthermore, the Committee emphasize the need for strengthened oversight and continuous improvement in monitoring the implementation of all schemes and projects.

Reply of the Government

2.4 The Department of Food & Public Distribution (DFPD) welcomes the suggestion made by the Standing Committee with reference to proper planning and better coordination with States / UTs for effective implementation of different schemes/programmes as well as prudent fund utilization. This Department, as part of an effective monitoring mechanism, regularly pursue the relevant matters with the concerned States / UTs.

Department incurs expenditure with proper planning and timelines during a financial year. Further, there is strict monitoring of expenditure of funds from initial stage. For this, Monthly Expenditure Plan (MEP) is prepared beforehand. Further, expenditure statement monitoring is done by holding Senior officers' meetings.

The implementation of the SMART-PDS scheme is being regularly monitored at the highest levels through meetings and video conferences with the concerned State/UT Governments and other stakeholders. The Department has been persistently following up with the State/UT Governments through periodic communications, reminders, urging timely submission of financial proposals to ensure full utilization of funds within the financial year. Further, the SMART PDS application is expected to be deployed by September, 2025 in phased manner.

While making the estimates for funds requirement at budget estimates (BE) level for Decentralized procurement operation, the allocation of food grains and food grains available with the State Government are taken into consideration so as to avoid the excess allocation of budget and for optimum utilization of funds. Similarly fund requirement to FCI is estimated keeping in view the quantity of allocation of food grains to different States and that of sales by FCI to them as well as sale through Open Market Sale Scheme (Domestic), etc. Since distribution of foodgrains as per allocation is a continuous obligation under the NFSA Act, there has been no issue of under-utilization of funds under PMGKAY.

With regard to enhance the effectiveness and efficiency of fund utilization, in this regard it is stated that while preparing the admissible food subsidy to DCP States, the claims of the States are processed keeping in view the opening and closing balance of stocks, procurement, allocation and distribution of food grains, Food Corporation of India's reconciliation, Utilization Certificates received, Economic Cost of food grains etc. In light of the above, it

can be concluded that the DFPD is making effective and efficient use of the allocated funds.

In r/o implementation of other two schemes namely (i) Sugar Subsidy Payable under PDS for AAY families and (ii) Scheme for extending financial assistance for enhancement and augmentation of the Ethanol Production capacity. The Department is regularly pursuing the States/UTs to furnish their financial proposals/UCs and taking all necessary initiatives to ensure that outlay earmarked for the schemes are fully utilized during the financial years.

Under the Sugar Subsidy Scheme, Central Government is reimbursing a fixed subsidy of Rs. 18.50 per kg @ 1 Kg per month per AAY families to participating States/UTs. As on date, 26 states/UTs are participating in the scheme. Under the scheme, the State Government/UTs are required to procure sugar from the open market and make it available to the beneficiaries under the PDS. An amount of Rs. 367.07 crores were allocated under the scheme for the FY 2024-25, which was fully utilized.

Under the Scheme for extending financial assistance for enhancement and augmentation of the Ethanol Production capacity, funds are being released to Implementing Agencies through NABARD. An amount of Rs. 600 Crore were allocated under the scheme for the FY 2024-25, which was completely utilized.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 3, Para No. 3.16)

2.5 The Committee observe that the 'Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)' has been approved to be implemented in all States/UTs for the period of 3 years i.e April 2023 to March 2026 with a total outlay of Rs. 349.90 crore. The Committee also note that Memorandum of Understandings (MoUs) have already been signed with 35 States/UTs (signing of MoU with Tamil Nadu in under process) for implementation of the SMART-PDS scheme. Budget division has allocated funds of Rs. 67.00 crore during 2025-26 as per requirement of funds for activities provisioned in the SMART-PDS scheme. The Committee have been informed that funds are to be released to States/UTs for State Project Implementation Team (SPIT) and to NIC/NICSI for development of SMART PDS application & other services for implementation of Centrally Sponsored Scheme -Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) during 2025-26. NIC, HQ has been entrusted with the task for development of the SMART PDS Application to be roll out pan India. The Committee feel that Smart PDS is an amalgamation of technology and conventional distribution system which would not only bring transparency in the PDS but also help in efficient monitoring and fast delivery. The Committee, therefore, desire the Department to put forth their earnest efforts in bringing all States on board so that the

benefits of Smart-PDS reaches all the eligible beneficiaries within the scheduled time frame. The Committee may be apprised about the actual progress on regular basis.

