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**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2012-13)**

FIFTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)**

THE NATIONAL FOOD SECURITY BILL, 2011

TWENTY SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

JANUARY, 2013/ PAUSA, 1934(Saka)

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THE NATIONAL FOOD SECURITY BILL, 2011

Presented to Hon'ble Speaker, Lok Sabha on 17.01.2013

Presented to Lok Sabha on -----

Laid in Rajya Sabha on -----



**LOK SABHA SECRETARIAT
NEW DELHI**

JANUARY, 2013/ PAUSA, 1934(Saka)

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PUBLIC DISTRIBUTION (2012-2013)**

Shri Vilas Muttemwar - Chairman

MEMBERS

Lok Sabha

2. Smt. Harsimrat Kaur Badal
3. Shri Shivraj Bhaiya
4. Shri Kantilal Bhuria
5. Shri Arvind Kumar Chaudhary
6. Shri Harishchandra Chavan
7. Shri Sanjay Dhotre
8. Shri Eknath M. Gaikwad
9. Shri Abdul Mannan Hossain
10. Shri Prataprao Ganpatrao Jadhav
11. Shri Sohan Potai
12. Shri Ponnamp Prabhakar
13. Shri C. Rajendran
14. Shri Purnmasi Ram
15. Shri Chandulal Sahu (Chandu Bhaiya)
16. Shri Adhi Sankar
17. Shri N. Chaluvarya Swamy
18. Shri Jagdish Thakor
19. Shri Laxman Tudu
20. Vacant
21. Vacant

Rajya Sabha

22. Dr. Bhushan Lal Jangde
23. Shri Lalming Liana
24. Dr. Bharatkumar Raut
25. Ms. Rekha
26. Dr. N. Janardhana Reddy
27. Dr. T.N. Seema
28. Shri Birender Singh
29. Shri Veer Singh
30. Shri Kaptan Singh Solanki
31. Vacant

SECRETARIAT

1. Shri P. K. Misra - Joint Secretary
2. Smt. Veena Sharma - Director
3. Shri Khakhai Zou - Under Secretary

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2012-13) having been authorized by the Committee to present the Report on their behalf present this Twenty Seventh Report (15th Lok Sabha) on 'The National Food Security Bill, 2011' relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The National Food Security Bill, 2011 as introduced in Lok Sabha on 22nd December, 2011 was referred by the Hon'ble Speaker, Lok Sabha under Rule 331 (E) (1) (b) of the Rules of Procedure and Conduct of Business in Lok Sabha on 5th January, 2012 to the Standing Committee for examination and report.

3. Considering the wide ramifications of the Bill, the Committee at their sitting held on 23rd January, 2012, *inter alia*, decided to invite views/suggestions of the general public and various stakeholders and also to take evidence of selected Central Ministries/Organizations/Individuals etc. besides the nodal Ministry i.e. the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) on the various provisions of the Bill.

4. In pursuance of the Committee's decision, besides seeking comments of selected Central Ministries and All State Governments/UT Administrations in the form of replies to a List of Points, a Press Release was issued through the Print and Electronic Media on 31st January, 2012 inviting the views/suggestions from the General Public/Organizations/Institutions/Experts etc. Replies were received from some Central Ministries and States Governments/UTs Administrations. The Committee also received about 1.5 lakh letters from individuals and several memoranda containing the views/suggestions of Organizations/Institutions etc. Based on the response from various stakeholders, the Committee took evidence of the selected Central Ministries/Organizations/Individuals including the Nodal Department i.e. the Department of Food and Public Distribution besides having interactions with several State Governments, as indicated in Appendix-II.

5. The Committee at their sittings held on 11th January, 2013 considered and adopted the Draft Report.

6. The Committee wish to express their thanks to the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) who tendered their evidence before the Committee and attended various sittings of the Committee when the representatives of other Central Ministries appeared before the Committee and gave their considered views. The Committee also wish to express their thanks to the representatives of various Central Ministries/State Governments and other organizations/individuals who furnished written information/views as well as those who appeared before the Committee and made available necessary information for consideration of the Committee, which was of great help to the Committee in arriving at conclusions.

7. The Committee were immensely benefited by the suggestions/contribution made by the Members of the Committee for which I express my sincere thanks to them.

8. The Committee would also like to place on record their deep sense of appreciation of the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

9. For the facility of reference and convenience, the observations/ recommendations of the Committee have been printed in bold in the body of the Report.

NEW DELHI; 11 January, 2013
21 Pausa, 1934 (Saka)

VILAS MUTTEMWAR
Chairman,
Standing Committee on Food, Consumer
Affairs and Public Distribution.

CHAPTER – I

INTRODUCTORY

A. BACKGROUND

Article 21 of the Constitution of India provides the right to life to all the citizens of India including the Right to Food. Further, Article 47 of the Constitution, inter alia, provides that the State shall regard raising the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties. The Universal Declaration of Human Rights and International Covenant on Economic, Social and Cultural Rights, to which India is a signatory, also cast responsibilities on all State parties to recognize the right of everyone to adequate food. Eradicating extreme poverty and hunger is one of the goals under the Millennium Development Goals of the United Nations.

1.2 In pursuance of the constitutional obligations and obligations under the international conventions, providing food security has been focus of the Government's planning and policy. Food security means availability of sufficient foodgrains to meet the domestic demand as well as access, at the individual level, to adequate quantities of food at affordable prices. Attainment of self-sufficiency in foodgrains production at the national level has been one of the major achievements of the country. In order to address the issue of food security at the household level, the Government is implementing Targeted Public Distribution System under which subsidized foodgrains is provided to the Below Poverty Line, including Antyodaya Anna Yojana, and above poverty line households. While the Below Poverty Line households under the Targeted Public Distribution System receive thirty-five kilograms foodgrains per family per month, the allocation to Above Poverty Line households depends upon availability of foodgrains in the Central pool. Allocations for other food based welfare schemes for women and children, natural disasters, etc., are also being made at subsidized rates.

1.3 Ensuring food security of the people, however, continues to be a challenge. The nutritional status of the population, and especially of women and children, also needs to be improved to enhance the quality of human resource of the country.

1.4 In view of the facts stated above, the then President of India in her address to the Members of both the Houses of Parliament assembled together on 4th June, 2009, inter alia, announced that a new Act - the National Food Security Act - will be enacted to provide a statutory basis for a framework which assures food security for all and entitle by law, every BPL family to 25 kg per month of rice or wheat @ Rs. 3/kg. In pursuance to this, the National Food Security Bill, 2011 was introduced in the Lok Sabha on 22nd December, 2011 and the Hon'ble Speaker referred the Bill on 5th January, 2012 to the Standing Committee on Food, Consumer Affairs and Public Distribution for examination and report in terms of the Rule 331(E) of the Rules of Procedure and Conduct of Business in Lok Sabha.

1.5 The proposed legislation marks a paradigm shift in addressing the problem of food security – from the current welfare approach to a right based approach. About two thirds of the population will be entitled to receive subsidized foodgrains under Targeted Public Distribution System. It will also confer legal rights on women and children and other Special Groups such as destitute, homeless, disaster and emergency affected persons and persons living in starvation, to receive meal free of charge or at affordable price, as the case may be.

