

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

UNSTARRED QUESTION NO:2718  
ANSWERED ON:12.12.2005  
FOODGRAINS SCAM  
Singh Shri Prabhunath

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

referring to the reply given to Starred Question No. 512 dated May 02, 2005 regarding Foodgrains Scam and state:

- (a) whether the final report of the study by Programme Evaluation Organization has since been received;
- (b) if so, the details thereof; and
- (c) the action taken thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION ( DR. AKHILESH PRASAD SINGH )

(a): Yes, Sir.

(b): The performance evaluation of Targeted Public Distribution System (TPDS) conducted by Programme Evaluation Organization of the Planning Commission covered 60 Districts, 88 Blocks, 16 towns, 176 village panchayats, 240 FPSs and 3600 households spread over 18 States.

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;

The State-wise estimation of diversion of subsidized foodgrains as per the study report is annexed.

(c): The findings of the study are being discussed in Regional conferences on Strengthening the TPDS and the State Governments have been asked to take necessary action.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION NO.2718 DUE FOR ANSWER ON 12.12.2005 IN THE LOK SABHA.

(Percentage of off-take  
of BPL Quota)

State APL Households` Total food Food grains Food grains Share of the  
share in grains leakage Leakage leakage at FPS poor households  
subsidized (Col. 4+Col.5) through in Distribution

food grains      Ghost  
from TPDS      Cards

Andhra Pradesh	37.00	20.60	Neg.	20.60	42.40
Assam	12.00	41.68	33.35	8.33	46.32
Bihar	9.60	81.54	26.13	55.41	8.86
Gujarat	5.02	42.06	28.29	13.77	52.92
Haryana	11.00	55.65	Neg.	55.65	33.35
Himachal Pr.	14.48	31.44	31.03	0.41	54.07
Karnataka	27.50	43.40	25.67	17.73	29.10
Kerala	17.30	21.71	3.91	17.80	60.99
Madhya Pradesh	3.64	62.42	54.48	7.94	33.93
Maharashtra	8.03	26.53	10.78	15.75	65.44
Orissa	12.98	23.39	13.49	9.90	63.64
Punjab	13.00	76.50	Neg.	76.50	10.50
Rajasthan	3.00	31.95	Neg.	31.95	65.05
Tamil Nadu	49.91	15.66	9.26	6.40	34.44
Uttar Pradesh	6.22	61.27	22.30	38.97	32.52
West Bengal	7.75	19.15	13.85	5.30	73.10

All India 21.45 36.38 16.67 19.71 42.17