Reply of the Government

- 2.6 The SMART-PDS scheme was launched by this Department and is to be implemented in all States/UTs. At present, this Department has signed MoUs with 35 States/UTs (except Tamil Nadu, which is under process) for the SMART-PDS scheme. This Department has been continuously pursuing the State Government of Tamil Nadu to share the signed MoU for the implementation of the SMART-PDS scheme. The Department is putting forth all efforts to bring all States on board so that the benefits of SMART-PDS should reach all the eligible beneficiaries. This Department has been putting up efforts to expedite the implementation of the SMART PDS and bring all the States/UTs on board. As part of these efforts, the following developments have been made towards rolling out the scheme pan-India:
- (i). Implementation of Ration Card Management System (RCMS) & Fair Price Shop (FPS): Four (4) States/UTs viz. Andaman & Nicobar Islands, Arunachal Pradesh, Mizoram and Maharashtra have completed the implementation.
- (ii). Implementation of Distribution: The implementation has been done in twelve (12) States/UTs, viz. Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Arunachal Pradesh, Goa, Tripura, Andaman & Nicobar Islands, Daman & Diu and Uttarakhand(partly).
- (iii). Allocation & Supply Chain: Completed for Four (4) States/UTs viz. Andaman & Nicobar Islands, Sikkim, Mizoram and Daman & Diu.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Comments of the Committee

(Please see Para No. 1.7 of Chapter- I of the Report)

Recommendation (Sl. No. 4, Para No. 3.22)

2.7 The Committee note that a total quantity of approx. 1118 LMT foodgrains had been allocated under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) (Phase I-VII) for the period of 28 months with a total planned financial outlay was about Rs. 3.91 lakh crore. The Committee also note that the Central Government, in order to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the National Food Security Act, 2013 (NFSA), had decided to provide food grains free of cost to NFSA beneficiaries i.e. AAY households

and PHH beneficiaries, for a period of one year beginning from 1st January 2023 under the PMGKAY, prior to that, under NFSA, subsidized food grains were distributed at Rs 3 per kg for rice, Rs 2 per kg for wheat and at Rs 1 per kg for coarse grains to beneficiaries. Further, it was decided to continue to provide free food grains to about 81.35 crore NFSA beneficiaries (i.e. Antyodaya Anna Yojana (AAY) households and Priority Households (PHH) beneficiaries under the PMGKAY for a period of five years with effect from 1st January 2024, as per entitlement under NFSA by subsuming two food subsidy schemes under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Total Allocation for the year 2024-25 under PMGKAY is Rs 2,05,250 as out of which Rs. 1,81,894 crore has been released as on 15.02.2025 to FCI and DCP States.

The Committee acknowledge and appreciate the commendable efforts made by the Department of Food and Public Distribution (DFPD) and the Food Corporation of India (FCI) in successfully implementing the food distribution scheme, particularly during the challenging periods of the Covid-19 pandemic and its aftermath in ensuring the seamless delivery of food grains to vulnerable populations. In light of these achievements, the Committee emphasize the critical importance of ensuring that the funds allocated for food subsidy are utilized judiciously and with utmost responsibility. The Committee urge the Department to manage and monitor these grants carefully in order to ensure reach of these free food grains to the intended beneficiaries under NFSA with minimum wastage. The Committee firmly believe that such prudent utilization of funds will not only ensure the success of PMGKAY but will also contribute to the long-term food security and welfare of the population, particularly those most affected by economic and social challenges.

Reply of the Government

2.8 The Department of Food & Public Distribution (DFPD) is thankful for acknowledgement and appreciation of the sincere efforts made by the Department of Food and Public Distribution (DFPD) and the Food Corporation of India (FCI) is successful implementing the food distribution scheme particularly during Covid-19 pandemic and its aftermath in ensuring the seamless delivery of food grains to vulnerable populations. It is the endeavour of this Department to ensure sufficient & unhindered availability of food grains to all the beneficiaries.