B. SALIENT FEATURES OF THE BILL

1.6 The salient features of the National Food Security Bill, 2011 are as under:-

a. **Objective:** To provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity.

b. **Coverage under the Targeted Public Distribution System (TPDS):** Upto 75% of the rural population (with at least 46% belonging to the priority households) and upto 50% of the urban population (with at least 28% belonging

to the priority households) are proposed to be covered under TPDS. Corresponding to the above all India coverage, State-wise distribution will be determined by the Central Government.

c. **Identification of Households:** Identification of priority and general households is to be done by the State Governments or such other agency, in accordance with guidelines for identification prescribed by the Central Government, provided that no household falling under exclusion criteria will be included either in the priority or general households.

d. **Entitlements and Prices under TPDS:** Priority households will be entitled to 7 kg. of foodgrains per person per month at prices not exceeding Rs. 3, Rs. 2 and Re.1 per kg. for rice, wheat, coarse grains, respectively and general households will be entitled to not less than 3 kg. of foodgrains per person at prices not exceeding 50% of the Minimum Support Price (MSP) for wheat and coarse grains and not exceeding 50% of derived MSP for rice.

e. **Entitlements for women and children:** There is a special focus in the Bill on nutritional support to women and children. Pregnant women and lactating mothers, besides being entitled to nutritious meals as per the prescribed nutritional norms, will also receive maternity benefit @ Rs. 1000/- per months for six months. Children in the age group of 6 months to 6 years will be entitled to take home ration or hot cooked meal as per the prescribed nutritional standards. Higher nutritional norms have been prescribed for children in the age group of 6 months to 6 years who are malnourished. Children in the lower and upper primary classes will be entitled to mid day meals as per the prescribed nutritional norms.

f. **Other entitlements:** National Food Security Bill (NFSB) contains provisions for meals, free of charge or at affordable prices, as the case may be, to special groups such as destitutes and homeless, as well as emergency and disaster affected persons and persons living in starvation. The Bill also provides that every State Government shall prepare and notify guidelines for prevention, identification and relief to cases of starvation. Foodgrains for these schemes, as well as schemes for women and children, will be provided by Central Govt. at prices specified for priority households in Schedule I of the Bill. Meals will be

provided in accordance with schemes, including cost sharing, to be prescribed by the Central Govt.

g. **Food Security Allowance:** The Central Government will provide funds to States/UTs in case of short supply of foodgrains from Central pool. In case of non-supply of foodgrains or meals to entitled persons, the concerned State/UT Governments will be required to provide such food security allowance as may be prescribed by the Central Government.

h. **Reforms in TPDS:** Central and State Governments should endeavour to progressively undertake reforms in TPDS, such as doorstep delivery of foodgrains, application of information and communication technology (ICT) including end to end computerisation, leveraging 'aadhaar' for unique identification of beneficiaries , diversification of commodities under TPDS, etc.

i. **Women Empowerment:** The eldest woman of eighteen years of age or above will be head of the household for issue of ration card, and if not available, the eldest male member is to be the head of the household.

j. **Grievance Redressal Mechanism:** An independent three-tier mechanism- District Grievance Redressal Officer (DGRO), State Food Commission and National Food Commission- has been proposed to redress grievances relating to delivery of entitlements and related issues. Besides, Central and State Governments will also be required to put in place an internal grievance redressal mechanism.

k. **Role of Local Authorities:** The Bill provides for role of local authorities (Panchayats, municipalities, etc.) in proper implementation of the Act in their respective areas. State Governments may also assign additional responsibilities to local authorities in implementation of TPDS or other schemes of Central and State Governments.

l. **Transparency and Accountability:** Provisions have also been made for disclosure of records relating to PDS, social audits and setting up of Vigilance Committees in order to ensure transparency and accountability.

m. **Special focus on vulnerable groups in remote, hilly and tribal areas:** The Bill provides that while implementing provisions of the Act and

scheme thereunder, special focus shall be given to the needs of vulnerable groups especially in remote areas, other areas which are difficult to access, hilly and tribal areas, for ensuring their food security.

n. **Enabling Provisions:** Provisions for revitalising agriculture, broad-basing procurement, encouraging decentralised procurement, augmentation of storage capacity, etc have been made for advancing food security. The Bill also contains provisions for access to safe and adequate drinking water and sanitation, health care, nutritional, health and educational support to adolescent girls and adequate pension for senior citizens, persons with disability and single women. Introduction of schemes for cash transfer, food coupons, among others, in areas and in the manner to be prescribed by the Central Government have also been included.

o. **Penalty:** The Bill provides for penalty to be imposed on public servants or authority, by the State and National Food Commission if found guilty of failing to comply with the relief recommended by the DGRO.

C. FOODGRAINS REQUIREMENT, PRODUCTION AND PROCUREMENT:

1.7 Excluding the requirements for Buffer and Open Market Sales Scheme (OMSS), total requirement of foodgrains, as per the Bill would be 61.55 million tons in 2012-13. The highest level of procurement of wheat and rice achieved in any year upto 2009-10 has been 59.5 million tons in 2008-09. In the year 2010-11, however, the procurement reached a record level of 62.53 million tons which is 34.2% of the production. Though the Long term trend in procurement has been lower, the average annual procurement as percentage of production during last four years has been above 30%. The average annual procurement of wheat and rice during the 11 year period of 2000-01 to 2010-11 has been 45.05 million tons, i.e. 27.4% of the average annual production. While the average annual procurement during 2000-01 to 2006-07 was 38.22 million tons i.e. 24.3% of the average production, it increased to 56.99 million tons during 2007-08 to 2010-11 i.e 32.2% of the production.

D. ADDITIONAL FINANCIAL IMPLICATION OF NATIONAL FOOD SECURITY BILL

(I) Central Government

1.8 Implication on Food Subsidy

- (i) The Department of Food and Public Distribution has informed the Committee that at present, the Department is making allocations of foodgrains based on the figures of population for the year 2000, taking household size as 5.5 and using 1993-94 poverty estimates. The allocations under the existing TPDS are being made by the Central Government to States/UTs on the accepted number of 6.52 crore BPL households (including 2.43 crore AAY households) based on 1993-94 poverty ratio applied on the population estimate for the year 2000 and 11.5 crore APL households. Accordingly, the quantum of food subsidy estimated for 2010-11 was Rs. 65,045 crores which is likely to increase to Rs. 77,637 crores during 2011-12 and further to Rs. 88,977 crores during 2012-13 (without taking into account carrying cost of stocks held in Central Pool, but not issued).
- (ii) The population figures for Census 2011 are now available. Using the population figures of 2011 census, household size of 5.3 (as per 2001 census) and poverty estimates of 1993-94, the quantum of subsidy for 2011-12 works out to be Rs. 95,787 crores which is likely to increase to Rs. 1,09,796 crores for the year 2012-13.
- (iii) As per the provisions of the National Food Security Bill (NFSB) the food subsidy for 2011-12 would have been Rs. 98,842 crores and will increase during 2012-13 to Rs. 1,12,205 crores. In this computation of food subsidy, the household size does not matter because the entitlement as per the NFSB is on individual basis and not based on family size. The percentage of population to be covered is also indicated in the NFSB and is independent of any poverty estimates to be indicated by the Planning Commission.
- (iv) As is clear from the aforesaid, there will be a marginal increase in the overall food subsidy bill because of the operationalization of the provisions of NFSB.

The additionality during 2012-13 works out to be Rs. 1,12,205 - Rs. 1,09,796 = Rs.2409 crores.

1.9 Other Direct Expenditure

- (i) The Department of Food and Public Distribution is also taking steps for modernization of TPDS, including computerization. The Department has launched a scheme for computerization of TPDS on cost sharing basis with States/UTs and the estimated share of Central Government is about Rs.490 crore over 2012 to 2017. This expenditure, however, is not directly attributable to NFSB.
- (ii) The expenditure on National Food Commission, estimated at Rs.6.0 crore per annum, will be borne by the Central Government.

(II) Expenditure to be borne by State Governments

1.10 State/UT Governments would be required to bear the expenditure on grievance redressal bodies at District and State levels proposed in the Bill, viz District Grievance Redressal Officer (DGRO) and State Food Commission. Expenditure for one State Food Commission is estimated at Rs. 4.0 crore per annum, whereas the estimated expenditure on one DGRO is Rs. 50.0 lakh per annum. State Governments will also be required to bear the expenditure on intra-State movement of foodgrains, handling and fair price shop dealers' margin, because these costs cannot be passed on to beneficiaries under the NFSB. The expenditure on this account, to be borne by State Govts., is estimated to be about Rs. 8,300 crore per annum, based on information received from States/UTs about the expenditure currently being incurred by them on these items.

