

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

RAJYA SABHA
UNSTARRED QUESTION NO.844
TO BE ANSWERED ON 3RD DECEMBER, 2024

RISING CIP OF SUBSIDISED FOOD GRAINS

844 DR. SIKANDER KUMAR:

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

- (a) whether the Fifteenth Finance Commission has considered the need to increase Central Issue Price (CIP) of subsidised food grains;
- (b) whether there is any mechanism for authentication of beneficiaries including disabled beneficiaries and failure of biometric authentication;
- (c) the number of beneficiaries provided with additional free-of-cost food grains under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) and fair price shop dealers margin under NFSA, 2013 in Himachal Pradesh for current year; and
- (d) whether any measures have been taken by Government to spread awareness about PMGKAY in Himachal Pradesh?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): The Fifteenth Finance Commission recommended that "any incremental growth in the economic cost of foodgrains will need to be partially offset by an increase in central issue prices of subsidized foodgrains, which is permissible under NFSA".

The National Food Security Act, 2013 (NFSA) provides that the entitlements of the persons belonging to the eligible households shall extend up to seventy-five per cent of the rural population and up to fifty per cent of the urban population. Under the Act, the foodgrains are distributed to beneficiaries at prices specified in Schedule I of the Act.

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Schedule I of the Act provides that eligible households shall be entitled to foodgrains under section 3 at the subsidized price not exceeding Rupees 3 per kg for rice, Rupees 2 per kg for wheat and Rupee 1 per kg for coarse grains for three years from the date of commencement of this Act; and thereafter, at such price, as may be fixed by the Central Government, from time to time, not exceeding,— (i) the minimum support price for wheat and coarse grains; and (ii) the derived minimum support price for rice, as the case may be. The Central Government reviewed the Central Issue Prices (CIP) of foodgrains from time to time and continued the same price till 31st December 2022.

The Central Government, to remove the financial burden of the poor beneficiaries and to ensure nationwide uniformity and effective implementation of the programme for support of the poor, decided to provide food grains free of cost to the Antyodaya Anna Yojana (AAY) households and Priority Households (PHH) beneficiaries, beginning from 1st January 2023 under the PMGKAY. The period of distribution of free-of-cost foodgrains has been extended for five years with effect from 1st January 2024.

(b): All States/UTs have been advised that no genuine beneficiary or household shall be denied from receiving the entitled quota of subsidized foodgrains only for want of an Aadhaar or due to failure of biometric/Aadhaar authentication due to network/connectivity/linking related issues, other technical reasons, or poor biometrics of the beneficiary. It is also advised that Aadhaar authentication of beneficiaries either biometrically or through Aadhaar-OTP (SMS on beneficiary mobile) through ePoS device should be the most preferred mode of authentication. Alternatively, PDS-OTP (SMS on beneficiary mobile), if available, may also be used to authenticate the transaction. If any State/UT devise any other methodology of authentication of beneficiaries during the distribution of foodgrains, then, the concerned State/UT may ensure that such distribution takes place in the presence of a responsible Govt. Officer/Employee for ensuring the delivery of food grains to the right persons/beneficiaries. It is also suggested that transaction receipt from the ePoS device must be given to all beneficiaries after the transaction including in the case of PMGKAY.

(c): The Act provides for coverage of 56.23% of the rural and 30.99% of the urban population, for receiving free-of-cost foodgrains, which at Census 2011 comes to 36.82 lakh persons. At present, the State Government of Himachal Pradesh has identified 29.61 lakh beneficiaries for receiving free-of-cost foodgrains under NFSA.

Norms of Central assistance towards fair price shop dealers' margin are specified in Food Security (Assistance to State Governments) Rules, 2015 (as amended from time to time). The norms of fair price shop dealers' margin applicable for all Special Category States including Himachal Pradesh are as follows:

Particulars	Norms of expenditure (Rupee per quintal)	
	Till 31 st March, 2022	W.e.f. 1 st April, 2022
Basic Margin	143	180
Additional margin for distribution of foodgrains through ePoS devices	17	26

State Governments are free to determine the actual rates, which can be higher than the norms specified in the rules. However, the Central assistance is limited to the rates specified in the Rules or the actual average rates for the State as a whole, at which the expenditure was actually incurred by the State Government, whichever is lower.

(d): Banners have been installed in Fair Price Shops nationwide including Himachal Pradesh to raise awareness about the PMGKAY initiative. Additionally, extensive radio jingles, TV advertisements, and social media campaigns have been conducted to inform people about their entitlement to free food grains under the scheme. The One Nation One Ration Card (ONORC) initiative has also been widely promoted through media campaigns, including targeted outreach in Himachal Pradesh
