

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:274
ANSWERED ON:12.12.2005
FUNCTIONING OF PUBLIC DISTRIBUTION SYSTEM
Siddeswara Shri Gowdar Mallikarjunappa;Singh Shri Uday

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Public Distribution System (PDS) network is not functioning effectively in many States;
- (b) if so, whether the Union Government has initiated any study to ascertain the reasons for the failure of PDS in States;
- (c) if so, the findings of the said study;
- (d) whether the Union Government in consultation with the State Governments proposes to chalk out any scheme for the effective implementation of PDS; and
- (e) if so, the details thereof ?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d) & (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 274 DUE FOR ANSWER ON 12.12.2005 IN THE LOK SABHA.

(a), (b) & (c): No such instances of non-functioning of Public Distribution System Network has come to the notice of the Government. The Targetted Public Distribution System (TPDS) is operated under the joint responsibility of the Central and the State Governments. While the Central Government is responsible for procurement, storage and transportation of foodgrains upto the nearest Principal Distribution Centres of Food Corporation of India in each State/UT, the identification of BPL families, issue distinctive ration cards, issue of licenses to the Fair Price Shops (FPS) and distribution of foodgrains to the beneficiaries in an efficient and transparent manner is the responsibility of the State Governments. The System works through a vast network of more than 4.81 lakh FPSs spread all over the country. The Central and the State Governments work in close coordination in this behalf. In such a vast network of the PDS, the possibility of irregularities in some cases/places can not be ruled out.

The Programme Evaluation Organisation (PEO) of the Planning Commission has conducted the performance evaluation of the TPDS in 18 selected major States, the report of which has been brought out in August, 2005. The study report is based on the primary data collected from the field in the year 2001. The major findings of the study are as under:

- (i) The implementation of TPDS is plagued by targeting Errors, prevalence of ghost cards and unidentified households;
- (ii) Though the off-take per household has shown some improvement under TPDS, yet only about 57% of the BPL households are covered by it;
- (iii) The FPSs are generally not viable because of low annual turnover and they remain in business through leakages and diversions of subsidized grains;
- (iv) Leakages and diversions of subsidized grains are large and only about 42% of subsidized grains issued from the Central Pool reaches the target group;

(v) Over 36% of the budgetary subsidies on food is siphoned off the supply chain and another 21% reaches the APL households; and

(vi) The cost of income transfer to the poor through PDS is much higher than that through other modes;

(d) & (e): The reforms in TPDS to improve its efficiency, accountability and effectiveness is an ongoing process. Besides notification of the Public Distribution System (Control) Order, 2001, involvement of the Panchayati Raj Institutions, model citizen`s charter, visit of Area Officers and deputation of task force teams to check irregularities and to inspect and monitor the TPDS and the Antyodaya Anna Yojana, Conferences of State Food Secretaries, State Food Ministers, meeting with All India Fair Price Shops Dealers Federation and a meeting with all the Members of Parliament was organized for strengthening of TPDS. Regional Conferences are also being held with focus on the unique problems of the region and to facilitate strengthening of the TPDS in a manner, which may be relevant to the local environment.