The available funds for both FCI and DCP States were utilized efficiently and judiciously to ensure the food security to all the entitled beneficiaries of various schemes of Government of India.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 5, Para No. 3.29)

2.9 The Committee are happy to note that the centrally sponsored pilot scheme on "Fortification of Rice and its Distribution under the Public Distribution System was implemented in order to address anemia and micronutrient deficiency in the country from 2019-20 for three years, with an outlay of ₹ 174.64 crore. Cabinet Committee on Economic Affairs (CCEA) approved the scale-up of the initiative for supplying fortified rice under the Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) with a total outlay of ₹4269.76 crore by March 2024 in a phased manner. The Committee have also been informed that on 9th October 2024, the Government of India approved the continuation of universal supply of fortified rice under all central government schemes from July 2024 to December 2028, with 100% funding under PMGKAY (Food Subsidy), at a budget outlay of ₹17082 crore. The Committee consider that the extension of this scheme reflects a noble commitment towards addressing malnutrition and nutritional deficiencies among beneficiaries. Therefore, the Committee strongly recommend that the Department of Food and Public Distribution to ensure the meticulous implementation of the scheme across the country, with particular emphasis on States where rice is a staple food. By doing so, the Department can significantly contribute to the eradication of malnutrition, improving the overall health and well-being of vulnerable populations.

Reply of the Government

2.10 The Department of Food and Public Distribution acknowledge the appreciation of the committee on pan Indian implementation of Rice Fortification Initiative by the Department as an effective complementary strategy to tackle anemia and micro nutrient deficiency prevailing in vulnerable population in the country. In alignment with the Standing Committee's recommendations, the Department of Food & Public Distribution is implementing the Rice Fortification initiative across the country covering Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and Other Welfare Schemes. Under all the Central Government Schemes, custom-milled rice has been 100% replaced with fortified rice.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 6, Para No. 3.34)

2.11 The Committee are happy to note that the Government has taken several steps to control transit losses such as implementation of High Security Cable Seals, accounting of Made-up bags, Deployment of Independent Consignment Certification Squad (ICCS) at the time of loading /unloading, Performance Review Meetings etc. Due initiatives/measures taken, transit losses are gradually reducing. The Committee also note that during Financial Years 2022-23, 2023-24 and 2024-25, value of Transit Losses is Rs. 401.76 crore, Rs. 217.22 crore and Rs. 188.66 crore (upto January, 2025) respectively. In terms of value, Transit Losses are coming down, the Committee feel that these Transit losses need to be reduced to the minimum and desire that leveraging technology to monitor foodgrains losses during transportation, implementing efficient routing and scheduling upgraded transport vehicles to maintain optimum temperature and humidity control can further lessen the transit losses.

Reply of the Government

- 2.12 FCI stores and preserves a substantial quantity of food grains in scientific warehouses located across the country. Approx. 600 Lakh Metric tons of Food grains are moved from various procuring regions to consuming regions through Rail and Road movement. During these movements, Transit losses are inevitable as this movement involves multiple handling. However, as a result of consistent efforts made by FCI, these losses are controlled and presently at barest minimum level. Presently no such proposals are under consideration to maintain optimum temperature and humidity control in transport vehicles to lessen the transit losses. However, Steps being taken to further reduce the Transit Loss are mentioned as under: -
- 1. Use of tamper proof High security cable seals meeting IS 17381: 2021 to seal the wagons at the time of loading of Food grains to avoid tempering, enroute pilferage has been made mandatory. This has led to 92% reduction in number of Rakes reporting abnormal Transit Losses i.e. more than 0.5%.
- 2. The practice of laying LDPE sheets of 50 micron thickness by all dispatching centers in all the wagons while loading the food grains has been made mandatory. Recipient centers are also ensuring that at the time of unloading, the spillage on the LDPE sheets be duly collected, so that there is no loss of food grains due to such spillage.
- 3. The Dunnage is also being spread on platform at the time of loading and unloading, so that the loose/spillover grains are duly collected and filled in made up bags. Such made up bags are also being accounted to have proper record.
- 4. Tarpaulins are also spread on floor of the trucks to avoid bleeding of grains.

