

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

LOK SABHA
UNSTARRED QUESTION NO.3746
TO BE ANSWERED ON 18TH DECEMBER, 2024

SURVIVAL OF FAIR PRICE SHOPS

3746. PROF. SOUGATA RAY:

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 concerned about the survival of Fair Price Shops of the country;
- (b) the details of steps taken to rise the income of Fair Price Shop Dealers of the country;
- (c) whether the Government has any proposal to hike the commission of Fair Price Shops; and
- (d) the details of handling cost given to Fair Price Shop Dealers for rice, wheat and other cereals?

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

(a)& (b): Targeted Public Distribution System (TPDS) under the National Food Security Act, 2013 (NFSA) is operated under the joint responsibility of the Central and the State/UT Governments. The operational responsibility including issuance of licenses to Fair Price Shops (FPSs), supervision and monitoring of the functioning of Fair Price Shops etc., rest with the concerned State/UT Government.

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, 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.

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 shops to improve the viability of the fair price shop operations.

Further, a Jan Poshan Kendra pilot study is being conducted to improve viability of 60 FPSs across 4 cities, i.e. Hyderabad, Ghaziabad, Jaipur and Ahmedabad. The Government of India has undertaken this pilot study to enhance the financial viability of FPS dealers while focusing on improving nutritional outcomes of the beneficiaries.

Further, to address the skill development challenges, the department has imparted capacity building training through the Ministry of Skill Development & Entrepreneurship (MSDE) to boost the confidence of FPS owners and equip them with the essential entrepreneurship skills required for venturing into new business avenues.

(c) & (d): 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.

Central Government has no role to play in determining the actual rate of fair price shop dealers' margin and payment thereof to FPS dealers. The Central Government only provides the 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 was enhanced as per the details given below:

Category of States	Component of FPS margin	Pre-revised norms (Rate in rupee per quintal) (upto 31 st March, 2022)	Revised norms (Rate in rupee per quintal) (w.e.f. 1.4.2022)
General Category States/UTs	Transportation & handling	65	70
	FPS Dealers Margin	70	90
	Additional margin	17	21
Special category States/UTs	Transportation & handling	100	105
	FPS Dealers Margin	143	180
	Additional margin	17	26

However, the 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.

At present, no proposal for further enhancement of margin is under consideration by the Government.