(III) Expenditure to be shared between Central and State Governments

1.11 As per provisions of the Bill, expenditure on payment of maternity benefit to pregnant and lactating women is to be shared between Central and State Governments in accordance with schemes to be formulated. At the rate of Rs. 1,000 per month for 6 months, the scheme expenditure towards maternity benefits to 2.25 crore pregnant and

lactating women works out to be Rs. 14,512 crore per annum (including administrative cost). Though the Ministry of Women and Child Development is currently implementing a pilot scheme of maternity benefit - Indira Gandhi Matritva Sahayog Yojana, in 52 Districts, a new scheme will have to be launched to meet the benefits specified in the Bill. This expenditure would therefore be additional, except the existing allocation of Rs. 600 crore for the pilot scheme in 2011-12.

1.12 Similarly, expenditure on new schemes for providing meals to special groups (destitute, homeless, emergency & disaster affected persons and persons living in starvation) is also to be shared between Central and State Governments. Assuming that the size of this group is upto 5% of the priority population and assuming that cost of a meal is Rs. 10 per person, the total cost works out to around Rs. 8,920 crore per annum for providing, on an average, one meal a day to each person. This would also be a new item of expenditure.

1.13 In conclusion, the main items of additional annual expenditure which can be directly attributable to NFSB are summarized in the table below:

(Rs. in crore)

Items of Expenditure	Centre	State	To be shared between Centre and State*
Additional Food Subsidy 2012-13	2409	-	-
National Food Commission	6	-	-
District Grievance Redressal Officer(for 640 districts)	-	320	-
State Food Commission (for 35 States/UTs)	-	140	-
Expenditure on intra-State transportation of foodgrains, handling, dealer's margin etc	-	8,300	-
Meals to special groups	-	-	8,920
Maternity Benefit	-	-	13,912
Total	2415	8,760	22,832
	+ expenditure on publicity, social audit and evaluation studies, training and capacity building, strengthening of D/o F&PD etc.		
* Sharing pattern to be decided in the new schemes to be formulated			

E. PROCESS OF CONSULTATION HELD BY GOVERNMENT OF INDIA BEFORE INTRODUCTION OF THE BILL

1.14 As per the Demarcation of Responsibilities in Government of India, the subject matter comes under the purview of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution). The Department accordingly circulated a Concept Note on the proposed Food Security Law to all States/Union Territories and concerned Central Ministries on 05.06.2009 and 10.06.2009 and examined the responses received. The Department also held consultations with the State Food Secretaries, representatives of various Central Ministries, Planning Commission, experts and other stakeholders. The first consultation meeting with the State Food Secretaries was held on 10.06.2009. On the concept note, a meeting was held with representatives of Ministries of Rural Development (RD), Women and Child Development (WCD), Human Resource Development (HRD) and Planning Commission on 11.06.2009. Consultation with experts was held on 12.06.2009. The next round of discussion with representatives of Ministries of Agriculture, RD, Deptt.of Drinking Water Supply, HRD, WCD, Social Justice & Empowerment, Housing & Urban Poverty Alleviation (HUPA) and Planning Commission was held on 01.07.2009.

1.15 Since September, 2009, the NFSB has been under consideration of the Empowered Group of Ministers (EGoM) constituted to consider issues concerning procurement, management of foodgrains stocks, revision of central issue prices of foodgrains and the proposed law on food security. The matter was placed before the EGoM in its nine meetings held on 01.09.2009, 16.09.2009, 12.02.2010, 18.03.2010, 05.04.2010, 25.6.2010, 18.03.2011, 02.05.2011 and 11.07.2011.

1.16 The National Advisory Council (NAC) has also deliberated on the proposed law on Food Security, and following inputs have been received from them:

- (i) Recommendations of NAC finalized in its meeting held on 23.10.2010
- (ii) Note dated 21.01.2011 on the draft National Food Security Bill (NFSB) outlining the framework of the proposed Bill
- (iii) Explanatory Note dated 21.02.2011 on the draft NFSB

(iv) Draft National Food Security Bill dated 03.06.2011

(v) National Food Security Bill approved by the NAC in its meeting dated 22.06.2011

1.17 An Expert Committee (EC) was constituted by Prime Minister's Office under the Chairmanship of Dr. C. Rangarajan, Chairman, PM's Economic Advisory Council (EAC) on 16.11.2010 to examine the recommendations of NAC. The EC submitted its report to the Prime Minister on 07.01.2011.

1.18 Taking into consideration the inputs received from the NAC, recommendations of the Expert Committee, trends in production and procurement of foodgrains, views/comments received from the Planning Commission, Central Ministries/Departments, State/Union Territories (UTs) Governments and other stakeholders, a draft National Food Security Bill (NFSB) was prepared by this Department. Draft Bill was considered by the Empowered Group of Ministers (EGoM) in its meeting held on 11.07.2011. The EGoM directed that draft NFSB, with the modifications proposed in the supplementary note, be got vetted by the Legislative Department before the States and UTs are consulted, and thereafter, placed for consideration of the Cabinet. Accordingly, vetted draft was circulated to the States/UTs on 12.08.2011 and to the Central Ministries on 18.08.2011 for comments. It was also placed on the website of the Ministry on 09.09.2011 inviting comments/suggestions by 31.10.2011.

1.19 The draft Bill was modified based on comments/suggestions received and a draft note for the Cabinet on NFSB was circulated on 17.11.2011 for inter-Ministerial consultation, to the Planning Commission and Ministries/Departments of Expenditure, Agriculture & Cooperation, School Education and Literacy, Women & Child Development, Rural Development, Housing and Urban Poverty Alleviation, Health & Family Welfare, Home Affairs, Economic Affairs, Information Technology, Drinking Water & Sanitation, Panchayati Raj, Railways, Social Justice & Empowerment, Tribal Affairs, Water Resources, Consumer Affairs, Urban Development, Development of North Eastern Region, Legal Affairs and Legislative Department as well as to Unique Identification Authority of India (UIDAI) and National Informatics Centre (NIC), inviting

comments by 01.12.2011. Copies of the draft Bill were also sent to the National Commission for Scheduled Castes and National Commission for Scheduled Tribes for comments. Based on comments received, the National Food Security Bill was finalized, which was considered and approved by the Cabinet in its meeting held on 18.12.2011, for introduction in Parliament.

F. PROCESS OF CONSULTATION HELD BY THE COMMITTEE WHILE EXAMINING THE SAID LEGISLATION

1.20 The National Food Security Bill, 2011 (Appendix –I) was introduced in Lok Sabha on 22nd December, 2011 and was referred to the Standing Committee on Food, Consumer Affairs and Public Distribution on 5th January, 2012 by Hon'ble Speaker for examination and report to Parliament as per Rule 331 (E) (1) (b) of the 'Rules of Procedure and Conduct of Business in Lok Sabha'. The Committee accordingly, obtained written information on various issues provided in the Bill from the Nodal Ministry i.e. Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution). The preliminary meeting of the Committee was held on 23rd January, 2012 to decide the course of action in connection with the examination of the Bill. The Committee at the aforesaid sitting decided to invite the views of experts, organizations, individuals and other stakeholders through print and electronic media including the Lok Sabha TV. In response thereto, approximately 1.5 lakh memoranda including identical letters suggesting universal PDS were received which were scrutinized by the Committee Secretariat. The Committee also received response/suggestions from the sitting and Ex-Members of Parliament of both the Houses, social workers, representatives of various organizations, representatives of Women Organizations, Child Welfare Organizations, legal persons and researchers. Accordingly, selected experts/representatives of associations/individuals, Members of Parliament deposed before the Committee as per details given in Appendix II. The aforesaid experts and stakeholders raised serious reservations on some of the provisions of the Bill and suggested some modifications/amendments.

