

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

LOK SABHA
UNSTARRED QUESTION NO.4822
TO BE ANSWERED ON 29TH MARCH, 2023

CONDITIONS OF FPSS

4822. SHRI SHYAM SINGH YADAV:

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

- (a) whether the Government is aware of the non-viable condition of the Fair Price Shops (FPSs);**
- (b) if so, the facts thereof;**
- (c) whether there is a proposal to grant them some honorarium per month;**
- (d) if so, whether the Government is contemplating to grant margin of at least Rs. 764/ per quintal for rice, wheat and sugar as recommended by the World Food Programme for ensuring minimum viability of FPSs;**
- (e) whether the Government is considering to allow handling loss during distribution and transit of foodgrains to FPSs; and**
- (f) if so, the details in this regard?**

A N S W E R
MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)

(a)&(b): Government of India has undertaken various technology-based interventions in the Public Distribution System (PDS) to improve transparency in operations, prevention of leakages, and diversion of food grains. Simultaneously, it has also 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, Government of India has requested all State/UT Governments to take up initiatives through FPSs such as providing Common Service Centre (CSC) services, 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.

(c) & (d): As per provisions of the National Food Security Act 2013, the Central Government provides assistance to States/UTs for meeting the expenditure towards fair price shop dealers margin in accordance with the provisions of Food Security (Assistance to State Government) Rules, 2015 as amended from time to time. With effect from 1st April, 2022, the rate of fair price shop dealers margin has been enhanced to Rs.90 per quintal for General category States and Rs.180 per quintal for Special category States. In addition to this, additional dealers margin at the rate of Rs.21 per quintal for General category States and Rs.26 per quintal for Special category States is provided for distribution of foodgrains through ePoS devices. The FPS Dealers Margin and Additional Dealers Margin for e-PoS devices are shared between Central and State/UT Government on 50:50 basis with General Category States and 75:25 basis with Special Category States/UTs.

(e) & (f): Responsibility of monitoring of Fair Price Shops and providing them with necessary support and infrastructure for proper storage of foodgrains to avoid any handling losses to the Fair Price Shop owners rests with the State Governments. Central Government does not provide compensation for handling losses of FPS dealers. This being a State matter, decision to compensate the FPS dealers in case of any handling losses rests with the State Government. However, the Central Government has issued advisory to all the State Governments to ensure that necessary steps are taken for improvement of infrastructure and storage facilities of FPSs to minimize handling losses incurred by Fair Price Shop owners during the process of distribution, so that no financial hardship is caused to them.
