

14

**STANDING COMMITTEE ON CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION (2025-2026)**

EIGHTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2026-27)**

FOURTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2026/Phalguna, 1947 (Saka)

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AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(2025-2026)**

(EIGHTEENTH LOK SABHA)

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

**DEMANDS FOR GRANTS
(2026-27)**

**Presented to Lok Sabha on 16.03.2026
Laid in Rajya Sabha on 16.03.2026**



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2026/Phalguna, 1947(Saka)

CONTENTS

		Page
Composition of the Committee		ii
Introduction		iii
Chapter I	Introductory	1
Chapter II	Financial Performance of the Department	
	A. Allocation and Utilization of Budgetary Provisions	5
	B. Revenue Section	7
	C. Capital Section	8
	D. Performance of Schemes	9
	E. Grant-in-Aid to North Eastern (NE) Areas, States and UTs	14
Chapter III	Management of Foodgrains	
	A. Procurement of foodgrains	16
	B. Storage of Foodgrains	27
	C. Transportation of foodgrains	29
	D. Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	32
	E. Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)	38
	F. Dues and Liabilities of Food Corporation of India (FCI)	44
Chapter IV	Storage : Capacity Augmentation	
	A Construction of Godowns	46
	B. Construction of Silos	51
	C. Storage Capacity Augmentation Schemes	54
Chapter V	Advance Technological Interventions in Management of Foodgrains	
	A. Enterprise Resource Planning (ERP)	57
	B. Anna Sahayata Holistic AI Solution (Asha)	59
	C. Warehouse Inventory Network & Governing System (Wings)	61
	D. FCI Depot Darpan Portal	64
	E. Central Bank Digital Currency - Digital Food Coupons	67
Chapter VI	Management of Sugar Sector	
	A. Production of Sugar	69
	B. Sugar Subsidy payable under PDS for AAY Families	71
	C. Sugarcane Arrears	72
	D. Ethanol Blending Programme	73
Chapter VII	Edible Oils	79
ANNEXURES		
I	Variation of RE to actuals for the last 3 years w.r.t. Food Subsidy to FCI under PMGKAY and Food Subsidy to DCP States under PMGKAY	84
II	State-wise data for Procurement, MSP Value and farmers benefitted in respect of Paddy for the last five years and current year	90
III	State-wise data for Procurement, MSP Value and farmers benefitted in respect of Wheat for the last five years and current year	91
IV	State-wise details of production and procurement of Wheat	92
V	State-wise details of production and procurement of Rice	93
VI	Capacity completed and capacity in progress under Central Sector Scheme (from 2017- 2025) in North East and other than North East	94
APPENDICES		
I	Minutes of the Sixth Sitting of the Committee held on 27.2.2026	96
II	Minutes of the Seventh Sitting of the Committee held on 12.3.2026	99
III	Important Observations/Recommendations of the Committee	101

Composition of the Standing Committee on Consumer Affairs, Food and Public Distribution (2025-26)

Smt. Kanimozhi Karunanidhi - Chairperson

MEMBERS

LOK SABHA

2. Shri Anto Antony
3. Shri Sudip Bandyopadhyay
4. Shri Jaswantsinh Sumanbhai Bhabhor
5. Smt. Malvika Devi
6. Shri Manish Jaiswal
7. Shri Manoj Kumar
8. Shri Sunil Kumar
9. Shri Bharat Singh Kushwah
10. Shri Ajendra Singh Lodhi
11. Shri Neeraj Maurya
12. Shri Bastipati Nagaraju
13. Shri Haribhai Patel
14. Shri Sukhjinder Singh Randhawa
15. Shri Ashok Kumar Rawat
16. Shri Buntly Vivek Sahu
17. Shri Rao Rajendra Singh
18. Shri Ujjwal 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 Ryaga Krishnaiah
25. Shri Baburam Nishad
26. Shri Mokariya Rambhai
27. Smt. Ranjeet Ranjan
28. Shri Arun Singh
29. Shri Sat Paul Sharma @
30. Shri Chowdry Mohammad Ramzan @
31. Dr. Faiyaz Ahmad #

SECRETARIAT

- | | | |
|----------------------|---|-------------------|
| 1. Smt. Maya Lingi | - | Joint Secretary |
| 2. Dr. Vatsala Joshi | - | Director |
| 3. Dr. Mohit Rajan | - | Deputy Secretary |
| 4. Shri Ram Anand | - | Executive Officer |

Committee constituted w.e.f. 26.09.2025 vide Bulletin Part II, Para No. 3287 dated 01.10.2025.

@ Shri Sat Paul Sharma and Shri Chowdry Mohammad Ramzan, MP, Rajya Sabha nominated to the Committee w.e.f. 05.12.2025 Vide Bulletin Part-II, Para No.3767 dated 08.12.2025.

Dr. Faiyaz Ahmad, MP, Rajya Sabha nominated to the Committee w.e.f. 15.12.2025 Vide Bulletin Part-II, Para No.3996 dated 18.12.2025

INTRODUCTION

I, the Chairperson of the Standing Committee on Consumer Affairs, Food and Public Distribution (2025-2026) having been authorized by the Committee, to present on their behalf, this Fourteenth Report (Eighteenth Lok Sabha) on Demands for Grants (2026-27) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Committee examined/scrutinized the detailed Demands for Grants (2026-27) of the Ministry which were laid on the Table of the House on 11th February, 2026. The Committee took oral evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on 27th February, 2026.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2026-27).

4. The Report was considered and adopted by the Committee at their sitting held on 12 March, 2026.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in **bold** type in the body of the Report.

NEW DELHI;
12 March, 2026
Phalguna 21, 1947 (Saka)

Kanimozhi Karunanidhi,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution

REPORT

CHAPTER – I

INTRODUCTORY

The Ministry of Consumer Affairs, Food and Public Distribution consists of two Departments, namely, the Department of Food and Public Distribution and the Department of Consumer Affairs. The Department of Food and Public Distribution and the Department of Consumer Affairs work under the overall guidance of Union Minister of Consumer Affairs, Food and Public Distribution. The main functions of the Department of Food and Public Distribution are:-

- (i) Formulation and implementation of national policies relating to procurement, movement, storage and distribution of foodgrains;
- (ii) Implementation of the Public Distribution System (PDS) with special focus on the poor;
- (iii) Provision of storage facilities for the maintenance of central reserves of foodgrains and promotion of scientific storage;
- (iv) Formulation of national policies relating to export and import, foodgrain stocking norms, quality control and specifications of foodgrains;
- (v) Administration of food subsidies relating to rice, wheat and coarse grains;
- (vi) Policy matters relating to sugar and sugarcane sector, fixation of Fair and Remunerative Price (FRP) of sugarcane payable by sugar factories, development and regulation of sugar industry (including training in the field of sugar technology); and
- (vii) Monitoring, price control and supply of edible oils.

1.2 The Mandate of the Ministry is to ensure national food security through the timely and efficient procurement and distribution of food grains. In this regard, scientific storage assumes paramount importance to preserve the quality of food grains and minimize losses. Adequate storage capacity is maintained to hold stocks required under the Public Distribution System (PDS) and other welfare schemes of the Government of India, while ensuring sufficient buffer stocks to safeguard the nation's food security and meet any unforeseen exigencies.

1.3 For carrying out its functions, the Department is assisted by one Attached Office namely Directorate of Sugar and Vegetable Oils (DS&VO) which is responsible for implementation of policies relating to sugar and edible oil sectors, particularly the availability of sugar and edible oils and monitoring of their prices.

1.4 Further, the Department is assisted by following three subordinate offices: -

- (i) National Sugar Institute (NSI), Kanpur

National Sugar Institute (NSI), Kanpur is a premier Scientific & technical Institute in the country which conducts Fellowship, Post Graduate Diploma & Certificate level courses in Sugar technology, Sugar Engineering and Alcohol technology related disciplines. Besides undertaking research and development work in sugar and allied fields, it also renders advice to Sugar, Alcohol and allied industry from “Concept to Commissioning”

- (ii) Quality Control Cells (QCCs)

Quality Control Cells (QCCs) are monitoring the quality of foodgrains at the time of procurement, storage and distribution. These cells also ensure that guidelines/ instructions issued by the Government from time to time about scientific storage and preservation of foodgrains are followed by the FCI, CWC, SWCs and State agencies. These QCCs are located at Bengaluru, Bhopal, Bhubaneswar, Delhi, Kolkata, Hyderabad, Lucknow, Pune, Chennai, Guwahati and Patna.

- (iii) Indian Grain Storage Management and Research Institute (IGMRI)

Indian Grain Storage Management & Research Institute (IGMRI), Hapur and its field stations at Hyderabad & Ludhiana, functioning under the direct control of Department of Food & Public Distribution, are engaged in applied Research & Development activities in the field of Storage Management of foodgrains and institutional trainings on scientific storage and inspection of foodgrains.

1.5 Apart of the above, there are two Central Public Sector Enterprises and one Regulatory Authority under the administrative control of the Department, namely:

- (i) Food Corporation of India (FCI)

The Food Corporation of India (FCI) is the main agency responsible for execution of the food policies of Central Government. Functions of the FCI primarily relate to the procurement, storage, movement, distribution and sale of foodgrains on behalf of the Central Government.

- (ii) Central Warehousing Corporation (CWC)

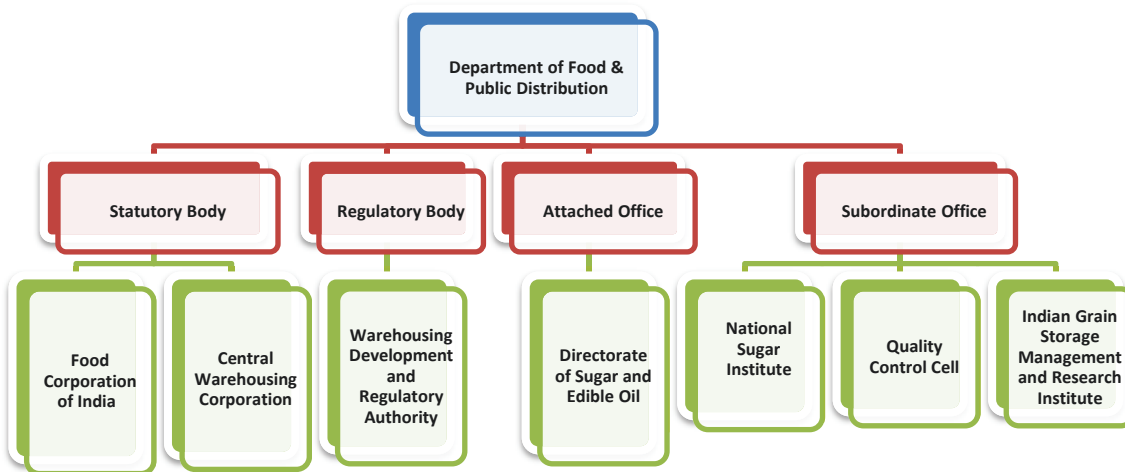
CWC is functioning under the administrative control of the Ministry of Consumer Affairs, Food & Public Distribution. CWC provides scientific storage facilities for agricultural produce and other notified commodities.

- (iii) One Regulatory Authority viz. Warehousing Development and Regulatory Authority (WDRA)

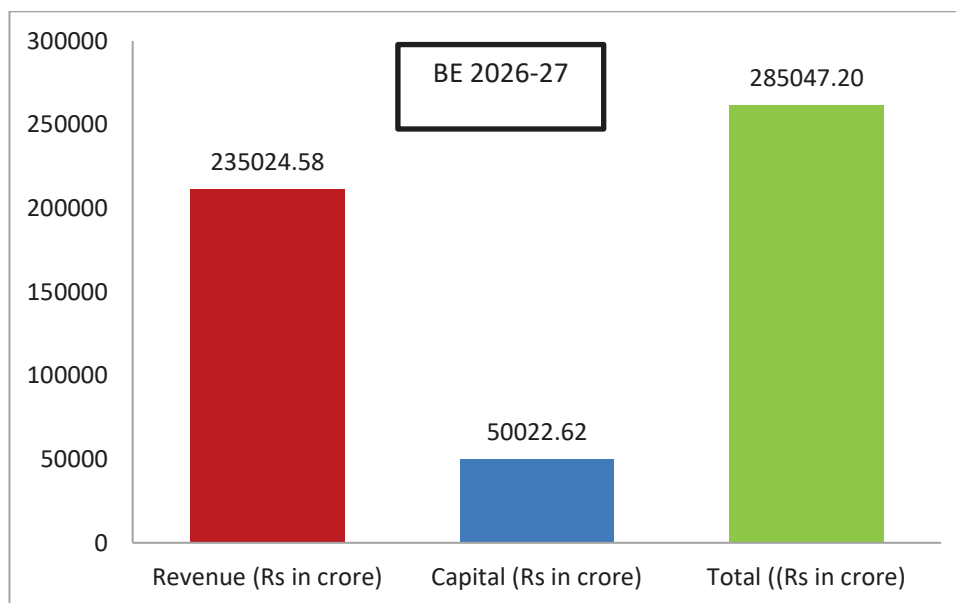
Warehousing Development and Regulatory Authority (WDRA) was set up by the Government of India to ensure implementation of the provisions of the

Warehousing (Development & Regulation) Act, 2007. The main functions of the Authority are to make provisions for the development and regulation of warehouses which *inter-alia* includes negotiability of warehouse receipts, registration of warehouses, promotion of scientific warehousing of goods, improving fiduciary trust of depositors and banks, enhancing liquidity in rural areas and promoting efficient supply chain.

1.6 Department of Food and Public Distribution, its attached/subordinate offices and other organizations



1.7 The Minister for Consumer Affairs, Food and Public Distribution laid on the Table of the Lok Sabha, the Detailed Demands for Grants (2026-27) relating to the Department of Food and Public Distribution on 11.02.2026. The Detailed Demands for Grants for the Department of Food and Public Distribution shows a budgetary provision of Rs. 285047.20 crore for the year 2026-27. This includes Rs. 235024.58 crore for Revenue section and Rs. 50022.62 crore under Capital section.



1.8 The Committee in the present Report have examined the detailed Demands for Grants of the Department of Food and Public Distribution for the year 2026-27 as shown in the succeeding Chapters of the Report.

CHAPTER –II

FINANCIAL PERFORMANCE OF THE DEPARTMENT

A. Allocation and utilization of Budgetary Provisions

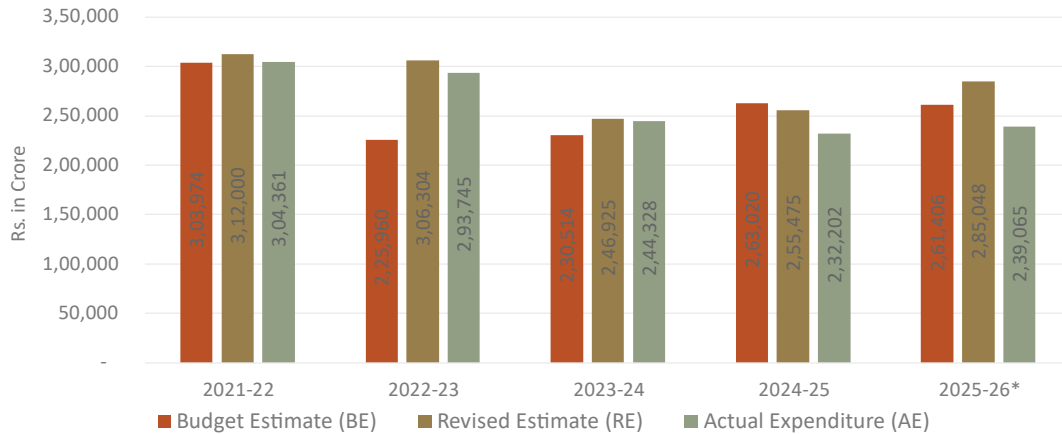
Budget Estimates (BE), Revised Estimates (RE) for 2025-26 and the proposed Budget Estimates (BE) for 2026-27 are given as under:-

(Rs. In crore)

	Budget Estimates (BE) (2025-26)	Revised Estimates (RE) (2025-26)	Budget Estimates (BE) (2026-27)	Variation in BE 2026-27 w.r.t. RE (2025-26)
Revenue	211386.14	235024.93	235024.58	-0.35 (-0.00015%)
Capital	50020.23	50022.72	50022.62	-0.10 (-0.00020%)
Total	261406.37	285047.65	285047.20	-0.45 (-0.00016%)

2.2 During the evidence on Demands for Grants on 27 February, 2026 the representative of the Department of Food and Public Distribution informed the following about past years budgetary trend:

Past Years Budgetary Trend



*Actual Expenditure of FY 2025-26 is up to 17.02.2026

2.3 During the Evidence, the representative of the Department submitted about overall Budgetary allocation as under:-

“This is the past 2-3 years’ trend of budgetary support from Government. If we see largely in 2024-25, the expenditure has now become Rs. 2.32 lakh crore which as was mentioned that the large share of this Budget support is for PMGKAY and also for some other scheme which the Government of India runs either 100 per cent sponsored by Central Government or on a sharing basis with the States.”

2.4 On being asked to furnish the overall Budgetary proposals for the Department for the year 2026-27, the Department in their written replies submitted as under:

(Rs in crore)

Scheme Detail	Proposal Made under BE 2026-27	Funds allocated by MOF under BE 2026-27	Reasons
Food Subsidy to FCI under PMGKAY	182606.00	1,52,429.00	Projections were made keeping in view the outstanding borrowings, estimated sales quantity i.e food grains issued to States as difference between Economic cost and Central Issue Price in compliance with MoF directions.
Food Subsidy to DCP States under PMGKAY	75,017.65	75,000.00	Estimates were made keeping in view the allocation of food grains. Further an increase of 5% was applied on the projected funds due to increase in MPS value and other incidental charges which were directly related to MSP viz. statutory charges and Administrative charges.

2.5 In response to a query regarding reasons for variation of RE to Actuals for the FY 2025-26, the Department informed that it may not be provided as on date as the FY 2025-26 has not yet concluded. Further, the reasons for variation in RE 2025-26 and Actual Expenditure 2025-26, the following was submitted as under:

(Rs in crore)

Scheme Detail	RE 2025-26	Actual expenditure (AE) as on 17.02.2026	Reasons
Food Subsidy to FCI under PMGKAY	1,53,834.55	1,20,712.00	Funds have been released upto Feb 2026 as allocated in BE 25-26. Funds amount to Rs 8,368.90 crore is under submission for release. Remaining funds will be utilized in March 26 on receipt of MoF approval.
Food Subsidy to DCP States under PMGKAY	73919.10	63356.57	Bills of Andhra Pradesh, Karnataka and Tripura are under submission. Supplementary bills, jute bags payments and some DCP States such as Bihar, Telangana etc are expected to be received. As such the allocated funds will be fully utilized.

B. Revenue Section

2.6 Budget Estimates (BE), Revised Estimates (RE) and Actuals for Total Revenue Expenditure for the last five years are given as under:

(Rs. in crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals	Variation % Actuals w.r.t. RE
Total Revenue Expenditure	2021-22	251248.34	299363.35	301730.93	+0.79%
	2022-23	213929.91	294274.13	281763.48	-4.25%
	2023-24	205363.57	221722.71	221336.68	-0.17%
	2024-25	212976.21	205366.31	207602.33	+1.09%
	2025-26	211386.14	235024.93	188873.91*	-19.64%
	2026-27	235024.58			

*(as on 13.02.2026)

2.7 It may be seen that Budgetary Allocation (BE) during the Financial Year 2026-27 is marginally lower than RE 2025-26 with negligible percentage variation.

The Committee noted that during the Financial Year 2025-26, total Revenue outlay at Revised Estimate (RE) Stage is Rs. 235024.93 Crore, however, Budget Estimate (BE) during the financial year 2026-27 is kept at Rs. 235024.58 Crore, which is approximately equal of RE of the previous year and asked the Department to furnish the details whether the Ministry have taken into the consideration of the inflation factor while preparing BE for 2026-27. In response, the Department in their written replies submitted that Department of Food & PD had demanded Rs. 255162.10 crore in RE 2025-26 and Rs. 256418.67 crore in BE 2026-27. However, MoF has restricted it to Rs. 235047.65 crore in RE 2025-26 and Rs. 235047.20 crore in BE 2026-27. Hence, RE 2025-26 and BE 2026-27 became almost similar based on allocation made by Ministry of Finance. With reference to Food Subsidy, it is stated that while projecting the funds under BE 2026-27 for DCP States for Rs. 75,017.65 crore, an increase of 5% were applied on the projected funds due to increase in MSP value and other incidental charges which were directly related to MSP viz. statutory charges and administrative charges.

Projection of funds under BE 2026-27 for FCI were made keeping in view the keeping in view the increase in economic cost, estimated sales quantity and outstanding borrowings.

2.8 Further, on being asked about the reason for variation in RE over actuals over last three years, the Department in their written replies to the Committee submitted as under:

“Variation of RE to actuals for the last 3 years is attached as per **Annexure-I**. Further, reasons for variation of expenditure vis-a-vis BE for FY 2025-26 may be provided only after the year has concluded.

Details of funds allocated under, Actual Expenditure reasons of variations during last 3 years are as below: -

(Rs. in Crore)

S. No.	Scheme Name	Year	Revised Estimates	Actuals Expenditure	Reasons of variation
			(RE)	(AE)	
1	Food Subsidy to FCI under PMGKAY (2408)	2022-23	2,14,696.00	2,00,219.20	Rs. 2000 crore was re-appropriated by DFPD.
		2023-24	1,39,661.03	1,39,661.03	NIL
		2024-25	126589.4	129089.4	Rs. 2500 crore was additionally allocated by MOF over and above RE to settle the Outstanding dues of FCI towards Ministry of Rural Development.
2	Food Subsidy to DCP States under PMGKAY.	2022-23	72,282.50	72,282.49	NIL
		2023-24	72,250.00	71733.36	Rs. 516.64 crore of funds were utilized under Central Assistance Scheme
		2024-25	70410.6	70410.6	NIL

2.9 In regard to the steps taken or proposed to be taken to be more realistic allocation in the Budget, the Department submitted that Budget Circular as well as various budgetary instructions issued by MoF are circulated to all concerned Program Divisions for strict compliance so that formulation of realistic budget may be ensured. Further, Monthly Expenditure Plan/ Quarterly Expenditure Plan is followed strictly. Also, regular SOMs are taken by the Secretary, DFPD wherein fund utilization and smooth implementation of various schemes run by DFPD is monitored.

While making projections of funds, the allocations of food-grains, increase in MSP of food grains, and pending food claims of previous year if any are considered under the scheme food subsidy to DCP States. Also, food subsidy is projected as per MoF directions regarding distribution of food grains. The food subsidy is calculated as per difference of Economic Cost and Central Issue Prices.

C. Capital Section

2.10 Allocation and utilization of funds under capital section for the last five years are given as under:

(Rs. in crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals	% Actuals w.r.t. RE
Total Capital Expenditure	2021-22	52725.96	12636.65	2630.40	-79.19%
	2022-23	12029.67	12029.70	12011.48	-0.15%
	2023-24	25150.37	25201.93	22994.16	-8.76%
	2024-25	50043.54	50108.66	24549.59	-51.01%
	2025-26	50020.23	50022.72	50010.62 (as on 13.02.2026)	-0.02%
	2026-27	50022.62			

2.11 It may be seen that Budgetary Allocation during the Financial Year 2026-27 under Capital Section has been reduced to Rs.50022.62 crore than RE of 2025-26 Rs. 50022.72 crore which is marginally lower.

2.12 When asked about the reasons for allocating the Rs. 50022.62 crore at BE Stage of 2026-27 which is approximately equal to the RE of 2025-26, the Department in their written replies submitted that the Capital Section of the Grant mainly consists of 'Ways and Means Advance (WMA)', BE of which is Rs. 50,000 crore for FY 2025-26. The funds allocated at BE stage were fully utilized under WMA. Accordingly, RE 2025-26 was also retained at Rs. 50,000 crore. Hence, BE for Grant No. 15 is approximately equal to RE for the FY 2025-26.

2.13 Regarding the steps taken or proposed to be taken to be more realistic in budget allocation, the Department submitted that Budget Circular as well as various budgetary instructions issued by MoF are circulated to all concerned Program Divisions for strict compliance so that formulation of realistic budget may be ensured. Further, Monthly Expenditure Plan/ Quarterly Expenditure Plan is followed strictly. Also, regular SOMs are taken by the Secretary, DFPD wherein fund utilization and smooth implementation of various schemes run by DFPD is monitored.

D. Performance of Schemes

2.14 The Department in their power-point presentation has informed the Committee about the Scheme-wise Budget for FY 2024-25, 2025-26 and proposed 2026-27 as under:-

Scheme-wise budget

(Rs. in crore)



S. No	Name of Scheme / Project	2024-25	2025-26		2026-27	
		AE	BE	RE	AE upto 17.02.2026	BE
1	Pradhan Mantri Garib Kalyan Anna Yojana	1,99,500	2,03,000	2,27,754	1,83,627	2,27,429
2	Assistance to States / UTs for intra-state movement and FPS dealers' margin under NFSA	6,945	7,075	6,000	4,373	6,500
3	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of Ethanol production capacity	600	600	600	600	600
4	Other Schemes	24,981	50,556	50,469	50,318	50,302
5	Non-Schemes (including Establishments)	175	174	225	147	216
	Total	2,32,201	2,61,405	2,85,048	2,39,065	2,85,047

2.15 The scheme-wise details of Budget Estimates (BE), Revised Estimates (RE) and actual expenditure incurred by the Department of Food and Public Distribution on its Revenue activities and Capital Schemes/Programmes during 2025-26 and Budget Estimates (BE) for 2026-27 are as under:-

Scheme-wise details of Revenue/Capital Outlays and Expenditure: FY 2025-26 & BE 2026-27

Scheme-wise details of Revenue/Capital Outlays and Expenditure : FY 2025-26 & BE 2026-27							
REVENUE							(₹ in crores)
Sl. No.	Name of the Scheme / Project	Budget Estimates 2025-26	Revised Estimates 2025-26	Actual Expenditure as on 31.12.2025	Variations between 4&5 [Saving(-)/ Excess(+)]	Percent age shortfall / excess expenditure w.r.t. RE	Budget Estimates 2026-27
1	2	3	4	5	6	7	9
1	Secretariat (3451)	92.97	118.25	72.65	-45.60	38.56	120.80
2	National Sugar Institute, Kanpur (2408)	28.96	27.75	20.04	-7.71	27.78	31.23
3	<i>Other Programmes of Food Storage & Warehousing</i>						
	(i) Directorate of Sugar & Vegetable Oils (2408)	5.70	5.81	4.33	-1.48	25.47	6.82
	(ii) Indian Grain Storage Management & Research Institute (2408)	5.01	6.32	4.57	-1.75	27.69	7.45
	(iii) Central Grain Analysis Laboratory (2408)	0.65	2.57	0.00	-2.57	100.00	0.40
	(iv) Quality Control Cell (2408)	8.90	12.44	7.06	-5.38	43.25	12.66
	(v) International Cooperation (2408)	1.10	1.11	0.10	-1.01	90.99	1.15
	Total - Other Programmes of Food Storage & Warehousing	21.36	28.25	16.06	-12.19	43.15	28.48
4	Food Subsidy to FCI (2408)	129080.90	153834.55	97768.00	-56066.55	36.45	152429.00
5	Food Subsidy to DCP States (2408)	73919.10	73919.10	53153.13	-20765.97	28.09	75000.00
6	Sugar subsidy payable under PDS (2408)	420.00	400.00	257.57	-142.43	35.61	200.00
7	Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	67.00	51.00	11.22	-39.78	78.00	68.00
8	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601)/3602/2408	7075.00	6000.00	3858.68	-2141.32	35.69	6500.00
9	Credit Guarantee Scheme for electronic Negotiable Warehouse Receipts (e-NWR) based Pledge Financing (CGS-NPF)	50.00	12.50	12.50	0.00	0.00	15.00

10	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	600.00	600.00	450.00	-150.00	25.00	600.00
11	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	10.00	10.00	10.00	0.00	0.00	10.00
12	Scheme for Creation and Maintenance of Buffer Stock (30 LMT)	0.00	0.68	0.00	-0.68	100.00	0.00
13	Strengthening of PDS Operation(2408/2552/3456)	0.50	0.40	0.00	-0.40	100.00	0.50
14	Warehousing Development and Regulatory Authority (2408)	20.25	22.25	15.19	-7.06	31.73	21.92
15	Project						
(a)	PDS- Evaluation, Monitoring & Research	0.10	0.20	0.00	-0.20	100.00	0.10
	Total-Revenue Expenditure	211386.14	235024.93	155645.04	-79379.89	33.78	235025.03
CAPITAL							(₹ in crores)
	Secretariat (4408)	5.22	5.22	3	-2.22	42.53	5.28
2	National Sugar Institute, Kanpur (4408)	5.00	6.28	1.48	-4.80	76.43	5.77
3	<i>Other Establishment Expenditure (Capital)</i>						
	(i) Directorate of Sugar & Vegetable Oils (4408)	0.07	0.05	0.00	-0.05	100.00	0.07
	(ii) Indian Grain Storage Management & Research Institute (4408)	0.52	1.82	0.00	-1.82	100.00	1.96
	(iii) Central Grain Analysis Laboratory (4408)	0.06	0.09	0.01	-0.08	88.89	0.23
	(iv) Quality Control Cell (4408)	0.35	0.26	0.04	-0.22	84.62	0.31
		1.00	2.22	0.05	-2.17	97.75	2.57
4	Information, Computer, Telecommunication (ICT) Equipment (4408) (C)	9.00	9.00	4.88	-4.12	45.78	9.00
5	Ways and Means Advance payable to FCI (6408)	50000.00	50000.00	50000.00	0.00	0.00	50000.00
	Total-Capital Expenditure	50020.22	50022.72	50009.41	-13.31	0.03	50022.62
	Total Revenue	211386.14	235024.93	155645.04	-79379.89	33.78	235025.03
	Total Capital & Revenue	261406.36	285047.65	205654.45	-79393.20	27.85	285047.65
	Excl WMA	211406.36	235047.65	155654.45			235047.65
		261406.37	285047.65	205654.44			285047.65
		0.01	0.00	-0.01			0.00

2.16 The Committee enquired the status of pending Utilization Certificates in respect of schemes of Department of Food and Public Distribution and the concrete steps taken by the Department to set timelines for submission of pending Utilization Certificates. The Department in their written replies stated as under:

“The expenditure under the scheme “Assistance to State Agencies for intra-State movement of foodgrains and FPS dealers’ margin under NFSA” is of recurring in nature. Under this scheme, the fund is released to States/UTs on reimbursement as well as advance basis. While releasing the funds, the States/UTs are requested to submit the Utilization Certificate within one year of the completion of the financial year. The subsequent funds are released after the receipt of proper Utilization Certificates from the States/UTs. As the funds are released on recurring basis, there is negligible scope for Utilization Certificates to remain pending.

At the time of submission of subsidy claim, States needs to provide Utilization Certificate regarding use of funds earlier released by DFPD. Regarding the release of food subsidy to the Food Corporation of India (FCI) and the Decentralized Procurement (DCP) States, the Department of Food and Public Distribution monitors unspent balance with State through the Public Financial Management System (PFMS) portal. In addition, the Department obtains Utilization Certificates (UC) in accordance with GFR Rule 239 Form 12-C.

The Department of Food & Public Distribution had allocated funds under the project i.e. “Financial Assistance to States for Generating Awareness amongst TPDS Beneficiaries about their Entitlement and Redressal Mechanism”, under which financial assistance was given to States and other stakeholders based on the proposal received from them to create mass awareness regarding various aspects of NFSA and other schemes of the DFPD including PMGKAY, ONORC etc. through Radio jingles, advertisement, movie, etc. The sunset date of the awareness project was 31.03.2024. The pending Utilization Certificates from States on account of funds released by DFPD are as detailed below:

State	FY	Date of Sanction Order	Details of UCs pending from States
Karnataka	2020-21	05.02.2021	Rs. 7,98,920/- (1st instalment released by DFPD).
Kerala	2022-23	31.03.2023	Rs 8 lakh (1st instalment released by DFPD).
Tripura	2023-24	13.02.2024	Rs 8 lakh (1st instalment released by DFPD).
Andhra Pradesh	2023-24	07.03.2024	Rs 8 lakh (1st instalment released by DFPD).

