

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

LOK SABHA  
UNSTARRED QUESTION NO. 627  
TO BE ANSWERED ON 19<sup>TH</sup> DECEMBER, 2017  
CASH TRANSFER MODE OF FOOD SUBSIDY

627. SHRI DINESH TRIVEDI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

(a) the details of the Government's opinion on cash transfer mode of giving food subsidy under the National Food Security Act;

(b) whether the Direct Cash Transfer Model has worked well in the Union Territories of Chandigarh and Puducherry and Dadra and Nagar Haveli where it is in force and if so, the details thereof; and

(c) whether the Government will extend such a model under the NFS Act to other States and UTs, if so, the details thereof and if not, the reasons therefor?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SHRI C. R. CHAUDHARY)

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(a) to (c): As one of the measures for reforms in Targeted Public Distribution System, the National Food Security Act (NFSA) provides for introducing schemes such as Cash Transfer, Food Coupons or other schemes in order to ensure foodgrains entitlement of beneficiaries, in such area and manner as may be prescribed by the Central Government. In pursuance of this, the Government of India notified Cash Transfer of Food Subsidy Rules, 2015, which inter alia provides that the Cash Transfer Scheme can be taken up in identified areas, subject to fulfillment of certain conditions regarding preparedness to implement the scheme. Identified area is defined under the Rules as State or Union Territory or any specified area within the State or Union Territory for which there is a written consent of the State Government for implementation of the Scheme. It is therefore optional for States/UTs to implement the Cash Transfer Scheme or continue with distribution of foodgrains, as per provisions of NFSA, through Fair Price Shops.

Cash Transfer of Food Subsidy Scheme is being implemented satisfactorily in the Union Territories of Chandigarh, Puducherry and urban areas of Dadra & Nagar Haveli. Concurrent evaluation of the scheme in these UTs has inter alia indicated improvement in the implementation quality and growing preference of beneficiaries for Cash Transfer.

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