1.21 Since the entitlements under the Act are to be made by the Central Government under the Targeted Public Distribution System to be implemented by State Governments, the Committee decided to obtain views of the State Governments/UTs in the form of replies to a List of Points on the aforesaid Bill. The written views/suggestions of the State Governments of Andhra Pradesh, Bihar, Rajasthan, Uttar Pradesh, J&K, Sikkim, Pudducherry, Andoman & Nicobar Islands and NCT of Delhi, etc. were received. The Committee also held discussions with the State Governments of Meghalaya, Assam, Bihar, J&K, Odisha, Andhra Pradesh and Kerala during their Study Visits to these States.

1.22 The various Union Ministries of the Government of India viz. Rural Development, Social Justice and Empowerment, Panchayati Raj, Health and Family Welfare and Women and Child Development play a key role in protecting the interests of various vulnerable sections of the society like women, children and tribals. The Ministry of Agriculture has a major role in the enhancement of agriculture production in the country. The Ministry of Finance (Department of Expenditure) and (Department of Revenue) have a key role for looking into the financial aspect of the Bill. The Ministry of Railways have a vital role in the transportation of foodgrains and providing requisite rakes to streamline the movement of foodgrains. The Committee, therefore, held detailed deliberations with the aforesaid Ministries.

1.23 The Committee also heard the views of representatives of the World Food Programme (WFP), New Delhi, Food and Agriculture Organization (FAO), New Delhi, United Nations International Children Emergency Fund (UNICEF), New Delhi, Delhi School of Economics, National Commission for Protection of Child Rights (NCPCR), New Delhi, All India Democratic Women's Association, New Delhi and Right to Food Campaign (RFC). The Committee also heard the views of representatives of Unique Identification Authority of India (UIDAI) and National Informatics Centre (NIC) who have a key role for application of information and communication technology (ICT) including end to end computerization, leveraging 'aadhaar' for unique identification of beneficiaries. Besides, the Committee also shared the views of Shri Naveen Jindal,

M.P. Lok Sabha, Shri N.K.Singh, M.P. Rajya Sabha, Prof. M.S.Swaminathan, M.P. Rajya Sabha and Smt. Brinda Karat, Ex-M.P. Rajya Sabha on the various provisions of the Bill. The details of the sittings held by the Committee for the aforesaid deliberations are given at Appendix III. The Committee were greatly benefitted by the exhaustive suggestions made during these sittings.

1.24 The Committee were briefed by the representatives of the Nodal Ministry i.e. the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution along with the representatives of Food Corporation of India (FCI) and Central Warehousing Corporation (CWC) who have a key role in augmenting procurement and storage capacity in view of the proposed Bill, at their sittings held on 22nd February, 2012 and 2nd March, 2012. The term of the Committee (2011-12) expired on 30th August, 2012 and the Committee (2012-13) was constituted w.e.f 31st August, 2012. The Committee (2012-13) continued the examination of the Bill from the stage the earlier Committee had left. As the Committee (2012-13) consisted of 14 new Members, a briefing meeting with the Nodal Department viz. the Department of Food and Public Distribution was held on 9th October, 2012. The Committee took oral evidence of the representatives of the Nodal Ministry at their sitting held on 13th December, 2012. The representatives of the Nodal Ministry were also present at the various sittings of the Committee where the Committee took evidence of the various concerned Ministries/Departments and assisted the Committee by clarifying various issues.

1.25 Subsequently, the Committee undertook Clause by Clause consideration of the Bill at their sitting held on 11th January, 2013.

1.26 The Committee note that in pursuance of the Constitutional obligations and the international conventions, providing food security has been the focus of the Government's planning and policy. In order to address the issue of food security at the household level, the Government is presently implementing Targeted Public Distribution System (TPDS) under which subsidized foodgrains are provided to the people living Below Poverty Line (BPL) including Antodaya Anna Yojana (AAY) and Above Poverty Line (APL) households. The Government proposes to enact a new legislation viz. 'The National Food Security Bill, 2011' which aims to provide for food and nutritional security in human life cycle approach by ensuring access to adequate quantity of food at affordable prices to people to live a life with dignity. The proposed legislation marks a paradigm shift in addressing the problem of food security – from the current welfare approach to a right based approach. About two thirds of the population will be entitled to receive subsidized foodgrains under Targeted Public Distribution System after implementation of the Bill. It will also confer legal rights on women and children and other Special Groups such as destitute, homeless, disaster and emergency affected persons and persons living in starvation, to receive meal free of charge or at affordable price, as the case may be.

1.27 The Committee find that the Government has brought out this important legislation to address the aforesaid concerns after having detailed consultations with various concerned Central Ministries of the Government of India, State Food Secretaries, Planning Commission, Experts and other stakeholders. The National Food Security Bill, 2011 as introduced in Lok Sabha on 22nd December, 2011 was referred to the Parliamentary Standing Committee on Food, Consumer Affairs and

Public Distribution for examination and report . Considering the wide implications of the Bill, the Standing Committee decided to consult the widest possible sections of the society/organizations as also the representatives of the Central Ministries and State Governments. In response to the press advertisements given in print and electronic media to elicit the views of the general public at large, the Committee received about 1.5 lakh memoranda/letters containing the views/suggestions of the General Public/Institutions/Associations/NGOs etc. The Committee also held a series of sittings for taking the evidence of the representatives of various Central Ministries, Associations, Women organizations, Child Welfare Associations/Experts/Individuals and Members of Parliament, etc. The Committee also held interactions with the officials of some of the State Governments on the proposed National Food Security Bill viz. Meghalaya, Assam, Bihar, J&K, Odisha, Andhra Pradesh and Kerala during their study visits to these States.

1.28 Based on the information/views gathered by the Committee during all the aforesaid interactions/evidence and written memoranda, the Committee observed that not a single objection was raised on the National Food Security Bill per se. However, there are issues such as coverage of beneficiaries in rural and urban areas, identification procedure, exclusion and inclusion criteria, quantum of foodgrains entitlement for priority and general households, nutritional security for women and children, proposal for cash transfer in lieu of foodgrains entitlement and sharing of expenditure by Central and State Governments under various provisions as envisaged in the Bill, etc. on which different views were

expressed by different sections of the stakeholders which the Committee will deal with in the succeeding Chapters of the report.

1.29 The Committee note that under the existing Targeted Public Distribution System (TPDS), allocation of foodgrains are being made by the Central Government to States/UTs based on the accepted number of 6.52 crore Below Poverty Line (BPL) households (including 2.43 crore Antodaya Anna Yojana {AAY} households) and 11.5 crore Above Poverty Line (APL) households. The allocations are based on the population estimates for the year 2000 of the Registrar General of India, using 1993-94 Poverty Estimates of the Planning Commission. Accordingly, the quantum of food subsidy for the year 2010-11 was Rs. 65,045 crore which is likely to increase to Rs. 88,977 crores during the year 2012-13 (without taking into account the carrying cost of stocks held in Central Pool but not issued). Further, the Department has informed that using the population figures of 2011 Census and poverty estimates of 1993-94 and taking household size as 5.3 as per census 2001 (final figures of household size of 2011 census not yet available), the quantum of subsidy for 2011-12 works out to Rs. 95,787 crores which is likely to increase to Rs. 1,09,796 crores for the year 2012-13. As per provisions of the National Food Security Bill, 2011, the food subsidy for 2012-13 shall be Rs.1,12,205 crores. There will thus be marginal increase in the food subsidy during 2012-13 from Rs.1,09,796 crores to Rs.1,12,205 crores which work out to Rs.2409 crores.

1.30 While noting that the proposed National Food Security Bill, 2011 is going to be an important step towards the elimination of hunger and under nutrition in India, the Committee feel that it is of utmost importance that the Bill remains a

simple yet effective framework of the Public Distribution System ensuring food security to the people of India. The Committee are also conscious of the large amount of subsidy involved in the implementation of the Bill and are aware that it is likely to increase substantially in the coming years. The Committee feel that it should accordingly be the endeavour of the Government to implement the Act in a transparent and efficient manner on a sustainable basis without any adverse implications on the economy. The Committee, therefore, recommend the passing of the National Food Security Bill, 2011 subject to their observations/ recommendations contained in the succeeding chapters of the report.