Department of Food and Public Distribution is regularly pursuing the matter with the concerned States by written communications dated 11.06.2019, 23.04.2019, 19.02.2020, 03.07.2020, 28.02.2022, 04.01.2023, 15.09.2023, 30.04.2024, 10.06.2024, 20.08.2024, 15.02.2025 & 26.08.2025 & for obtaining Utilization Certificates or to surrender/refund the amount sanctioned by DFPD.

Since, the release of funds to NABARD under the “**Scheme for extending financial assistance to sugar Mills for enhancement and augmentation of ethanol production capacity**” is based on the receipt of Utilization Certificate from previous release, before releasing any further installment, therefore, the question of pendency of Utilization Certificate does not arise in this case. Under, Scheme for sugar subsidy to AAY families also, claims of States are processed only after receiving of Utilization Certificate for previous release.

Utilization Certificates for the first instalment are presently awaited from 9 States namely Gujarat, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tripura and Uttar Pradesh (out of 16 States/UTs, where first instalment has been released). Second instalment has so far been released only to Sikkim and the corresponding Utilization Certificate has been received.

A review meeting with Member Secretaries of all SFCs was held under the chairmanship of Joint Secretary (BP, PD, NFSA & S&R) on 21/11/2025 wherein submission of pending UCs and status of instalments were reviewed. States/UTs were requested to submit pending UCs on priority basis and to forward eligible proposals. Follow-up letters were issued on 11/12/2025 and 06/01/2026. As a result, Utilization Certificates have subsequently been received from six States.

Utilization Certificates in respect of erstwhile schemes/project, namely, Construction of Godowns and PDS-Training are pending and the brief is as under:

S. No.	Name of the State	Scheme component/project	Remarks
1.	Assam	Construction of Godowns	The Department is vigorously pursuing with concerned States/UTs through reminder letters for submission of pending Utilization Certificate as per GFR.
		PDS training	
2.	Madhya Pradesh	PDS training	
3.	Odisha	PDS training	

Under the old “Integrated Management of Public Distribution System (IM-PDS)” scheme, the utilization certificates for Rs. 12.47 crore have been pending from States/UTs. Under the current SMART-PDS scheme, a total of Rs. 2.80 crore utilization certificates have been pending from States/UTs.

The Department is vigorously pursuing with concerned States/UTs through communications, letters and meetings for submission of pending Utilization Certificates as per GFR at the earliest.”

E. Grant-in-Aid to North Eastern Areas, States and UTs

2.17 The BE, RE and Actuals since 2024-25 are as under:

(Rs. in Crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actual Expenditure (AE)
North Eastern Areas (2552)	2024-25	711.00	716.11	640.43
	2025-26	721.00	714.00	366.88
	2026-27	589.66		
Grants-in-aid to State Governments (3601)	2024-25	6195.00	6195.00	6682.14
	2025-26	6132.00	5120.88	4224.50
	2026-27	5794.14		
Grants-in-aid to Union Territory Governments (3602)	2024-25	167.00	167.00	265.13
	2025-26	233.00	168.42	58.67
	2026-27	136.17		

2.18 On being asked the reasons for decreased Budgetary allocation of all above-mentioned three schemes at BE stage during the year 2026-27, the Department in their written replies submitted as under:

The Department had sought Budget amounting to Rs.6575 crore for the financial year 2026-27. The lower budget in comparison of that for the financial year 2025-26 is due to the following reason:

As per the existing allocation of foodgrains to States/UTs, norms of expenditure and funding pattern specified under the Food Security (Assistance to State Governments) Rules, 2015, the estimated annual fund requirement is Rs.4746 crore approx. During previous years including 2025-26, the additional budget over and over Rs.4746 crore was sought to clear the pendency for previous years, the pendency of Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and Atma Nirbhar Bharat Package (ANBP) for migrant laborers which was launched during Covid-19 pandemic. In view of the efforts made by the Department, the pendency has come down. As a result, the budget is reduced.

2.19 The Committee note that total Budget allocated to the Department of Food & Public Distribution is Rs. 285047.20 crore for the year 2026-27 which includes Rs. 235024.58 crore for Revenue section and Rs. 50022.62 crore under Capital section. Budget Estimates (BE) for 2026-27 have been kept almost at the level of Revised Estimates (RE) 2025-26 i.e. Rs 285047.65 Cr. As informed, large share of this budget support is for PMGKAY. The Committee further note that, Actual Expenditure (AE) under the scheme ‘Food subsidy to FCI under PMGKAY’ for the year 2025-26 has been Rs 1,20,712.00 Cr till 17.02.2026 against RE (2025-26) of Rs. 1,53,834.55 i.e. 78.47%. The reason furnished is that the funds have been released upto Feb 2026 as allocated in BE 25-26. Funds amount to Rs 8,368.90 crore is under submission for release. Remaining funds will be utilized in March 26 on receipt of MoF approval.

In this regard, the Committee observe that the near status-quo allocation in BE for the year 2026-27 in comparison of RE 2025-26 indicates fiscal continuity while the actual expenditure yet to match the allocation under RE 2025-26. The Committee, therefore, recommend the Department of Food and Public Distribution to ensure realistic budgeting based on actual expenditure trends by adopting improved forecasting and expenditure planning while preparing future budget estimates. The Committee also underscores the importance of robust oversight mechanisms and continuous review processes to ensure effective implementation and sustained improvement across all schemes and projects.

(Recommendation No.1)

2.20 The Committee note that the Budget Estimates (BE) for Grant-in-Aid to North Eastern Areas (2552) was decreased to Rs. 714 Cr at RE 2025-26 which has now further decreased to Rs. 589.66 crore at BR 2026-27. Similarly Grants-in-aid to Union Territory Governments (3602) was reduced from Rs. 233.00 crore at BE 20205-26 to Rs. 168.42 Cr at RE 205-26 and further kept at Rs. 136.17 Cr at BE 2026-27. The Department explained the reason that the budget is reduced because the pending payments from previous years, including those for Pradhan Mantri Garib Kalyan Anna Yojana and the Atma Nirbhar Bharat Package launched during the COVID-19 period, have decreased due to the Department's efforts. The Committee feel that the Department should keep North East Areas and Union Territories on priority and appropriate the Grant-in-aid be allocated for them. The Committee, therefore, recommend that the Department should closely monitor the adequacy of the reduced allocation and ensure timely release of grants and periodic reassessment of fund requirements so that the implementation of food security programmes in States specially in North Eastern Areas and Union Territories is not adversely affected and any emerging requirement is met through supplementary provisions or re-appropriation at appropriate stages.

(Recommendation No.2)

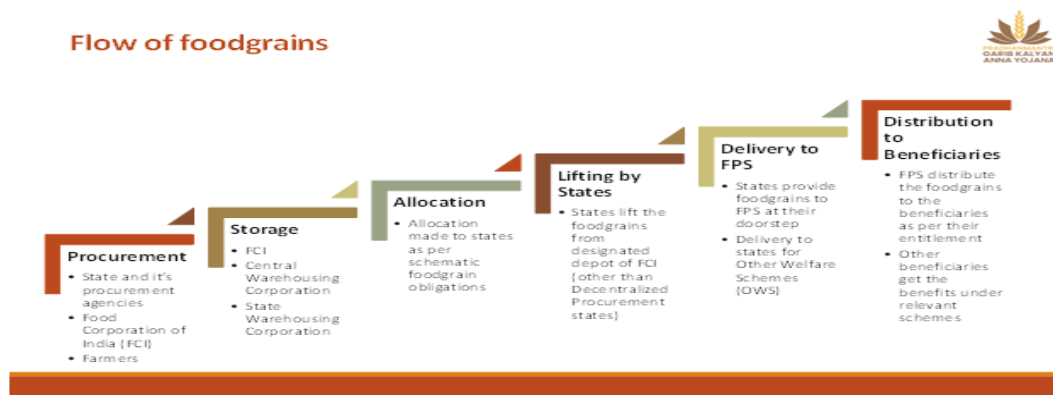
Chapter III

Management of Foodgrains

The Department of Food and Public Distribution is concerned with the formulation and implementation of various national policies relating to procurement, movement, scientific storage, distribution and sale of foodgrains. The aim of such policies is to ensure that interests of farmers as well as consumers are saved, which is done by providing remunerative prices to the farmers and making foodgrains available at reasonable prices to consumers, especially to the vulnerable sections of the society. The main elements of the Government's food management policy are procurement, storage and movement of foodgrains; distribution through public distribution system; and maintenance of buffer stocks for food security and price stability.

A. Procurement of foodgrains

3.2 The Government policy of procurement of food grains has broad objectives of ensuring MSP to the farmers and availability of food grains to the weaker sections at affordable prices. It also ensures effective market intervention thereby keeping the prices under check and also adding to the overall food security of the country.



3.3 During the evidence on Demands for Grants on 27 February, 2026 the representative of the Department of Food and Public Distribution informed about the reforms in procurement operations as under:

- Entire procurement process from registration of farmers to MSP payment is digitized.
- Procurement is done with biometric authentication in most of the states.
- “One Nation, One MSP through DBT” – Payment preferably within 48 hours to the Aadhaar linked bank account.
- States’ Online Procurement portals integrated with Central Food Grains Procurement Portal (CFPP).
- Grading of Procurement Centres (PCs) based on infrastructure available at PCs.

3.4 Briefing about the objectives of the procurement policy and modes of procurement, the representative of the Department of Food and Public Distribution appearing before the Committee on 27 February, 2026 submitted as under:

“Objectives

- To ensure the remunerative prices to the farmers at MSP
- To ensure food security to the poor and vulnerable sections of the society
- To maintain operational and strategic reserves.

Modes of procurement

Decentralized procurement (DCP): The states that procure and distribute themselves under central schemes and excess stock handed over to FCI.

Non-DCP: States procure and hand over the entire quantity to FCI”

3.5 Briefing about the major objectives of procurement policy, the representative of Department during evidence submitted as under:-

“I will be talking about procurement policy first. There are three major objectives of the procurement policy. One is obviously to ensure that farmers are getting their remunerative prices. Secondly, it is to ensure that food security to poor and vulnerable sections of the society. The third is to maintain operational and strategic reserves. In case of rice, almost 36 per cent of the production is procured under MSP for paddy. In case of wheat, we are procuring about 25 per cent of total production.”

Systems of Procurement:

3.6 There are two types of Procurement System - Centralized and Decentralized procurement systems:

- **Centralized (Non-DCP) procurement system:**

Under Centralized Procurement System, the procurement of food grains in Central Pool is undertaken either by FCI directly or through State Govt. Agencies (SGA). Quantity procured by SGAs is handed over to FCI for storage and subsequent issue against GoI allocations in the same State or movement of surplus stocks to other States. The cost of the food grains procured by State agencies is reimbursed by FCI as per Provisional Cost Sheet issued by GoI as soon as the stocks are delivered to FCI.

- **Decentralized (DCP) Procurement**

Under DCP system, the State Government/ its agencies procure, store and distribute (against Government of India’s allocation for TPDS & OWS etc) rice/ wheat/ coarse grains within the state. The excess stocks (rice & wheat) procured by the State/ its agencies are handed over to FCI in Central Pool. The expenditure incurred by the State Government on procurement, storage and distribution of DCP stocks in own State are reimbursed by Government of India directly to the State Government on the laid down principles. These expenses include MSP, arhatiya/ society commission, administrative charges, mandi labour charges, transportation charges, custody & maintenance charges, interest charges, gunny cost, milling charges and statutory taxes, etc. The cost of excess stocks handed over to FCI is reimbursed by FCI to the State Government/ agencies as per Government of India costs sheet.

As on date the following States are procuring Rice/Wheat under DCP system.

Sl.No.	RICE	WHEAT
	State	
1.	Uttarakhand	Madhya Pradesh
2.	Chhattisgarh	Uttarakhand
3.	Odisha	Chhattisgarh
4.	Tamil Nadu	Gujarat
5.	West Bengal	West Bengal
6.	Kerala	Bihar
7.	Karnataka	Maharashtra
8.	Madhya Pradesh	Punjab*
9.	Andhra Pradesh	Himachal Pradesh
10.	Bihar	
11.	Telangana	
12.	Maharashtra	
13.	Gujarat	
14.	Tripura	
15.	Himachal Pradesh	
16.	Jharkhand	
17.	Assam#	

* Punjab was DCP State for Wheat from RMS 2014-15, but on request of State Govt, FCI is participating in procurement operations.

Assam is a DCP state only for two districts (Bongaigaon and Bishwanath). State-wise data for Procurement, MSP Value and farmers benefitted in respect of Paddy and Wheat for the last five years and current year is enclosed as **Annexure-II & Annexure-III** respectively.

3.7 The Department furnished information about the present List of DCP and Non DCP States are as under:

List of DCP and NonDCP States

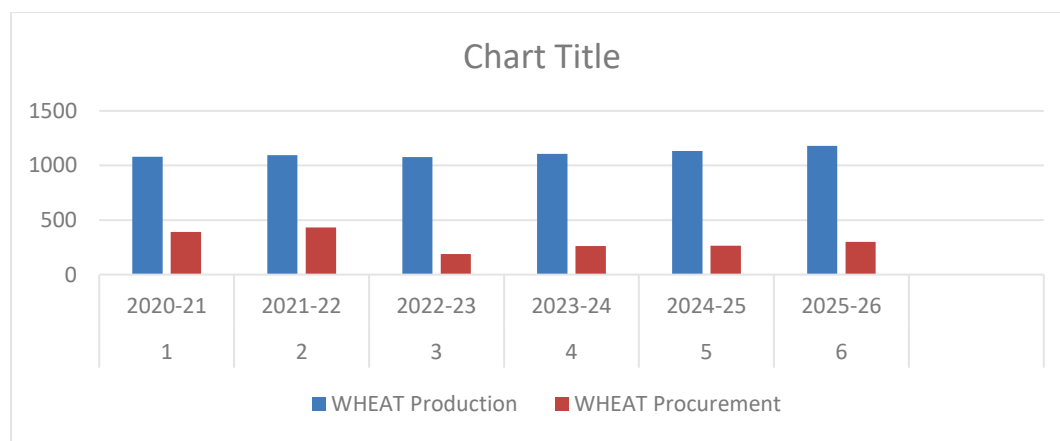


Paddy/ Rice			Wheat		
S. No.	DCP State/ UTs	Non-DCP State/ UTs	S. No.	DCP State/ UTs	Non-DCP State/ UTs
1	Uttarakhand	Chandigarh	1	Madhya Pradesh	Delhi
2	Chhattisgarh	Delhi	2	Uttarakhand	Rajasthan
3	Odisha	Haryana	3	Chhattisgarh	Chandigarh
4	Tamil Nadu	J&K	4	Gujarat	Uttar Pradesh
5	West Bengal	Puducherry	5	West Bengal	J&K
6	Kerala	Punjab	6	Bihar	Haryana
7	Karnataka	Rajasthan	7	Maharashtra	
8	Madhya Pradesh	Uttar Pradesh	8	Punjab	
9	Andhra Pradesh	Assam	9	Himachal Pradesh	
10	Bihar				
11	Telangana				
12	Maharashtra				
13	Gujarat				
14	Tripura				
15	Himachal Pradesh				
16	Jharkhand				
17	Assam (only for two districts i.e. Bongaigaon and Bishwanath)				

3.8 Statement showing production and procurement of Wheat and production of paddy and procurement of Paddy (in terms of Rice) for the last five years and current year are as under:

(fig in LMT)

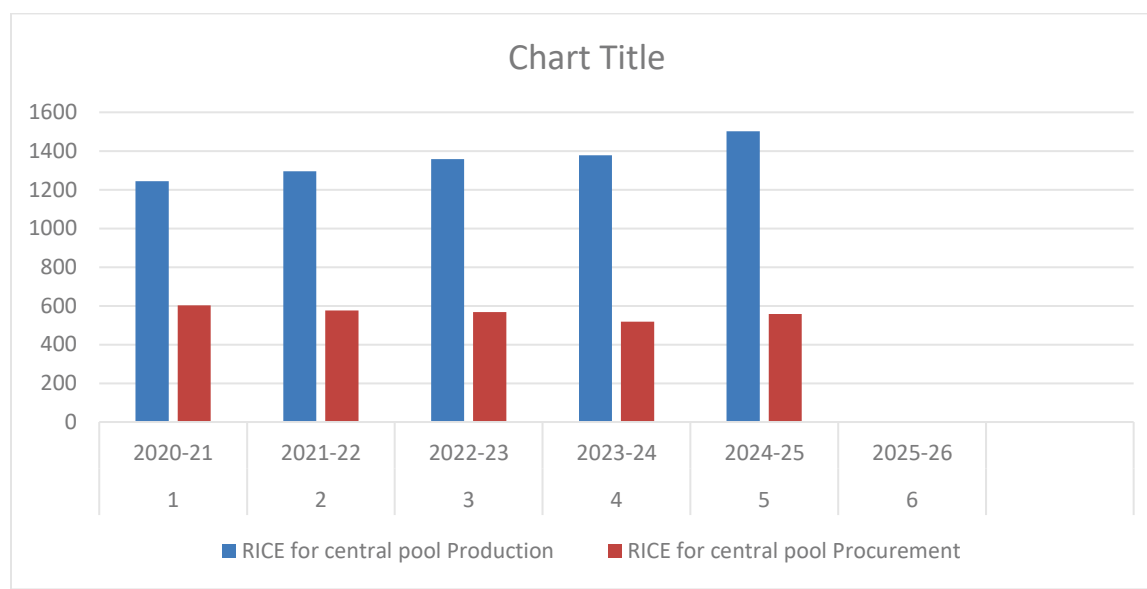
WHEAT			
Sl. No.	RMS Year	Production	Procurement
1.	2020-21	1078.61	389.92
2.	2021-22	1095.86	433.44
3.	2022-23	1077.42	187.92
4.	2023-24	1105.54	261.97
5.	2024-25	1132.92	266.05
6.	2025-26	1179.45	300.35



(fig in LMT)

RICE for central pool			
Sl. No.	KMS Year	Production	Procurement
1	2020-21	1243.68	602.45
2	2021-22	1294.71	575.88
3	2022-23	1357.55	568.66
4	2023-24	1378.25	519.01
5	2024-25	1501.84	558.57
6	2025-26	1245.04*	440.63#

*As per first advance estimates during 2025-26, published by MoA&FW
KMS 2025-26 is under progress. Data upto 15.02.2026



3.9 State-wise details of production and procurement of wheat and rice is given at **Annexure-IV and Annexure-V**. Further, MSP of Wheat and Paddy for the last five years and current year is tabulated below:

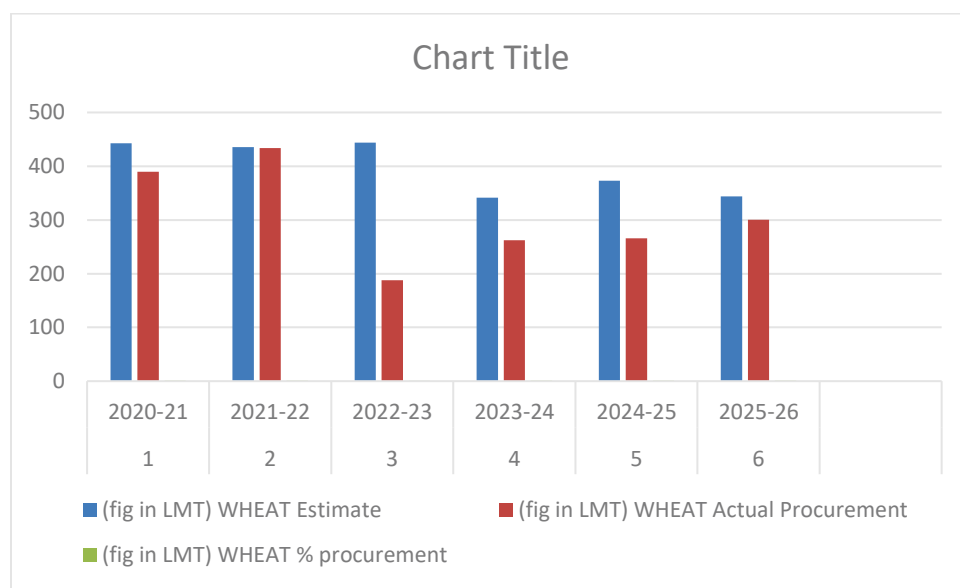
(In Rs. Per Quintal)

RMS/KMS	Wheat	Paddy	
		Common	Grade 'A'
2020-21	1925	1868	1888
2021-22	1975	1940	1960
2022-23	2015	2040	2060
2023-24	2125	2183	2203
2024-25	2275	2300	2320
2025-26	2425	2369	2389

3.10 On being asked about the estimates of procurement vis-à-vis actual procurement of wheat & in terms of Rice for last five years, the following information has been furnished:

(fig in LMT)

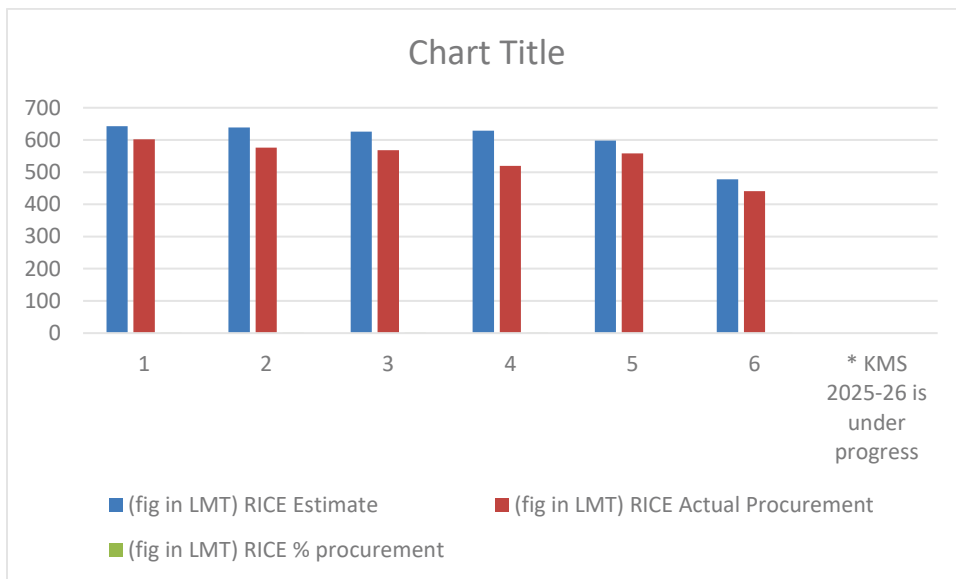
WHEAT				
Sl. No.	RMS Year	Estimate	Actual Procurement	% procurement
1	2020-21	442.49	389.92	88.12%
2	2021-22	435.34	433.44	99.56%
3	2022-23	444.00	187.92	42.32%
4	2023-24	341.50	261.97	76.71%
5	2024-25	372.90	266.05	71.35%
6	2025-26	344.07	300.35	87.29%



(fig in LMT)

RICE				
Sl. No.	KMS Year	Estimate	Actual Procurement	% procurement
1	2020-21	642.58	602.45	93.76%
2	2021-22	639.23	575.88	90.09%
3	2022-23	626.13	568.66	90.82%
4	2023-24	628.73	519.01	82.55%
5	2024-25	598.00	558.57	93.41%
6	2025-26*	477.49	440.63	92.28%

* KMS 2025-26 is under progress



3.11 Responding to a query as to whether there has been lesser procurement of foodgrains than the targets and what are the reasons therefor, the Department in its written replies submitted as under:-

“The Procurement estimate of food grains is planned for Kharif Crops in the month of July/August every year, while the same for Rabi Crops is planned in the month of February/March every year during Food Secretaries Meeting based on the inputs of State Govts. and FCI, viz, area under cultivation, production, rainfall data etc.

Any fluctuation in estimated production and actual production results in variation in procurement. Procurement depends on multiple factors like Production, Market Surplus, MSP, Prevailing Market Rates, Demand Supply situation and participation of Private Traders, etc. ”

3.12 On being asked about the steps been taken or are being taken by the Government to enhance the procurement, the Department in its written replies submitted the following details:-

“There exists a transparent & uniform policy for procurement by Govt. Agencies across the country. Under this policy, whatever food grains offered by farmers within the stipulated procurement period, conforming to the specifications prescribed by Government of India, are purchased at MSP by the Govt. agencies including FCI, for Central Pool.

The Government of India/ FCI along with various State Governments formulate procurement plan to procure food grains from the farmers.

The procurement estimates and period of procurement are planned for Kharif crops in the month of July/Aug. every year, while the same for Rabi Crops is planned in the month of Feb/March every year during Food Secretaries’ meeting based on the inputs of State Government, Ministry of Agriculture, IMD and FCI, viz. area under cultivation, production, rain fall data etc.

Procurement centres are opened by respective State Govt. Agencies/ FCI taking into account the production, marketable surplus, convenience of farmers and

availability of other logistics/ infrastructure such as storage and transportation etc. Large number of temporary purchase centres in addition to the existing Mandis and depots/ godowns are also established at key points for the convenience of the farmers.

Farmers are made aware of the quality specifications and purchase system etc. to facilitate the farmers to bring their produce conforming to the specifications.

Procurement of Paddy, Wheat and Coarse Grains under MSP operations is being carried out through State Procurement Portals across the country which has brought substantial transparency in the process with introduction of registration of farmers for sale of their produce at govt. procuring centers/mandies, online land verification and online payment of MSP directly into the farmer's bank account.

The State Procurement Portals have been integrated with Central Procurement Food Grains Portal (CFPP) to have repository of information on almost real time basis for better monitoring, review and decision making.

State Procurement Portals also provide farmers the latest/updated information regarding MSP declared, nearest purchase center, date/ period of procurement, allotment of slots/ time to farmers against their booking for sale of produce etc.

The online procurement system has largely eliminated the procurement from middlemen and has resulted in better targeting of MSP to farmers.

“One Nation, One MSP through DBT” has been implemented across the country. Payment of MSP is made directly into farmers' account. DBT of MSP has brought in responsibility, transparency & real time monitoring in the system.

DBT prevented diversion of MSP payment as payment is being made directly to farmer's bank account which in many States is mostly linked with Aadhaar number of the farmer.

GOI has also promoted and encouraged Decentralised procurement of Food grains by the State Govt. and their agencies to widen penetration of MSP operations to every nook & corner of country.

Authorization of Panchayat- With an aim to accelerate procurement operations and to achieve the estimated targets of procurement of wheat during RMS 2024-25, RMS 2025-26 & RMS 2026-27 in a time-bound manner and considering the requests made by some State Governments, it was clarified that the commission @Rs. 27/- per quintal, as is being paid to co-operative societies, is also payable to Departmental arrangements by State Governments, including FPOs/SHGs/Panchayats, if procurement of wheat is done through them and activities meant for Co-operative Society are performed by them.”

3.13 On the matter of sufficient procurement centres in each of the States with adequate infrastructure and basic facilities, the Department in their written replies submitted that DFPD vide letter dated 30.10.2025 has directed all States to constitute a Market Development, Monitoring and Planning Committee (MDMPC) comprising officials of State, FCI & Mandi Board with a view to monitor the utilization of mandi fees

for improving the infrastructure and facilities in mandi, augment the quality of procurement centres and development of new mandis.

Large numbers of Procurement centres are opened by respective State Govt. Agencies/ FCI taking into account the production, marketable surplus, convenience of farmers and availability of other logistics/ infrastructure such as storage and transportation etc. Large number of temporary purchase centres, in addition to the existing Mandis and depots/ godowns are also established at key points for the convenience of the farmers.

Procurement centers in States like Punjab and Haryana are well developed and have good infrastructure like connected road, concrete pavement etc. However, in states like West Bengal, Telangana, Andhra Pradesh, Bihar etc. pucca mandis are insufficient compared to requirement. In all these states seasonal Purchase centers are opened to meet the exigencies. Mandi ecosystem in such states needs to be strengthened further by the State Govt., for which they are persuaded by the GOI.

To augment infrastructure and other facilities in Procurement Centres, a third party audit of Procurement Centres (PCs) has been conducted by DFPD through Quality Council of India (QCI) to assess the state of infrastructure, activities performed in the PCs vis-à-vis Standard operating procedure and farmer's feedback across the country.

Based on the above audit, a self-assessment portal i.e. PCSAP has been developed for capturing the data/ evidences related to infrastructures/ facilities available at PCs. This self-assessment exercise shall enable the States in helping them to bring necessary improvements in Procurement Centres.

3.14 Briefing about the grading of procurement centres, the representative of the Department during the evidence briefed as under:-

“Sir, regarding grading of procurement centres, as maximum footfall of farmers is there at the procurement centre, we wanted to ensure that good infrastructure facility and equipment facility is available there. So, we have implemented this where it is a procurement centre self-assessment portal where the procuring officer, he or she himself, uploads the kind of facilities which are available there. For example, they say what kind of flooring facility is available, drain facility, and other infrastructure. These have been graded into vital parameters which have to be there, like Kachcha floor with tarpaulin is basic for any kind of procurement and display of announced MSP rate and specification of grain. Then there is a second thing called essential parameters which display duties of procurement centre officials, grievance redressal, brick flooring. So, these are essential. There are certain desirable parameters which are not mandatory but it will be good if those facilities are provided like fans, coolers, cemented floor for heaping of grains. After this was being captured compulsorily, you can see that quality has improved. In KMS 2023-24, if you see that around average of even as low as only 27 per cent was there where internet speed was more than 5 mbps. But now it has increased to 50 and some parameters in this year have increased up to 93 per cent or 94 per cent also. On these 10 parameters where we have

evaluated, we are seeing that there is gradual improvement in the quality of both infrastructure and operations provided at procurement centre. “

3.15 Further, when asked about the measures are being taken by the Government to promote procurement of foodgrains in non-traditional States, the Department in their writer replies informed the Committee that Conscious and persistent efforts are being made towards helping the States especially in the Eastern and North Eastern part of the Country to enhance procurement and extend the benefit of MSP to the farmers. In KMS 2021-22, 107.31 LMT paddy (in terms of rice) has been procured in Eastern states. In KMS 2023-24 a quantity of 76.83 LMT Paddy (in terms of rice) has been procured in eastern states. Further, in KMS 2024-25, a quantity of 92.20 LMT paddy (in terms of rice) has been procured in eastern states. To extend the benefit of MSP to the famers of Tripura, procurement of Paddy in Tripura has commenced from KMS 2018-19.

The procurement done during last five years and current year in the Eastern States is as under:

(Fig. in LMT)

S. No.	STATES	KMS				
		2021-22	2022-23	2023-24	2024-25	2025-26*
1	ASSAM	3.79	4.01	2.64	5.70	1.02
2	BIHAR	30.09	28.17	20.63	26.28	16.88
3	JHARKHAND	5.12	1.17	0.50	1.40	0.71
4	TRIPURA	0.39	0.30	0.22	0.25	0.04
5	UP	43.91	43.89	36.05	38.66	39.00
6	WB	24.01	21.82	16.79	19.91	13.05
TOTAL		107.31	99.36	76.83	92.20	70.70

*KMS 2025-26 (Kharif) is under progress. data up to 15.02.2026.

