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

RAJYA SABHA
UNSTARRED QUESTION NO. 2604
TO BE ANSWERED ON 11TH AUGUST, 2026

FINANCIAL VIABILITY OF FAIR PRICE SHOPS

2604 SHRI MAYANKKUMAR NAYAK:
SMT. MAYA NAROLIYA:
SHRI MADAN RATHORE:
SHRI NARESH BANSAL:
DR. DINESH SHARMA:
SHRI SHAMBHU SHARAN PATEL:
SHRI SADANAND MHALU SHET TANAVADE:

Will the Minister of ***Consumer Affairs, Food and Public Distribution*** be pleased to state:

(a) whether Government has taken cognizance of the financial viability of Fair Price Shops across the country, if so, the details thereof;

(b) the details of the commission or margin provided to the operators of Fair Price Shops for foodgrain distribution; and

(c) the efforts made by Government to increase the margin for operators of Fair Price Shops?

ANSWER
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a) & (c): Targeted Public Distribution System (TPDS) under National Food Security Act (NFSA), 2013 is operated under the joint responsibility of the Central and the State/ Union Territory (UT) Governments. Central Government is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the Food Corporation of India (FCI). The operational responsibilities for allocation of foodgrains within the States/ UTs, identification of eligible beneficiaries, issuance of ration cards to them, distribution of foodgrains to eligible beneficiaries under TPDS, issuance of license to Fair Price Shop dealers, supervision over and monitoring of functioning of FPSs etc. rest with the concerned State/ UT Governments.

As per sub-clause (7) of clause 9 of the TPDS (Control) Order, 2015, the State Government shall fix an amount as the fair price shop owner's margin, which shall be periodically reviewed for ensuring sustained viability of the fair price shop operations. Further, as per sub-clause (9) of Clause 9 of the TPDS (Control) Order, 2015, the State Government shall allow sale of commodities other than the foodgrains distributed under the TPDS at the fair price shop to improve the viability of the fair price shop operations.

Central Government has no role to play in determining the actual rate of fair price shop dealers' margin/ commission, etc. The Central Government only provides assistance to States/UTs for meeting the expenditure towards intra-State movement & handling of foodgrains and fair price shop dealers' margin under the NFSA in accordance with the provisions of Food Security (Assistance to State Governments) Rules, 2015, which inter-alia provides for norms of expenditure and pattern of central sharing.

In order to ensure viability of Fair Price Shops, the norms of FPS Dealers' margin have been enhanced w.e.f. 1 April 2026 from Rs. 90 per Quintal to Rs. 100 per Quintal for General Category States and Rs. 180 per Quintal to Rs. 195 per Quintal for Special Category States vide Notification dated 01.07.2026.

State Governments are free to fix the actual rates, which can be higher than the norms specified in the rules. Central assistance will be 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.

It has been the endeavor of the Government to improve the financial viability of Fair Price Shops (FPSs) by providing additional business avenues to FPS dealers and enhancing beneficiary experience through the provision of value-added services at FPS. To improve the financial viability of FPSs, the Government of India had requested all State/UT Governments to take up initiatives through FPSs such as providing banking services through tie-up with banks/corporate Banking Correspondents, banking and citizen-centric services of India Post Payment Bank (IPPB), Retail selling of small (5kg) LPG cylinders, Sale of other commodities/ general store items etc.

Department of Food and Public Distribution has collaborated with the Ministry of Skill Development & Entrepreneurship (MSDE) to enhance the capacity and confidence of Fair Price Shop (FPS) dealers by equipping them with essential entrepreneurship and business management skills. Under this collaboration, NIESBUD (an autonomous institute under MSDE) has developed a specialized training programme for FPS dealers covering digital and financial literacy, e-commerce, retail management, and basic nutrition.

To date, approximately 325 FPS dealers across nine States—Rajasthan, Uttar Pradesh, Gujarat, Telangana, Karnataka, Odisha, Madhya Pradesh, Tamil Nadu and Bihar—have undergone this training. As a result, 90 FPS outlets have been converted into Jan Poshan Kendras (JPKs) across five cities: Hyderabad, Ghaziabad, Jaipur, Ahmedabad and Indore, improving their commercial viability and community outreach.

*****