CHAPTER – II

A. COVERAGE OF POPULATION AND ENTITLEMENT UNDER TARGETED PUBLIC DISTRIBUTION SYSTEM

As per the proposed National Food Security Bill (NFSB), upto 75% of the rural population (with atleast 46% belonging to the priority households) and upto 50% of the urban population (with atleast 28% belonging to the priority households) will be provided subsidized foodgrains under TPDS. Priority households will be entitled to 7 kg. of foodgrains per person per month at prices not exceeding Rs. 3, Rs. 2, Re. 1 per kg. for rice, wheat, coarse grains, respectively and general households will be entitled to not less than 3 kg. of foodgrains at prices not exceeding 50% of Minimum Support Price (MSP) for wheat and coarse grains and not exceeding 50% of derived MSP for rice.

2.2 Priority households under NFSB would be an expanded version of the existing BPL (including AAY) category. As can be seen, under the National Food Security Bill, the entitlements are proposed to be on per person basis and not on household basis. The average household size in the country as per Census 2001, was 5.3 and, therefore, per household existing foodgrain entitlement, on an average, for BPL and AAY households will be protected under NFSB. It is, however, true that due to shift from household based to individual based entitlement, the BPL and AAY households with smaller family size (less than 5) will receive less foodgrains than what they are getting now. On the other hand, whereas under the present system every BPL and AAY household gets 35 kg of foodgrains per month irrespective of the household size, as per provisions of NFSB, households with more members will be entitled to get more. It is felt that the per person entitlement proposed in the Bill is more equitable, as it takes into account the size of each household.

2.3 Summary of views/suggestions placed before the Committee

Ministry of Social Justice and Empowerment – The basis for giving numerical ceiling for coverage of population under categories of 'priority' and 'general' households at an all India level is not clear. The target groups mentioned in Clauses 4 to 6 of Chapter II viz., pregnant women, lactating mothers and children are looked after by the Ministry of Women & Child Development.

Ministry of Tribal Affairs – All tribals and forest dwellers should be treated as belonging to the priority criteria. It needs to be ensured that all the tribals and forest dwellers are covered under the PDS system. The ground reality shows that while some tribals are covered under PDS, many are deprived of the same.

Ministry of Women and Child Development – The Ministry agrees with the methodology for identification of priority households and general households as proposed in the Bill.

State Government of Andhra Pradesh – There is a need to provide flexibility to State Governments to implement their own subsidy scheme by making use of rice allotment to the State under NFSB to cover the existing number of families/persons covered by the State Government under the TPDS.

State Government of Odisha – There should be no capping on the coverage under TPDS as 75% in rural area and 50% in urban area as had been proposed in the Bill. It should be dynamic with annual updating of the beneficiary data base under Socio-Economic Survey. By capping on coverage as proposed in the Bill, the State of Odisha will be put into lot of inconvenience as a large number of genuine people would be left out.

State Government of Tamil Nadu – In a federal structure like ours where the States are in close and direct contact with the people, the choice of designing and implementing welfare schemes should be left to the States and the State of Tamil Nadu may be exempted from the purview of the Bill.

UNICEF - 7 kgs subsidized foodgrains per person per month needs to include other nutritious food such as pulses, oil and milk/dairy products.

All India Democratic Women's Association – The Eleventh Plan document of the Planning Commission shows that leakages in PDS have doubled with targeting. The leakage in case of rice increased from 19% under the Universal PDS in 1993-94 to 40% under the Targeted PDS in 2004-05 (NSS Data). In case of wheat it went up from 41% in 1993-94 to 73% in 2004-05. In contrast, States like Tamil Nadu, Andhra Pradesh, Kerala and Chattisgarh that have near universal or larger coverage than the TPDS display very low leakages. Thus, targeting defeats the very purpose of the PDS and must be eschewed on the basis of its revealing experience since 1997.

From 82 percent households covered under the combined categories of BPL and APL today, it proposes a reduced coverage of 75 percent households in rural areas and 50 percent in urban areas. Thus, the government's Bill is a proposal for a significantly truncated PDS.

Shri Naveen Jindal, M.P. (LS) – World Health Organization (WHO) prescribes minimum subsistence to be 11 kgs as against 7 kgs that is being prescribed right now. Committee may like to suggest accordingly.

Prof. M.S.Swaminathan, M.P. (RS) – In my view, we should adopt a Universal Public Distribution System, as is already in operation in Tamil Nadu and Kerala, with well defined and transparent exclusion criteria. The exclusion process including self exclusion will mark the beginning of an important social protection measure built on the foundation of a culture of honesty.

Shri N.K.Singh, M.P. (RS) – We must recognize that in accordance with the Constitution, the right to food is a universal right of every citizen. Those who are below the poverty line and on the edge of hunger must receive our overriding priority.

Smt. Brinda Karat, Ex-M.P. (RS) – By imposing artificial caps in Sec. 3(2), only 46 per cent of the rural population and 28 percent of the urban population are entitled to BPL benefits and only 29 per cent of the rural population and just 22 per cent of the urban population to APL benefits. The exclusion is 25 per cent in rural and as high as 50 per cent in urban areas. Taken in totality, the FSB actually cuts down on the coverage of the population compared to the present system.

The 3 kgs a month entitlement for APL Section is making a mockery of food security. The maximum a family of five can get is just 15 kgs.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi- We are not against universalization, we are for it. The exclusion ratios of 25 per cent in rural areas and 50 per cent in urban areas, are quite large and in fact, dangerously large because we are going to create a constituency of powerful people who will have no stake in the PDS and who would try to sabotage it. Actually, we would much prefer lower exclusion ratio. If you are going to exclude the rich, then don't go further. Stop there, and give everyone else the same entitlements.

The Bill is saying 7 kgs for priority group and 3 kgs for general category. In our opinion, the procurement level is so high and it is going to continue increasing. We feel that you could even make it 7 kgs.

2.4 Reply of the Department of Food & Public Distribution

When asked to respond on the above suggestions, the Department of Food and Public Distribution stated as under:-

'All India level of coverage of 75% and 50% under TPDS in rural and urban areas respectively has been proposed in the Bill keeping in view the current levels of production and procurement of foodgrains. Corresponding to this, coverage in each State/UT under priority and general households is to be determined by the Central Government. State Governments will be responsible for actual delivery of foodgrains to entitled persons at specified prices. State Governments however, if

they so desire, will be free to extend the coverage out of their own resources as long as the minimum entitlements prescribed under the Bill for the identified priority and general households are met.'

When asked how does the Government propose to implement the provisions of the Bill in those States which are already implementing Universal PDS and providing foodgrains free of cost to all its citizens, the Department of Food and Public Distribution replied as below:-

'Once the proposed legislation on food security is enacted, the coverage of households – priority and general – and their entitlements will be fixed for each State/UT and it will not be possible for States/UTs to reduce the entitlements of identified and general households in order to cover more households. States/UTs will however still be free to expand the coverage beyond the numbers prescribed under the proposed legislation as long as the entitlements prescribed in the Bill for identified priority and general households are not compromised, either in terms of quantity of foodgrains or prices to be charged from such households. It is now proposed to allow a certain timeframe to States/UTs for preparedness to implement the Act. Attempt will be made to address the concerns of Tamil Nadu Government within this timeframe during which the State Government may continue to implement their own PDS. It is not possible to leave out any particular State from the purview of the Bill'.