The number of procurement centers for procurement of paddy operated during last five years are as under:

S. No.	STATES	KMS				
		2021-22	2022-23	2023-24	2024-25	2025-26*
1	ASSAM	427	176	261	323	181
2	BIHAR	6834	6925	7152	6762	2986
3	JHARKHAND	641	596	568	736	805
4	TRIPURA	37	50	82	51	--
5	UP	4276	4153	5206	4399	4095
6	WB	25049	23650	6115#	799	2974
TOTAL		37264	35550	19384	13070	11041

*Less number of procurement centres reported by West Bengal Region as camps PCs are not being reported by State Govt.

The details of number of farmers benefitted are as under: -

S.N.	STATES	KMS				
		2021-22	2022-23	2023-24	2024-25	KMS 2025-26*
1	Assam	60025	62423	39577	66530	14256
2	Bihar	642234	577064	372556	462963	363455
3	Jharkhand	139359	31855	10927	58858	38671
4	Tripura	27940	21712	16112	17357	3282
5	U.P.	947325	940226	692604	662854	866007
6	WB	1318238	1102759	704417	902460	1096903
TOTAL		3135121	2736039	1836193	2171022	2382574

*KMS 2025-26 (Kharif) is under progress. data up to 15.02.2026.

Further, paddy procurement operation has been initiated for the first time in the state of Himachal Pradesh during KMS 2021-22 and a quantity of 0.19 LMT Paddy (in terms of Rice) has been procured. A total number of 5851 farmers have been benefitted. In KMS 2022-23 a quantity of 0.09 LMT paddy (in terms of Rice) has been procured and 3407 farmers have been benefitted. In KMS 2024-25 a quantity of 0.18 LMT Paddy (in terms of Rice) has been procured with farmers benefitted 6338.

3.16 In regard to reforms in procurement operations, representatives of the Department appraised the Committee at their sitting held on 27.02.2026 as under:-

“There are a number of reforms which have been carried out in procurement operations. One, the entire process of procurement from registration of farmers to payment of MSP is digitised. The procurement is done using biometric authentication. There is also one nation, one MSP through DBT where within 48 hours, the amount is credited to the Aadhaar linked bank account of the farmer. We also have a National Portal called Central Food Procurement Portal which is integrated to all the State Procurement Portals so that we get the details of day-to-day procurement progress in the States. Lately, we have also introduced grading of procurement centres to ensure that good facilities are provided in these procurement centres. We will be talking about it in detail later.

The minimum threshold parameters were also introduced to ensure that procurement is done from the genuine farmers. The benefit of MSP reaches the genuine farmers. For this, the entire process of registration is online in which we capture the details of the farmer. It is also integrated with farmers’ land records. So, if the farmer is having a land record, it is integrated to his Khata. We see which crop he has grown, so that he should not be selling us wheat if he is growing some other crop. Then the entire generation of buyer and seller forms, bills of sales produce are also digitised.”

B. Storage of Foodgrains

3.17 On being asked about the storage of foodgrains and augmentation of storage capacity, the Department in its written replies submitted that:

“FCI continuously assesses and monitors the storage capacity and based on the storage gap assessment, storage capacities are created/hired. The requirement of Storage capacity in FCI depends upon the level of procurement, requirement of buffer norms and PDS operations for Rice and Wheat mainly. Storage gap is assessed in the procuring States based on the highest stock levels in the last three years and in the consuming States on the basis of 4 months (6 months in case of NE regions) requirement of National Food Security Act (NFSA) and Other Welfare Scheme (OWS) for creation / construction of new godowns.

FCI hires storage capacities from CWC/SWC/State Agencies/Private Agencies wherever required while ensuring optimum utilization of existing capacities. As on 01.01.2026, the Storage capacity of 481.52 LMT is available with Food Corporation of India and 449.00 LMT is available with State agencies for Central Pool stock of foodgrains. As a result, a total covered capacity 930.52 LMT is available for storage of Central Pool stock of foodgrains.

With a view to meet storage requirement and ensure safe storage of foodgrains across the country, Government is implementing the Private Entrepreneurs Guarantee (PEG) Scheme for creating storage capacity through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Capacity augmentation through Plan scheme and Silos in addition to PEG Scheme is also given utmost importance by the Ministry of Consumer Affairs, Food & Public Distribution.”

3.18 Briefing about the present storage capacity, the representative of the Department of Food and Public Distribution appearing before the Committee on 27 February, 2026 submitted as under:

Storage capacity (as on 01.01.2026)



S. No.	Type of capacity	Capacity (in Lakh MT)	No. of warehouses
1	FCI owned	153.99	576
2	Hired by FCI	327.53	1984
3	State Govt./Agencies (Central Pool)	449	N.A
4	CWC	151.68	881
Grand Total		1082.2	3441



3.19 On being asked about the augmenting of storage capacity, the Department in its written replies submitted as under:-

“Construction of Steel Silos

To modernize the food supply chain in the country, FCI is constructing modern steel silos and envisaging bulk transportation of food grains through specialised wagons and containers under PPP (Public Private Partnership) mode. Steel Silo storage with bulk handling is a highly automated and modernised method of storing food grains in bulk. It ensures better preservation of food grains and reduced losses.

Accordingly, Silos at 56 locations with capacity 31.75 Lakh MT have been completed and Silos at 79 locations with capacity 32.875 LMT are under construction. Further, tenders for 25.125 LMT Silos at 54 locations have been awarded in September 2025. The State-wise details are as below:

Sl. No.	State	Capacity completed	Capacity under construction	Capacity yet to start	Total
1.	Assam	0.50 (1)	00	00	0.50 (1)
2.	Bihar	4.00 (8)	3.00 (06)	1.75 (05)	8.75 (19)
3.	Gujarat	1.50 (03)	1.50 (04)	3.625 (07)	6.625 (14)
4.	Haryana	4.75 (07)	2.75 (11)	00	7.50 (18)
5.	J&K	00	0.75 (01)	00	0.75 (1)
6.	Karnataka	0.25 (01)	00	00	0.25 (1)
7.	Madhya Pradesh	4.50 (09)	2.25 (04)	00	6.75 (13)
8.	Maharashtra	0.50 (01)	1.25 (01)	3.875 (06)	5.625 (8)
9.	Punjab	9.25 (13)	10.875 (26)	7.125 (16)	27.25 (55)
10.	Rajasthan	0.75 (01)	00	2.25 (07)	3.00 (8)
11.	Tamil Nadu	0.50 (02)	00	00	0.50 (2)
12.	Uttar Pradesh	4.50 (08)	9.75 (24)	3.25 (05)	17.50 (37)
13.	West Bengal	0.75 (02)	0.75 (02)	3.25 (08)	4.75 (12)
TOTAL		31.75 (56 locations)	32.875 (79 locations)	25.125 (54 locations)	89.75 (189 locations)

3.20 Further, the Department during the evidence held on 27 February 2026 briefed about the salient features of steel silos which are as under:

- Harnessing the efficiency of railway siding, promotes cost efficiency through bulk storage & movement
- Reduces cost and time of handling and transportation
- Require 1/3rd of land area as compared to conventional storage
- If declared mandi yard, provides for market facilities for farmers
- Steel silos of 33.75 LMT capacity are functional and work for 32.875 LMT is under progress, while 25.125 LMT under Hub & Spoke Model has been awarded.

3.21 During the evidence, the representative of the Department of Food and Public Distribution furnished the below mentioned information about the Flospan (Mobile Storage Unit), a semi-permanent storage facility:

- Storage capacity approx. 285 MT
- Installed at 7 locations in collaboration with UNWFP
- Future plan to scale up as an alternative to brick & mortar warehouses
- Semi-permanent storage
- Short Construction time-can be erected within 7 days on flat hard plinth.
- Alternate mechanism for storage of food grains in lieu of CAP or Open Storage, especially in Hilly and difficult areas

3.22 Briefing about the mobile storage unit, the representative of Department during the evidence held on 27.2.2026 submitted as under:-

“This is another initiative which has been tried on an experimental basis by the Department. It is basically a mobile storage unit. We have tried in seven different locations on experimental basis, mostly in the hilly States of Northeast, plus one in Chhattisgarh. The main advantage of this unit is it can be erected within seven days. Cost wise, it is much, much cheaper and gives a lot of operational flexibility with regard to the creation of additional storage capacity.”

3.23 The representatives of the Department during the evidence held on 27.2.2026 briefed the Committee about initiatives are being taken to modernize the storage facility across the country as under:-

“The Department has been taking several initiatives to modernize the storage facilities across the country. One of the initiatives taken by the Department is the introduction of steel silos. About 90 lakh metric ton capacity is being created across the country. This includes 32 lakh metric ton capacity, which is already functional, another 33 lakh metric ton, which is under progress, and about 25 lakh metric ton, which has been recently awarded and is in the execution stage. While the steel silo model is being used mainly for storage of the wheat, but the Department has also piloted two initiatives in Bihar, namely in Buxar and Kaimur, on a pilot basis to try and use the silo model for storage of rice as well. The advantage of the silo model is that it requires only one-third of the land as compared to what is required for a traditional storage warehouse. Then, because of the bulk handling of the food grains, it also reduces the handling and transportation cost of the food grains.”

C. Transportation of foodgrains

3.24 When asked about the details of actual transit losses in terms of quantity and value for the years i.e. 2021-22, 2022-23, 2023-24, 2024-25 and 2025-26 (till date) suffered by FCI, the Department in its written replies stated as under:-

“The Transit losses (Wheat + Rice) in terms of quantity and value for the for the years i.e. 2021-22, 2022-23,2023-24, 2024-25 and 2025 26 (till date) are as under:

(Qty. in LMT, Value in Rs. Crore)

Year	Qty. moved	Qty. of Loss	% of Loss	Value of Loss
2021-22	646.89	1.41	0.22	403.83
2022-23	585.84	1.30	0.22	401.76
2023-24	434.20	0.71	0.16	17.22
2024-25	423.83	0.73	0.17	235.72
2025-26* (upto Jan-26)	342.76	0.57	0.17	201.48

(* Provisional figures)

3.25 Responding to a query as what measures have been/are being taken to obviate losses, the Department in their written replies stated as under:

“Measures are being taken to reduce transit losses are as under:-

- Implementation of High-security cable seals on wagons at the time of loading of foodgrains to avoid tempering in route pilferage w.e.f. 01.01.2023. This led to huge reduction in transit loss cases of above 0.50 % from 997 during 2021-23 to 51 cases in 2025-26 (upto January, 2026).
- Spreading of polythene sheets on the floor of Railway wagon to retrieve the spilled over grains.
- Deployment of Independent Consignment Certification Squads (ICCS) at the time loading and unloading.
- Joint verification (JV) of high transit loss cases to fix responsibility. The lower limit of TL for JVs has been reduced from 1% to 0.75 % and further 0.50% w.e.f. 01.10.2022.
- Made-up bags accrued at railhead are being accounted.
- Chronic Rail Heads (RHs) which are showing higher losses have been identified and loading / unloading at these RHs are being supervise from regional/ zonal office level.
- Investigation of high transit loss cases at HQrs/Zone/Regional/Division level at regular interval.
- Disciplinary action is also initiated against delinquent's wherever abnormal/unjustified transit losses are reported.

Transit loss are reviewed in Monthly Performance Review Meetings at Headquarters level.”

3.26 Responding to a query as FCI facing any type of difficulties in dealing with railway in terms of transportation of foodgrains (Loading/uploading), the Department in their written replies stated as under:

“Through regular/ effective coordination at various levels between FCI and Railways, all operational issues of the day are being taken up/ resolved on an ongoing basis. Moreover, the issues of mutual concern, if any, are being taken up for early resolution, on a regular basis, in the JCC/ IMC etc.”

3.27 The Committee note that the procurement policy of the Government is guided by the twin objectives of ensuring remunerative Minimum Support Price (MSP) to farmers and making foodgrains available to vulnerable sections at affordable prices, while also maintaining operational and strategic reserves for national food security. The Committee appreciate the reforms undertaken in procurement operations, particularly the end-to-end digitization of the procurement process, biometric authentication in most States, integration of State Procurement Portals with the Central Food Grains Procurement Portal (CFPP) and implementation of “One Nation, One MSP through DBT”, under which MSP payments are preferably credited to Aadhaar-linked bank accounts within 48 hours. The Committee observe that despite expansion of DCP, 9 and 6 States are still depend on the Centralized (Non-DCP) system for Paddy/rice and wheat respectively. The Committee, therefore, recommend that the Government intensify efforts to expand decentralized procurement to more States and regions to widen MSP coverage to farmers in order to fulfil its objective.

(Recommendation No.3)

3.28 The Committee note that since 2022-23 the procurement of wheat and rice has been less than 30% of the total production. Moreover, actual procurement of wheat has been 76.71%, 71.35% and 87.29% of the estimate for the years 2023-24, 2024-25 and 2025-26 respectively. Similarly, the actual procurement of rice has been less than target since 2022-23. The Committee further note that during Kharif Marketing Season (KMS) 2024-25, the procurement of rice from the states of Andhra Pradesh, Karnataka and Punjab has been 25.60 LMT, 0.003LMT and 116.13 LMT against the target of 35.00LMT, 5.29LMT and 124.00LMT respectively. Similarly, during Rabi Marketing Season (RMS) 2025-26, the procurement of wheat has been less than the target in the states of Bihar, Gujarat, Punjab and Uttar Pradesh. The reason furnished by the Department is that any fluctuation in estimated production and actual production results in variation in procurement. Procurement depends on multiple factors like Production, Market Surplus, MSP, Prevailing Market Rates, Demand Supply situation and participation of Private Traders, etc. The Committee are also informed that the Procurement estimate of food grains is planned for Kharif Crops in the month of July/August every year, while the same for Rabi Crops is planned in the month of February/March every year.

In this regard, the Committee recommend the Department to strengthen its procurement planning and coordination with States to minimize the gap between estimated and actual procurement of wheat and rice. While noting the Department’s submission that procurement levels are influenced by factors such as production fluctuations, market surplus, MSP, prevailing market prices, demand–supply conditions and participation of private traders, the Committee are concerned that actual procurement has consistently remained below estimates in recent years and below targets in several States. The Committee, therefore, urge the Department to review the methodology used for estimating procurement requirements, enhance real-time monitoring of production and market arrivals, and work closely with State Governments—particularly in States where procurement has significantly fallen short of targets—to ensure that procurement operations are more realistic, responsive and effective. The Committee would like to be apprised of the corrective measures taken in this regard.

(Recommendation No. 4)

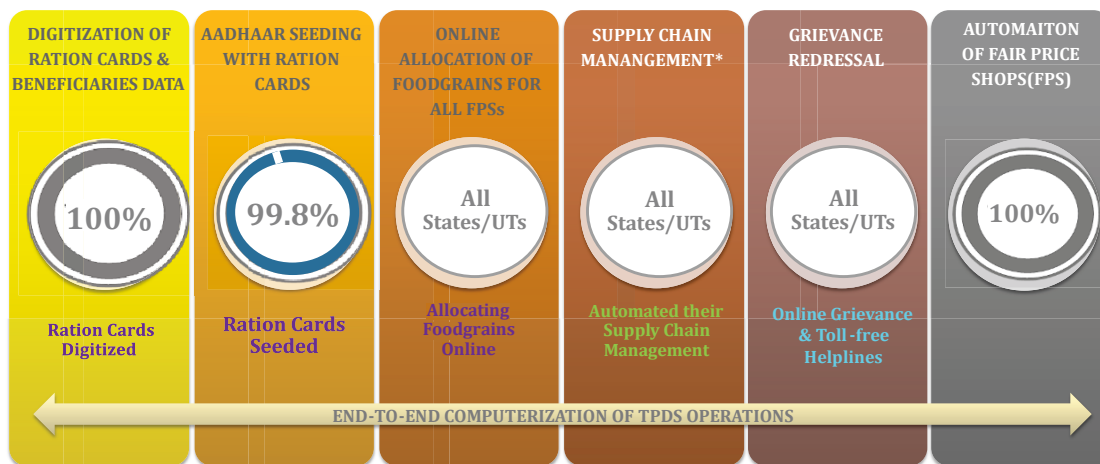
D. Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)

3.29 Under the Centrally Sponsored Scheme “Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)”, Memorandums of Understanding (MoUs) have been signed with all 36 States/UTs for implementation. Central Share is being released to States/UTs for implementation and strengthening of the State Project Implementation Teams (SPITs) and associated technical support. The National Informatics Centre (NIC) has been entrusted with development of the SMART PDS unified application/solution, which is being rolled out in a phased manner across the country, which are as follows:

- RCMS & FPS Module has been deployed in 12 States/UTs.
- Supply Chain & Allocation Module has been implemented in 20 states/UTs.
- Distribution Module has been implemented in 29 States/UTs.

Further, the phased rollout approach has ensured structured onboarding, State-specific customization, capacity building, and stabilization before pan-India implementation. With rollout of the system being progressive and aligned with the intended digital transformation roadmap.

Reforms in the Public Distribution System (PDS): Modernization



* Supply Chain refers to online generation of indent order, delivery order, foodgrain receipt, truck challan /gate pass, recding of stock receipt from FCI against respective Release Order (RO). Implemented in all States except Arunachal Pradesh and Manipur. Not applicable in Lakshadweep, Puducherry & Chandigarh

3.30 BE, RE and Actuals for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) is given as under:

(Rs. in crore)

Scheme Name	Year	Budget Estimates(BE)	Revised Estimates(RE)	Actuals
Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	2023-24	0.0	23.01	15.63
	2024-25	23.50	23.50	14.36
	2025-26	67.00	51.00	23.18
	2026-27	68.00		

It has been noted 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 a period of 3 years (April 2023 to March 2026).

3.31 On being asked about the reasons for decreased Budgetary allocation at RE stage during the year 2025-26 under the scheme, the Department in its written replies submitted that:-

“Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)” has to be onboarded on SNA SPARSH platform w.e.f. 01.07.2025. Due to delay in onboarding by States/UTs, funds could not be released.

Further, there is provision for installment-wise release mechanism of funds to States/UTs. The States/UTs have to submit complete financial proposals with fulfillment of requisite conditions for release of funds under the Scheme. However, the delay in submission of financial proposals by States/UTs caused the pace of expenditure under SMART PDS slow.

Due to above reasons, there has been decreased Budgetary allocation at RE stage during the year 2025-26 under the SMART PDS scheme.”

3.32 Regarding BE, RE and Actuals for Assistance to State Agencies for intra-state movement of foodgrains and FPS dealers margin under NFSA, the following was informed:

(Rs. in crore)

Scheme Name	Year	Budget Estimates(BE)	Revised Estimates(RE)	Actuals
Assistance to State Agencies for Intra-State	2021-22	4000	6000	6000
	2022-23	6572	8572.03	2000.00

Movement of Foodgrains and FPS Dealers Margin under NFSA	2023-24	7424.60	8531.77	8703.59
	2024-25	7075.00	7075.00	6945.24
	2025-26	7075.00	6000.00	4370.29*
	2026-27	6500.00		

* as on 16.02.2026

3.33 When asked about the reason for reduced allotment at BE stage for the Year 2026-27 in comparison with the year 2025-26.

The Department in their written deposition informed that as per the existing allocation of foodgrains to States/UTs, norms of expenditure and funding pattern specified under the Food Security (Assistance to State Governments) Rules, 2015, the estimated annual fund requirement is Rs.4746 crore approx. During previous years including 2025-26, the additional budget over and over Rs.4746 crore was sought to clear the pendency for previous years, the pendency of Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and Atma Nirbhar Bharat Package (ANBP) for migrant laborers which was launched during Covid-19 pandemic. In view of the efforts made by the Department, the pendency has come down. As a result, the budget is reduced.

3.34 Regarding extension of the scheme, the Department in their written replies informed that a proposal for extension of the scheme is under consideration for the 16th Financial Cycle (April 2026 – March 2031) under the umbrella scheme ‘Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS (SARTHAK-PDS)’.

The proposed extension aims to:

- Strengthen back-end interoperability and real-time integration.
- Enhance data analytics and rightful targeting mechanisms.
- Improve grievance redressal responsiveness.
- Upgrade hardware and infrastructure.
- Deepen digital inclusion and beneficiary empowerment.”

3.35 On being asked about the performance of the SMART-PDS Scheme, the Department in their written replies furnished the information as under:

“The scheme has been evaluated by NITI Aayog in collaboration with NABCONS.

Key findings include:

- SMART PDS is well-aligned with NFSA objectives of transparency, portability, and inclusion.
- Significant improvements have been observed in accountability and equity, particularly among SC/ST households.
- Strengthened backend integration and digital monitoring have enhanced systemic efficiency.
- The evaluation recommended continuation of the scheme as a Centrally Sponsored Scheme with further backend integration, interoperability, grievance responsiveness, and digital literacy initiatives.”

While the scheme experienced initial delays due to two failed RFP processes and Model Code of Conduct restrictions, the implementation has since stabilized

and is progressing satisfactorily. The Department considers the performance of the scheme to be satisfactory and impactful.

3.36 During the evidence held on 27.2.2026, the representative of the Department briefed the Committee on SARTHAK PDS as under:-

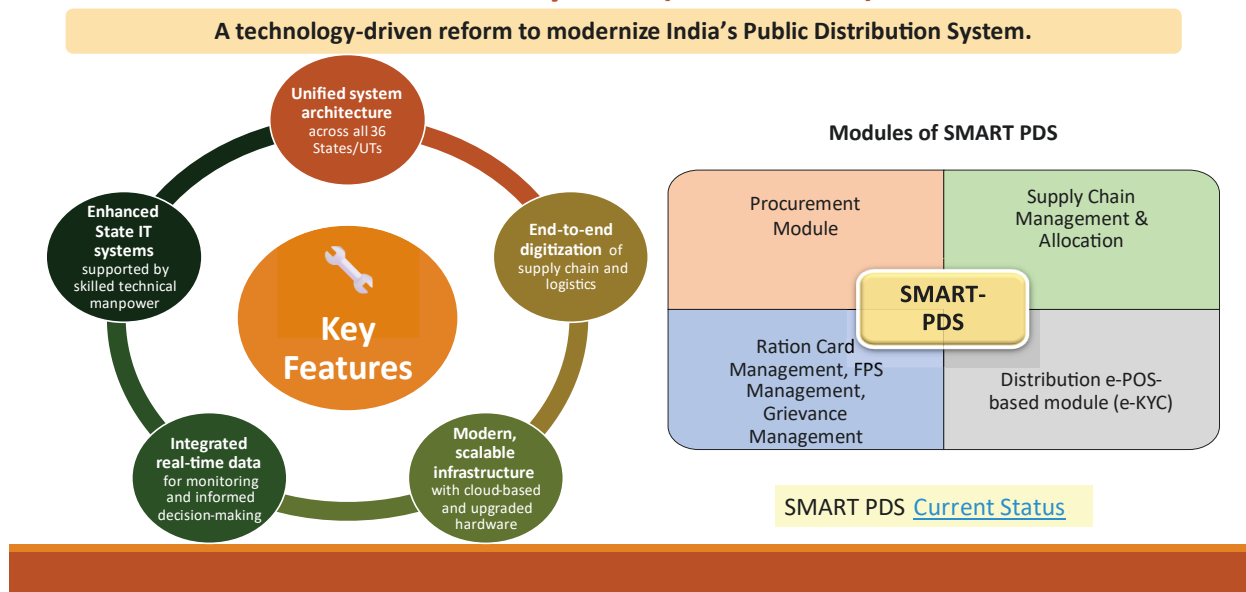
“SARTHAK PDS is implemented, which is convergence of both the schemes, that is Central assistance scheme and SMART PDS. So this is an umbrella scheme which integrates the other two schemes. It includes SMART PDS up to FPS level. It has AI-enabled grievance redressal and analytics. We will also be presenting about that. We also release money to the States to have their own Command and Control Centres. It is a national architecture and we are also trying to align the processes with ISO norms. This scheme period is from 2026 to 2031.”

3.37 During the evidence held on 27 February, 2026 the representative of the Department of Food and Public Distribution informed about the reforms in the Public Distribution System (PDS) as under:-

- ❑ Empowering migrants to be self-reliant and offers them a choice to avail foodgrains from any FPS.
- ❑ A technology driven innovation for nation-wide portability of ration entitlement.
- ❑ Cumulative ONORC transactions have crossed 204 crore till date.
- ❑ Allows all NFSA beneficiaries, particularly migrant beneficiaries, to claim either full or part foodgrains from any Fair Price Shop (FPS) of choice, anywhere in the country (District/ State/ Country) through existing ration card in a seamless manner.
- ❑ Also allows their family members back home (if any), to claim the balance foodgrains on the same ration card.
- ❑ ONORC facility makes food security portable for all NFSA beneficiaries.

3.38 Further, the Department during the evidence held on 27 February 2026, furnished the following information about modernizing of Public Distribution System of the country:

Scheme for Modernization and Reforms through Technology in Public Distribution System (SMARTPDS)



3.39 During the evidence, the representative of the Department of Food and Public Distribution briefed about the Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS (SARTHAK PDS):

“Scheme Overview

Umbrella scheme integrating:

Assistance for intra-State movement & handling of foodgrains and FPS dealer margins (NFSA)

Technology-driven PDS reforms Strengthens implementation of NFSA, 2013.

SMART PDS (Core Technology Layer)

AI/ML/NLP-enabled grievance redressal & analytics

State Command & Control Centres

Unified databases & standardized national architecture

Secure, transparent & ISO-aligned processes

Legal Framework

NFSA, 2013 – Section 22(4)(d)

Food Security (Assistance to State Governments) Rules, 2015 (*as amended*)

CCEA-approved assistance norms

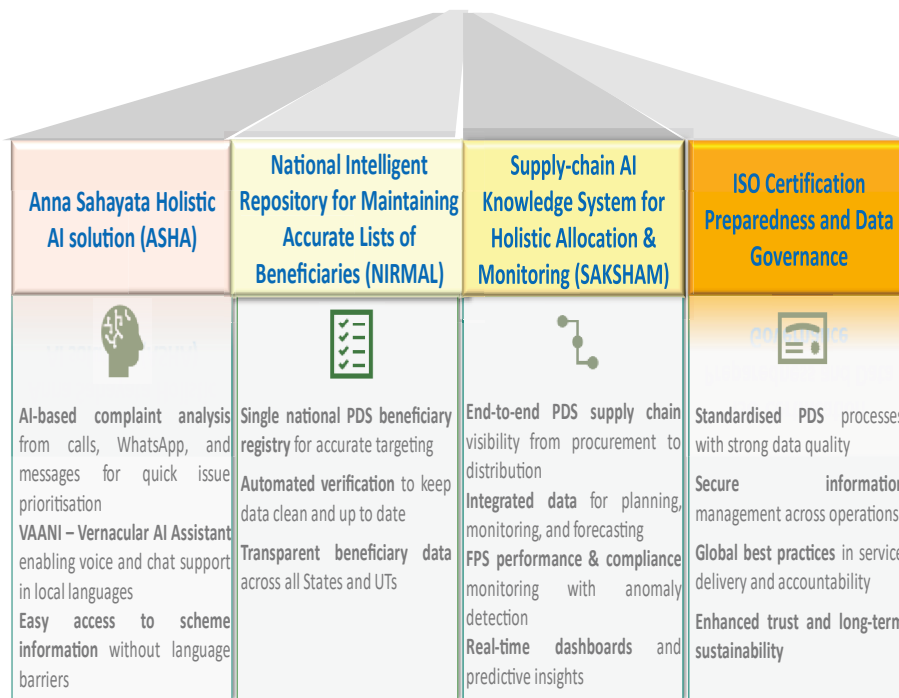
Expected Key Outcomes of the scheme

- Assured financial support to States/UTs
- Citizen-centric, integrated PDS ecosystem
- Reduced leakages & improved last-mile delivery

Scheme Period

2026–2031 (5 Years)

Key Components of SARTHAK PDS



3.40 The Committee note that the during 2025-26, the actual utilization of the funds under the Centrally Sponsored Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) has been at Rs. 23.18 crore against Rs 51.00 crore at RE 2025-26. The reason for decrease in budget allocation during 2025-26 at RE stage, the Department informed that Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)” has to be onboarded on SNA SPARSH platform w.e.f. 01.07.2025. Due to delay in onboarding and in submission of financial proposal by States/UTs, funds could not be released. The Committee understand that the Centrally Sponsored Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) has been introduced to strengthen transparency, efficiency and accountability in the Public Distribution System through technology-driven reforms. The extension of the scheme for the period 2026–2031 under the umbrella programme Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS (SARTHAK-PDS) to strengthen backend interoperability, enhance data analytics, upgrade infrastructure and improve grievance redressal mechanisms is under consideration.

The Committee emphasize that SMART-PDS is an important initiative aimed at strengthening transparency, efficiency and accountability in the Public Distribution System through technology-driven reforms. The Committee, therefore, recommend the Department to expedite the full-scale implementation

of SMART-PDS across all States and Union Territories by strengthening coordination with State Governments, ensuring timely onboarding on digital financial platforms, and simplifying procedures for submission of financial proposals and release of funds. The Committee further note that the extension of the scheme for the period 2026–2031 under the umbrella programme SARTHAK-PDS is under consideration and urge the Government to expedite its finalization while incorporating measures to enhance backend interoperability, data analytics, infrastructure upgradation and grievance redressal mechanisms to ensure more efficient delivery of PDS services.

(Recommendation No. 5)

E. Pradhan Mantri Garib Kalyan Yojana (PMGKAY)

3.41 Regarding PMGKAY, Department informed the Committee in their written deposition that:

“The National Food Security Act, 2013 (NFSA) being implemented in all the States/UTs, on an all-India basis, aims to supplement the food requirements of upto 75% of the rural and upto 50% of the urban population. While Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor are entitled to 35 kg of foodgrains, per family per month, Priority Households (PHH) are entitled to 5 kg of foodgrains per person per month at uniform subsidized prices specified in Schedule-I prices of the Act.

Old PMGKAY – Launched during Covid-19 pandemic

2. The PMGKAY was launched with the specific purpose of ameliorating the hardships faced by the poor and needy due to economic disruptions caused by the COVID-19 outbreak in the country. In view of the COVID crisis, the allocation of free foodgrains, under PMGKAY was in addition to regular allocation under NFSA.

3. The beneficiaries were entitled to receive 5 kg of foodgrains per person per month, free of cost, in addition to their regular foodgrains entitlement under NFSA i.e. 35 kg of foodgrains per AAY household and 5 kg of foodgrains per person per month. The PMGKAY was implemented in seven phases. The last phase was upto December 2022.

4. A total quantity of approx. 1118 LMT foodgrains had been allocated under PMGKAY (Phase I-VII) for the period of 28 months with a total planned financial outlay was about Rs. 3.91 lakh crore.

New PMGKAY

5. The Central Government, in order to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the Act, 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. As per the

Central Government decision, two food subsidy schemes have been subsumed as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

6. Keeping in view the welfare of the beneficiaries and in order to strengthen the provisions of NFSA, 2013 in terms of accessibility, affordability and availability of food grains for the poor and to maintain uniformity across the States, the Central Government, has now decided to continue to provide free food grains to about 81.35 crores 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. Notification to this effect has been issued on 04.12.2023.

7. The PMGKAY Scheme would ensure effective and uniform implementation of the National Food Security Act (NFSA). Under the One Nation One Ration Card (ONORC), which is a successful initiative of portability of ration cards, any beneficiary can take delivery of food grains from any FPS at uniform NFSA entitlement and price across the country. The free food grains will concurrently ensure uniform implementation of portability under the One Nation One Ration Card (ONORC) across the country and will further strengthen this choice-based platform.”