- 5. Transport vehicles are properly covered and sealed before movement so as to avoid any loss due to spillage/rains etc.
- 6. Monitoring of rake operations through regular/surprise inspections is being reviewed at Headquarters' level. To further tighten the same, lower limit for Joint Verification of high Transit Loss cases to fix responsibility has been reduced from 1% to 0.75% and further to 0.50%.
- 7. Efforts for augmentation of covered storage capacity; construction of silos for the bulk storage of wheat, movement of bulk stocks through specialized wagons and pilot project on preservation of rice in silos are being envisaged to further reduce losses in food grains.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (SI. No. 7, Para No. 4.5)

2.13 The Committee has observed that the Food Corporation of India (FCI) is responsible for providing food grains for various welfare schemes administered by the Ministries of the Union Government, on a payment basis. However, the information provided by the Department highlights a significant issue of substantial outstanding dues owed by several Ministries. These arrears have accumulated over time, and the Committee are concerned that the recovery of these outstanding payments has remained an unresolved matter for an extended period.

The Committee believe that the prolonged delay in settling these dues is detrimental to the efficient functioning of the food distribution system and undermines the financial management. In light of this, the Committee strongly recommend that the Department to take immediate and effective action to recover the outstanding dues from the relevant Ministries without further delay. The Committee emphasizes the importance of pursuing this matter at the highest levels, engaging with the concerned Ministries directly, and making joint Committee at the highest level to resolve the matter in time bound manner.

Reply of the Government

2.14 In consultation with Ministry of Finance and M/o Rural Development, the issue was resolved amicably and Rs. 2454.03 crore were released to FCI vide DFPD sanction No. 47/FCI/2023-24 dated 18.03.2024

In respect of dues of FCI pending against Ministry of External Affairs, it has been decided to refer the matter to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD), which is a mechanism for settlement

of commercial disputes between Central Public Sector Enterprises (CPSEs) inter se and CPSE (s) and Government Department (s) Organization (s).

FCI has been requested to send a proposal to this Department to refer the matter to AMRCD.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No.8, Para No. 4.14)

The Committee are concerned to note that during the years 2021-22, 2022-23, 2023-24 and 2024-25 (as on 31.01.25), FCI could not achieve physical target of construction of godowns in the wake of implementation of NFSA 2013. During the Financial Year 2023-24, the target was set as 50100 MT, but its achievement was only 1760 MT. Financial target set during the year 2023-24 was Rs. 133.75 crore, but achievement was only Rs 52.75 crore. Physical target set during the Financial Year 2024-25 was 58540 MT but its achievement was only 1000 MT (as on 31.01.2025). Financial target set during the year 2024-25 was Rs. 132.66 crore, but achievement was only Rs 47.30 crore.

The Department has submitted that in case of Central Sector Scheme "Storage & Godowns", land acquisition from the State Governments is the most difficult task associated with any godown construction project in Central Sector Scheme. Due to non-availability of suitable land, the projects at times get delayed. Along with that, the difficult terrain and climate of North-East and other Hilly states like Himachal Pradesh makes it difficult to execute the work at full pace. During extended monsoons, the work gets halted for longer duration. The Committee are of the view that these factors are not new thus the planning should have taken into consideration these realities of NE and for hilly states and accordingly, a practical implementation strategy of the plans should have been formulated. The Committee, therefore, recommend the Department to formulate a better implementation strategy to achieve the targets and solve these issues effectively and timely manner.

Reply of the Government

2.16 For Financial Year 2024-25, physical target set during the Financial Year 2024-25 was 58540 MT and against which the achievement was 10,000 MT. Further, the financial target set during the financial year 2024-25 was Rs. 132.66 crore and achievement was Rs 84.25 crore.

Further it is submitted that due care is being undertaken for planning and execution of CSS works, however certain issues like Covid, land acquisition, natural calamities like land slide, public protest etc. has effected the progress of project.