The Committee pointed out that suggestions have been received that the entitlement should be atleast 11 kg per person per month. It has also been suggested by some that entitlements of 7 kg per person per month should be for both the categories i.e. the priority and general households. In this context, the Committee desired to know what would be the requirement of foodgrains and the amount of food subsidy involved, in case the foodgrains are given to all the beneficiaries e.g. to both priority and general households at the rate of 5 kg or 7 kg per person per month. The Committee further desired to know what will be the foodgrains requirement, if the entitlements are made universally under TPDS at 5 kg/7 kg or 11 kg per person per month. The Ministry in reply stated as under:-

'The levels of production and procurement of wheat and rice since 2006-07 is given in table below:

Production and Procurement of Rice and Wheat

(in lakh tons)

Crop Year	Rice		Wheat		Total (Rice + Wheat)	
	Prodn.	Proc.	Prodn.	Proc.	Prodn.	Proc.
2006-07	933.55	251.07	758.10	111.28	1691.65	362.35
2007-08	966.93	287.36	785.70	226.89	1752.63	514.25
2008-09	991.80	341.04	806.80	253.82	1798.60	594.86
2009-10	890.90	320.34	808.00	225.14	1698.90	545.48
2010-11	959.80	342.00	868.70	283.35	1828.50	625.35
2011-12	1043.22	350.36	939.03	381.48	1982.25	731.84

Estimated requirements of foodgrains, for covering 75% of the rural population and 50% of urban population under TPDS as a single category, with entitlements of 5, 7 and 11 kgs. per person, are as under:-

Estimated Requirement of Foodgrains

(in lakh tons)

Entitlement (per person per month)	Coverage	Estimated Requirement under TPDS	Estimated Requirement under Other Welfare Schemes (OWS)	Total Requirement
5 kg	75% in rural areas and 50% in urban areas	488.02	80	568.02
7 kg		683.23		763.23
11 kg		1073.65		1153.65

As can be seen, except for 2010-11 and 2011-12, the procurement of rice and wheat in recent years has been less than 600 lakh tons. The average procurement of wheat and rice during the last 5 years (2007-08 to 2011-12) has been 602.4 lakh tons, which is a significant improvement over the average of 382.2 lakh tons during 2000-01 to 2006-07. In percentage terms, the average procurement during last 5 years has been about one third of their average annual production. Increasing the percentage of procurement beyond this level would be difficult. The Expert Committee, constituted under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, to consider the suggestions of NAC on the National Food Security Bill, in its report had assumed that it will be possible to procure 30% of the total production and had stated that a larger procurement had the danger of distorting the food prices in the open markets.

Seen in this background, the estimated foodgrains requirement @ 7 kg and 11 kg per person per month for 75% of the rural population and 50% of the urban population would be beyond the realm of feasibility. Foodgrains requirement at 5 kg per person per month is however, manageable and may be considered by the Committee as an option.

It may, however, be noted that currently AAY and BPL beneficiaries are entitled to receive 35 kg per household per month, which comes to about 7 kg per person per month.

Foodgrains requirement for providing 5 kg or 7 kg to all the beneficiaries under TPDS under NFSB i.e. 75% of rural population and 50% of urban population, and corresponding food subsidy is given below:-

Estimated Requirement of Foodgrains under TPDS

Entitlement (per person per month)	Estimated Requirement (in lakh tons)	Food Subsidy * (in Rs. crore)
5 kg	488.02	92499.48
7 kg	683.23	129499.28

*Food subsidy is calculated for rice and wheat assuming rice:wheat ratio for total foodgrains requirement as 55:45. Central Issue Price of Rs. 2/kg for wheat and Rs.3/Kg for rice and Economic Cost for 2012-13 has been used.

Recommendation of the Committee

2.5 The Committee note that the Bill seeks to limit entitlements to a maximum of 75% of rural population and 50% of the urban population, provided that not more than 46% rural and 28% urban population is designated as priority households. The Committee have been informed that this coverage has been proposed keeping in view the current levels of production and procurement of foodgrains. The Committee also note that the average procurement of wheat and rice during the last five years has been 602.4 lakh tonnes which is about one third of the average annual production. The Expert Committee constituted under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister in its Report had assumed that it will be possible to procure 30% of the total production and had stated that a larger procurement had the danger of distorting the food prices in the open markets. The Committee, therefore, agree to the proposed coverage of 75% population in rural areas and 50% in urban areas.

The Committee have been informed that the priority household would be an expanded version of the existing BPL (including AAY category). The Committee, however, feel that by imposing a ceiling of 46% rural and 28% urban population, there will be 29% of rural population and 22% of urban population who would constitute general households which have been proposed an entitlement of 3 kg per person per month. However, according to the views expressed by some experts, the amount of 3kg per person per month is too meager to sustain a person. The Committee have been given to understand that the estimated requirement of foodgrains for covering 75% of the rural population and 50% of

urban population under TPDS as a single category with entitlement of 5kg and 7 kg per person will be 568.02 lakh tonnes and 763.23 lakh tonnes, respectively. Keeping in view that the average annual procurement during the last 5 years has been 602.4 lakh tonnes, the estimated food requirement @ 7kg per person per month for 75% rural and 50% of urban population would be beyond the realm of feasibility. However, foodgrains requirement @ 5kg per person per month for all the covered population will be manageable. Considering the suggestion of some experts that 3 kg per person per month is not adequate for sustenance of a person and taking into account the average annual procurement level, the Committee recommend that the population to be covered under TPDS in the Bill should be a single category with uniform entitlements @ 5 kg per person per month.

Recommendation of the Committee

2.6 The Committee further observe that there has been universal coverage or near universal coverage of population in the States like Tamil Nadu, Andhra Pradesh, Kerala, Chattisgarh, etc. Hence, the proposed coverage under the Bill is less than the coverage of population at present in these States. The Committee endorse the views of some State Governments that in a federal State like India where the States are in close and direct contact with the people, the choice of designing and implementing welfare schemes within the States should be left to the States. Considering the views/suggestions placed before them, the Committee, therefore, recommend that the State Governments may be given the flexibility to extend the coverage beyond the numbers prescribed under the proposed Bill out of their own resources so as to cover more population, but not less population as envisaged in the proposed Bill. Further, the Committee are of the opinion that it is also very important that these exclusion ratios are distributed in a fair manner across the States. In case uniform exclusion ratios are applied in every State, it would be unfair to the poorer States and would defeat the very purpose of the Bill. The Committee, therefore, recommend that a simple and fair way of setting State-wise exclusion ratio should be prescribed in a transparent manner so as to retain the existing coverage of population and enable the Government to determine the inter-State foodgrains allocations under the Targeted Public Distribution System (TPDS) with the cut-offs set in such a way that 25% of the rural population and 50% of the urban population are above the respective cut-offs at the national level. If this calculation leads to a lower foodgrains allocation to a particular State than what it is receiving presently, the

Central Government may protect the existing allocations to that State through an Executive Order thereby protecting the interest of that State.

B. GUIDELINES FOR IDENTIFICATION OF BENEFICIARIES

2.7 Priority and general households have been defined in the Bill as households identified as such under Section 15. Section 15 of the Bill provides that within the State-wise number of persons belonging to the priority households and general households determined by the Central Government, identification of households shall be done by the State Governments or such other agency as may be decided by the Central Government, in accordance with the guidelines to be prescribed by the Central Government. This provision had been made keeping in view the ongoing Socio Economic and Caste Census (SECC) for identification of beneficiaries. The Department of Food and Public Distribution have stated that the Ministries of Rural Development (RD) and Housing and Urban Poverty Alleviation (HUPA) and the Planning Commission have a role in the identification of beneficiaries for the purpose of receiving subsidized foodgrains under Targeted Public Distribution System (TPDS) under the National Food Security Bill. The RD and HUPA Ministries are carrying out the Socio Economic and Caste Census (SECC), 2011 in rural and urban areas, respectively. In the Joint Statement dated 03.10.2011 of the Deputy Chairman, Planning Commission and the Minister of Rural Development in this regard, it was inter alia stated that the eligibility and entitlements of rural households in the country for different central government programmes and schemes will be determined after the SECC, 2011 survey results are available and have been analysed. The Union Ministry of Rural Development and the Planning Commission will consult with States, experts and civil society organizations to arrive at a consensus on the methodology for identification of beneficiaries after the SECC, 2011 Survey is completed. An Expert Committee will be appointed to ensure that this methodology is consistent with the provisions of the Food Security Bill as it finally emerges.