Sate/UT-wise intended and present coverage of beneficiaries under the NFSA

Sl. No.	States/ UTs	Accepted No. of persons under NFSA (in lakh)	Present coverage (In lakh)				
			AAY		PHH	Total persons	% of accepted persons
			No. of House holds	No. of person	No. of persons		
1	Andhra Pradesh	268.23	9.08	23.52	244.70	268.22	100.00%
2	Arunachal Pradesh	8.71	0.38	1.50	6.94	8.44	96.94%
3	Assam	251.90	6.73	21.70	226.29	247.98	98.45%
4	Bihar	871.16	25.01	125.05	746.11	871.16	100.00%
5	Chhattisgarh	200.77	7.19	20.42	180.35	200.77	100.00%
6	Delhi	72.78	0.69	2.78	70.00	72.78	100.00%
7	Goa	5.32	0.12	0.46	4.86	5.32	100.00%
8	Gujarat	382.85	7.77	36.10	329.74	365.84	95.56%
9	Haryana	126.49	2.68	11.35	115.14	126.49	100.00%
10	Himachal Pradesh	36.82	1.65	6.82	23.07	29.88	81.17%
11	Jharkhand	264.25	8.94	34.76	229.43	264.19	99.98%
12	Karnataka	401.93	10.97	43.91	358.02	401.93	100.00%

13	Kerala	154.80	5.96	25.59	129.21	154.80	100.00%
14	Madhya Pradesh	546.42	14.63	54.93	479.86	534.79	97.87%
15	Maharashtra	700.17	25.05	108.01	592.16	700.17	100.00%
16	Manipur	25.06	0.64	1.91	18.97	20.87	83.30%
17	Meghalaya	21.46	0.70	2.91	18.54	21.46	100.00%
18	Mizoram	7.06	0.26	0.64	6.41	7.05	99.83%
19	Nagaland	14.79	0.48	2.11	11.94	14.05	94.99%
20	Odisha	326.21	12.53	37.57	287.60	325.17	99.68%
21	Punjab	141.45	1.79	7.64	133.80	141.45	100.00%
22	Rajasthan	446.62	6.29	22.29	417.72	440.01	98.52%
23	Sikkim	4.07	0.17	0.57	3.24	3.81	93.78%
24	Tamil Nadu	364.69	18.64	65.78	298.34	364.12	99.84%
25	Telangana	191.70	5.67	15.95	175.74	191.70	100.00%
26	Tripura	25.02	1.09	4.62	19.81	24.43	97.65%
27	Uttar Pradesh	1520.59	40.90	132.91	1365.79	1498.70	98.56%
28	Uttarakhand	61.94	1.84	7.92	54.02	61.94	100.00%
29	West Bengal	601.84	16.42	54.99	546.85	601.84	100.00%
30	A&N	0.63	0.04	0.14	0.46	0.61	96.21%
31	D&N Haveli and Da man & Diu	3.56	0.05	0.24	2.45	2.69	75.60%
32	Lakshadweep	0.22	0.01	0.04	0.18	0.22	99.72%
33	Chandigarh (DBT)	4.96	0.00	0.01	2.98	2.99	60.29%
34	Pudducherry (DBT)	6.34	0.25	0.82	5.52	6.34	99.92%
35	Jammu & Kashmir	72.69	2.33	10.61	61.80	72.41	99.61%
36	Ladakh	1.44	0.06	0.29	1.15	1.44	99.99%
Total		8134.91	237.00	886.85	7169.20	8056.05	99.03%

8. To strengthen the provisions of NFSA in terms of accessibility, affordability and availability of entitled foodgrains for the poor and ensure effective and uniform implementation of National Food Security Act 2013 (ONE NATION- ONE PRICE -ONE RATION), the Central Government has decided to provide free-of-cost foodgrains (i.e., rice, wheat and coarse grains) to around 80 Crore NFSA beneficiaries for one year from 01.01.2023 to 31.12.2023.

9. Further, keeping in view welfare of the beneficiaries of PMGKAY in terms of accessibility, affordability and availability of food grains for the poor and to maintain uniformity across the States, the Government has decided to continue to provide free food grains to about 80 crore 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 01.01.2024.

3.42 Responding to a query as whether the Government has assessed the yearly foodgrains requirement for the poor people under the Pradhan Mantri Garib Kalyan Yojana (PMGKAY), the Department stated as under:-

“Allocation of foodgrains to States/Union Territories (UTs) under the National Food Security Act, 2013 (NFSA) is made based on identification of beneficiaries reported by the States/UTs within the State/UT-wise coverage of population determined by the then Planning Commission, and foodgrains entitlement prescribed under the Act i.e. 35 kg per household per month for households covered under Antyodaya Anna Yojana (AAY) and 5 kg per person per month for Priority households (PHH). The Act further provides that if on the above basis, annual foodgrains allocation to any State/UT is lower than the average annual offtake during 2010-11 to 2012-13 under the erstwhile normal Targeted Public Distribution System, the same shall be protected as Tide Over allocation. Under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), the Department of Food & Public Distribution has allocated a total of 554.10 LMT of food grains (rice, wheat and Coarse grains). AAY, PHH and Tide Over during FY 2024-25 as below;

(Fig in LMT)

Category	Rice	Wheat	Coarse grains	Total
Antyodaya Anna Yojana	70.10	29.28	0.01	99.39
Priority households	270.47	149.53	8.63	428.63
Tide Over	20.54	5.55	0.00	26.09
Total	361.10	184.37	8.63	554.10

3.43 BE, RE and Actuals for two food subsidy schemes & PMGKAY is given as under:

(Rs. in crore)

S. No.	Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
1.	Food Subsidy to FCI under NFSA (2408)	2021-22	2,02,616.00	2,10,929.00	2,08,929.00
		2022-23	1,45,919.90	2,14,696.00	2,00,219.20
		2023-24	1,37,207.00	1,39,662.00	1,39,661.03

2.	Food Subsidy for DCP states	2021-22	40,000.00	75,290.11	79,789.54
		2022-23	60,561.19	72,282.50	72,282.49
		2023-24	59,793.00	72,250.00	71,733.36
3.	Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)	2024-25	2,05,250.00	1,97,000.00	1,99,500.01
		2025-26	2,03,000.00	2,27,753.65	1,84,068.57*
		2026-27	2,27,429.00		

*As on 17.02.2026

Two above mentioned food subsidy schemes have been subsumed as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)

3.44 During the evidence held on 27.2.2026, the representative of the Ministry apprised the Committee on PMGKAY as under:-

“As can be seen that the PMGKAY is the main scheme which occupies the lion shares in the Department’s budget. There is some increase in the allocation this year as well and it has gone up to Rs. 2.27 lakh crore for RE 2025-26. Then there is assistance under the National Food Security Act (NFSA). This is mainly for interstate movement, handling of food grains and dealers’ margin. So, the RE allocation for this year is Rs. 6,000 crore.”

3.45 Further, the representative of the Department apprised the Committee as under:-

“Under PMGKY, with effect from 2023, all the beneficiaries are receiving food grains free of cost and there are 81.35 crore beneficiaries which cover both AAY and PHH. It has been implemented in all the States and UTs from November 12, 2016. So, the total ration card holders are 20.60 crore now including AAY and PHH. We have 5.51 lakh Fair Price Shops.”

3.46 The Committee asked the Department to explain the reason to keep BE 2026-27 less than the RE 2025-26 i.e allocation of less funds, the Department in their written replies submitted as under:

Scheme Detail	RE 2025-26	BE 2026-27	Reasons for Variations
Food Subsidy to FCI under PMGKAY	153834.55	152429	Variation of RE 2025-26 with BE 2026-27 was due to the fund requirement of FCI. The requirement of fund under BE 2026-27 projected by FCI was as Rs. 182606 crore as difference between Economic cost and Central Issue Price in compliance with MoF directions .
Food Subsidy to DCP States under PMGKAY	73919.1	75000	The variation RE 2025-26 with BE 2026-27 is due to the fund requirement for DCP States which was projected as Rs 75017 crore on the basis of distribution, pending subsidy bills and increase in economic cost.
TOTAL	227753.65	227429	

3.47 Responding to a query regarding steps/efforts are being made for free food grains to about 81.35 crore NFSA beneficiaries under PMGKAY, the Department in its written replies submitted the following details:-

“The PMGKAY is operated under the joint responsibility of the Central and the State/UT Governments, wherein the operational responsibilities including lifting of foodgrains from the designated depots, further transportation & handling within the State, delivery of foodgrains upto the door step of fair price shops, identification of beneficiaries, issuance of their ration cards and distribution of foodgrains to beneficiaries as per their entitlements through fair price shops rests with the State Government.

At present, the States/UTs have identified 80.56 crore beneficiaries against the intended coverage of 81.35 crore beneficiaries for whom free of cost foodgrains are being allocated to States/UTs for distribution among identified beneficiaries.”

3.48 On being asked about the measures are being taken by the Ministry to update this data and ensure that any beneficiaries left out since 2011 are included in the National Food Security Act (NFSA) coverage, the Department in their written replies stated as under:-

“The National Food Security Act, 2013 provides for coverage of upto 75% of the rural population and upto 50% of the urban population, which at Census 2011 comes to 81.35 crore persons. At present, against the intended coverage of 81.35 crore persons, only 80.56 crore beneficiaries are covered. Still, there is scope for identification of 0.79 crore beneficiaries.

Sub-Section (2) of Section 10 of the Act provides that the State Government shall update the list of eligible households, within the number of persons determined under section 9 for the rural and urban areas, in accordance with the guidelines framed under sub-section (1). The Central Government has issued advisory, from time to time, to all the States/Union Territories to identify all eligible and poor persons/ households including vulnerable Sections of the Society for inclusion under the NFSA. States are undertaking cleaning up of their beneficiary database so that bogus ration cards get deleted and better targeting of rightful beneficiaries is ensured. Thus, deletion of ineligible beneficiaries and addition of eligible beneficiaries under the Act is a continuous process.”

3.49 The Committee note that the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) has emerged as a major food security intervention for the poor and vulnerable sections of the country by providing free foodgrains to beneficiaries covered under the National Food Security Act, 2013 (NFSA). The Committee also take note that the scheme involves a substantial financial commitment, with ₹2,05,250 crore allocated in BE 2024–25, ₹2,03,000 crore in BE 2025–26 and ₹2,27,429 crore in BE 2026–27, reflecting the Government’s continued emphasis on food security. The Committee observe that the scheme currently covers about 80.56 crore beneficiaries against the intended coverage of 81.35 crore persons, indicating that around 0.79 crore eligible persons are still yet to be identified and included under the scheme. The Committee are of the view that the continued reliance on 2011 Census data for determining NFSA coverage may lead to exclusion of newly eligible and vulnerable households due to population growth,

migration and socio-economic changes. The Committee, therefore, recommend that the Government, in coordination with the State/UT Governments, undertake a comprehensive and time-bound exercise to update the beneficiary database, intensify identification of the remaining 0.79 crore eligible persons and periodically revise the coverage limits in line with updated population estimates.

(Recommendation No. 6)

F. Dues and Liabilities of Food Corporation of India (FCI)

3.50 When asked about the details of the outstanding dues of FCI to be recovered from various Ministries on account of foodgrains issued for various welfare schemes on the payment basis, the Department in its written replies submitted as under:-

“(a) Ministry of Rural Development: Details against the food grains supplied under SGRY Schemes upto 31.03.2008

(Rs. In Crore)

Year	Amount Received	Outstanding Balance
2021-22	NIL	2454.03
2022-23	NIL	2454.03
2023-24	* 2454.03	0.00
2024-25	NIL	0.00
2025-26	NIL	0.00

Schemes is closed on 31.03.2008.

* Ministry of Finance under RE 2023-24 had allocated funds of Rs. 2454.03 core for SGRY schemes. The same was released to FCI on 18.03.2024.

(b) Ministry of Human Resource Development: - Details against the foodgrains supplied under MDM scheme

(Rs. In Crore)

Year	Amount Received	Outstanding Balance
2021-22	340.02	371.41
2022-23	447.89	215.34
2023-24	412.45	141.48
2024-25	396.96	144.83
2025-26 (As on 31.12.2025, Provisional)	206.02	205.93

In case of Min. of HRD, Revolving Fund of Rs. 40000 lakhs has been provided by the Ministry of HRD for due amount.”

3.51 The Committee enquired whether any time limit has been fixed by which, Ministries are required to make payment of outstanding dues, the Department in its written reply submitted as under:-

“The lifting of quantity of food grains by various Ministries/ Department under 'Other Welfare Scheme' category and reimbursement of amount against such quantity is a continuous process. The real time data may keep on changing from time to time after adjusting the payment received by FCI.”

3.52 Responding to a query as to what steps have been taken or are proposed to be taken to liquidate the outstanding dues of FCI over the years, the Department in its written replies submitted that :-

“Steps taken or proposed by DFPD to liquidate the outstanding dues of FCI. Department of Food & PD and FCI has been pursuing the matter with the concerned Ministries for liquidating the outstanding dues of FCI. After regular follow-up, Ministry of Finance under RE-2023-24, has allocated Rs.2454.03 crore equivalent to dues outstanding with Ministry of Rural Development towards supply of food grains to them by FCI under Food for Work Scheme/ SGRY. The same has been released to FCI on 18.03.2024. Further, FCI/ DFPD has been regularly pursuing the matter with all concerned Ministries/ Departments.”

3.53 The Committee observe that FCI supplies foodgrains to various Ministries/Departments for implementation of welfare schemes, including the Sampoorna Grameen Rozgar Yojana (SGRY) and the Mid-Day Meal Scheme, on a payment basis and that delays in reimbursement by the concerned Ministries lead to accumulation of outstanding dues for FCI. The Committee note that in the case of the Ministry of Human Resource Development (now the Ministry of Education), outstanding dues under the Mid-Day Meal Scheme persist ₹205.93 crore as on 31.12.2025 (provisional) despite periodic payments.

The Committee recommend that the Department should evolve a time-bound payment framework for all Ministries and Departments receiving foodgrains from FCI under welfare schemes, including mandatory timelines for reimbursement and periodic reconciliation of accounts. The Committee emphasize the importance of pursuing this matter at the highest levels, engaging with the concerned Ministry directly to resolve the matter in time bound manner.

(Recommendation No. 7)

Chapter IV

Storage : Capacity Augmentation

A. Construction of godowns

The Department informed that the total storage capacity (owned & hired/covered & CAP) available as on 31.01.2026 is 483.22 LMT against which stock of 415.94 LMT is available. The total 86 per cent of storage capacity is utilized as on 31.01.2026.

4.2 On being asked about the steps being taken to augment the storage capacity, Department in their written replies stated as under:

“As on 01.02.2026, the Storage capacity of 483.32 LMT is available with Food Corporation of India and 462.62 LMT is available with State agencies for Central Pool stock of foodgrains. As a result, a total covered capacity 945.84 LMT is available for storage of Central Pool stock of foodgrains.

However, FCI continuously assesses and monitors the storage capacity and based on the storage gap assessment, storage capacities are created/ hired.

FCI is augmenting its storage capacity through following schemes: -

- a. Private Entrepreneurs Guarantee (PEG) Scheme
- b. Creation of godown under Asset Monetization.
- c. Hiring of godown from CWCs/SWCs/State Agencies
- d. Private Warehousing Scheme (PWS)
- e. Centre Sector Scheme (CSS).
- f. Construction of SILO's under PPP mode
- g. Private Entrepreneurs Guarantee (PEG) Scheme

4.3 The Department also furnished statement showing the storage capacity (owned & hired/covered & CAP), stocks held and its % utilization (monthly average) as on 31 January 2026:

STATEMENT SHOWING THE STORAGE CAPACITY (OWNED & HIRED / COVERED & CAP), STOCKS HELD & ITS % UTILISATION (MONTHLY AVERAGE)															
POSITION FOR THE MONTH FROM APRIL 2020-21 to till date															
FIG. IN LAKH MTs															
SL. NO.		OWNED	COVERED								TOTAL COVERED	CAP			GRAND TOTAL
			HIRED									OWNED	HIRED	TOTAL CAP	
			STATE GOVT.	CWC	SWC	PEG	PWS 2010	Silo	PRIVATE PARTIES	TOTAL HIRED					
31.01.2026	Capacity	147.20	19.51	39.72	121.25	88.61	31.00	22.50	0.88	323.47	470.67	6.79	5.76	12.55	483.22
	Stock	111.37	19.64	32.72	108.49	89.12	28.37	20.12	0.89	299.35	410.72	0.50	4.72	5.22	415.94
	Utilization %	76	101	82	89	101	92	89	101	93	87	7	82	42	86

4.4 In written reply to a query on the reasons for FCI having lesser owned storage capacity vis-a-vis hired one, the Department stated in their written replies as under:

“Storage requirement of Food Corporation of India is primarily for holding operational and buffer stocks and also to meet the requirement under NFSA and other welfare Schemes undertaken by the Government of India which requires distribution of foodgrains for ensuring food security.

Adequate scientific storage is pre-requisite to fulfill the policy objectives assigned to the Food Corporation of India.

FCI has two fold strategies to meet its storage capacity objectives.

(i) Firstly, by construction of its own godowns at the most strategic locations well connected with rail/road network and operationally viable for which the budgetary plan funds are provided by the Govt. of India in its Central Sector Scheme.

(ii) Secondly, if the circumstances so warrant, FCI also hires storage capacities from various agencies for storage of wheat/rice in the procuring/consuming State to meet the storage crunch due to increased procurement. Field officers have also been delegated full powers to hire additional godowns on guaranteed reservation from the Govt. Agencies like CWC/SWCs/ State Govt. and private parties through PWS as and when required to meet the increased storage capacity requirement.”

4.5 Further, in their written replies, the Department furnished the information as under:

“Hiring/ creation of godowns from warehousing corporations/ private investors is cost effective than constructing FCI owned capacity. In addition, hired capacity is operationally more viable for the reasons given as under:

The owned capacity once constructed at a particular place/location cannot be shifted if the same is required at a different location due to changed procurement pattern or change in off take of food grains on account of consumer preference etc. whereas the hired capacity can be de hired and re hired as per the requirement. So, creation/ hiring of capacity by attracting Private Investment are preferred.

The creation of owned capacity is done through budgetary provisions provided by Government of India through Central Sector Scheme. Only in North-eastern states and a few other hilly/ tough states budgetary resources are utilized for developing storage capacity under CSS where private investors do not come forward.”

4.6 The Committee further enquired whether FCI has made any assessment with respect to expenditure on Rental Liability vis-a-vis cost of owned storage capacity, the Department stated that FCI periodically undertakes assessment of expenditure incurred on rental liability vis-à-vis creation and maintenance of owned storage capacity as part of its financial planning and capacity augmentation strategy.

The comparative assessment broadly covers the following aspects:

Recurring Rental Liability – Monthly/annual rent payable for hired godowns, including applicable taxes and escalation clauses.

Capital Expenditure on Owned Capacity – One-time capital investment for construction of godowns under Central Sector Scheme and other approved modes.

Maintenance & Operational Cost – Annual repair, maintenance and upkeep expenditure of owned godowns.

Long-term Financial Implication – Cost-benefit analysis over the life cycle of the asset to evaluate payback period and overall financial prudence.

Location & Operational Viability – Strategic advantage of owned capacity in terms of rail connectivity, reduction in transportation cost, and improved stock management efficiency.

The assessment generally indicates that although owned storage capacity involves higher initial capital outlay, it results in long-term savings by substantially reducing recurring rental liability and creating durable assets for the Corporation. Accordingly, FCI gives priority to creation of owned capacity at strategically viable locations, while hired capacity is utilized to meet temporary or region-specific storage gaps.”

4.7 When asked about storage capacity constructed by FCI since 2020-21 year-wise and physical and financial targets and actual achievement for construction of godowns in the wake of implementation of NFSA 2013, the Department informed as under:-

“A total storage capacity of 78,100 MT (45,020 MT in NE regions and 33,080 MT in Other than NE regions) has been created by FCI from FY 2021-22 till date. Apart from this, in NE regions, there are 2 works (30,000 MT) which are currently in progress. In Other than NE regions, 1 work (3,340 MT) is under progress.

The Physical Targets/achievements in respect of construction of Godowns under Central Sector Scheme in various States is as follows:

S. No.	Financial Year	(Capacity in MT)			
		North-East		Other than North-East	
		Target	Achievement	Target	Achievement
1.	2021-22	30020	20,000	6620	0
2.	2022-23	10020	8900	6620	2240
3.	2023-24	26120	1120	23980	640
4.	2024-25	25000	0	33540	10,000
5.	2025-26 (as on 01.02.2026)	45000	15,000	23540	20,200

Financial Targets/Achievements: The Financial Targets/achievements in respect of construction of Godowns under Central Sector Scheme in various States is as follows:

(Outlay in Crore)

S. No.	Financial Year	Target	Achievement	% achievement
1.	2021-22	30.00	21.97	
2.	2022-23	51.50	46.49	
3.	2023-24	100.00	52.75	
4.	2024-25	Not Applicable	84.25	
5.	2025-26 (as on 01.02.2026)	Not Applicable	39.20	

Works currently in progress:

Sl. No	Status	No. of projects	Capacity (MT)	State	Location	Capacity (MT)	Expected Date of Completion
NORTH-EAST							
1.	Work in Progress	2	30,000	Assam	Silchar	20000	31.05.2026
				Mizoram	Sairang	10000	31.03.2026
OTHER THAN NORTH-EAST							
2.	Work in Progress	1	3340	Himachal Pradesh	Mandi	3340	13.08.2026
	TOTAL	3	33,340				

4.8 Responding to a query as what efforts made by Department to increase storage capacity of foodgrains in states/UTs, the Department in their written replies informed that FCI continuously assesses and monitors the storage capacity and based on the storage gap assessment, storage capacities are created/hired. The requirement of Storage capacity in FCI depends upon the level of procurement, requirement of buffer norms and PDS operations for Rice and Wheat mainly. Storage gap is assessed in the procuring States based on the highest stock levels in the last three years and in the consuming States on the basis of 4 months (6 months in case of NE regions) requirement of National Food Security Act (NFSA) and Other Welfare Scheme (OWS) for creation / construction of new godowns.

As on 01.02.2026, the Storage capacity of 483.32 LMT is available with Food Corporation of India and 462.62 LMT is available with State agencies for Central Pool stock of foodgrains. As a result, a total covered capacity 945.84 LMT is available for storage of Central Pool stock of foodgrains.

With a view to meet storage requirement and ensure safe storage of foodgrains across the country, Government is implementing the Private Entrepreneurs Guarantee (PEG) Scheme for creating storage capacity through private entrepreneurs, Central Warehousing Corporation (CWC) and State Warehousing Corporations (SWCs). Capacity augmentation through Plan scheme and Silos in addition to PEG Scheme is also given utmost importance by the Ministry of Consumer Affairs, Food & Public Distribution.

FCI hires storage capacities from CWC/SWC/State Agencies/Private Agencies wherever required while ensuring optimum utilization of existing capacities.

4.9 Responding to a query as what difficulties Department is facing in execution of augmentation work of storage capacity in states/UTs, the Department stated that following difficulties faced by the FCI in execution of augmentation work of storage capacity in states:

“Acquisition of land: The acquisition of land, which is done through the respective 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 and even dropped.

Climate and topography: The difficult terrain and inclement weather in 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 durations.

Resistance from the local residents: At some locations, there have been instances of resistance being faced from the local residents during the construction of godowns. To overcome these resistances, the help from the State Governments and local police is being taken as and when required.

In order to overcome these difficulties, periodic liaisoning with the State Government is done so that the land can be acquired at the earliest. Further, the help of local government bodies is also undertaken to address the concerns and resistance from local residents.”

4.10 The Committee observe that a significant portion of the storage capacity with FCI continues to be hired (323.47 LMT) compared to owned covered capacity (147.20 LMT), reflecting the Corporation’s strategy of meeting fluctuating storage requirements through flexible hiring arrangements under schemes such as the Private Entrepreneurs Guarantee (PEG) Scheme, Private Warehousing Scheme, and silo construction under PPP mode, while also constructing owned godowns at strategically viable locations through the Central Sector Scheme. The Committee are happy to note the initiative of the Department for installing mobile storage units on experimental basis at different locations mostly in the hilly States of Northeast, plus one in Chhattisgarh. The advantage of such units are their cost and time effectiveness.

In regard to the storage capacity, the Committee recommend that the Department should formulate a time-bound and region-specific strategy to progressively enhance owned modern storage capacity, particularly in major procuring and high-consumption States, with priority given to the construction of scientifically designed warehouses and modern steel silos at strategically located logistics hubs with rail connectivity to minimize post-harvest losses and improve stock management efficiency. While appreciating the efforts of the Department, the Committee expect that the Department would continue to explore innovative and cost-effective storage solutions such as mobile storage units in geographically challenging regions and would bring it to implementation stage.

(Recommendation No. 8)

B. Construction of Silos

4.11 Steel Silo storage with bulk handling is a highly automated and modernised method of storing foodgrains in bulk. It consists of storage of food grains in monitored atmosphere in bulk form. Silo requires mechanized handling for loading and unloading. It ensures better preservation of foodgrains and enhances its shelf life. Losses due to theft, pilferage, and transportation would be negligible if foodgrains were stored in Silos and transported in bulk, as opposed to foodgrains stored in bags in conventional warehouses.

4.12 The Department in their power-point presentation during the evidence held on 27.02.2026, has informed about the modernizing storage infrastructure through creation of steel silos as under:

- Harnessing the efficiency of railway siding, promotes cost efficiency through bulk storage & movement
- Reduces cost and time of handling and transportation
- Require 1/3rd of land area as compared to conventional storage
- If declared mandi yard, provides for market facilities for farmers
- Steel silos of 33.75 LMT capacity are functional and work for 32.875 LMT is under progress, while 25.125 LMT under Hub & Spoke Model has been awarded.

4.13 Further, the Department has informed about the present scenario of steel silos as under:

Steel Silos: present scenario (as on 31.12.2025)



S. No.	Status	Capacity (LMT)
1.	Work Completed & Operational	31.75
	(a) Circuit Based Model (7 Locations- 5.50LMT)	
	(b) Road Fed Model (15 Locations- 7.50LMT)	
	(c) Railway siding Model (26 Locations- 13.25LMT)-FCI	
	(d) Hub & Spoke Model (DBFOT mode)- 6 locations- 4.75 LMT	
	(e) Hub & Spoke Model (DBFOO mode)- 2 locations- 0.75 LMT	
2.	Silos at under-construction stage under VGF/Non-VGF mode of Road-fed/Railway-siding model	
	2(a) Road-fed & Railway Siding Model – 07 locations	3.50
	2(b) Hub & Spoke Model(DBFOT mode) – Phase-I- 07 locations	4.375
	2(c) Hub & Spoke Model (DBFOO mode)-Phase-I- 64 locations	24.00
3.	Silos under implementation/construction but LOC is yet to be issued	
	3(a) Hub &Spoke model(DBFOT mode) phase-I– 1 locations	1.00
4.	Total wheat silos including 0.25 LMT pilot rice silos	64.625
5.	Planned capacity for Hub & Spoke Phase-II (DBFOO, 54 locations)	25.125
	Grand Total	89.75

4.14 With regard to steps undertaken to overcome Storage challenges, the Department furnished the following information:

- Expansion of Steel Silo infrastructure for Wheat Storage
- Pilot project on Development of Silos for Rice Storage
- Approval of 60 LMT PEG capacity in Punjab
- Approval of 30 LMT PEG capacity in Haryana
- Enhancement of construction period under PEG Scheme from 1 to 2 years in NE & Hilly states
- Approval of 35 LMT Capacity under CAP Hiring Scheme in Punjab
- Approval of 12 LMT capacity under CAP hiring Scheme in Haryana
- Enhancement of Guarantee period under PEG Scheme from 10 to 15 years in NE & Hilly states

4.15 In connection with steps taken for upgrading and modernizing the storage facilities to minimize storage losses, the Department submitted as under:-

“In order to upgrade and modernize the storage facilities, Government of India has approved construction of Steel Silos for bulk storage of food grains across the country under PPP mode. Accordingly, Silos at 57 locations with capacity 32.25 Lakh MT have been completed (as on 31.01.2026) and Silos at 78 locations with capacity 32.375 LMT are under construction. Further, tenders for 25.125 LMT Silos at 54 locations have been awarded in September 2025. The State-wise details are as below:

Sl. No.	State	Capacity completed	Capacity under construction	Capacity yet to start	Total
1.	Assam	0.50 (01)	--	--	0.50 (01)
2.	Bihar	4.50 (09)	2.50 (05)	1.75 (05)	8.75 (19)
3.	Gujarat	1.50 (03)	1.50 (04)	3.625 (07)	6.625 (14)
4.	Haryana	4.75 (07)	2.75 (11)	--	7.50 (18)
5.	J & K	--	0.75 (01)	--	0.75 (01)
6.	Karnataka	0.25 (01)	--	--	0.25 (01)
7.	M.P.	4.50 (09)	2.25 (04)	--	6.75 (13)
8.	Maharashtra	0.50 (01)	1.25 (01)	3.875 (06)	5.625 (8)
9.	Punjab	9.25 (13)	10.875 (26)	7.125 (16)	27.25 (55)
10.	Rajasthan	0.75 (01)	0	2.25 (07)	3.00 (8)
11.	Tamil Nadu	0.50 (02)	--	--	0.50 (02)
12.	U.P.	4.50 (08)	9.75 (24)	3.25 (05)	17.50 (37)
13.	West Bengal	0.75 (02)	0.75 (02)	3.25 (08)	4.75 (12)
TOTAL		32.25 (57)	32.375 (78)	25.125 (54)	89.75 (189)

4.16 With regard to the future constructions of silos which are in pipeline, the Department submitted as under:-

“Currently, Hub & Spoke model of Silos is being implemented in two Phases i.e. Phase-I and Phase-II.

Under Hub & Spoke Phase-I, total capacity of 34.875 Lakh MT in the form of 80 Silos is being created in 10 States viz. West Bengal, Rajasthan, Uttar Pradesh, Bihar, Punjab, Haryana, Gujarat, Maharashtra, Jammu & Kashmir and Madhya Pradesh for storage of wheat. A capacity of 06 Lakh MT at 09 locations has been completed upto January 2026 (DBFOT – 06 locations – 4.75 LMT & DBFOO – 03 locations – 1.25 LMT). Rest 28.875 LMT at 71 locations is under construction. State wise capacity of Silos under Hub & Spoke Phase-I as on 31.01.2026 is as under:

Sl. No.	State	Awarded capacity (LMT)	Capacity completed (LMT)	Capacity under construction (LMT)
1.	Rajasthan	0.75 (01)	0.75 (01)	--
2.	Uttar Pradesh	9.25 (22)	2.00 (03)	7.25 (19)
3.	Bihar	3.50 (07)	1.50 (03)	2.00 (04)
4.	Punjab	12.375 (27)	1.50 (01)	10.875 (26)
5.	Haryana	3.00 (12)	0.25 (01)	2.75 (11)
6.	Gujarat	1.50 (04)	--	1.50 (04)
7.	Maharashtra	1.25 (01)	--	1.25 (01)
8.	Jammu & Kashmir	0.75 (01)	--	0.75 (01)
9.	Madhya Pradesh	2.25 (04)	--	2.25 (04)
10.	West Bengal	0.25 (01)	--	0.25 (01)
Total		34.875 (80)	06 (09)	28.875 (71)

Under Hub & Spoke Phase-II, total capacity of 25.125 Lakh MT in the form of 54 Silos (17 Projects/Bundles) has been awarded in 07 States viz. West Bengal, Rajasthan, Uttar Pradesh, Bihar, Punjab, Gujarat and Maharashtra for storage of wheat. Letter of Award was issued 09.09.2025 and Concession Agreement has been signed for 15 Projects/Bundles (48 Locations – 21.25 LMT). State wise capacity of Silos under Hub & Spoke Phase-II is as under:

Sl. No.	State	Awarded capacity (LMT)
1.	Rajasthan	2.25 (07)
2.	Uttar Pradesh	3.25 (05)
3.	Bihar	1.75 (05)
4.	Punjab	7.125 (16)
5.	Gujarat	3.625 (07)
6.	Maharashtra	3.875 (06)
7.	West Bengal	3.25 (08)
Total		25.125 (54)

There will be containerized movement of food grains in bulk form in Hub & Spoke Silos. Tender for appointment of service provider for containerized movement has been floated on 28.11.2025 and shall be opened on 09.03.2026.