During 2024-25, a 10,000 MT godown has been commissioned at Podaiyahat in Jharkhand. Further, in FY 2025-26, a godown having capacity of 10,200 MT has been completed in Dumka (Jharkhand), beside 10,000 MT storage Capacity godown at Itkhori in Jharkhand is also completed. Thereafter, balance locations, where work is in progress, will be completed as follows:

1.	Kokrajhar:15000 MT	Work is in progress and will be completed by 1st week of August 2025.
2.	Sairang:10000 MT	Project was halted for clearance from Ministry of Environment Forest and Climate Change. At present clearance letter to start the work is pending with Forest Department, Mizoram. Work will be started on receipt of clearance letter from DFO Mizoram. Once project restarts, will be completed by March 2026
3.	Silchar:20000 MT	Work is in Progress and will be completed by March 2026.
4.	Champai:3340 MT	Site has been found to be defected with Soil bulging and faults causing it to be un-suitable for construction of Godown at site. ZO(NE) furnished the clarification on the issues flagged by the Ministry, vide letter dated 29.04.2025 on dated 19.05.2025. The matter is under consideration at Hqrs level.
5.	Mandi:3340 MT	Work was rescinded due to very slow progress and re-tendering has been done. Technical bid has been approved and price bid opened on dated 16.05.2025. The matter has gone under litigation.

As the remaining sites are on verge of completion in present Central Sector Scheme, hence in case any new scheme is implemented in future for construction of godown, then as recommended by Standing Committee of CAF&PD, a high level committee will be constituted for better planning and coordination regarding land acquisition, public law and order issues etc.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 9, Para No. 4.15)

2.17 The Committee note that during the year 2024-25, FCI has an owned storage capacity of 147.00 Lakh Metric Tons (LMT) compared to a significantly higher hired storage capacity of 261.09 LMT. The Committee has been informed that the reason for FCI's reliance on hired storage is that hiring or constructing godowns through warehousing corporations and private investors is more cost-effective than building and maintaining FCI-owned storage facilities. The Committee further observe that, despite the substantial disparity between owned and hired storage capacities, there has been no comprehensive assessment or evaluation regarding the total expenditure incurred on rental liabilities compared to the cost of maintaining owned storage capacities across various States and Union Territories (UTs). This lack of a systematic analysis makes it difficult to fully assess whether the current approach of relying heavily on hired storage is indeed more cost-efficient in the long run, or not.

The Committee, therefore, strongly recommend that a detailed survey or study be conducted to assess the expenditure on rental liabilities associated with hired storage facilities as compared to the costs of maintaining owned storage capacity in all States and UTs. Such a study will provide valuable insights into the true cost-effectiveness of FCI's storage strategy and enable informed decision-making regarding future investments in storage infrastructure.

Reply of the Government

2.18 A Committee of 03 officers has been constituted to study the matter.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Comments of the Committee

(Please see Para No. 1.10 of Chapter- I of the Report)

Recommendation (Sl. No. 10, Para No. 4.21)

2.19 The Committee note that Steel Silo storage with bulk handling facility is highly mechanized and modernized way of storing food grains in bulk. This ensures better preservation of foodgrains and enhances its shelf

life. The Committee also note that if food grains are stored in Silos and transported in bulk, losses due to theft, pilferage and transportation would be negligible compared to food grains storage in bags in conventional warehouses. The Committee have been informed that Silos with capacity of 23.25 LMT at various locations throughout country are under implementation, out of which a capacity of 17.75 LMT are completed and remaining 5.50 LMT are under various stages of development. In addition to above, silos of 5.5 LMT capacity at 7 location have already been constructed and put to in use in 2007-09 under circuit base model. The Committee have also been informed that under phase–I of Hub & Spoke model Silos of 10.125 LMT at 14 locations on FCI own land awarded and 24.75 LMT at 66 locations on private land have been awarded and are in development stage. The Committee emphasize the importance of ensuring the uniform distribution of these silos across the country especially in wheat consuming States, in a systematic and wellcoordinated manner and desire that during the development process in various models this should be ensured positively.