2.8 The Department further stated that the Department of Food and Public Distribution discussed the progress of Socio Economic and Caste Census (SECC), 2011 with the Department of Rural Development at the Secretary level. The Department of Rural Development informed the Department of Food and Public Distribution that

roughly 68% survey is complete. Once the enumeration is complete, analysis and process of publication and inviting objections and appeal etc. will be gone through. All these will take time, therefore, the Ministry of Rural Development is not in a position to commit timeline for completion. It was also mentioned that States have been asked to physically check the position of cases which will be covered under automatic inclusion criteria.

2.9 Summary of views/suggestions placed before the Committee

Ministry of Rural Development - The major issue is identification of the people who are likely to be benefited by the provisions of the Act. We are very conscious of the onerous responsibility that is cast on us because the process that we are undertaking will actually determine the entitlements of individuals, not only under this Act, but under a variety of Central and State Acts. The reason why this Ministry is doing this is because traditionally we have been doing a large number of beneficiary oriented schemes and over time, we have developed criterion on the basis of which we have, under each scheme, included or not included, certain categories of people and that ultimately resulted in our conducting periodical BPL surveys. This is done at the start of each Plan period.

Ministry of Social Justice and Empowerment – While framing guidelines for identification of priority households, issues concerning persons with disabilities including their problems to access facilities on account of a multiplicity of reasons including reduced mobility, inaccessible information and communication may be given due consideration.

The Scheduled Castes, Scheduled Tribes, the disabled, single women and the dependents, widows, the elderly, the destitute, the homeless, pregnant and nursing mothers and pre-school children (i.e.. less than 6 years) be mandatorily included in the priority group, as about three-fourths of the most vulnerable category of people is constituted by them, in accordance with their proportion in the population of the States/Region/District or even at the lower level of administrative units.

Ministry of Tribal Affairs – A separate commission or committee for identification of beneficiaries may not be required, identification should be done by the local authorities or by the tribal hamlets/habitations. Further, the Bill provides for two categories. But the Ministry feels that tribals in remote/inaccessible areas may be included in the priority.

State Government of Assam – The identification of families below poverty line should be determined by the Central Government in consultation with the State Governments.

State Government of Kerala – The poverty estimates should be arrived at on the basis of a consultative mechanism to be evolved by Government of India jointly with the State Governments and with the involvement of the Local Self Governments in the actual determination of poverty levels in the States.

State Government of Odisha – State's role in fixing the poverty ratio has not been looked into. If Central Government fixes the poverty ratio and finalized the number of priority and general households without involving the State, the State Government would face problems in implementing the provisions of NFS Bill in the field with respect to identification of beneficiaries.

Unique Identification Authority of India – Members of priority households once identified may be allotted 'Aadhaar' number and accordingly PDS database may be updated with 'Aadhaar' Numbers.

World Food Programme – Identification of beneficiaries should be transparent, based on a sound rationale and conscious attempt to take into account the differences. There should be clearly defined criteria for exclusion and the rest should get the entitlement uniformly across the country.

All India Democratic Women's Association – The proposed Bill seeks to create further categories for targeting like – 'priority households', 'general households', 'persons living in starvation', 'special groups', 'destitute persons', 'homeless persons', etc. It is clear that none of these categories can be neatly compartmentalized and are bound to lead to endless identification errors.

Shri N.K.Singh, M.P. (RS) – The Bill must enable every child, woman and man to have an opportunity for a healthy and productive life beyond mere access to the calorific requirement for his basic existence.

Smt. Brinda Karat, Ex-M.P.(RS) – The APL/BPL divisions and the methodology used for their definition by the Planning Commission have been widely criticized, including by the Supreme Court of India. The present Bill changes the nomenclature of APL and BPL to General and Priority Sections but retains the utterly dubious method of putting caps on the BPL and APL populations.

The Supreme Court has opined that SCs, STs, disabled persons, widows, female headed households should be included in the Antodaya category. As is known, far from being included in the Antodaya Category, the majority of these sections have in fact been excluded even from the BPL category as shown by NSS figures.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi – There is no scientific method for identifying BPL households. It is like a hit and miss approach, sometimes poor people are excluded, that is not what is expected in the Bill of this kind. It is unreliable, divisive and impractical and it will be even worse. There are three categories and there is no clarity on how these categories are going to be identified.

Leave the exclusion criteria to the State Governments. In many States, they will put in some of their resources to expand the PDS further which will be a very good

thing. Leave it to the States to decide whether they want to expand it further and leave it to them to define and implement the exclusion criteria because it is very difficult to have a national criteria.

2.10 During briefing meeting with the representatives of the Ministry of Rural Development held on 2nd March, 2012, the Committee desired to know the progress of the Socio Economic Caste Census, 2011 (SECC). The Secretary, Department of Rural Development informed the Committee as follows:-

'The SECC was started in June, 2011. We have progress in several States. In some States, the progress has been quite good. In several cases, the progress is still to pick up. In a few States, it is almost zero. It is very low in Bihar. In Uttar Pradesh, they have not been able to start because of the elections. They will be starting once the election process is complete. This in essence is the progress of the Census.

In our Census, we go by a System through which we first take all the data, and then we have a set of exclusion indicators. The people who have certain types of assets and certain types of incomes should be excluded from the benefits. We wanted to have an inclusion category, which irrespective of any other deprivation, should be included because of the overall socio-economic policy direction of the Government. The inclusion category is households without shelter, destitutes living in slums, manual scavengers, primitive tribal groups and legally released bonded labour; irrespective of any other status. If so long they have not been excluded, we would deem them to be included. As these two categories have been made, the remaining people would be classified in terms of what we call the deprivation indicators.'

2.11 Reply of the Department of Food and Public Distribution

While deposing before the Committee, the Secretary, Department of Food and Public Distribution stated as under:-

'The first most important point that comes to my mind is the survey and the identification of the beneficiaries. We are in constant touch with the Department of Rural Development and also the Department of Housing and Poverty Alleviation. We keep on writing to them and keep on meeting them. We were told that January 2012 is the deadline but later on we were told that probably by the end of July it will be completed. Frankly speaking even if you ask me today I am not hundred per cent sure whether it will be able to complete the exercise by July even.'

The Secretary further elaborated the issue as below:-

'I would like to inform that the Government is conducting a Socio Economic Caste Census which inter alia consists a BPL Census in rural

and urban areas of the country. The Ministry of Rural Development is coordinating this ongoing SECC and surveying all rural households in the country to collect information on a number of socio economic indicators. As per the Joint Statement issued by the Deputy Chairman of the Planning Commission and the Minister of Rural Development, the methodology for determining the eligibility and entitlement of rural households for different Central Government programmes will be determined after this survey results are available and have been analyzed. An Expert Committee will be appointed to ensure that this methodology is consistent with the provisions of the Food Security Bill. The final picture on this issue of identification of beneficiaries will emerge only after this process is over.'

Recommendation of the Committee

2.12 The Committee note that identification of households within the States shall be done by the State Governments or such other agency as may be decided by the Central Government, in accordance with the guidelines to be prescribed by the Central Government. For identification of beneficiaries, the Ministry of Rural Development in rural areas and the Ministry of Housing and Urban Poverty Alleviation in urban areas in coordination with the Planning Commission are carrying out the Socio-Economic Caste Census (SECC, 2011). The eligibility and entitlement of rural households for different Central Government Programmes and Schemes will be determined after the Socio-Economic Caste Census (SECC, 2011) Survey results are available and analyzed. After SECC, 2011 is completed, an Expert Committee will be appointed to ensure that the methodology for identification of beneficiaries is consistent with the provisions of the Food Security Bill as it finally emerges. The Committee are pained to note that so far only about 68 per cent survey is completed and there is no time frame within which the survey will be completed. The Committee, therefore, strongly recommend that the work relating to the Socio-Economic Caste Census, 2011 should be expedited and completed without any further delay.