4.17 The Committee note that steel silos provide a highly automated and scientific method of storing foodgrains in a monitored atmosphere, enabling bulk handling through mechanized loading and unloading systems. The Committee further note that silo-based storage requires only about one-third of the land area compared to conventional storage facilities and facilitates efficient bulk movement of foodgrains through railway siding infrastructure, thereby reducing handling time and transportation costs. The Committee recommend that the pace of expansion of silo capacity needs to be further accelerated in order to gradually reduce dependence on conventional storage methods and minimize post-harvest losses. The Committee opined that the Department should prepare a comprehensive and time-bound roadmap for expanding modern silo storage infrastructure across major procuring and consuming States, with special emphasis on integrating silo facilities with railway networks and containerized bulk movement systems.

The Committee also recommend that pilot projects for rice storage in silos be expeditiously implemented and evaluated so that the benefits of modern storage technology can be extended beyond wheat to other foodgrains.

(Recommendation No. 9)

C. Storage Capacity Augmentation Schemes

4.18 (i) Private Entrepreneurs Guarantee (PEG) Scheme:

To address Storage needs due to increasing procurement, a scheme to create godowns was initiated in 2008. The godowns under this scheme are constructed by mobilizing private investment. FCI gives 10 years guarantee on the godowns constructed under this Scheme at identified locations to private parties and 9 years for CWC & SWC. The first offer is given to CWC/SWC for creation of required capacity on their own land. In this case, Govt. approved rent is paid for 9 years guarantee period. In case of private investors, the tenders and rates are decided by process of competitive bidding through e-tenders. The guarantee given in this case is for 10 years. The investor has to quote rate in Rs per quintal per month, the successful bidder has to arrange land and create godowns as per FCI specification at his own cost. Subsequently, guarantee is released by FCI after inspection.

On 28.7.2008 the Government of India had circulated the PEG scheme- 2008 to FCI and State Govts. (Non DCP States) vide which Assessment of the storage need was made by FCI based on the overall procurement/consumption needs of the area and existing storage capacity. In Consuming States, assessment was based on 4 months' requirements of stocks for NFSA & OWS and in Procuring States assessment was based on highest stock level in the last three years.

On demand of DCP States, Govt. of India circulated PEG scheme- 2009 on 08-04-2010. As per Scheme, SLC is headed by the Secretary (Food) of the State and the assessment of required storage capacity. The locally procured stock are envisaged to be kept equivalent to 14 months' offtake under NFSA/ OWS Scheme. So, if the procurement is more than 14 months' offtake, the capacity equivalent to 14 months is considered adequate. If the procurement is less than 14 months' offtake but more than 4 months' offtake, capacity equivalent to procurement level is envisaged to be created. However, in any case the capacity equivalent to 4 months' offtake under NFSA/ OWS scheme is required in the DCP States too.

Total capacity sanctioned for godowns as on 01.01.2026 is 151.58 LMT. Out of this, 148.61 LMT has been completed.

- **New Private Entrepreneur Guarantee (PEG) Scheme-2024 (Phase out CAP):** Traditionally wheat in Punjab, Haryana & M.P is stored in open called as Covered & Plinth (CAP). However, in November 2021, Govt. decided to Phase out CAP. There is a plan to create 90 LMT covered capacity (60 LMT- Punjab & 30 LMT- Haryana) to facilitate phasing out of CAP.
- **New PEG Scheme for North East/ Hilly States:** For creation of new capacities in North Eastern/ Hilly states, suitable modifications were made in the PEG Scheme to attract investors to North Eastern/Hilly states. Tenders have been floated by North Eastern regions for creation of 4.32 LMT storage capacity.

(i) Private Warehousing Scheme (PWS):

The Private Warehousing Scheme, 2010-a scheme for hiring of Private Godowns with preservation, maintenance and security was introduced in the year 2010 to overcome the storage space crunch coupled with dwindling staff strength under which GM (R)/ ED (Zones) were empowered to hire private godowns through this scheme. As per MTF of PWS-2010 scheme; warehousing services are available under two ways i.e. "Lease only" and "Lease with services".

Total capacity hired under PWS as on 01.01.2026 is 30.87 LMT.

(ii) Creation of godown under Asset Monetization:

M/s KPMG has identified the FCI Assets in four categories as detailed under:

Category A: Assets where land is available and there exists storage gap in the region.

Category B: Assets where land is available, but there is no storage gap.

Category C: Assets located in urban areas with high monetizable value.

Category D: Assets with existing railway infrastructure

Under the Asset Monetization Scheme, a total of 7.39 LMT of Conventional storage capacity has been identified for development at FCI's vacant locations up to the year 2025. Out of this, 47,270 MT has already been taken over by FCI, while the remaining capacity is currently at various stages of construction.

For the financial year 2025-26, a target of 1.03 LMT of conventional storage capacity has been proposed, and FCI has floated tenders for the same.

(iii) Hiring of godown from CWC/SWCs/State Agencies:

FCI also hires godown from CWC/SWCs on guaranteed reservation basis to meet the requirement of storage space. As on 01.01.2026, a capacity of 39.38 LMT hired from CWC and 120.34 LMT capacity from SWCs & 19.21 LMT hired from State Govt.

Govt. of India allocates foodgrains for various schemes to the beneficiaries on the basis of the requirement/demand submitted by the State Govts/UT Administrations. State Govts./UT Administrations and its agencies lift the stock from central pool from the godowns of FCI and State agencies.

(iv) Central Sector Scheme 'Storage & Godown' (Focus on NE):

Government of India is implementing a Central Sector Scheme for the construction of godowns with a focus on augmenting storage capacity in the States of the North-Eastern (NE) Region and a few other states, i.e. Other than NE head. Under this Scheme, funds are released directly to FCI in the form of equity for land acquisition and construction of food storage godowns and other infrastructure entities like Railway Sidings, electrification, installation of Weighbridge, labour shed, ancillary structure etc. in the godown complex.

Under the Central Sector Scheme (2017-25), a total capacity of 1,05,890 MT in NE regions and 54,760 in Other than NE regions have been approved to be completed with a financial outlay of Rs. 484.08 Cr (Rs. 379.50 Cr for NE & Rs. 104.58 Cr for Other than NE).

Under this scheme, a total capacity of 1,23,970 MT (72,550 MT in NE regions and 51,420 MT in Other than NE regions) has been created by FCI from 01.04.2017 to 31.12.2025. Apart from this, in NE regions, there are 2 works (30,000 MT) which are currently in progress. In Other than NE regions, one work (3,340 MT) is under progress.
(Annexure - VI)

Chapter V

Advance Technological Interventions in Management of Foodgrains

A. Enterprise Resource Planning (ERP)

Enterprise Resource Planning (ERP) under the Public Distribution System refers to the SMART PDS platform, an integrated, cloud-based, microservices-driven architecture designed to modernize, automate, and streamline the end-to-end foodgrain supply chain under PMGKAY/NFSA.

SMART PDS integrates four core modules include:

1. Ration Card Management System (RCMS), FPS Management & Grievance Module
2. Supply Chain & Allocation Module
3. Biometric-based Distribution Module (AePDS)
4. Procurement & Foodgrain Movement Module

Key features:

- Microservices-based, cloud-native architecture (Meghraj 2.0)
- Real-time dashboards for Centre & States
- Hyper-scaling infrastructure
- Centralized Aadhaar Data Vault integration
- PFMS and banking integrations
- Real-time allocation to distribution tracking
- Role-based workflows
- AI/Analytics readiness for predictive governance
- Centralized grievance monitoring
- Disaster Recovery & Backup framework
- Integration with ONORC ecosystem

SMART PDS eliminates fragmented State-level silos and establishes a unified, standardized national PDS backbone with real-time data availability and analytics capabilities.

5.2 On being asked about the Budgetary Allocation or Financial Provisions, the Department in their written replies furnished information as under:

“Total SMART PDS Outlay for 5 years is ₹889.88 Crore (proposed) out of which the Central Share is ₹813.08 crore and State Share is ₹76.80 crore.

- Budgetary allocation for Year 1: ₹194 Cr (as per SARTHAK-PDS first-year financial planning)

Funding Pattern will be implemented as per given ratio:

- 60:40 (General States)
- 90:10 (NE/Hilly States)
- 100% Central (UTs)”

5.3 The Department in their written replies submitted information about the Predictive Analysis of ERP as under:

SMART PDS enables:

- Real-time integration from Procurement → Storage → Allocation → Movement → Distribution
- Predictive allocation modelling using consumption trends
- Leakages identification via transaction pattern analysis
- Grievance heat mapping at FPS level
- AI-driven demand forecasting (future SAKSHAM module)

5.4 On being asked about the future roadmap and expected final outcome w.r.t. ERP, the Department submitted information as under:

“Future Roadmap with Timelines

Year 1–2

- Complete implementation of all modules across all 36 States/UTs
- Stabilization of centralized architecture
- Launch of ASHA, NIRMAL, SAKSHAM
- Establishment of State Command Control Centres
- ISO 9001 & ISO 27001 certification process initiation

Within 2 Years

- Nationwide rollout of AI-based voice/chat bot: VAANI
- Unified national dashboards
- Advanced analytics and blockchain pilots

Expected Final Outcome

- Robust, transparent, unified PDS ecosystem
- Real-time monitoring from Centre to FPS
- Zero duplication and minimized leakages
- Standardized national architecture
- Data-driven governance
- Citizen-centric service delivery

5.5 Further, the Department furnished information about the Progress Monitoring Mechanism as under:

Progress Monitoring Mechanism

- High-Level Committee (HLC)
- Project Steering & Monitoring Committee (PSMC)
- Technical Working Group (TWG)
- CPIT & SPIT mechanisms
- Real-time dashboards
- Monthly & Quarterly reviews
- PFMS-linked fund tracking
- SLA-based vendor monitoring
- Third-party evaluation”

B. Anna Sahayata Holistic AI Solution (ASHA)

5.6 Anna Sahayata Holistic AI Solution (ASHA) is an advanced Artificial Intelligence (AI)-enabled citizen engagement and service quality monitoring platform conceptualized and launched as a strategic initiative of the Department of Food & Public Distribution (DFPD), Government of India.

The platform aims to transform beneficiary interaction within the Public Distribution System (PDS) by enabling real-time, multilingual, and inclusive feedback and grievance registration mechanisms. ASHA is designed to serve as a scalable and technology-driven interface to strengthen transparency, accountability, and service quality across the PDS ecosystem.

The solution will be leveraging the multilingual AI infrastructure of BHASHINI (Digital India Bhashini Division), thereby enabling beneficiaries to interact in their preferred local language.

ASHA facilitates the following key functions:

- Collection of beneficiary feedback on PDS services
- Registration and tracking of grievances
- Assessment of service quality at Fair Price Shop (FPS) level
- Multilingual citizen interaction through AI-enabled voice/text interfaces

The platform is envisaged as a critical enabler for data-driven governance and efficient grievance redressal under PDS.

5.7 About the Budgetary Allocation / Financial Provisions for ASHA, the Department in their written replies furnished as under:

“Financial provisions for ASHA, along with other key digital governance modules—including NIRMAL, SAKSHAM, Blockchain framework, and ISO-related activities—have been incorporated under the SARTHAK PDS Scheme for the period April 2026 to March 2031.

The consolidated budget for Module Development and Rollout of these components is as follows:

(Amount in Cr.)

Nature	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Non-Recurring	30.00	30.00	25.00	20.00	15.00	120.00

Note:

The costing for the **ASHA module** also includes support to State Governments for the **standardization and establishment of call centres**, which will serve as the backbone of a robust and efficient grievance redressal mechanism across the Public Distribution System.

5.8 On being asked about the predictive analysis and future roadmap of ASHA, the Department in their written replies furnished information as under:

“The development and rollout of ASHA is currently underway. The next phase of implementation will focus on advanced AI-driven analytics, including:

- AI-based automated grievance classification
- Sentiment analysis up to the FPS level
- Integration with existing grievance management systems
- Real-time analytical dashboards for administrators

These capabilities will enable timely and actionable insights for policy-makers and administrators, thereby reducing grievance pendency, improving service delivery standards, and enhancing beneficiary satisfaction.

A phased implementation plan has been formulated to ensure systematic rollout and adoption across all States/UTs.

Year 1 (2026–27)

- Initiation of ASHA development
- Finalization of system architecture and data models
- Integration with multilingual AI infrastructure

Year 2 (2027–28)

- Completion of core development
- Pilot implementation in selected States/UTs
- Integration with BHASHINI framework and deployment of preliminary dashboards

Year 3 (2028–29)

- Nationwide rollout across all States/UTs
- Full integration with NIC/CPIT monitoring systems
- 100% onboarding of States/UTs onto the Central ASHA platform

5.9 Further, the Department in their written replies furnished information about its expected outcomes and proposed Progress and Monitoring Mechanism as under:

“The implementation of ASHA is expected to result in transformative improvements in PDS service delivery through:

- Enhanced citizen participation and inclusive feedback mechanisms
- Time-bound and efficient grievance redressal
- Improved transparency and accountability at FPS and State levels
- Strengthened evidence-based and data-driven decision-making
- Increased trust and satisfaction among PDS beneficiaries

Overall, ASHA will represent a significant milestone in AI-enabled governance and beneficiary-centric service delivery under the Public Distribution System.

Progress and Monitoring Mechanism (Proposed)

To ensure effective implementation and sustained impact, a robust monitoring framework is proposed:

- Central ASHA Dashboard with real-time analytics for DFPD and States/UTs
- Monthly performance reviews in coordination with NIC/CPIT
- Quarterly progress reporting by States/UTs
- Key Performance Indicators (KPIs), including:
 - Average grievance resolution time
 - Sentiment trends at FPS level
 - Service quality indicators
 - Platform usage metrics
- Mid-term and end-term evaluation for impact assessment
- Periodic coordination meetings between DFPD, NIC, and State Nodal Officers”

C. Warehouse Inventory Network & Governing Systems (WINGS)

5.10 To automate the tagging of rice mills with Depots, as well as allocation of stack space in the Depots, FCI has developed the Warehouse Inventory Network & Governing System (WINGS). The WINGS is a digital platform developed by the FCI to streamline and optimize the movement of Custom Milled Rice (CMR) from rice mills to designated FCI depots. Designed for use by both FCI officials and rice millers, WINGS facilitates efficient mill–depot linkage, automated stack allocation, consignment tracking, depot configuration, and real-time status monitoring through a centralized portal. The system enables dynamic allocation based on cost efficiency, depot capacity, operational feasibility, and real-time constraints. WINGS also integrates GPS-based geo-tagging, robust master data management, automated cost-matrix generation, and a rule-based allocation engine to ensure transparency, accuracy, and data-driven decision-making.

WINGS primarily performs two functions:

1. Linking of rice millers to the FCI’s depots for delivery of Custom Milled Rice(CMR).
2. Allocation of stack space to the millers for delivery of Custom Milled Rice (CMR) to FCI depots.

Earlier these two functions were performed manually by FCI field offices. There were challenges in manual linking and stack allocation like:

- Manual way of linkages between mills & FCI depots on Least Cost was tedious and time-consuming task.
- Inter-district & Inter-region linkages brings more complexity to identify Least Cost.
- Repetitive task to be performed every year and anytime a new mill/ depot is added & for changes in any of the cost factors.
- Manual calculations were prone to errors.
- Ensuring transparency in manual linkage and stack allocation was difficult.

To solve these problems, WINGS has been developed by FCI as an automated application for linking of rice mills to FCI depots on least cost basis and subsequent space/ stack allocation in depot without human intervention, spearheading a digital transformation that transcends traditional boundaries. Now, millers themselves can book stacks through the WINGS platform.

Linking of mills through WINGS

WINGS uses Hybrid Heuristics, which is a power of combining two or more heuristics (load balancing and least-cost heuristics) for a more effective linkages plan ensuring depot utilisation and cost minimisation.

Steps followed in WINGS:

- **GPS COORDINATE OF MILLS & DEPOTS:** By recording GPS Coordinates of the mills and FCI depots, WINGS automatically derive the Multiple Routes available between Mill & Depot along with Distances.
- **ROUTES & DISTANCES:** Confirm the Route & Distance for each mill to all available Depots.
- **CMR SLAB RATES & DEPOT WISE COST FACTORS:** Concerned Admins have to update CMR Transportation Slab Rates along with All Cost factors (like Storage charges, handling costs, etc.) depot-wise from time to time in WINGS Master.
- **LEAST COST MATRIX:** WINGS automatically prepare the Mill Wise Least Cost Matrix for all available Depots by considering the CMR Transportation Rates according to the Distances and all other Depot wise mandate Cost Factors.
- **LOAD BALANCING:** Each Mill has to be attached with minimum one Depot. Hence, concerned Admins have to adjust the No. of Maximum Mills to each depot as per operational feasibility.
- **RULE ENGINE:** WINGS automatically allocate the PRIMARY DEPOT to each MILL as per LOAD BALANCE and also Allocates Stack Spaces as per the Divisional Office wise Miller Rules where Admin can program the Stack Allocation Parameters.
- **MILL WISE PADDY DATA:** Concerned FCI & State Admins have to update Crop year/ Season/ Mill wise PADDY particulars from time to time to enable Booking in Stack Allocation System.
- **STACK SPACE BOOKING:** A Self Service portal/application for Millers - As per the Paddy Balances Miller can book the Stack Space abiding with the Rule Engine.

Stack space allocation through WINGS

Miller will get the stack space for the primary tagging depot automatically if vacant Stacks are available. However, before that WINGS Rule Engine will check if any underutilised space at least cost depot than the primary tagging is available more than 48 hours then those stacks will be allotted on priority. If there is no space at primary tagged depot, then the Miller Request will be kept in waiting loop by giving waiting list number. All waiting requests are processed at a specific time window [Ex: 8:00 PM] on daily basis on Least Cost basis and as per Rule Engine to avoid Criss-Cross movement. After allocation of stack space if no single lot is delivered by miller in 72 hours then the space will be withdrawn and offered to new millers and this miller will be kept on last in the Queue of waiting loop.

Salient Features of WINGS

- **Precise recording of geo-coordinates** of mills and depots via mobile application.
- **Usage of Hybrid Tools** (Load balancing & Rule-engine) to increase depot utilization and minimize costs.
- **Autonomous booking of stack spaces online** to augment transparency.
- **Real-time invaluable insights** into crucial operational dimensions.

Benefits to Stakeholders from WINGS

- Elimination of human involvement in distance calculations, **ensuring transparency** in the determination of transportation costs.
- **Automated linkage plans** generated by the system, promoting heightened transparency among millers.
- More power to rice millers via **automated online reservation of stack spaces** in depots.
- Mitigation of vehicle congestion at depots leading to **reduction in delivery lead times** for rice millers.

Budgetary Allocation or Financial Provisions

Total development cost for WINGS is Rs. 1,01,79,373/- till date which includes Manpower and Infra cost since start of WINGS.

5.11 The Department in their written replies furnished information about its predictive analysis and future roadmap as under:

“Based on real-time availability of stack space and mill-wise paddy procurement data, the system generates a least-cost linkage matrix using hybrid heuristic models combining load balancing and cost optimization logic

The system enables predictive identification of under-utilised depot capacity, thereby facilitating dynamic reallocation of stack spaces to minimize idle storage and transportation inefficiencies.

Over time, analysis of historical linkage patterns and delivery timelines captured in WINGS will assist in:

- Seasonal demand-supply forecasting
- Anticipation of inter-district and inter-regional movement requirements
- Advance planning of depot-wise storage utilization
- Minimization of cross-movement and transportation lead time

WINGS has been rolled out across all depots in both non-DCP and DCP surplus states. Additionally, feedback and suggestions from stakeholders, including state agencies and millers, have been periodically incorporated into the portal. The system will continue to be refined and enhanced in the future based on inputs received from stakeholders.”

5.12 The Department further submitted about expected final outcome and progress monitoring mechanism in connection with WINGS as under:

“The anticipated outcomes include:

- Optimization of transportation cost through scientific route planning
- Reduction in manual intervention leading to enhanced transparency and accountability
- Uniformity in linkage planning across procurement seasons
- Timely delivery of CMR aligned with depot operational feasibility

In the long term, WINGS is expected to contribute towards minimizing logistics overheads, strengthening supply chain governance and improving overall efficiency in MSP-based procurement operations.

The monitoring framework includes:

- Continuous tracking of stack booking and utilization by millers
- Automated waiting-list management for stack allocation
- Periodic withdrawal and reallocation of unutilized stack spaces based on predefined rule-engine timelines
- Depot-wise monitoring of linkage efficiency and delivery compliance
- Review of transportation cost optimization achieved through least-cost allocation”

D. FCI Depot Darpan Portal

5.13 The FCI Depot Darpan, is an initiative of the Food Corporation of India (FCI) to promote a culture of continuous self-assessment and improvement across all depots. The portal enables depot managers to systematically evaluate infrastructure, storage facilities, warehouse management practices, safety protocols, and overall operational efficiency. It provides targeted recommendations for improvements with prescribed timelines and tracks compliance to ensure accountability. The system generates detailed depot rating cards along with consolidated reports for all depots, which are validated by Regional Offices to maintain data integrity, as all entries are 100% self-certified by depot managers and subsequently verified. As of now, 2,428 depots have already been assessed and reviewed through this mechanism and next assessment is due in January 2026.

The portal was formally launched as FCI Depot Darpan on 20.05.2025. It not only covers infrastructural parameters but also integrates depot efficiency indicators such as storage and transit loss, demurrage, handling cost, OTA, and establishment cost. Through interactive dashboards, real-time alerts, and comprehensive reports, the portal strengthens transparency, accountability, and performance monitoring, thereby enhancing the overall management and operational efficiency of both FCI- owned and hired depots.

The portal is continuously evolving with the integration of advanced reporting and decision-making modules, including comparative reports across multiple assessments, role-based dashboards, a ticket management system, alert and feedback mechanisms, third-party and senior officers’ assessments, surprise inspections, and a comprehensive progress monitoring system. These enhanced features are aimed at strengthening informed decision-making at every level of the organization.

The portal is being regularly monitored by DFPD, and several features have been incorporated under its guidance and supervision. The IT Division is currently in the process of finalizing a System Integrator for the development and implementation of these additional functionalities in the existing FCI Depot Darpan portal.

5.14 As a new initiative to monitor the performance of each depot through a digital method, Depot Darpan portal has been developed during 2024. Through Depot Darpan portal, the infrastructure of depot is evaluated on the four broad parameters i.e. Environmental friendly measures, Operational parameters, Safety standards and Statutory compliances through 120 questions. Based on the outcome, depots are graded from poor to excellent on infrastructure. Further, operational efficiency of depot is evaluated by taking data from Financial accounting package (FAP) on predefined benchmarks. Thereafter, a combined “Star rating” of each depot is drawn based on infrastructure and operational performance. Depots are categorized from 1 Star to 5 Star rating. The infrastructure evaluation is carried out half-yearly while operational efficiency is evaluated quarterly.

5.15 On being asked about the Budgetary Allocation or Financial Provisions for FCI Depot Darpan Portal, the Department in their written replies furnished information as under:

“The up keeping and maintenance of depot is a continuous process and budget allocation is being done for FCI owned depots as per the requirements. During financial year 2025-26 Rs. 632/- Crores (under head Minor Capital Works) have been allocated to FCI.”

5.16 Further, the Department furnished information about the predictive analysis, future roadmap, expected final outcome and progress monitoring mechanism as under:

“As of now there is no provision of predictive analysis in this portal. It has been decided that all FCI owned depots should achieve the outstanding/ very-good infrastructure grading by 31.03.2026. Further, with regards to State Warehousing Corporations (SWC) godowns the deadline of 31.03.2027 has been given to upgrade the godown infrastructure. The objective of evaluation through Depot Darpan Portal is to upgrade the godown infrastructure for world class hygienic storage as well as to bring optimum operational efficiency in whole logistic operations. No food grain should be deteriorating due to inferior storage conditions.

A very robust multi layered monitoring system has been incorporated to monitor the progress in Depot Darpan Portal. Each depot is online assessed by the concerned Manager (Depot). Thereafter, a senior officer (Reviewer) reviews the assessment physically. The assessment carried out by the Reviewer is considered for awarding grading for the infrastructure. Further, surprise checks by the senior officers and provision for third party evaluation has been incorporated in the portal. Teams from DFPD also conduct surprise inspections”.

5.17 About the initiatives in connection with Depot Darpan Portal, the representative of Department during the evidence apprised the Committee as under:-

“Then, another initiative taken by the Department is Depot Darpan Portal. Under this initiative, we have designed a portal for both FCI as well as CWC, wherein all the warehouses are actually graded and given a star rating starting from five star which is that all those warehouses scoring more than 90 per cent in the set parameters, will receive a five star grading; and those receiving below 60 per cent marks, are given the one star rating. The idea is to grade various warehouses based on 60 per cent weightage given to the operational efficiency and another 40 per cent weightage given to the infrastructure. This particular initiative helps in identifying which warehouses are performing better and which ones are performing relatively less to the capacity, and therefore, can help in focussing our attention on improving the warehousing in those areas where it is lagging.”

5.18 The Committee note that the Department of Food and Public Distribution has undertaken several advanced technological interventions for modernizing the management of foodgrains and strengthening the Public Distribution System (PDS) through the introduction of digital platforms such as Enterprise Resource Planning (ERP) under SMART-PDS, the Anna Sahayata Holistic AI Solution (ASHA), the Warehouse Inventory Network & Governing System (WINGS) and Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS (SARTHAK PDS) which is an umbrella scheme integrating Assistance for intra-State movement & handling of foodgrains and FPS dealer margins (NFSA) and Technology-driven PDS reforms Strengthens implementation of NFSA, 2013. The Committee also note that total SMART PDS Outlay for 5 years is ₹889.88 Crore (proposed) out of which the Central Share is ₹813.08 crore and State Share is ₹76.80 crore. Budgetary allocation for Year 1 has been kept at ₹194 Cr (as per SARTHAK-PDS first-year financial planning). Further, the consolidated budget for Module Development and Rollout of all the components of ASHA has been kept at Rs.120cr for five years with Rs.30 allocation for year1.

While appreciating the technology and AI driven interventions in the system, the Committee recommend that the Department of Food and Public Distribution ensure the time-bound and coordinated implementation of technological initiatives under SMART-PDS, including the deployment of ERP systems, the Anna Sahayata Holistic AI Solution (ASHA), and the Warehouse Inventory Network & Governing System (WINGS). The Department should also ensure effective operationalization of the Scheme for Assistance in Ration Transport and Handling – Income with Automation in PDS (SARTHAK PDS) so that the integration of intra-State movement and handling assistance, FPS dealer margins, and technology-driven reforms strengthens the implementation of the National Food Security Act, 2013.

(Recommendation No. 10)

5.19 The Committee appreciate the initiative taken by the Food Corporation of India through the development of the FCI Depot Darpan Portal as a digital mechanism for systematic monitoring and evaluation of depot infrastructure and operational efficiency. The portal, with its star-rating system, structured self-

assessment framework, and multi-layered verification process, has the potential to significantly enhance transparency, accountability, and performance benchmarking across FCI-owned and hired depots. However, the Committee note that the portal presently does not include provisions for predictive analysis, which could further strengthen planning and preventive maintenance of storage infrastructure. The Committee, therefore, recommend that the Department further strengthen the Depot Darpan Portal by incorporating predictive analytics and data-driven decision support systems to identify infrastructure deficiencies and forecast maintenance requirements. The star-rating results generated through the portal should be directly linked with time-bound action plans for infrastructure upgradation and allocation of maintenance funds so that depots graded below acceptable standards are improved expeditiously.

(Recommendation No. 11)

E. Central Bank Digital Currency – Digital Food Coupons

5.20 Under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), free foodgrains are being provided to approximately 80 crore beneficiaries across the country, with an annual subsidy outlay of about ₹2.4 lakh crore. The Department of Food & Public Distribution (DFPD), as the nodal Ministry for implementation of PMGKAY, has examined the potential of Central Bank Digital Currency (CBDC) with a view to further enhancing transparency, strengthening beneficiary empowerment, and improving efficiency in foodgrain distribution under the Scheme. The use of programmable CBDC tokens offers significant promise as a transformative instrument for subsidy delivery by enabling precise targeting of beneficiaries, ensuring scheme-specific utilization, and minimizing the risks of diversion or misuse. The Section-12 of the NFSA talks about reforms of introducing schemes, such as, cash transfer, food coupons, or other schemes, to the targeted beneficiaries in order to ensure their foodgrain entitlements specified in Chapter II, in such area and manner as may be prescribed by the Central Government.

The Budget provided for the Food subsidy under PMGKAY will be utilized for the pilot of Central Bank Digital Currency (CBDC) in the Public Distribution System (PDS).

The digital rupee or e-rupee is a tokenised digital version of the Indian rupee, issued by the Reserve Bank of India (RBI) as a Central Bank Digital Currency (CBDC). The introduction of Central Bank Digital Currency (CBDC – Digital Rupee) offers an opportunity to enhance the DBT ecosystem by providing a secure, instant, traceable, and programmable digital cash mechanism for PMGKAY beneficiaries, thereby enabling smoother fund flow and reducing friction in availing entitlements Use of CBDC in food subsidy delivery offers the following advantages:

- **Transparency/auditability:** Beneficiaries will be able to access clear information regarding their monthly entitlement, the quantity of foodgrains allocated, the subsidy value extended by the Government, the quantity lifted, and the balance due.
- **Convenience boost:** The system will minimize transaction delays and improving ease of access.
- **Purpose-bound usage:** Subsidy spendable only on foodgrains at authorized FPSs or empaneled grocery stores (DBT).

- Beneficiary empowerment: By providing full visibility of entitlements and transactions, the initiative reinforces the rights of beneficiaries and enables them to claim their foodgrain entitlement with confidence and dignity.
- Leakage reduction: FPS allocation next month based on redeemed CBDC tokens; ensures foodgrain-only redemption.
- Token programmability: Conditions/restrictions on usage; set validity for monthly distribution.
- Instant transfers: Direct subsidy crediting, bypassing NEFT/RTGS/IMPS.

5.21 Further, the Department in their written replies furnished information about the implementation of CBDC and future roadmaps as under:

“The Food, Civil Supplies, and Consumer Affairs Department, Gujarat has implemented the CBDC pilot project from 15th February, 2026 in the Sabarmati zone of Ahmedabad city as well as in five fair price shops each in the urban areas of Surat, Anand, and Valsad districts. Direct Cash Transfer in food was started in UTs of Chandigarh and Puducherry from the month of September 2015 and urban part of Dadra & Nagar Haveli from March, 2016. This Department is planning to launch CBDC pilot project in Puducherry, DNH & DD and Chandigarh by providing subsidy amount in the form of CBDC token instead transferring money into their bank account.

After successful rollout of CBDC in foodgrain distribution and DBT, real time transaction data will be available for monitoring the CBDC implementation and performing the predictive analysis.”

5.22 The Committee note that the Department of Food & Public Distribution (DFPD) has explored the use of Central Bank Digital Currency (CBDC) – Digital Food Coupons as a pilot initiative aiming to provide secure, programmable, purpose-bound digital tokens that can be redeemed only for foodgrains at authorized Fair Price Shops (FPSs) ensuring leakage reduction, real-time subsidy tracking and instant transfer of funds for PDS.

The Committee understand that separate budgetary funds have not been allocated for the CBDC pilot project, as the Department intends to utilize the existing food subsidy outlay under PMGKAY for its implementation.

The Committee are happy to note that the Department is taking proactive measures in bringing innovations in making the system easy for the beneficiaries and recommend the Department to evaluate the outcome of the scheme and try to rollout CBDC-based digital food coupons in other parts of the country, and prepare a roadmap for nationwide implementation. Further, dedicated budgeting should be done to scale up the CBDC mechanism nationwide and to cover the costs of technological infrastructure, training, integration with FPSs, monitoring and grievance redressal etc.