Reply of the Government

Observation/Recommendation of Hon'ble committee noted. As on date, silos of 26.75 LMT capacity are under utilization. All efforts are being made for timely completion of Silos. Various periodical reviews are made with concessionaires for monitoring the progress of Silos encouraging to achieve the targeted time lines. Silo are constructed based on the storage gap in each state. Projects involving unforeseen issues causing deviations from the prescribed time lines of various milestones are considered appropriately by the Authorities in accordance with extant provisions to endeavor for improving efficiency of Silos operations and achieve targets.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 11, Para No. 5.11)

2.21 The Committee are happy to note that the country has been producing sugar more than the domestic requirement for the last several years, which has not only ensured sufficient sugar supply but also encouraged exports. The Committee also note that due to availability of excess sugar, Government is encouraging sugar mills to divert excess sugarcane to ethanol, which has resulted in reduction of All-India cane price arrear of farmers. The Committee have been informed that total outstanding amount of cane Price arrears in the country as on 10.02.2025 is Rs 14481 crore. While appreciating the efforts of the Department for timely payment of sugarcane to the farmers, the Committee wish that the Department would continue their efforts in this direction to clear remaining Cane price arrears to the farmers at the earliest and apprise the Committee accordingly.

Reply of the Government

Timely Government interventions during last 5-7 years have been crucial in building the sugar sector step by step from taking them out of financial distress in 2018-19 to the stage of self-sufficiency. During the previous sugar season 2023-24, sugar mills have procured sugarcane worth Rs. 1,11,782/- crore and as on 21.04.2025, about 99.99% of cane dues had already been cleared. During current sugar season 2024-25 as on 21.04.2025, sugar mills have procured sugarcane of about Rs. 96,556/- crore and about Rs. 84,013/- crore have been paid, thus about 87% cane dues have been cleared.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 12, Para No. 5.22)

2.23 The Committee note that Government has fixed a target of 20% blending of fuel grade ethanol with petrol by 2025. The Committee also note ethanol production capacity in the country has reached 1722 cr. Ltrs. as on 31.1.2025 fostering their efforts towards achieving target of 20% ethanol blending. The Committee have been informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 17.44% in current Ethanol Supply Year (ESY) 2024-25 upto 31.1.2025. The Committee believe that higher production of ethanol will not only reduce the dependency on fossil fuel but also encourage the sugarcane farmers for increased production and sugar mills in maintaining their liquidity. The Committee, therefore, hope that the Department will continue their efforts in assisting the sugarcane farmers which will eventually lead to high ethanol and sugar production and finally help in achieving the target of 20% ethanol blending in motorable fuel by 2025 as per National Bio-Fuel Policy, 2018.

Reply of the Government

2.24 During ESY 2023-24, 14.6 % blending has been achieved by blending about 707 crore litres of ethanol.

In Current ESY 2024-25, about 400.32 crore litres of ethanol has been blended by OMCs, thereby achieving a blending of 18.38.%. (status as on 06.04.2025). The current ethanol production capacity has reached to 1788 crore litres (as on 31.03.2025) which is more than the required capacity target of 1700 crore litres to achieve 20% blending by ESY 2025-26.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

Recommendation (Sl. No. 13, Para No. 6.16)

2.25 The Committee note that Directorate of Sugar and Vegetable Oil (DSVO) coordinates the management of edible oils in the country through a multi-pronged strategy and closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures such as import duty calibration, fixation of tariff values, stock limits, allocation of Tariff Rate Quotas (TRQs) etc whenever necessary. Further, they observe that the gap between demand and supply of edible oils is around 55% and is met through imports. On the matter of controlling continuous rise in the cooking oil prices since past one year, they have been apprised that Central Government had reduced Basic Custom Duty on Refined Soyabean oil and Refined Sunflower Oil to 17.5% from 32.5% and from 17.5% to 12.5% for Refined Palm Oils up to 31st March 2025. In view of ongoing challenges related to the rise in cooking oil prices, the gap between domestic demand and supply of edible oils, and the recent policy changes regarding import duties, the Committee recommend the Department to consider a balanced approach to ensure the sustainability of both domestic oilseed farmers and consumer price stability specifically by monitoring and defining import duty structures, stock management and strengthening domestic oilseed production.

Reply of the Government

2.26 It is stated that the Edible Oil Division of Directorate of Sugar and Veg. Oil already works by considering a balanced approach to ensure the sustainability of both domestic oilseeds farmers and consumer price stability specifically by monitoring and defining import duty structures, stock management and strengthening domestic oilseeds production. The recommendation is also noted.

[Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) O.M. No. G-20017/03/2023-AC Dated 16th July, 2025]

CHAPTER III

OBSERVATIONS/ RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

-NIL-

CHAPTER IV

OBSERVATIONS/ RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

-NIL-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONSIN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

-NIL-

New Delhi; <u>8 September, 2025</u> 17 Bhadrapada, 1947 (Saka) Kanimozhi Karunanidhi, Chairperson, Standing Committee on Consumer Affairs, Food and Public Distribution MINUTES OF THE SIXTEENTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-2025) HELD ON MONDAY, 8^{TH} SEPTEMBER, 2025

The Committee sat from 1600 hrs. to 1630 hrs. in Committee Room No. '2', Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

Members

Lok Sabha

- 2. Shri Anto Antony
- 3. Shri Jaswantsinh Sumanbhai Bhabhor
- 4. Smt. Malvika Devi
- 5. Shri Manish Jaiswal
- 6. Shri Sukhjinder Singh Randhawa
- 7. Shri Manoj Kumar
- 8. Shri Sunil Kumar
- 9. Shri Bharat Singh Kushwah
- 10. Shri Neeraj Maurya
- 11. Shri Bastipati Nagaraju
- 12. Shri Haribhai Patel
- 13. Shri Ashok Kumar Rawat
- 14. Shri Bunty Vivek Sahu
- 15. Shri Ujjwal Raman Singh
- 16. Shri Bajrang Manohar Sonwane
- 17. Dr. Indra Hang Subba
- 18. Shri Rajmohan Unnithan

Rajya Sabha

- 19. Shri Prakash Chik Baraik
- 20. Shri Rambhai Harjibhai Mokariya
- 21. Smt. Ranjeet Ranjan
- 22. Shri Ryaga Krishnaiah
- 23. Shri Kanad Purkayastha
- 24. Shri Kamal Haasan
- 25. Smt. Rajathi

SECRETARIAT

- 1. Smt. Maya Lingi Joint Secretary
- 2. Dr. Vatsala Joshi Director
- 3. Dr. Mohit Rajan Deputy Secretary

- 2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the following Draft Reports of the Committee:
 - (i) xxxx xxxx xxxx xxxx; and
 - (ii) Twelfth Report on Action Taken by the Government on the Observations/ Recommendations contained in the Eighth Report of the Committee (Eighteenth Lok Sabha) on Demands for Grants (2025-26) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)
- 3. Thereafter, the Committee took up for consideration the above mentioned Draft Reports of the Committee.
- 4. After deliberations, the Committee adopted the above mentioned Draft Reports without any amendments/modifications.
- 5. The Committee then authorized Hon'ble Chairperson to finalize and present the aforesaid Reports to the Speaker under the Direction 71 A (1) of the Directions by the Speaker, Lok Sabha as the House is not in session. Further, as per Rule 280 of the Rules of Procedure and Conduct of Business in Lok Sabha the Reports would be presented to the House during the next session.
- 6. The Committee, thereafter, decided to hold the next sitting of the Committee for oral evidence of the officials of State Government of Bihar, Meghalaya, Telangana, Tamil Nadu & Kerala and Department of Food and Public Distribution on the subject 'Modernisation of Public Distribution System- Strengthening Technical Data base' on 19 September, 2025.

The Committee then adjourned.	

xxxx Matter does not relate to the Report.

(*Vide* Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE EIGHTH REPORT OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2024-25) (EIGHTEENTH LOK SABHA)

- (i) Total number of Recommendations: 13
- (ii) Observations/Recommendations which have been accepted by the Government:

Recommendation Nos: 1, 2, 3, 4, 5, 6, 7, 8, 9,10,11,12 &13

(Chapter – II, Total - 13) Percentage: 100%

(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:

Recommendation No.: NIL

(Chapter – III, Total - 00) Percentage: 0.00%

(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration:

Recommendation No.: NIL

(Chapter – IV, Total -0) Percentage: 0.00%

(v) Observations/Recommendations in respect of which final replies of Government are still awaited:

Recommendation No.: NIL

(Chapter – V, Total - 0) Percentage: 0.00%%