(Recommendation No. 12)

Chapter VI

Management of Sugar Sector

Sugar industry is an important agro-based industry that impacts rural livelihood of about 50 million sugarcane farmers and their families and around 5 lakh workers directly employed in sugar mills. Employment is also generated in various ancillary activities relating to transport, trade, servicing of machinery and supply of agriculture inputs. India is the second largest producer of sugar in the world and is the largest consumer. Today Indian sugar industry's annual output is more than about Rs. 1,00,000 crores.

In every sugar season, production of sugar is around 300-360 Lakh Metric Tons (LMT) as against the domestic consumption of 270-290 LMT which results in huge carry over stock of sugar with mills. Due to excess availability of sugar in the country, the ex-mill prices of sugar remain subdued resulting in cash loss to sugar mills. With a view to prevent cash loss to sugar mills caused due to subdued sugar prices, Government in June, 2018 has introduced the concept of Minimum Selling Price (MSP) of sugar & fixed MSP of sugar at Rs. 29/ kg which was revised to Rs. 31/ kg w.e.f. 14.02.2019. Further, Govt has allocated the export quota of 10 Lakh MT of sugar for previous sugar season 2024-25 (Oct-Sept) and 15 Lakh MT for current sugar season 2025-26.

With a view to increase the income of sugarcane farmers, Government had fixed Fair & Remunerative Price of sugarcane at Rs. 355/ qtl at 10.25% recovery for the current sugar season 2025-26.

As a result of pro-farmers measures taken by the Govt., about 99.9% of cane dues upto 2023-24 sugar seasons have been cleared. For the previous sugar season 2024-25, against cane dues payable of Rs. 1,02,687 crores, about Rs. 1,01,521 crores have been paid & only Rs. 1166 crore dues are to be paid (as on 31.12.25). Thus, about 98.8% cane dues have been paid to farmers.

A. Production of Sugar

6.2 In every sugar season, production of sugar is around 300-330 Lakh Metric Tonne (LMT) as against the domestic consumption of 270-290 LMT which results in huge carry over stock of sugar with mills. This excess stock leads to blockage of funds & affects the liquidity of sugar mills resulting in delayed payment of cane dues & ultimately resulting in accumulation of cane arrears.

To liquidate excess stocks and to improve the liquidity position of sugar mills enabling them to make timely payment of cane dues of farmers, the Government has taken various short term interventions from time to time in past viz. extended interest subvention to sugar mills/distilleries to enhance their ethanol production capacity, and timely policy intervention regarding export of sugar.

Since 2017-18 sugar season the production has been higher than the domestic demand except during 2024-25 sugar season. Because of improved variety of sugarcane, the production of sugarcane/sugar production would likely to remain surplus in coming seasons. As such, the cyclicity in sugar production has been eliminated. Details of production, consumption, demand, availability and carry-over stock, buffer stock, import-export of sugar in the country during the last five years are given below:

(Figures in Lakh MT)

Particulars	Sugar season 2021-22	Sugar season 2022-23	Sugar season 2023-24	Sugar season 2024-25	Sugar season 2025-26 (Estimated)
Carryover stocks	85	70 (as per actual stock verification by Cane Commissioners)	57	79	50
Production of sugar	359 (after discounting diversion of 36 LMT)	330 (after discounting diversion of 43 LMT)	320 (after discounting diversion of 24 LMT)	261 (after discounting diversion of 35 LMT)	293 (after discounting diversion of 34 LMT)
Imports	-	-	-	-	-
Availability	444	400	377	340	343
Consumption/ demand	273	280	297	281	285
Exports	110	63	1	9	8(Estimated)

6.3 In written reply to a query on the present rate of Statutory Minimum Price (SMP) for Sugarcane, the Department stated that the Central Government fix Fair and Remunerative Price (FRP) of sugarcane, earlier called Statutory Minimum Price (SMP), having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966 based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders. It is the benchmark price below which no sugar mill can purchase sugarcane from the farmers. FRP of sugarcane, linked to recovery rate, is uniform throughout the country and not fixed State-wise. However, four states namely Uttar Pradesh, Uttarakhand, Punjab and Haryana fix State Advise Price (SAP) which is higher than the FRP.

6.4 Further, the Department submitted that FRP for current sugar season 2025-26 is Rs. 355/- per quintal for a basic recovery rate of 10.25; providing a premium of Rs. 3.46/qrtl for each 0.1% increase in recovery over and above 10.25% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate. There will be no deduction for the mills with recovery level of 9.5% or less than 9.5%. The FRP of sugarcane payable by sugar factories for each sugar season from 2020-21 and onwards is tabulated below:

Sugar Season	FRP (Rs. per quintal)	Basic Recovery Level
2020-21	285.00	10.00%
2021-22	290.00	10.00%
2022-23	305.00	10.25%
2023-24	315.00	10.25%
2024-25	340.00	10.25%
2025-26	355.00	10.25 %

6.5 The Acreage under sugarcane cultivation during last Four years & Current Year is as under:

Sugar Season	Area under sugarcane cultivation (Lakh Hect.)	% Increase/ Decrease over previous Sugar Season
2021-22	51.75	+6.6%
2022-23	58.85	+13.7%
2023-24	57.40	-2.5%
2024-25	54.50	-5.1%
2025-26	56.93	+4.5 %

Source: Department of A & FW

6.6 On being asked about the steps taken by the Department to increase Sugarcane Production, the Department submitted that in order to encourage and incentivize farmers to produce cane, the Government announces Fair and Remunerative Prices (FRP) of Sugarcane well before the commencement of every sugar season and ensure timely payment of cane dues to farmers by sugar mills.

6.7 Responding to a query on the present scenario regarding Sick Sugar Units in the country, the Department stated that the main reasons for sickness of the sugar mills are non-availability of adequate raw material, poor recovery from sugarcane, uneconomic size, lack of modernization, up-gradation and diversification, high cost of working capital, declaration of high State Advised Price (SAP) of sugarcane by some States, lack of professional management, overstaffing etc. During previous sugar season 2024-25, out of 774 installed sugar mills in the country, 534 mills were in operation and 240 sugar units had not operated due to various reasons including financial crunches, non-availability of raw material and obsolete Plant & Machinery etc. During the current season 2025-26, out of 774 sugar mills, only 540 sugar mills are operating.

B. Sugar Subsidy Payable under PDS for AAY Families

6.8 The Central Government under the scheme "Sugar Subsidy Payable under PDS for AAY Families" effective from 1.6.2017, is reimbursing sugar subsidy to the participating States/UT's @ Rs. 18.50 per kg for restrictive coverage of AAY families @ 1 kg of sugar per family per month to AAY families to participating States/UTs. Under the sugar subsidy scheme, the State Government/UTs are required to procure sugar from the open market through a transparent system and make it available to the beneficiaries under the PDS. The role of Central Government is limited to provide the agreed amount of subsidy. The operational responsibilities for allocation of food-grains including sugar within the States/UTs, identification of eligible beneficiaries families, issuance of ration cards to them, distribution of food-grains to eligible beneficiaries and supervision over and monitoring of functioning of Fair Price Shops (FPSs)/ Rashan Dukan etc. rest with the concerned State/UTs Government.

Presently 26 states are participating in the scheme and about 1.89 crore AAY families are getting benefit under this scheme for which about 2.27 Lakh tones sugar is being distributed.

The Cabinet Committee on Economic Affairs (CCEA) on 1st February, 2024 has approved continuation of "Distribution of sugar through PDS for Antyodaya Anna Yojana (AAY) families" over the XVth Finance Commission cycle (i.e. from 2021-22 to 2025-26).

6.9 The Department in their written replies furnished information about BE, RE and Actuals for Total Revenue Expenditure is given as under:

(Rs. in Crore)				
Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
Sugar Subsidy Payable under PDS	2024-25	0.01	420.00	367.08
	2025-26	420.00	400.00	276.00 (As on 17.02.2026)
	2026-27	200.00		

6.10 On being asked about the reasons for reducing RE for Year 2026-27 in comparison to BE for Year 2025-26, the Department submitted that as of now, the scheme for sugar subsidy payable to AAY families is only upto March, 2026, therefore BE of Rs. 200 Cr was sought in the next 2026-27 FY to settle the pending claims for the period upto March, 2026 only.

C. Sugarcane Arrears

6.11 The Department has intimated that total amount of cane Price arrears in the country as on 16.02.2025 is Rs 16087 Crores. Current position of State-Wise Arrears is as under:

"The Current position of State-Wise Arrears as on 16.02.2026 is as under:

S.No	Name of State	Cane Price Arrears (in Rs Cr)		
		2023-24	2024-25	2025-26
1	Uttar Pradesh	24	321	3287
2	Maharashtra	2	123	4252
3	Karnataka	0	0	4956
4	Gujarat	8	5	1402
5	Tamil Nadu	0	0	203
6	Bihar	0	0	212
7	Haryana	0	0	373
8	Punjab	0	5	535

9	Madhya Pradesh	0	0	366
10	Uttarakhand	0	15	235
11	Andhra Pradesh	0	28	22
12	Telangana	0	0	152
13	Chhattisgarh	0	0	89
14	Odisha	0	0	3
	All India	34	497	16087

”

6.12 On being asked about the measures taken by the Department to liquidate the Cane Price Arrears, the Department in their written replies submitted that in order to find a permanent solution to address the problem of excess sugar and reduction of cane arrears to the farmers, Government is encouraging sugar mills to divert excess sugarcane to ethanol. Further, MSP of sugar was also revised from Rs. 29/- per Kg to Rs. 31/- Per Kg along-with the imposition of stockholding limits on the sugar mills. As a result of these measures, significant reduction has been seen in cane price arrears. About 99.9% of cane dues up to sugar seasons 2023-24 have been cleared. For the previous sugar season 2024-25, about 99.5% cane dues have been cleared as on 16.02.2026.

6.13 The Department further submitted as under:-

“The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply. The powers for enforcing this provision are vested with the State Governments/UT Administrations. Further, the Central Government advises the State Governments/UTs from time to time to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills. Details of cane price arrears (on SAP/FRP basis wherever applicable) for last four sugar seasons & current sugar season are as under:

Sugar Season-wise position of cane price arrears as on 16.02.2026				
(In Cr. Rs.)				Paid %
Sugar Season	Cane Price Payable	Cane Price Paid	Cane Price Arrear	
2020-21	93075	93061	14	99.99%
2021-22	118271	118211	60	99.95%
2022-23	114494	114493	1	99.99%
2023-24	111782	111748	34	99.97%
2024-25	102687	102190	497	99.52%
2025-26	79818	63731	16087	79.85 %

“

E. Ethanol blending programme

6.14 Ethanol blended with petrol (EBP) Programme in India was launched with the objectives of reducing import dependency on crude oil, conserving foreign exchange, reducing carbon emission and providing boost to agriculture sector. Government of India has been implementing Ethanol Blended Petrol (EBP) Programme throughout the country wherein OMCs sell petrol blended with ethanol. Under EBP Programme, the Government has fixed the target of 20% blending with petrol by Ethanol Supply Year

(ESY) 2025-26. In order to achieve 20% ethanol blending target by ESY 2025-26, anticipated requirement of ethanol for blending and other uses is about 1350 crore litres which requires about 1700 crore litres ethanol production capacity by ESY 2025-26 considering that plant runs at 80% efficiency.

6.15 In every sugar season (SS), production of sugar is around 320-360 Lakh Metric Tonne (LMT) (excluding diversion of sugar to ethanol) as against the domestic consumption of 270-290 LMT which results in huge carry over stock of sugar with mills. Due to excess availability of sugar in the country, the ex-mill prices of sugar remain subdued resulting in cash loss to sugar mills. This excess stock of sugar leads to blockage of funds & affects the liquidity of sugar mills resulting in accumulation of cane price arrears.

Thus, in order to find a permanent solution to address the problem of excess sugar and to achieve the 20% blending target set under Ethanol Blended Petrol (EBP) Programme, Government has been encouraging sugar mills to divert excess sugarcane to ethanol.

6.16 The Committee enquired whether production of Ethanol has adversely affected the production of sugar and decreased its availability, the Department in its written reply has stated that in every Sugar Season (SS), production of sugar is around 300-330 Lakh Metric Tonne (LMT) (excluding diversion of sugar to ethanol) as against the domestic consumption of 270-290 LMT which results in huge carry over stock of sugar with mills. Due to excess availability of sugar in the country, the ex-mill prices of sugar remain subdued resulting in cash loss to sugar mills. This excess stock of sugar leads to blockage of funds & affects the liquidity of sugar mills resulting in accumulation of cane price arrears.

6.17 The Department further submitted as under:-

“Thus, in order to find a permanent solution to address the problem of excess sugar, Government has been encouraging sugar mills to divert excess sugarcane to ethanol. The Government of India has been implementing Ethanol Blended with Petrol (EBP) Programme throughout the country wherein Oil Marketing Companies (OMCs) sell petrol blended with ethanol. Under EBP Programme, Government has fixed the target of 20% blending of ethanol with petrol by 2025.

However, in lean season of sugarcane and resulting drop in the production of sugar in the country, the Government, in order to ensure availability of sufficient sugar for domestic consumption, is closely monitoring the diversion of sugar to ethanol. During SS 2023-24, due to estimated drop in the production of sugar, the diversion of sugar to ethanol produced from sugarcane juice and B-Heavy molasses was restricted to 24 LMT. However, for SS 2024-25, the diversion of 35 LMT of sugar to ethanol has been allowed. In current SS 2025-26, the estimated diversion of sugar, so far, is 34 LMT.

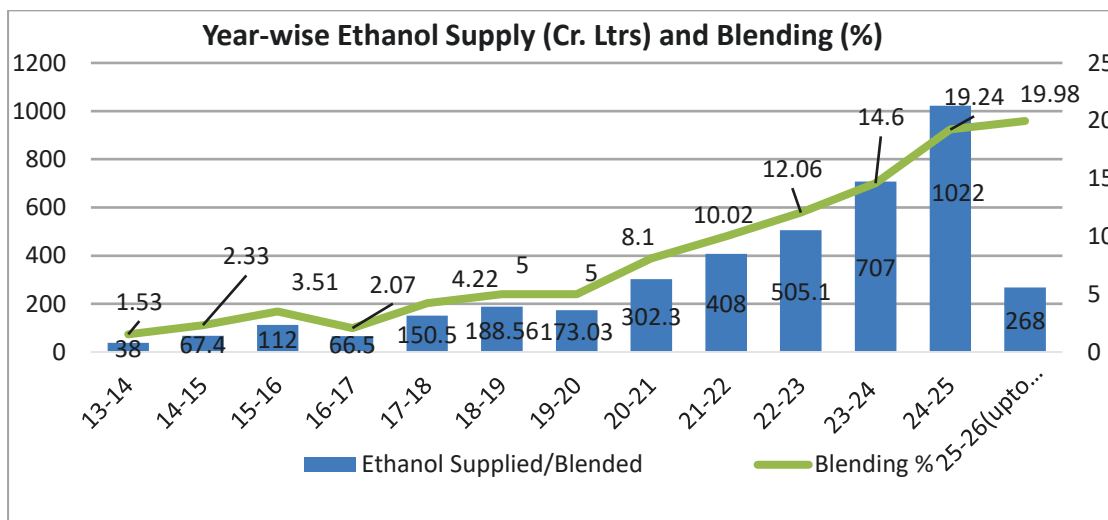
6.18 The Department informed that production of ethanol by sugar mills and its sale to OMCs has generated a new stream of revenue for sugar mills which has helped in making the sugar industry more viable and farmers are getting their dues paid on time. During last 12 sugar seasons i.e. from SS 2013-14 onwards, a total of about

Rs. 1.29 lakh crore revenue has been generated by sugarcane based distilleries from sale of ethanol to OMCs produced from different feed-stocks which has helped sugar mills in making timely payment of cane dues of farmers.

The year-wise details of the ethanol supplied along with revenue generated from the sale of ethanol produced from sugarcane based distilleries are as under:

Ethanol Supply Year(ESY)	Quantity Supplied/Blended (in crore liters)	Revenue from the Molasses based Ethanol (Rs. Cr.)
2013-14	38	1368
2014-15	67	3303
2015-16	112	5514
2016-17	67	2594
2017-18	151	6148
2018-19	189	8089
2019-20	173	7822
2020-21	302	14763
2021-22	408	20522
2022-23	369	22990
2023-24	270	16469
2024-25	321	20255
Total	2467	129836

6.19 During the evidence held on 27.02.2026, the Department in their power point presentation has informed that Ethanol blending has increased in the country from 1.5% in 2013-14 to 19.24% in Ethanol Supply Year (ESY) 2024-25. In current ESY 2025-26, 19.98% blending has been achieved as on 31.01.2026.



6.20 Regarding utilization of ethanol production, the representative of the Department during the evidence briefed as under:-

“it is also correct, much of the capacity that has got created has not come with the consent or the concurrence of the Department. People have on their own undertaken this capacity. However, 1990 crore litres of capacity has got created and we normally assume that a particular plant will operate at 90 per cent capacity utilisation, which makes it about 1,790 crore litres capacity available in the country. Now, in case we are to see what is the requirement for ethanol, in case we say 20 per cent is going to be blended, that comes to 1200 crore litres. So, out of 1,790 crore litres of the capacity available, 1,200 crore litres will be supplied to the OMCs; about 150 crore litres is supplied to the private Oil Marketing Companies of Reliance, Adani group, etc.; and other industrial uses are around 350 crore litres, which could go into industrial uses like it could be for alcohol or other purposes. So, the total requirement that we have is about 1,700 crore litres, against which the capacity is 1,790 crore litres. So, capacity is, maybe 90 crore litres in excess, but it is not that it is to a very high order. “

6.21 When asked about the details of sugar mills with Ethanol Distilleries and how many sugar mills have been assisted financially for setting New Distillers or upgrading the existing ones, the Department in its written replies stated that there are a total of 242 sugar mills with ethanol distilleries having an estimated ethanol production capacity of about 817 crore litres per annum. Out of Rs. 4687 crores allocated, so far, DFPD has released Rs. 2135 crores to NABARD for payment of interest subvention to the lending banks/financial institutions of eligible projects and NABARD has released about Rs. 1984.57 crores as on 31.12.2025 to sugar mills/distilleries including grain based distilleries.

The state-wise utilization of funds released in the form of interest subvention to eligible sugar mills/distilleries attached with sugar mills/molasses based standalone distilleries from FY 2019-20 to FY 2024-25 is about Rs. 1984 crores which is as under:

Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity

Total Budget Outlay (in Cr. Rs.)	4687/-
Total Funds released to NABARD (Nodal Agency)(in Cr. Rs.) (upto 31.01.2026)	2135/-
Total Funds Utilized by NABARD (in Cr. Rs.) (upto 31.12.2025)	1984.57/-

Summary regarding State-wise Utilization of Funds by NABARD is as under:

Sl .No.	State	Amount Released by NABARD (in Cr. Rs.)
1	Andhra Pradesh	26.02
2	Assam	19.87
3	Bihar	94.52
4	Chhattisgarh	20.54
5	Gujarat	36.00
6	Haryana	69.08

7	Himachal Pradesh	19.74
8	Jharkhand	35.25
9	Karnataka	465.23
10	Madhya Pradesh	110.24
11	Maharashtra	366.45
12	Meghalaya	0.97
13	Odisha	46.24
14	Punjab	112.50
15	Rajasthan	18.97
16	Tamil Nadu	16.05
17	Telangana	32.16
18	Uttar Pradesh	420.74
19	Uttarakhand	28.35
20	West Bengal	45.65
Grand Total		1984.57

6.22 The Department informed that BE, RE and Actuals for Scheme for extending financial assistance to sugar Mills for enhancement and augmentation of ethanol production capacity is given as under :-

(Rs. in crore)

Scheme Name	Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
Scheme for extending financial assistance to sugar Mills for enhancement and augmentation of ethanol production capacity	2021-22	300	160	160
	2022-23	300	259.83	175
	2023-24	400	400	400
	2024-25	450	600	600
	2025-26	600	600	600 as on (06.01.2026)
	2026-27	600		

6.23 On being asked about the reasons for allocating Rs. 600 crore to BE for year 2026-27, which is the same of RE and Actual of 2025-26, the Department submitted that for FY 2025-26, the tentative demand of funds from NABARD (Nodal Agency) was about Rs. 800 crores, however, BE of Rs. 600 crores was allocated, which remained same at RE stage too, despite giving additional fund requirement. Similarly, for FY 2026-27, the tentative demand of funds from NABARD is about Rs. 1000 crores, however, against which, only Rs. 600 crores has been allocated at BE stage, as of now.

Since, more number of sugar mills/distilleries approved for grant of interest subvention under the ethanol interest subvention schemes have got their loans disbursed from banks/financial institutions, which in turn, raise their claims to NABARD for releasing interest subvention, therefore, the demand of funds from NABARD has increased for FY 2025-26.

6.24 Briefing about the extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity, the representative of Department apprised the Committee as under:-

“There is scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity. There is a fund allocation of Rs. 600 crore.”

6.25 In their written replies, it has been submitted that:

“Department has requested for allocation of Rs 1000 crore for BE 2026-27, keeping in view the increased number of sugar mills/distilleries which will become eligible for claiming interest subvention from NABARD. Since, the allocated BE of Rs. 600 crores is less than the requirement, therefore, current BE will be exhausted by the Department and further demand of Rs. 400 crores will be raised by the Department at RE stage.”

6.26 The Committee note that the Ethanol Blended Petrol (EBP) Programme is a key initiative of the Government to reduce crude oil import dependency, conserve foreign exchange, lower carbon emissions and provide additional income to sugarcane farmers. Under this programme, the Government has set a 20% ethanol blending target with petrol by Ethanol Supply Year (ESY) 2025-26, requiring about 1,350 crore litres of ethanol, with a production capacity of 1,700 crore litres assuming 80% plant efficiency. The Committee commend the progress made under the Ethanol Blended Petrol (EBP) Programme, particularly the achievement of a 19.98% ethanol blending level as on 31.01.2026 against the targeted 20% blending by Ethanol Supply Year (ESY) 2025–26.

The Committee note that Budget Estimate for FY 2026-27 under the scheme for extending financial assistance to sugar Mills for enhancement and augmentation of ethanol production capacity is Rs. 600 crore against the tentative demand of Rs. 1,000 crore from NABARD due to increased number of eligible sugar mills and distilleries. In this regard, the Committee, therefore, recommend the Department to provide adequate financial support for targeted policy interventions under the EBP programme which are critical to achieving energy security, environmental benefits, farmer welfare and a sustainable sugar-ethanol ecosystem.

(Recommendation No. 13)

Chapter - VII

Edible Oils

Edible oils and Fats are essential ingredients for a wholesome and balanced diet and are vital items of mass consumption. The Directorate of Sugar and Vegetable Oils (DSVO) under this Department assists in coordinating management of edible oils in the country through a multi-pronged strategy, namely, (i) assessment of the domestic demand for edible oils and its availability from domestic sources. Mismatch of demand and supply is met through import of edible oils so as to maintain their prices at reasonable level; (ii) It also closely monitors prices of edible oils both in the domestic and in the international market and initiate necessary policy measures whenever necessary.

7.2 Domestic edible oil production is insufficient to meet national demand, making India heavily dependent on imports. The Country has to rely on imports to meet the gap between demand and supply. To reduce import dependency and increase domestic production, the Government has approved the National Mission on Edible Oils - Oilseeds (NMEO -OS), on 3rd October, 2024 to boost domestic oilseed production and to strive towards self- reliance (Atmanirbhar Bharat) in edible oils in the country. The Scheme is being implemented in 29 states /UTs.

Under the Mission, over 600 Value Chain Clusters have been identified across the country, collectively covering more than 10 lakh hectares annually. These clusters are managed by Value Chain Partners (VCPs), including Farmer Producer Organizations (FPOs) and cooperatives. Under the value chain clusters, farmers getting free certified seeds of less than five years old varieties, training in Good Agricultural Practices (GAPs) and advisory services on weather & pest managements. The above mission was launched under D/o Agriculture and Farmers Welfare.

7.3 The Department furnished the details of production, demand, supply, consumption, availability & import of edible oils in the country during the last four years is given in the table below:

(Qty in Lakh tons)

Oil Year# (Nov.- Oct.)	Production of Oilseeds (LMT)	Domestic Availability of Edible Oils	Imports of Edible Oils*	Total Availability/ Consumption	% sufficiency	Self % Share of imports
2019-20	332	106.55	134.16	240.71	44.3	55.7
2020-21	359	111.51	134.52	246.03	45.3	54.7
2021-22	379.63	116.5	141.93	258.43	45.1	54.9
2022-23	413.55	124.23	165.00	289.23	42.95	57.04
2023-24	396.69**	121.75**	156.55	278.3	43.74	56.25
2024-25	429.89	1266.3**	147.53 (till Sept. 2025)	-	-	-

Oil Year - November to October, covers both Kharif and Rabi Oilseeds Crops.

* Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce)

**Based on the final Advance Estimates declared by DACFW released on 20.11.2025

Import Policy on Edible Oils

7.4 The Government has approved the National Mission on Edible Oils - Oilseeds (NMEO -OS), on 3rd October, 2024 to boost domestic oilseed production and to strive towards self- reliance (Atmanirbhar Bharat) in edible oils in the country. The Scheme is being implemented in 29 states /UTs. The above mission was launched under D/o Agriculture and Farmers Welfare.

7.5 To reduce the imports and support the oilseed farmers, on 13th September 2024, the Government increased the Basic Customs Duty on crude edible oils - crude soybean oil, crude palm oil and crude sunflower oil from Nil to 20%, making the total effective duty 27.5% (including 5% AIDC). For refined edible oils - refined soybean oil, refined palm oil and refined sunflower oil the Basic Customs Duty was raised from 12.5% to 32.5%, resulting in an effective duty of 35.75%. Later, to control the continuous rise in edible oil prices over the past year, the Government reduced the Basic Customs Duty on crude edible oils (crude soybean oil, crude palm oil and crude sunflower oil) from 20% to 10% with effect from 30th May 2025.

Export Policy on Edible Oils

7.6 In order to ensure availability of edible oil in the country, export of edible oil has been banned w.e.f. 17.03.2008, which was extended from time to time. With effect from 06.02.2015, export of rice bran oil in bulk has been permitted. With effect from 27.03.2017, export of groundnut oil, sesame oil, soyabean oil and maize (corn) oil has been permitted. With effect from 06.04.2018, export of all edible oils except mustard oil was made free without quantitative ceiling; pack size etc, till further orders. Export of mustard oil is permitted in packs of up to 5 Kg with a Minimum Export Price (MEP) of USD 900 per MT. Except for Mustard Oil, Export of edible oils is permitted without any restrictions.

7.7 Domestic production of edible oils is unable to meet domestic demand. As per the Final Advance Estimates released on 20.11.2025 by the Department of Agriculture and Farmers Welfare, the estimated production of oilseeds for 2024-25 is 429.89 LMT as against 396.69 LMT in 2023-24. The total availability of edible oils from all sources (primary and secondary) for 2024-25 is estimated at 126.3 LMT as against 121.75 LMT in 2023-24. The gap between demand and supply of edible oils is around 56% and is met through imports. The major oils imported are Crude Palm oil, Refined Palm Oils, Crude Soybean oil and Crude Sunflower oil.

7.8 Exports of Vegetable Oils and Oilseeds during the last five years are as under:
(Qty.in lakh tons)

Year (April-March)	Oil Seeds	Vegetable Oils
	Qty.	Qty.
2020-21	10.15	3.02
2021-22	8.22	0.98
2022-23	9.64	2.01
2023-24	9.57	2.13
2024-25	10.40	3.35
2025-26 (Till Sept. 2025)	5.23	1.94

Source: DGCIS

7.9 Briefing about the role of Directorate of Sugar and Edible Oil, the representative during the evidence briefed the Committee as under:-

“The Directorate of Sugar and Edible Oil largely monitors the production, sale, export and stock availability of sugar in the country and is also to ensure sufficient capacity creation and production of ethanol in the country to meet target of 20 per cent ethanol blending with petrol by 2025 in India. “

7.10 On being asked about the specific steps taken by DSVO in the line with Governments commitment for achieving Aatmanirbharta for edible oil, the Department in its written replies submitted the following details :-

“DSVO regularly reviews prices and assesses demand and supply by closely monitoring the domestic production and import of edible oils in the country. The department has also developed a dedicated portal to track edible oil prices, based on daily data collected by the Price Monitoring Cell of the Department of Consumer Affairs.

In order to keep a check on domestic prices of Edible Oil in the country, the Government periodically reviews the import and export policy of edible oils and takes necessary policy measures as and when required.”

7.11 Responding to a query as to what efforts has the Department made to reduce the dependency on imports, the Department in its written replies submitted as under :-

“The Government has approved the National Mission on Edible Oils - Oilseeds (NMEO -OS), on 3rd October, 2024 to boost domestic oilseed production and to strive towards self- reliance (Atmanirbhar Bharat) in edible oils in the country. The Scheme is being implemented in 29 states /UTs.

The above mission was launched under D/o Agriculture and Farmers Welfare.

To reduce the imports and support the oilseed farmers, on 13th September 2024, the Government increased the Basic Customs Duty on crude edible oils - crude soybean oil, crude palm oil and crude sunflower oil from Nil to 20%, making the total effective duty 27.5% (including 5% AIDC). For refined edible oils - refined soybean oil, refined palm oil and refined sunflower oil the Basic Customs Duty was raised from 12.5% to 32.5%, resulting in an effective duty of 35.75%.

Later, to control the continuous rise in edible oil prices over the past year, the Government reduced the Basic Customs Duty on crude edible oils (crude soybean oil, crude palm oil and crude sunflower oil) from 20% to 10% with effect from 30th May 2025.”

7.12 Responding to a query as to what is the mechanism adopted by the Department to monitor and regulate the price of edible oils in the market, the Department in its written replies submitted the following details:-

“DSVO regularly reviews prices and assesses demand and supply by closely monitoring the domestic production and import of edible oils in the country. The department has also developed a dedicated portal to track edible oil prices, based on daily data collected by the Price Monitoring Cell of the Department of Consumer Affairs.

In order to keep a check on domestic prices of Edible Oil in the country, the Government periodically reviews the import and export policy of edible oils and takes necessary policy measures as and when required.”

7.13 On being asked about the measures been taken measures to ensure sufficient supply of edible oils across different regions of the country and how is the government addressing potential shortages of edible oils in specific areas, the Department in its written replies submitted that the Department of Food and Public Distribution (Edible Oil Division, DSVO) ensures sufficient availability of edible oils across regions by regularly monitoring domestic production, imports, prices, and stock positions. The Government reviews and adjusts import policies and duties as required, facilitates timely imports, and closely tracks demand supply trends to maintain overall market stability.

To address potential shortages in specific areas, the Government closely monitors regional prices and stock positions through its price-monitoring mechanisms and coordinates with edible oil associations, States/UTs, and industry stakeholders. Whenever required, timely policy interventions such as facilitating imports, regulating exports, or directing the release of oilseed stocks through agencies like NAFED, NCCF, HAFED, and HSWC are undertaken to stabilize availability and prices.

7.14 Responding to a query as to what is the current policy on edible oil imports, and are there plans to adjust it based on market demand, the Department in its written replies submitted the following facts:-

“Import of edible oil is under Open General License. In a bid to control the continuous rise in the cooking oil prices since past one year, the Central Government has cut Basic Custom Duty for Crude Edible oils (Crude Soybean Oil, Crude Palm Oil and Crude Sunflower Oil) from 20% to 10% w.e.f 30th May, 2025. The resultant effective duty on Crude Oils 16.5% (including 5% AIDC).

For Refined oils (Refined Soybean, Refined Palm Oils, And Refined Sunflower Oil) the Basic Custom Duty has remained the same at 32.5%, making the effective duty on refined oils 35.75%. Import duty on edible oils is one of the important factors that impacted landed cost of edible oils and thereby domestic prices. By lowering the import duty on crude oils, the government aims to reduce the landed cost and retail prices of edible oils, providing relief to consumers and helping to cool overall inflation. The reduced duty also encourages domestic refining and maintain fair compensation for farmers.

The reduction in BCD on Crude Palm, Soybean and Sunflower oil in 30th May, 2025 has resulted in duty differential of 19.25% between crude and refined oils which encourages domestic refining capacity utilization and reduces imports of refined oils.

The Government has extended the free import of Refined Palm Oils till further orders. In order to harmonize the interests of farmers, processors, and consumers, the Government periodically reviews the import and export policy of edible oils and takes necessary policy measures as and when required.”

7.15 Responding to a query regarding any plan to introduce price stabilization schemes for edible oils, the Department in their written replies furnished the information as under:

“Price Stabilization Scheme (PSS) for oilseeds is implemented by the Department of Agriculture & Farmers Welfare. At present, there is no proposal under the Department of Food and Public Distribution, to introduce a separate price stabilization scheme specifically for edible oils.”

7.16 The Committee note that domestic production of edible oils remains insufficient to meet national demand, resulting in heavy reliance on imports of Crude Palm Oil, Refined Palm Oil, Crude Soybean Oil and Crude Sunflower Oil which accounted for 56–57% of total availability in recent years (2019-20 to 2023-24). The gap between demand and supply of edible oils is met through imports. On the matter of controlling continuous rise in edible oil prices over the past year, they have been apprised that Central Government had reduced the Basic Customs Duty on crude edible oils (crude soybean oil, crude palm oil and crude sunflower oil) from 20% to 10% with effect from 30th May 2025. While acknowledging this step, the Committee are of the view that the continued demand–supply gap and price volatility in cooking oils require sustained policy attention.

The Committee, therefore recommend the Department to adopt a coordinated approach for enhancing domestic production of oilseeds, implement prudent import-export policies and strengthening market stabilization mechanisms. Such measures would help reduce import dependence, achieve self-reliance in edible oils, protect consumer interests and ensure remunerative returns for farmers.

(Recommendation No. 14)

**NEW DELHI;
12 March, 2026
Phalgun 21, 1947 (Saka)**

**Kanimozhi Karunanidhi,
Chairperson,
Standing Committee on
Consumer Affairs, Food and Public Distribution**

Annexure I

Variation of RE to actuals for the last 3 years w.r.t. Food Subsidy to FCI under PMGKAY and Food Subsidy to DCP States under PMGKAY

Scheme-wise details of Revenue/Capital Outlays and Expenditure : FY 2022-23							
Sl. No.	Name of the Scheme / Project	REVENUE				Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6
		Budget Estimates 2022-23	Revised Estimates 2022-23	Actual Expenditure 2022-23	Variations between 4&5 [Saving(-)/ Excess(+)]		
1	2	3	4	5	6	7	8
1	Secretariat (3451)	81.67	78.42	72.38	-6.04	7.70	Saving was due to non-filling up of vacant post, non-finalisation of project to create warehouse development management system portal and requirement of less funds towards LTC claims, purchase of publications and trainings.
2	National Sugar Institute, Kanpur (2408)	27.37	24.22	22.89	-1.33	5.49	Saving was due to non-filling up of vacant posts and delay in procurement through GeM.
3	Other Programmes of Food Storage & Warehousing						
	(i) Directorate of Sugar & Vegetable Oils (2408)	8.70	7.94	5.38	-2.56	32.22	Saving was due to non-filling up of vacant posts and receipt of less LTC claims.
	(ii) Indian Grain Storage Management & Research Institute (2408)	6.10	6.77	5.44	-1.33	19.65	Saving was mainly due to non-filling of vacant posts; and shortage of time due to which it was not possible for CPWD to execute the proposal.
	(iii) Central Grain Analysis Laboratory (2408)	0.14	0.14	0.09	-0.05	35.71	Saving was due to receipt of lesser claims.
	(iv) Quality Control Cell (2408)	8.34	7.23	5.05	-2.18	30.11	Saving was due to non-filling up of vacant posts and receipt of less number of bills.
	(v) International Cooperation (2408)	0.75	0.79	0.79	0.00	-0.38	-
	Total - Other Programmes of Food Storage & Warehousing	24.03	22.86	16.75	-6.11	26.73	
4	Food Subsidy to FCI (2408)	145919.90	214696.00	200219.20	-14476.80	6.74	Saving was due to discontinuation of PMGKAY in Q4 of FY 2022-23, revenue inflow of Rs. 6668.40 crore on account of OMSS and unspent funds lying with FCI.
5	Food Subsidy to DCP States (2408)	60561.19	72282.50	72282.49	-0.01	0.00	-
6	Sugar subsidy payable under PDS (2408)	350.00	215.55	300.69	85.14	-39.50	Under the scheme, saving occurred w.r.t. to BE 2022-23 due to receipt of lesser no. of claims.
7	Central assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (2408)	6572.00	0.00	0.00	0.00	#DIV/0!	-
	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601/3602/2408)	0.00	6572.03	8572.03	2000.00	-30.43	Additional funds were required to clear pending proposals of previous year and advance for NFSA 2022-23.
8	Fortification of Rice and its Distribution under Public Distribution System (2408/3601) (Centrally Sponsored Scheme)	10.13	9.40	9.84	0.44	-4.68	Under the scheme, saving occurred w.r.t. to BE 2022-23 as per actual claims received.
9	Scheme for providing assistance to Sugar Mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar	0.00	20.50	15.28	-5.22	25.46	Saving was due to lesser no. of claims received.
10	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	300.00	259.83	175.00	-84.83	32.65	Saving was due to lesser no. of claims received.
11	Scheme for Assistance to Sugar Mills for 2018-19 season	0.00	1.50	0.00	-1.50	100.00	Saving was due to lesser no. of claims received.
12	Scheme for Assistance to Sugar Mills for 2019-20 season	0.00	14.50	8.32	-6.18	42.62	Saving was due to lesser no. of claims received.
13	Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export	0.00	0.25	0.00	-0.25	100.00	Saving was due to non-materialisation of claims.
16	Scheme for Creation and Maintenance of Buffer Stock of Sugar	0.00	3.00	3.00	0.00	0.00	-
17	Scheme for Creation and Maintenance of Buffer Stock of 40 LMT of Sugar	0.00	0.42	0.09	-0.33	78.57	Saving was due to lesser no. of claims received.

18	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	16.00	16.00	16.00	0.00	0.00	-
19	Storage & Godowns-Construction of Godowns by State Governments in North Eastern Region (2552/2408)	3.20	3.20	0.00	-3.20	100.00	Entire provision remained unutilized due to non-submission of utilisation certificates by State Government.
20	Strengthening of PDS Operation(2408/2552/3456)	2.00	2.50	0.80	-1.70	68.00	Saving is due to non completion of CNA formalities by States/UTs, non receipt of proposals and pending UCs from States/UTs.
21	Integrated Management - Public Distribution System (IM-PDS)	40.00	28.97	31.64	2.67	-9.22	Saving occurred w.r.t. BE due to receipt of less proposals and non fulfilment of requisite conditions in the proposals submitted by some
22	Warehousing Development and Regulatory Authority (2408)	18.03	18.03	15.17	-2.86	15.86	Saving was due to non-filling up of vacant posts and non-completion of task of formation of repositories.
23	Project						
(a)	PDS- Evaluation, Monitoring & Research	0.72	0.78	0.77	-0.01	1.28	Saving is due to non furnishing of claims by some monitoring institutions.
(b)	Generating Awareness among TPDS beneficiaries	3.67	3.67	1.14	-2.53	68.94	The expenditure is dependent on submission of proposal by States and receipt of UCs for the funds released during the previous years.
Total-Revenue Expenditure		213929.91	294274.13	281763.48	-12510.65	4.25	

CAPITAL							
1	Secretariat (4408)	0	0	0			
2	Investment in Equity Capital of Food Corporation of India	1900.00	1900.00	1900.00	0.00	0.00	-
2	National Sugar Institute, Kanpur (4408)	3.80	3.10	2.72	-0.38	12.26	Saving was due to non-filling up of vacant posts
3	<i>Other Programmes of Food Storage & Warehousing</i>						
	(i) Directorate of Sugar & Vegetable Oils (4408)	0.00	0.00	0.00	0.00	#DIV/0!	-
	(ii) Indian Grain Storage Management & Research Institute (4408)	7.16	9.99	11.82	1.83	-18.32	Excess was due to requirement of additional funds towards establishment of Fortified Rice Kernel (FRK) labs
	(iii) Central Grain Analysis Laboratory (4408)	2.00	2.00	0.00	-2.00	100.00	Entire provision remained unutilized due to shifting of CGAL lab from Krishi Bhawan, New Delhi to Ghaziabad, U.P.
	(iv) Quality Control Cell (4408)	17.90	17.90	17.71	-0.19	1.06	Saving was due to non-filling up of vacant posts and lesser expenditure than expected.
3	Storage & Godowns-Construction of godowns by FCI in North Eastern Region (4552/4408)	20.00	25.01	28.21	3.20	-12.79	Excess funds were availed and utilised for construction of godowns in NER by FCI.
4	Storage & Godowns-Construction of godowns by FCI (4408)	10.00	10.00	10.00	0.00	0.00	-
5	Ways and Means Advance payable to FCI (6408)	10000.00	10000.00	10000.00	0.00	0.00	-
6	Loans for consumer Industries (6860)						
	i) Loans for Modernization / Rehabilitation of Sugar Mills.	2.10	0.00	0.00	0.00	#DIV/0!	-
	ii) Loans to Sugar Mills for Cane Development	4.07	0.00	0.00	0.00	#DIV/0!	-
	iii) Loans to Sugar Factories for Bagasse based co-generation Power Projects.	21.57	61.24	40.56	-20.68	33.77	Saving was due to closure of the case of the sugar factory for grant of SDF loan owing to non fulfilment of necessary conditions required for disbursement.
	iv) Loans for production of anhydrous alcohol or ethanol from alcohol	41.07	0.46	0.46	0.00	0.00	-
Total-Capital Expenditure		12029.67	12029.70	12011.48	-18.22	0.15	

Scheme-wise details of Revenue/Capital Outlays and Expenditure : FY 2023-24

Sl. No.	Name of the Scheme / Project	REVENUE					Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6
		Budget Estimates 2023-24	Revised Estimates 2023-24	Actual Expenditure 2023-24	Variations between 4&5 [Saving(-)/ Excess(+)]			
1	2	3	4	5	6	7	8	
1	Secretariat (3451)	79.99	329.52	320.84	-8.68	2.63	Saving was due to promotion and transfer of staff and receipt of less claims.	
2	National Sugar Institute, Kanpur (2408)	28.00	27.70	25.78	-1.92	6.93	Saving was due to non-finalization of recruitment of various posts on the level of SSC/UPSC	
3	<i>Other Programmes of Food Storage & Warehousing</i>							
	(i) Directorate of Sugar & Vegetable Oils (2408)	8.63	6.68	5.99	-0.69	10.33	Saving was due to non-filling up of vacant posts.	
	(ii) Indian Grain Storage Management & Research Institute (2408)	17.31	17.49	6.27	-11.22	64.15	Saving was due to promotion and transfer of officers from IGMRIs and slow pace of repair & maintenance.	
	(iii) Central Grain Analysis Laboratory (2408)	0.14	0.50	0.50	0.00	0.00	-	
	(iv) Quality Control Cell (2408)	9.49	7.84	7.00	-0.84	10.71	Saving was due to delay in recruitment process and receipt of less LTC claims	
	(v) International Cooperation (2408)	0.83	0.99	0.97	-0.02	2.02	Less expenditure is due to fluctuation in forex rate and membership contribution to IGC was paid in GBP.	
	Total - Other Programmes of Food Storage & Warehousing	36.40	33.50	20.73	-12.77	38.12		
4	Food Subsidy to FCI (2408)	137207.00	139662.00	139661.03	-0.97	0.00	Less amount was approved in Supplementary Demand for Grants during FY 2023-24.	
5	Food Subsidy to DCP States (2408)	59793.00	72250.00	71733.36	-516.64	0.72	Saving was due to receipt of lesser bills from States.	
6	Sugar subsidy payable under PDS (2408)	350.00	420.00	420.00	0.00	0.00	-	
7	Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	0.00	23.01	15.62	0.00	0.00	-	
	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601)/3602/2408	7424.60	8531.77	8703.59	0.00	0.00	-	
8	Fortification of Rice and its Distribution under Public Distribution System (2408/3601) (Centrally Sponsored Scheme)	0.00	0.11	0.11	0.00	0.00	-	
9	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	400.00	400.00	400.00	0.00	0.00	-	
10	Scheme for Creation and Maintenance of Buffer Stock of Sugar	0.00	0.46	0.46	0.00	0.00	-	
11	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	10.00	10.00	10.00	0.00	0.00	-	
12	Storage & Godowns-Construction of Godowns by State Governments in North Eastern Region (2552/2408)	3.57	3.57	2.68	-0.89	24.93	Savings occurred due to non-submission of timely UCs by the State Governments (CNA) under PFMS portal.	
13	Strengthening of PDS Operation(2408/2552/3456)	5.00	5.00	0.91	-4.09	81.80	Saving was due to delay in renovation and maintenance work by CPWD.	
14	Warehousing Development and Regulatory Authority (2408)	22.00	22.10	20.10	-2.00	9.05	Saving was due to some posts remain vacant during FY 2023-24.	
15	Project							

(a)	PDS- Evaluation, Monitoring & Research	0.34	0.30	0.29	-0.01	3.33	Saving was due to concurrent evaluation study in the state of Manipur was not conducted by engaged monitoring institution due to non-favourable condition for conducting study in the state.
(b)	Generating Awareness among TPDS beneficiaries	3.67	3.67	1.18	-2.49	67.85	Savings occurred on account of denial of railway awareness proposal from PMO and non-receipt of Ucs from the States for the funds released during the previous years.
Total-Revenue Expenditure		205363.57	221722.71	221336.68	-386.03	0.17	

CAPITAL							
1	Secretariat (4408)	3.36	4.66	6.68	2.02	-43.35	Excess expenditure was made on account of procurement of computers and laptops as many computers were declared obsolete as per recommendations of the NIC Obsolete Declaration Committee.
2	National Sugar Institute, Kanpur (4408)	1.92	2.02	1.71	-0.31	15.35	Some of the indented instrument could not be procured even after repeated attempt on GeM.
3	<i>Other Programmes of Food Storage & Warehousing</i>						
	(i) Directorate of Sugar & Vegetable Oils (4408)	0.09	0.07	0.04	-0.03	42.86	Savings occurred due to joining of lesser number of new incumbents due to which new computers, furniture etc. were not procured.
	(ii) Indian Grain Storage Management & Research Institute (4408)	12.00	12.00	0.09	-11.91	99.25	Saving was due to discontinuation of qualitative testing of Fortified Rice at micro level.
	(iii) Central Grain Analysis Laboratory (4408)	9.00	9.00	0.00	-9.00	100.00	Entire provision remained unutilized due to discontinuation of qualitative testing of Fortified Rice at micro level.
	(iv) Quality Control Cell (4408)	24.00	26.92	3.38	-23.54	87.44	Saving was due to discontinuation of qualitative testing of Fortified Rice at micro level.
4	Storage & Godowns-Construction of godowns by FCI in North Eastern Region (4552/4408)	60.00	80.40	110.40	30.00	-37.31	Excess funds were required for land acquisition (Assam), construction of Railway siding (Silchar, Assam) and subsequent payment to Railways, project (Sairang and Champai).
5	Storage & Godowns-Construction of godowns by FCI (4408)	40.00	66.86	66.86	0.00	0.00	-
6	Ways and Means Advance payable to FCI (6408)	25000.00	25000.00	22805.00	-2195.00	8.78	Saving was due to less requirement of Ways and Means by FCI.
Total-Capital Expenditure		25150.37	25201.93	22994.16	-2207.77	8.76	

Scheme-wise details of Revenue/Capital Outlays and Expenditure : FY 2024-25

Sl. No.	Name of the Scheme / Project	REVENUE					Percentage shortfall / excess expenditure w.r.t. RE	Reasons for variations under Col.6
		Budget Estimates 2024-25	Revised Estimates 2024-25	Actual Expenditure 2024-25	Variations between 4&5 [Saving(-)/ Excess(+)]			
1	2	3	4	5	6	7	8	
1	Secretariat (3451)	75.83	88.34	82.90	-5.44	6.16	Savings was occurred on account of transfer of staff and receipt of less claims.	
2	National Sugar Institute, Kanpur (2408)	26.32	27.81	25.69	-2.12	7.62	Savings occurred mainly due to utilization of funds from ICT head instead of digital equipment head.	
3	Other Programmes of Food Storage & Warehousing							
	(i) Directorate of Sugar & Vegetable Oils (2408)	6.45	6.54	6.40	-0.14	2.14	Savings are due to good condition of the rooms under the custody of this Directorate, CPWD has not undertaken the room repair/tiling work during the FY 2024-25	
	(ii) Indian Grain Storage Management & Research Institute (2408)	26.44	15.86	12.18	-3.68	23.20	Savings due to less claims than anticipated	
	(iii) Central Grain Analysis Laboratory (2408)	0.20	0.40	0.20	-0.20	50.00		
	(iv) Quality Control Cell (2408)	14.22	12.28	11.27	-1.01	8.22	Saving was due to non-filing of vacant post, less expenditure incurred by CPWD against LOA, non-procurement of laboratory equipment and non-opening of ICT Head for booking the expenditure.	
	(v) International Cooperation (2408)	1.00	1.00	0.99	-0.01	1.00	--	
	Total - Other Programmes of Food Storage & Warehousing	48.31	36.08	31.04	-5.04	13.97		
4	Food Subsidy to FCI (2408)	134836.13	126589.40	129089.40	2500.00	-1.97	Savings is due to OMSS sale and receipt of less bills from the states towards purchase of food grains from them. Surrender is against the SDG 1 & SDG 2 technical supplementary obtained.	
5	Food Subsidy to DCP States (2408)	70413.87	70410.60	70410.60	0.00	0.00	Savings was due to receipt of less bills from DCP states particularly pertaining to the FY 2024-25	
6	Sugar subsidy payable under PDS (2408)	0.01	420.00	367.08	-52.92	12.60	Funds were reduced at RE Stage and were utilized up to the revised estimates. Hence, there were no savings	
7	Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS)	23.50	23.50	14.36	-9.14	38.89	Proposals not submitted by some States/UTs for seeking fund under SMART-PDS	
8	Assistance to State/ UTs for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA (Grants) (3601)/3602/2408	7075.00	7075.00	6945.25	-129.75	1.83	Due to non-receipt of proposals and pending Utilization Certificates from the State Government	
9	Credit Guarantee Scheme for electronic Negotiable Warehouse Receipts (e-NWR) based Pledge Financing (CGS-NPF)	0.00	50.00	0.00	-50.00	100.00	As this Scheme is based on provide credit guarantee to Eligible Lending Institution (ELI) against default in repayment of loans extended by ELI. However, no guarantee was invoked during the F.Y. 2024-25, therefore, no amount was utilized against the Credit Guarantee Scheme for Electronic Negotiable Warehouse Receipts (E-NWR) based pledge financing (CGS-NPF). As there was very short time, and the scheme was in inception, NCGTC could not utilize the fund i.e. Rs. 50 Crore during FY 2024-25.	
10	Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	450.00	600.00	599.95	-0.05	0.01	-	
11	Financial Assistance to Sugar Undertakings / Other Expenditure of SDF (Administration of Sugar Development Fund) (2408)	0.01	10.00	10.00	0.00	0.00	-	
12	Production Subsidy to Sugar Mills to offset cost of cane and facilitate timely payment of cane price dues to farmers	0.00	1.35	1.17	-0.18	13.33		
13	Storage & Godowns- Construction of Godowns by State Governments in North Eastern Region (2552/2408)	0.00	5.11	0.20	-4.91	96.09	Due to non furnishing of UC demands from State Govt. of NE Region.	
14	Strengthening of PDS Operation (2408/2552/3456)	0.54	0.50	0.00	-0.50	100.00		
15	Warehousing Development and Regulatory Authority (2408)	25.69	24.69	24.69	0.00	0.00		

16	Project						
(a)	PDS- Evaluation, Monitoring & Research	1.00	3.93	0.00	-3.93	100.00	Since sunset date of PDS- EVALUATION, MONITORING & RESEARCH Project was 31.03.2024, the proposal for continuation of the project as standalone scheme with sunset date on 31.03.2028 was forwarded to Department of Expenditure wherein concurrent evaluation of NFSA. As per suggestion of DoE, PDS-Evaluation, Monitoring & Research as the Central Sector Project was approved by Delegated Investment Board (DIB) under the chairmanship of Secretary, DFPD on 25.03.2025 with the sunset date on 31.03.2028. Funds were therefore not utilized as post the approval of project, other formalities like signing of MoU and Indemnity Bond couldn't be materialized in the limited time frame
Total Revenue Expenditure		212976.21	205366.31	207602.33	2236.02	-1.09	

CAPITAL							
1	Secretariat (4408)	5.02	6.8	7.07	0.27	-3.97	Savings due to less claims than anticipated
2	National Sugar Institute, Kanpur (4408)	4.63	4.83	2.50	-2.33	48.24	Savings occurred due to reduction in operational costs and inadvertent request of funds under a head which were later utilized under another head.
3	<i>Other Establishment Expenditure (Capital)</i>						
	(i) Directorate of Sugar & Vegetable Oils (4408)	0.07	0.07	0.05	-0.02	28.57	-
	(ii) Indian Grain Storage Management & Research Institute (4408)	3.10	2.89	1.08	-1.81	62.63	-
	(iii) Central Grain Analysis Laboratory (4408)	3.00	0.05	0.00	-0.05	100.00	
	(iv) Quality Control Cell (4408)	1.20	0.55	0.09	-0.46	83.64	-
		7.37	3.56	1.22	-2.34	65.73	
4	Storage & Godowns-Construction of godowns by FCI in North Eastern Region (4552/4408)	0.01	59.53	59.53	0.00	0.00	-
5	Storage & Godowns-Construction of godowns by FCI (4408)	0.00	7.44	7.44	0.00	0.00	-
6	Information, Computer, Telecommunication (ICT) Equipment (4408) (C)	26.50	26.50	26.50	0.00	0.00	-
7	Investment in the capital equity of FCI (4408) (c)	0.01	0.00	0.01	0.01	#DIV/0!	-
8	Ways and Means Advance payable to FCI (6408)	50000.00	50000.00	24445.33	-25554.67	51.11	-
	Total-Capital Expenditure	50043.54	50108.66	24549.60	-25559.06	51.01	
	Total Revenue	212976.21	205366.31	207602.33	2236.02	-1.09	
	Total Capital & Revenue	263019.75	255474.97	232151.93	-23323.04	9.13	

State-wise data for Procurement, MSP Value and farmers benefitted in respect of Paddy for the last five years and current year

Procurement, MSP Value and Farmers benefitted of Paddy

Fig in LMT, MSP Value in Rs. Crores

S.No.	STATES/ UTs	KMS 2020-21			KMS 2021-22			KMS 2022-23			KMS 2023-24			KMS 2024-25			KMS 2025-26*		
		Proc.	MSP Value	Farmers Benefitted	Proc.	MSP Value	Farmers Benefitted	Proc.	MSP Value	Farmers Benefitted	Proc.	MSP Value	Farmers Benefitted	Proc.	MSP Value	Farmers Benefitted	Proc.	MSP Value	Farmers Benefitted
1	A.P.	84.57	15966.82	803945	66.58	13049.68	839210	41.12	8470.72	678604	30.43	6703.73	479159	38.21	8864.72	517676	23.88	5704.93	669286
2	Telangana	141.09	26637.79	2164354	110.35	21628.60	1734675	131.86	27163.16	2016798	95.32	20999.00	1500655	105.97	24585.04	1617991	53.67	12821.76	864665
3	Assam	2.11	398.37	20401	5.66	1109.36	60025	5.98	1231.88	62423	3.94	867.98	39577	8.51	1974.32	66530	0.71	169.62	6818
4	Bihar	35.59	6719.39	497097	44.90	8800.40	642234	42.05	8662.30	577064	30.80	6785.24	372556	39.23	9101.36	462963	15.27	3648.00	217233
5	Chattisgarh	71.08	13419.90	2053490	92.01	18033.96	2105972	87.53	18031.18	2047842	114.24	27290.76	2472441	116.42	27009.44	2549606	103.95	24833.66	1874486
6	Gujarat	1.10	207.68	23799	1.22	239.12	25081	1.77	364.62	28357	0.85	187.26	15651	0.35	81.20	6609	0.35	83.62	13994
7	Haryana	56.55	10676.64	549466	55.32	10842.72	310083	59.36	12228.16	282725	58.94	12984.48	282103	53.99	12525.68	310100	53.68	12824.15	858969
8	H.P.	0.00	0.00	0	0.28	54.88	5851	0.14	28.84	3407	0.23	50.67	4274	0.27	62.64	6338	0.21	50.17	3996
9	Jharkhand	6.29	1187.55	104268	7.53	1475.88	139359	1.72	354.32	31855	0.74	163.02	10927	2.06	477.92	58858	1.32	315.35	22527
10	J&K	0.38	71.74	7385	0.41	80.36	8724	0.34	70.04	6549	0.24	52.87	4494	0.28	64.96	4897	0.30	71.67	6619
11	Karnataka	2.06	388.93	54319	2.19	429.24	73161	0.21	43.26	7646	0.00	0.00	0	0.01	2.32	158	0.01	2.39	393
12	Kerala	7.65	1444.32	252160	7.48	1466.08	254072	7.31	1505.86	250373	5.59	1231.48	198478	5.73	1329.36	206913	0.84	200.68	32942
13	M.P.	37.27	7036.58	587223	45.83	8982.68	661756	46.30	9537.80	647699	42.16	9287.85	605553	43.42	10073.44	669271	43.28	10339.59	740912
14	Maharashtra	18.99	3585.31	624292	18.32	3590.72	595604	18.48	3806.88	516941	11.64	2564.29	375519	15.93	3695.76	463072	6.83	1631.69	198005
15	Odisha	77.33	14599.90	1394647	71.04	13923.84	1514727	79.16	16306.96	1710773	70.89	15617.07	1532237	85.12	19747.84	1821071	21.91	5234.30	501605
16	Punjab	203.11	38347.17	1059249	187.55	36759.80	935219	182.29	37551.74	905346	185.53	40872.26	916517	173.59	40272.88	906083	156.69	37433.24	847058
17	Rajasthan	0.00	0.00	0	0.07	13.72	563	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
18	Tamilnadu	44.90	8477.12	852152	27.58	5405.68	400949	33.84	6971.04	599912	34.96	7701.69	393887	47.98	11131.36	573761	15.05	3595.45	195649
19	U.P.	66.84	12619.39	1022286	65.53	12843.88	947325	65.50	13493.00	940226	53.80	11852.14	692604	57.71	13388.72	662854	50.58	12083.56	713159
20	Uttarakhand	10.72	2023.94	78129	11.56	2265.76	78798	8.96	1845.76	58038	7.30	1608.19	41009	6.73	1561.36	33895	7.46	1782.19	41482
21	WB	27.79	5246.75	949362	35.31	6920.76	1318238	32.08	6608.48	1102759	24.69	5439.21	704417	29.28	6792.96	902460	18.28	4367.09	965520
22	NEF	0.24	45.31	14434	0.58	113.68	27940	0.45	92.70	21712	0.32	70.50	16112	0.36	83.52	17357	0.00	0.00	0
23	Puducherry	0.00	0.00	0	0.003	0.59	84	0.001	0.16	28	0.002	0.44	63	0.001	0.23	44	0.00	0.00	0
Total		895.66	169100.61	13112458	857.30	168030.80	12679650	846.45	174368.70	12497077	772.61	172329.68	10658233	831.15	192827.03	11858507	574.27	137193.10	8775318

*KMS 2025-26 (Kharif) is under progress. Fig. is up to 15.01.2026

Note-In Central Pool, 131.86 LMT of Paddy has been procured in Telangana State however Govt. of Telangana auctioned 38 LMT of paddy of KMS 2022-23(Rabi) which was approved by DFPD vide letter dated 29.04.2024

State-wise data for Procurement, MSP Value and farmers benefitted in respect of Wheat for the last five years and current year

Procurement, MSP Value & Farmers Benefitted of Wheat																			
Fig. in LMT, MSP Value in Rs. Crores																			
S.N.	STATES/ UTs	RMS 2020-21			RMS 2021-22			RMS 2022-23			RMS 2023-24			RMS 2024-25			RMS 2025-26		
		Proc.	MSP value	Farmers benefitted	Proc.	MSP value	Farmers benefitted	Proc.	MSP value	Farmers benefitted	Proc.	MSP value	Farmers benefitted	Proc.	MSP value	Farmers benefitted	Proc.	MSP value	Farmers benefitted
1	Bihar	0.05	9.63	1002	4.56	900.60	96701	0.03	8.06	641	0.01	2.13	235	0.10	22.75	3388	0.18	43.65	5181
2	Gujarat	0.77	148.23	18824	1.71	337.73	34959	0.0001	0.01	3	0.00	0.00	0	0.00	0.00	0	0.04	9.70	892
3	Haryana	74.00	14245.00	780962	84.93	16773.68	760636	41.86	8434.79	313847	63.17	13423.63	410237	71.50	16266.25	449441	71.43	17321.78	449019
4	H.P.	0.03	5.78	1061	0.13	25.68	3258	0.03	6.05	1033	0.03	6.38	813	0.03	6.83	771	0.03	7.28	593
5	J&K	0.00010	0.02	3	0.24	47.40	4127	0.002	0.40	62	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
6	M.P.	129.42	24913.35	1594383	128.16	25311.60	1725133	46.04	9275.05	591185	70.97	15081.13	796692	48.39	11008.73	616287	77.74	18851.95	900534
7	Maharashtra	0.00	0.00	0	0.01	1.98	496	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
8	Punjab	127.25	24495.63	1051392	132.39	26147.03	889560	96.48	19440.72	793850	121.21	25757.13	842156	124.64	28355.60	931615	119.28	28925.40	840283
9	Rajasthan	22.25	4283.13	219873	23.40	4621.50	227090	0.10	20.15	941	4.38	930.75	36409	12.06	2743.65	94713	21.37	5182.23	172682
10	UP	35.77	6885.73	663810	56.41	11140.98	1152311	3.36	677.04	81080	2.20	467.50	47876	9.31	2118.03	152301	10.27	2490.48	143895
11	Uttarakhand	0.38	73.15	4656	1.44	284.40	24860	0.02	4.03	549	0.003	0.64	40	0.02	4.55	209	0.01	2.43	64
12	Delhi	0.00028	0.05	6	0.06	11.85	760	0.00001	0.0020	1	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
	TOTAL	389.92	75059.67	4335972	433.44	85604.40	4919891	187.92	37866.30	1783192	261.97	55669.27	2134458	266.05	60526.38	2248725	300.35	72834.88	2513143

State-wise details of production and procurement of Wheat

Production and Procurement of Wheat													
Fig. in LMT													
S.N.	STATES/ UTs	RMS 2020-21		RMS 2021-22		RMS 2022-23		RMS 2023-24		RMS 2024-25		RMS 2025-26	
		Production	Procurement	Production	Procurement	Production	Procurement	Production	Procurement	Production	Procurement	Production#	Procurement
1	Telangana	0.09	0.00	0.16	0.00	0.14	0.00	0.00	0.00	0.07	0.00	0.05	0.00
2	Assam	0.14	0.00	0.13	0.00	0.11	0.00	0.12	0.00	0.13	0.00	0.13	0.00
3	Bihar	55.80	0.05	61.50	4.56	62.24	0.03	65.06	0.01	71.68	0.10	71.89	0.18
4	Chhattisgarh	1.15	0.00	2.48	0.00	1.92	0.00	1.90	0.00	1.81	0.00	2.35	0.00
5	Gujarat	33.27	0.77	32.59	1.71	33.34	0.00	34.64	0.00	37.73	0.00	38.67	0.04
6	Haryana	118.76	74.00	123.94	84.93	104.47	41.86	109.29	63.17	111.91	71.50	114.00	71.43
7	H.P.	5.63	0.03	5.70	0.13	5.49	0.03	5.92	0.03	7.88	0.03	6.51	0.03
8	J&K	4.88	0.00	4.84	0.24	5.84	0.00	5.87	0.00	5.87	0.00	5.87	0.00
9	Jharkhand	4.39	0.00	5.44	0.00	5.19	0.00	4.39	0.00	4.81	0.00	5.50	0.00
10	Karnataka	1.80	0.00	2.62	0.00	2.12	0.00	2.00	0.00	1.90	0.00	2.05	0.00
11	M.P.	196.07	129.42	181.82	128.16	229.78	46.04	227.30	70.97	225.81	48.39	245.09	77.74
12	Maharashtra	17.94	0.00	20.71	0.01	21.44	0.00	23.74	0.00	19.88	0.00	22.86	0.00
13	Odisha	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
14	Punjab	176.16	127.14	171.86	132.22	148.61	96.45	167.83	121.12	177.37	124.56	179.93	119.19
11	Rajasthan	109.16	22.25	110.35	23.40	100.96	0.10	106.36	4.38	97.00	12.06	112.75	21.37
16	UP	338.16	35.77	355.07	56.41	339.50	3.36	336.10	2.20	353.40	9.31	356.53	10.27
17	Uttarakhand	9.04	0.38	9.55	1.44	8.63	0.02	8.31	0.00	8.69	0.02	8.56	0.005
18	West Bengal	5.10	0.00	5.95	0.00	6.56	0.00	5.57	0.00	5.93	0.00	5.68	0.00
19	Others	1.06	0.11	1.14	0.23	1.08	0.03	1.14	0.09	1.05	0.08	1.02	0.09
TOTAL		1078.61	389.92	1095.86	433.44	1077.42	187.92	1105.54	261.97	1132.92	266.05	1179.45	300.35

† As per Final Estimates of Production of foodgrains during 2024-25, published by MoA&FD

Other states were Chandigarh, Delhi, Puducherry and NEF.

State-wise details of production and procurement of Rice

Production and Procurement in terms of Rice for Central Pool													
Fig in LMT													
S.No.	STATES/ UTs	KMS 2020-21		KMS 2021-22		KMS 2022-23		KMS 2023-24		KMS 2024-25		KMS 2025-26	
		Prod.	Proc.	Prod.	Proc.	Prod.	Proc.	Prod.	Proc.	Prod.	Proc.	Prod. *	Proc.\$
1	A.P.	78.83	56.66	77.64	44.61	79.42	27.55	73.42	20.39	81.59	25.60	52.92	27.38
2	Telangana	102.17	95.25	124.10	73.94	158.77	88.35	168.74	63.86	174.46	71.00	96.35	35.96
3	Assam	52.15	1.42	43.82	3.79	56.24	4.01	55.39	2.64	49.01	5.70	39.35	1.02
4	Bihar	67.47	23.84	77.17	30.09	70.23	28.17	79.02	20.63	83.02	26.28	82.49	16.88
5	Chattisgarh	71.61	47.62	80.22	61.65	98.12	58.65	97.03	76.54	103.68	78.00	89.17	73.00
6	Gujarat	21.46	0.74	21.01	0.82	23.96	1.18	24.07	0.57	24.45	0.24	22.26	0.24
7	Haryana	44.25	37.89	46.18	37.06	51.09	39.77	59.76	39.49	60.60	36.17	63.71	35.96
8	H.P.	1.4	0	1.68	0.19	1.31	0.09	1.73	0.15	1.42	0.18	1.48	0.14
9	Jharkhand	27.53	4.28	29.30	5.12	14.94	1.17	15.16	0.50	27.83	1.40	31.77	0.71
10	J&K	5.81	0.26	4.93	0.27	0.00	0.22	6.41	0.16	6.41	0.19		0.20
11	Karnataka	42.92	1.38	43.18	1.46	42.80	0.14	31.27	0.00	39.49	0.00	30.56	0.03
12	Kerala	6.34	5.2	4.87	5.09	5.96	4.97	4.98	3.80	5.16	3.90	1.06	0.77
13	M.P.	44.14	24.97	48.15	30.70	70.22	31.02	72.40	28.25	91.09	29.09	97.11	29.00
14	Maharashtra	32.92	12.72	35.98	12.27	38.99	12.38	39.00	7.80	38.67	10.67	35.96	5.66
15	Odisha	88.1	52.58	92.91	48.30	82.50	53.83	84.74	48.20	95.27	57.88	84.54	37.73
16	Punjab	127.84	135.89	128.85	125.48	129.91	122.01	143.56	124.14	143.61	116.13	136.67	104.86
17	Rajasthan	6.34	0	4.79	0.05	5.77	0.00	7.46	0.00	9.18	0.00	9.16	0.00
18	Tamilnadu	68.81	30.53	79.07	18.76	75.57	23.01	67.99	23.77	70.94	32.63	27.89	13.87
19	U.P.	155.2	44.78	152.72	43.91	161.43	43.89	159.90	36.05	207.59	38.66	194.10	39.00
20	Uttarakhand	7.15	7.18	7.16	7.74	6.34	6.00	6.44	4.89	5.86	4.51	5.19	5.00
21	WB	135.24	18.9	167.29	24.01	154.84	21.82	156.87	16.79	160.19	19.91	118.54	13.05
22	Others	56.00	0.36	23.69	0.57	29.13	0.43	22.91	0.39	22.32	0.43	24.76	0.17
Total		1243.68	602.45	1294.71	575.88	1357.55	568.66	1378.25	519.01	1501.84	558.57	1245.04	440.63
* As per first Advance Estimates during 2025-26, published by MoA&FW.													
§ KMS 2025-26 is under progress. Data up to 15.02.2026.													

Capacity completed and capacity in progress under Central Sector Scheme (from 2017- 2025) in North East and other than North East

Central Sector Scheme (from 2017-25)

North East

Total capacity planned during Central Sector Scheme: 1,05,890 MT

Total no. of approved projects : 15 Nos. (12 completed, 02 in progress)

• **Capacity completed under CSS in North East**

Sl. No	Year	No. of projects	Cap. (MT)	State	Location	Capacity (MT)
i.	FY 2017-18	2	7930	Nagaland	Kohima	4590
				Arunachal Pradesh	Bomdila	3340
ii.	FY 2018-19	3	17100	Manipur	Thoubal	2500
					Imphal East	10000
					Bishnupur	4600
iii.	FY 2019-20	1	2500	Manipur	Churachandpur	2500
iv.	FY 2020-21	Nil	Nil			
v.	FY 2021-22	1	20000	Assam	Jonai (Dhemaji)	20000
vi.	FY 2022-23	3	8900	Arunachal Pradesh	Aalo	1670
				Manipur	Tamenglong	4730
				Meghalaya	Baghmara	2500
vii.	FY 2023-24	1	1120	Arunachal Pradesh	Roing	1120
viii.	FY 2024-25	-	-	-	-	-
ix.	FY 2025-26	1	15,000	Assam	Kokrajhar	15000
	Total	12	72,550			

• **Capacity in progress under CSS in North East**

Sl. No	Status	No. of projects	Capacity (MT)	State	Location	Capacity (MT)
1.	Work in Progress*	2	30,000	Assam	Silchar	20000
				Mizoram	Sairang	10000

*The project of construction of 3340 MT capacity godown at Champai, Mizoram has been abandoned.

Other Than North East

Total capacity planned during Central Sector Scheme : 54,760 MT

Total no. of approved projects : 09 Nos. (08 completed, 01 in progress)

- **Capacity completed in Other than North East**

Sl. No	Year	No. Of Projects	Capacity (MT)	State	Location	Capacity (MT)
i.	FY 2018-19	3	18,340	Kerala	West Hill	10000
					Angadipuram	5000
				Himachal Pradesh	Kangra	3340
ii.	FY 2022-23	1	2240	Himachal Pradesh	Palampur	2240
iii.	FY 2023-24	1	640	Himachal Pradesh	Recongpeo	640
iv	FY 2024-25	1	10,000	Jharkhand	Podaiyahat	10,000
v	FY 2025-26	2	20,200	Jharkhand	Dumka Ph-II	10,200
				Jharkhand	Itkhor	10,000
	Total	8	51,420			

- **Capacity in progress under CSS in Other Than North East**

Sl. No	Status	No. Of Projects	Capacity (MT)	State	Location	Capacity (MT)
1.	Work in progress	1	3,340	Himachal Pradesh	Mandi	3340

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2025-2026) HELD ON FRIDAY, 27TH FEBRUARY, 2026

The Committee sat from 1330 hrs. to 1600 hrs. in Committee Room No. 3, Extension to Parliament House Annexe, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

Members

Lok Sabha

2. Smt. Malvika Devi
3. Shri Manish Jaiswal
4. Shri Manoj Kumar
5. Shri Neeraj Maurya
6. Shri Ashok Kumar Rawat
7. Shri Rao Rajendra Singh
8. Shri Bajrang Manohar Sonwane
9. Dr. Indra Hang Subba
10. Shri Rajmohan Unnithan

Rajya Sabha

11. Smt. Sumitra Balmik
12. Shri Baburam Nishad
13. Shri Arun Singh
14. Shri Sat Paul Sharma

SECRETARIAT

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

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in connection with examination of the Demands for Grants (2026-27).

**Representatives of the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Food and Public Distribution)**

Sl. No.	Name	Designation
1.	Shri Sanjeev Chopra	Secretary, (F &PD)
2.	Shri Sanjiv Shankar	AS & FA, DFPD
3.	Shri Rabindra Kumar Agarwal	CMD, FCI
4.	Shri Hanish Chhabra	Joint Secretary (Admn., CVO & IC), DFPD
5.	Smt. Vanita Rattan Sharma	ED (Finance), FCI
6.	Shri Ashutosh Joshi	ED (Personnel/Sales), FCI
7.	Smt. Hema Jaiswal	ED(IT), FCI
8.	Shri Lokesh Kumar Sharma	ED (Coordination/Engineering), FCI
9.	Dr. Ajit Kumar Sinha	ED (S&C), FCI
10.	Shri Daljeet Singh	ED (Procurement/IRL), FCI
11.	Shri A.S. Arunachalam	ED(Stocks/QC), FCI
12.	Shri Niraj Priyadarshi	Director (Finance), CWC
13.	Shri B. Nirmal	Group General Manager (Commercial), CWC
14.	Shri Mateshwari Prasad Mishra	Director
15.	Ms. Priya Jacob	Director

[The witnesses were then called in.]

3. Thereafter, the representatives of the Department of Food and Public Distribution were called to depose before the Committee, in connection with the examination of Demands for Grants (2026-27). The Hon'ble Chairperson then welcomed the representatives of the Department of Food and Public Distribution to the sitting and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. The Hon'ble Chairperson in her welcoming remarks requested the witnesses to elaborate on various issues such as major aspect of the budget 2026-27 w.r.t Department of Food and Public Distribution, details of major programme/schemes to be implemented by the Department during the year 2026-27 such as Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), Assistance for transportation and FPS dealers' margin under NFSA, sugar sector schemes, storage and godowns, Modernization and Reforms through Technology in Public Distribution System (SMART-PDS), progress made so far in connection with "Mission for Aatmanirbharta in edible oils" etc.

5. The representatives of Department of Food and Public Distribution with the permission of Chairperson made a power point presentation highlighting major functions of the Department, scheme-wise budget for FY 2024-25, 2025-26 and proposed 2026-27, Food Subsidy Schemes, Reforms in procurement operations, Grading of Procurement Centres-PCSAP, Policy Initiatives in Millet Procurement & Distribution, SMART Warehousing, Depot Darpan Portal, AI-Driven Innovations in Storage Systems etc.

6. The Representatives also briefed the Committee on various aspects of the Demands for Grants (2026-27) of the Department and highlighted various initiatives taken by them concerning the Department of Food and Public Distribution. Besides, the matters such as Reforms in the Public Distribution System (PDS): ONORC, Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS), SARTHAK PDS, Central Bank Digital Currency (CBDC) etc. were also discussed.

7. The Members then sought certain clarifications on the issues related to the Demands for Grants (2026-27) of the Department regarding budgetary allocations for 2026-27, strengthening of PDS Operations, rice fortification etc.

8. The Representatives, Department of Food and Public Distribution replied to some of the queries. The Chairperson thanked the Secretary and other officials of the Department for appearing before the Committee for providing valuable information and also directed the Department to furnish written replies to the queries in respect of which the information was not readily available with them at the earliest.

9. The evidence was concluded.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (2025-2026) HELD ON THURSDAY, 12TH MARCH, 2026

The Committee sat from 1600 hrs. to 1630 hrs. in Committee Room No. 2, Extension to PHA, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

Members

Lok Sabha

2. Smt. Malvika Devi
3. Shri Manish Jaiswal
4. Shri Manoj Kumar
5. Shri Sunil Kumar
6. Shri Bharat Singh Kushwah
7. Shri Bastipati Nagaraju
8. Shri Haribhai Patel
9. Shri Rao Rajendra Singh
10. Shri Ujjwal Raman Singh
11. Shri Bajrang Manohar Sonwane
12. Dr. Indra Hang Subba
13. Shri Rajmohan Unnithan

Rajya Sabha

14. Smt. Sumitra Balmik
15. Shri Prakash Chik Baraik
16. Shri Mokariya Rambhai
17. Smt. Ranjeet Ranjan
18. Shri Arun Singh
19. Shri Ryaga Krishnaiah
20. Shri Sat Paul Sharma
21. Shri Chowdry Mohammad Ramzan

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) Draft Report on Demand for Grants (2026-27) 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 during ongoing session.

The Committee then adjourned.

xxxx Matter does not relate to the Report

OBSERVATIONS/ RECOMMENDATIONS OF THE COMMITTEE

Sl.No.	Para No.	Recommendation
1	2.19	<p>The Committee note that total Budget allocated to the Department of Food & Public Distribution is Rs. 285047.20 crore for the year 2026-27 which includes Rs. 235024.58 crore for Revenue section and Rs. 50022.62 crore under Capital section. Budget Estimates (BE) for 2026-27 have been kept almost at the level of Revised Estimates (RE) 2025-26 i.e. Rs 285047.65 Cr. As informed, large share of this budget support is for PMGKAY. The Committee further note that, Actual Expenditure (AE) under the scheme 'Food subsidy to FCI under PMGKAY' for the year 2025-26 has been Rs 1,20,712.00 Cr till 17.02.2026 against RE (2025-26) of Rs. 1,53,834.55 i.e. 78.47%. The reason furnished is that the funds have been released upto Feb 2026 as allocated in BE 25-26. Funds amount to Rs 8,368.90 crore is under submission for release. Remaining funds will be utilized in March 26 on receipt of MoF approval.</p> <p>In this regard, the Committee observe that the near status-quo allocation in BE for the year 2026-27 in comparison of RE 2025-26 indicates fiscal continuity while the actual expenditure yet to match the allocation under RE 2025-26. The Committee, therefore, recommend the Department of Food and Public Distribution to ensure realistic budgeting based on actual expenditure trends by adopting improved forecasting and expenditure planning while preparing future budget estimates. The Committee also underscores the importance of robust oversight mechanisms and continuous review processes to ensure effective implementation and sustained improvement across all schemes and projects.</p> <p style="text-align: right;">(Recommendation No.1)</p>
2	2.20	<p>The Committee note that the Budget Estimates (BE) for Grant-in-Aid to North Eastern Areas (2552) was decreased to Rs. 714 Cr at RE 2025-26 which has now further decreased to Rs. 589.66 crore at BR 2026-27. Similarly Grants-in-aid to Union Territory Governments (3602) was reduced from Rs. 233.00 crore at BE 20205-26 to Rs. 168.42 Cr at RE 205-26 and further kept at Rs. 136.17 Cr at BE 2026-27. The Department explained the reason that the budget is reduced because the pending payments from previous years, including those for Pradhan Mantri Garib Kalyan Anna Yojana and the Atma Nirbhar Bharat Package launched during the COVID-19 period, have</p>

		<p>decreased due to the Department's efforts. The Committee feel that the Department should keep North East Areas and Union Territories on priority and appropriate the Grant-in-aid be allocated for them. The Committee, therefore, recommend that the Department should closely monitor the adequacy of the reduced allocation and ensure timely release of grants and periodic reassessment of fund requirements so that the implementation of food security programmes in States specially in North Eastern Areas and Union Territories is not adversely affected and any emerging requirement is met through supplementary provisions or re-appropriation at appropriate stages.</p> <p style="text-align: right;">(Recommendation No.2)</p>
3	3.27	<p>The Committee note that the procurement policy of the Government is guided by the twin objectives of ensuring remunerative Minimum Support Price (MSP) to farmers and making foodgrains available to vulnerable sections at affordable prices, while also maintaining operational and strategic reserves for national food security. The Committee appreciate the reforms undertaken in procurement operations, particularly the end-to-end digitization of the procurement process, biometric authentication in most States, integration of State Procurement Portals with the Central Food Grains Procurement Portal (CFPP) and implementation of "One Nation, One MSP through DBT", under which MSP payments are preferably credited to Aadhaar-linked bank accounts within 48 hours. The Committee observe that despite expansion of DCP, 9 and 6 States are still depend on the Centralized (Non-DCP) system for Paddy/rice and wheat respectively. The Committee, therefore, recommend that the Government intensify efforts to expand decentralized procurement to more States and regions to widen MSP coverage to farmers in order to fulfil its objective.</p> <p style="text-align: right;">(Recommendation No.3)</p>
4	3.28	<p>The Committee note that since 2022-23 the procurement of wheat and rice has been less than 30% of the total production. Moreover, actual procurement of wheat has been 76.71%, 71.35% and 87.29% of the estimate for the years 2023-24, 2024-25 and 2025-26 respectively. Similarly, the actual procurement of rice has been less than target since 2022-23. The Committee further note that during Karif Marketing Season (KMS) 2024-25, the procurement of rice from the states of</p>

		<p>Andhra Pradesh, Karnataka and Punjab has been 25.60 LMT, 0.003LMT and 116.13 LMT against the target of 35.00LMT, 5.29LMT and 124.00LMT respectively. Similarly, during Rabi Marketing Season (RMS) 2025-26, the procurement of wheat has been less than the target in the states of Bihar, Gujarat, Punjab and Uttar Pradesh. The reason furnished by the Department is that any fluctuation in estimated production and actual production results in variation in procurement. Procurement depends on multiple factors like Production, Market Surplus, MSP, Prevailing Market Rates, Demand Supply situation and participation of Private Traders, etc. The Committee are also informed that the Procurement estimate of food grains is planned for Kharif Crops in the month of July/August every year, while the same for Rabi Crops is planned in the month of February/March every year.</p> <p>In this regard, the Committee recommend the Department to strengthen its procurement planning and coordination with States to minimize the gap between estimated and actual procurement of wheat and rice. While noting the Department's submission that procurement levels are influenced by factors such as production fluctuations, market surplus, MSP, prevailing market prices, demand–supply conditions and participation of private traders, the Committee are concerned that actual procurement has consistently remained below estimates in recent years and below targets in several States. The Committee, therefore, urge the Department to review the methodology used for estimating procurement requirements, enhance real-time monitoring of production and market arrivals, and work closely with State Governments—particularly in States where procurement has significantly fallen short of targets—to ensure that procurement operations are more realistic, responsive and effective. The Committee would like to be apprised of the corrective measures taken in this regard.</p> <p style="text-align: right;">(Recommendation No. 4)</p>
5	3.40	<p>The Committee note that the during 2025-26, the actual utilization of the funds under the Centrally Sponsored Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) has been at Rs. 23.18 crore against Rs 51.00 crore at RE 2025-26. The reason for decrease in budget allocation during 2025-26 at RE stage, the Department informed that Scheme for Modernization and Reforms through Technology in Public Distribution System</p>

		<p>(SMART-PDS)” has to be onboarded on SNA SPARSH platform w.e.f. 01.07.2025. Due to delay in onboarding and in submission of financial proposal by States/UTs, funds could not be released. The Committee understand that the Centrally Sponsored Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART-PDS) has been introduced to strengthen transparency, efficiency and accountability in the Public Distribution System through technology-driven reforms. The extension of the scheme for the period 2026–2031 under the umbrella programme Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS (SARTHAK-PDS) to strengthen backend interoperability, enhance data analytics, upgrade infrastructure and improve grievance redressal mechanisms is under consideration.</p> <p>The Committee emphasize that SMART-PDS is an important initiative aimed at strengthening transparency, efficiency and accountability in the Public Distribution System through technology-driven reforms. The Committee, therefore, recommend the Department to expedite the full-scale implementation of SMART-PDS across all States and Union Territories by strengthening coordination with State Governments, ensuring timely onboarding on digital financial platforms, and simplifying procedures for submission of financial proposals and release of funds. The Committee further note that the extension of the scheme for the period 2026–2031 under the umbrella programme SARTHAK-PDS is under consideration and urge the Government to expedite its finalization while incorporating measures to enhance backend interoperability, data analytics, infrastructure upgradation and grievance redressal mechanisms to ensure more efficient delivery of PDS services.</p> <p style="text-align: right;">(Recommendation No. 5)</p>
6	3.49	<p>The Committee note that the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) has emerged as a major food security intervention for the poor and vulnerable sections of the country by providing free foodgrains to beneficiaries covered under the National Food Security Act, 2013 (NFSA). The Committee also take note that the scheme involves a substantial financial commitment, with ₹2,05,250 crore allocated in BE 2024–25, ₹2,03,000 crore in BE 2025–26 and ₹2,27,429 crore in BE 2026–27, reflecting the Government’s continued emphasis on</p>

		<p>food security. The Committee observe that the scheme currently covers about 80.56 crore beneficiaries against the intended coverage of 81.35 crore persons, indicating that around 0.79 crore eligible persons are still yet to be identified and included under the scheme. The Committee are of the view that the continued reliance on 2011 Census data for determining NFSA coverage may lead to exclusion of newly eligible and vulnerable households due to population growth, migration and socio-economic changes. The Committee, therefore, recommend that the Government, in coordination with the State/UT Governments, undertake a comprehensive and time-bound exercise to update the beneficiary database, intensify identification of the remaining 0.79 crore eligible persons and periodically revise the coverage limits in line with updated population estimates.</p> <p style="text-align: right;">(Recommendation No. 6)</p>
7	3.53	<p>The Committee observe that FCI supplies foodgrains to various Ministries/Departments for implementation of welfare schemes, including the Sampoorna Grameen Rozgar Yojana (SGRY) and the Mid-Day Meal Scheme, on a payment basis and that delays in reimbursement by the concerned Ministries lead to accumulation of outstanding dues for FCI. The Committee note that in the case of the Ministry of Human Resource Development (now the Ministry of Education), outstanding dues under the Mid-Day Meal Scheme persist ₹205.93 crore as on 31.12.2025 (provisional) despite periodic payments.</p> <p>The Committee recommend that the Department should evolve a time-bound payment framework for all Ministries and Departments receiving foodgrains from FCI under welfare schemes, including mandatory timelines for reimbursement and periodic reconciliation of accounts. The Committee emphasize the importance of pursuing this matter at the highest levels, engaging with the concerned Ministry directly to resolve the matter in time bound manner.</p> <p style="text-align: right;">(Recommendation No. 7)</p>
8	4.10	<p>The Committee observe that a significant portion of the storage capacity with FCI continues to be hired (323.47 LMT) compared to owned covered capacity (147.20 LMT), reflecting the Corporation's strategy of meeting fluctuating storage requirements through flexible hiring arrangements under</p>

		<p>schemes such as the Private Entrepreneurs Guarantee (PEG) Scheme, Private Warehousing Scheme, and silo construction under PPP mode, while also constructing owned godowns at strategically viable locations through the Central Sector Scheme. The Committee are happy to note the initiative of the Department for installing mobile storage units on experimental basis at different locations mostly in the hilly States of Northeast, plus one in Chhattisgarh. The advantage of such units are their cost and time effectiveness.</p> <p>In regard to the storage capacity, the Committee recommend that the Department should formulate a time-bound and region-specific strategy to progressively enhance owned modern storage capacity, particularly in major procuring and high-consumption States, with priority given to the construction of scientifically designed warehouses and modern steel silos at strategically located logistics hubs with rail connectivity to minimize post-harvest losses and improve stock management efficiency. While appreciating the efforts of the Department, the Committee expect that the Department would continue to explore innovative and cost-effective storage solutions such as mobile storage units in geographically challenging regions and would bring it to implementation stage.</p> <p style="text-align: right;">(Recommendation No. 8)</p>
9	4.17	<p>The Committee note that steel silos provide a highly automated and scientific method of storing foodgrains in a monitored atmosphere, enabling bulk handling through mechanized loading and unloading systems. The Committee further note that silo-based storage requires only about one-third of the land area compared to conventional storage facilities and facilitates efficient bulk movement of foodgrains through railway siding infrastructure, thereby reducing handling time and transportation costs. The Committee recommend that the pace of expansion of silo capacity needs to be further accelerated in order to gradually reduce dependence on conventional storage methods and minimize post-harvest losses. The Committee opined that the Department should prepare a comprehensive and time-bound roadmap for expanding modern silo storage infrastructure across major procuring and consuming States, with special emphasis on integrating silo facilities with railway networks and containerized bulk movement systems.</p>

		<p>The Committee also recommend that pilot projects for rice storage in silos be expeditiously implemented and evaluated so that the benefits of modern storage technology can be extended beyond wheat to other foodgrains.</p> <p style="text-align: right;">(Recommendation No. 9)</p>
10	5.18	<p>The Committee note that the Department of Food and Public Distribution has undertaken several advanced technological interventions for modernizing the management of foodgrains and strengthening the Public Distribution System (PDS) through the introduction of digital platforms such as Enterprise Resource Planning (ERP) under SMART-PDS, the Anna Sahayata Holistic AI Solution (ASHA), the Warehouse Inventory Network & Governing System (WINGS) and Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS (SARTHAK PDS) which is an umbrella scheme integrating Assistance for intra-State movement & handling of foodgrains and FPS dealer margins (NFSA) and Technology-driven PDS reforms Strengthens implementation of NFSA, 2013. The Committee also note that total SMART PDS Outlay for 5 years is ₹889.88 Crore (proposed) out of which the Central Share is ₹813.08 crore and State Share is ₹76.80 crore. Budgetary allocation for Year 1 has been kept at ₹194 Cr (as per SARTHAK-PDS first-year financial planning). Further, the consolidated budget for Module Development and Rollout of all the components of ASHA has been kept at Rs.120 cr for five years with Rs.30 allocation for year1.</p> <p>While appreciating the technology and AI driven interventions in the system, the Committee recommend that the Department of Food and Public Distribution ensure the time-bound and coordinated implementation of technological initiatives under SMART-PDS, including the deployment of ERP systems, the Anna Sahayata Holistic AI Solution (ASHA), and the Warehouse Inventory Network & Governing System (WINGS). The Department should also ensure effective operationalization of the Scheme for Assistance in Ration Transport and Handling – Income with Automation in PDS (SARTHAK PDS) so that the integration of intra-State movement and handling assistance, FPS dealer margins, and technology-driven reforms strengthens the implementation of the National Food Security Act, 2013.</p> <p style="text-align: right;">(Recommendation No. 10)</p>

11	5.19	<p>The Committee appreciate the initiative taken by the Food Corporation of India through the development of the FCI Depot Darpan Portal as a digital mechanism for systematic monitoring and evaluation of depot infrastructure and operational efficiency. The portal, with its star-rating system, structured self-assessment framework, and multi-layered verification process, has the potential to significantly enhance transparency, accountability, and performance benchmarking across FCI-owned and hired depots. However, the Committee note that the portal presently does not include provisions for predictive analysis, which could further strengthen planning and preventive maintenance of storage infrastructure. The Committee, therefore, recommend that the Department further strengthen the Depot Darpan Portal by incorporating predictive analytics and data-driven decision support systems to identify infrastructure deficiencies and forecast maintenance requirements. The star-rating results generated through the portal should be directly linked with time-bound action plans for infrastructure upgradation and allocation of maintenance funds so that depots graded below acceptable standards are improved expeditiously.</p> <p style="text-align: right;">(Recommendation No. 11)</p>
12	5.22	<p>The Committee note that the Department of Food & Public Distribution (DFPD) has explored the use of Central Bank Digital Currency (CBDC) – Digital Food Coupons as a pilot initiative aiming to provide secure, programmable, purpose-bound digital tokens that can be redeemed only for foodgrains at authorized Fair Price Shops (FPSs) ensuring leakage reduction, real-time subsidy tracking and instant transfer of funds for PDS.</p> <p>The Committee understand that separate budgetary funds have not been allocated for the CBDC pilot project, as the Department intends to utilize the existing food subsidy outlay under PMGKAY for its implementation.</p> <p>The Committee are happy to note that the Department is taking proactive measures in bringing innovations in making the system easy for the beneficiaries and recommend the Department to evaluate the outcome of the scheme and try to rollout CBDC-based digital food coupons in other parts of the country, and prepare a roadmap for nationwide implementation.</p>

		<p>Further, dedicated budgeting should be done to scale up the CBDC mechanism nationwide and to cover the costs of technological infrastructure, training, integration with FPSs, monitoring and grievance redressal etc.</p> <p style="text-align: right;">(Recommendation No. 12)</p>
13	6.26	<p>The Committee note that the Ethanol Blended Petrol (EBP) Programme is a key initiative of the Government to reduce crude oil import dependency, conserve foreign exchange, lower carbon emissions and provide additional income to sugarcane farmers. Under this programme, the Government has set a 20% ethanol blending target with petrol by Ethanol Supply Year (ESY) 2025-26, requiring about 1,350 crore litres of ethanol, with a production capacity of 1,700 crore litres assuming 80% plant efficiency. The Committee commend the progress made under the Ethanol Blended Petrol (EBP) Programme, particularly the achievement of a 19.98% ethanol blending level as on 31.01.2026 against the targeted 20% blending by Ethanol Supply Year (ESY) 2025–26.</p> <p>The Committee note that Budget Estimate for FY 2026-27 under the scheme for extending financial assistance to sugar Mills for enhancement and augmentation of ethanol production capacity is Rs. 600 crore against the tentative demand of Rs. 1,000 crore from NABARD due to increased number of eligible sugar mills and distilleries. In this regard, the Committee, therefore, recommend the Department to provide adequate financial support for targeted policy interventions under the EBP programme which are critical to achieving energy security, environmental benefits, farmer welfare and a sustainable sugar-ethanol ecosystem.</p> <p style="text-align: right;">(Recommendation No. 13)</p>
14	7.16	<p>The Committee note that domestic production of edible oils remains insufficient to meet national demand, resulting in heavy reliance on imports of Crude Palm Oil, Refined Palm Oil, Crude Soybean Oil and Crude Sunflower Oil which accounted for 56–57% of total availability in recent years (2019-20 to 2023-24). The gap between demand and supply of edible oils is met through imports. On the matter of controlling continuous rise in edible oil prices over the past year, they have been apprised that Central Government had reduced the Basic Customs Duty on crude edible oils (crude soybean oil, crude palm oil and crude sunflower oil) from 20% to 10% with effect from 30th May</p>

		<p>2025. While acknowledging this step, the Committee are of the view that the continued demand–supply gap and price volatility in cooking oils require sustained policy attention.</p> <p>The Committee, therefore recommend the Department to adopt a coordinated approach for enhancing domestic production of oilseeds, implement prudent import-export policies and strengthening market stabilization mechanisms. Such measures would help reduce import dependence, achieve self-reliance in edible oils, protect consumer interests and ensure remunerative returns for farmers.</p> <p style="text-align: right;">(Recommendation No. 14)</p>
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