The Committee further note that for identification of beneficiaries, the Bill prescribes exclusion criteria, inclusion criteria and automatic deprivation indicators which is very confusing. Further, the inclusion and exclusion criteria are not clearly defined in the Bill and the guidelines for the same are yet to be prescribed by the Government. The Committee also note that the Bill does not prescribe any scientific or established mechanism for identification of

beneficiaries and the multiplicity of categories such as priority households, general households, persons living in starvation, special groups, destitute persons, homeless persons, etc. is bound to lead to several identification errors. Further, the Committee have also received the suggestions from Ministries/State Governments/Experts to include various categories of persons such as SCs/STs, disabled persons, widows/female headed households, etc. for inclusion as the beneficiary. The Committee feel that it is not desirable to have multiple categories as mentioned above for inclusion in the Bill which is bound to complicate the identification process. The Committee, therefore, desire that the identification process should be fair, transparent, logical and based on a sound rationale. The Committee accordingly recommend that the Government may consider devising a clearly defined criteria in consultation with the State Governments for exclusion of 25% population in rural and 50% population in urban areas and the rest of the population i.e. 75% population in rural areas and 50% population in urban areas should uniformly get the entitlements without any distinction.

C. PRODUCTION AND PROCUREMENT OF FOODGRAINS

2.13 In order to meet enhanced requirement of foodgrains under the proposed National Food Security Bill, increasing the production and procurement of foodgrains is essential. Implementation of the proposed Food Security Act would also mean raising the annual procurement level to about 65 million tonnes. Majority of this increase in production and procurement of foodgrains will have to come from the non-traditional procuring States, particularly in the eastern States since production and procurement in the major procuring States viz. Punjab, Haryana, Andhra Pradesh and Western UP has already reached a saturation stage as most of the marketable surplus of foodgrains is being already procured in these States. Hence, to meet the additional requirement of foodgrains, procurement will have to be increased from the emerging procuring States. Of the newly emerging procurement States, Chhattisgarh has emerged as a large contributor of rice while Madhya Pradesh and Odisha are also giving large surplus of foodgrains to the Central Pool. Efforts are required to increase productivity/yield of rice and wheat in deficit States, especially in eastern States coupled with increase in the usage of fertilizers/irrigation facilities to improve marketable surplus.

2.14 When asked about the measures taken by the Government to increase production of foodgrains, the Ministry of Agriculture stated that a special scheme namely 'Bringing Green Revolution to Eastern India' was launched by the Ministry of Agriculture to enhance rice production and productivity in eastern parts of the country. To enhance procurement, the non-traditional procuring States need to strengthen their procurement machinery by creating suitable institutional mechanism and by adopting the Decentralized Procurement System (DCP) and by leveraging Food Credit Facilities offered by Reserve Bank of India and the consortium of Banks. These States also need to step up rice milling facilities to encourage procurement.

2.15 The Committee have been informed that the Ministry of Agriculture (Department of Agriculture and Cooperation) had suggested to the Department of Food and Public Distribution during consultation process that to ensure sustainable availability of needed quantities of foodgrains, it should be the responsibility of the Central and State

Governments to progressively realize revitalization of agriculture in a holistic manner in coordination with other concerned Ministries and State Governments through assured funding and policy support, among others, the following:-

- (a) Agrarian reforms through measures for securing interests of small and marginal farmers;
- (b) Increase in investments in agriculture, including in research and development, extension services, micro and minor irrigation and power;
- (c) Ensuring remunerative prices, credit, irrigation, power, crop insurance, etc;
- (d) Prohibiting unwarranted diversion of land and water from food production;

2.16 It further stated that Agricultural production is the most important component in the Food Security and deserves much more attention than it receives today. As on today, plan allocation in Agriculture Sector is not commensurate with future requirements. The allocation is just 30% of the total food subsidy and with food security act; it will be reduced to less than 25% of the total food subsidy. Though the proposed draft does mention about the revitalization of Agriculture, there is a need to increase the investment in agriculture sector for ensuring the right to food to all citizens.

2.17 The Committee desired to know whether the Department of Food and Public Distribution will be able to meet the foodgrains requirement under the National Food Security Bill at the current level of procurement, the Department informed that the requirement of foodgrains under the National Food Security Bill in 2012-13 will be only marginally higher than the estimated requirement under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS). Even the projected requirements of foodgrains in subsequent years, which take into account the increase in population, are well within the level of procurement of wheat and rice achieved in recent years.

2.18 The Department of Food and Public Distribution further informed that the highest level of procurement of wheat and rice achieved in any year upto 2009-10 was 59.5 million tons in 2008-09. In the last two years, however, the procurement has reached record levels. In the year 2010-11, the procurement reached 62.5 million tons which

was 34.2% of the production. Procurement of wheat and rice during 2011-12 has been 73.2 million tons, which is about 37% of the production. Though the Long Term trend in procurement has been lower, the average annual procurement as percentage of production during recent years has been above 30%. The average annual procurement has increased from 38.22 million tons i.e. 24.3% of the average production, during 2000-01 to 2006-07 to 56.99 million tons during 2007-08 to 2010-11 i.e. 32.2% of the production. As mentioned above, procurement in 2011-12 has reached 37% of the production of wheat and rice. Therefore, it would be possible to meet the foodgrain requirement under NFSB at the current level of procurement. Nonetheless, this level of procurement will have to be sustained. As the traditional States for procurement such as Punjab and Haryana have reached a level of saturation, the focus is now on diversifying it to other States especially in Eastern India such as Assam, Bihar, Jharkhand, West Bengal and Uttar Pradesh. The Government is also taking other steps, such as increase in MSP, encouraging States to adopt Decentralized Procurement Scheme, etc., to increase the level of procurement.

2.19 When asked the action taken for enhancing procurement of foodgrains for the implementation of the National Food Security Bill, the Ministry stated that the Central Government extends price support to paddy and wheat through the FCI and State Agencies. All the foodgrains conforming to the prescribed specifications offered for sale at specified centers are bought by the public procurement agencies at the Minimum Support Price (MSP). The farmers have the option to sell their produce to FCI/State Agencies at the MSP or in the open market as is advantageous to them.

2.20 Before the start of every marketing season, Department of Food and Public Distribution convenes a meeting of State Food Secretaries, Food Corporation of India and other stakeholders to prepare a detailed action plan for making the arrangements of procurement in the coming marketing season. Details of number of procurement centres to be opened and arrangements like purchase of packaging material and storage space are discussed in the meeting.

2.21 Sufficient number of procurement centres are opened by FCI/State Government agencies in mutual consultation before onset of procurement season, keeping in view the procurement potential and geographical spread of the State concerned. Review is made from time to time on the need for additional procurement centres, if any, during the procurement season and required additional procurement centres are also opened. Instructions have been issued to FCI and states to open procurement centres at locations convenient to farmers where they could bring their produce for government procurement.

2.22 The commission charges for procurement by cooperative societies and self help groups has been increased to 2.5% of Minimum Support Price (MSP) since 2009-10 to encourage procurement from small and marginal farmers especially in States where marketing infrastructure is not well developed. This measure will help increase the reach of MSP to farmers particularly for small and marginal farmers.

2.23 State Governments are encouraged to adopt Decentralized Procurement System (DCP) of procurement so as to maximize procurement and increase the reach of MSP operations. Under this system, State Governments undertake procurement and distribution of foodgrains by themselves. Procured quantities in excess of State's requirement is taken in the Central Pool for distribution elsewhere, while shortfall is met from the Central Pool. The DCP system was introduced in the year 1997. The States which have adopted DCP system of procurement for paddy/rice are Chhattisgarh, Odisha, West Bengal, Tamil Nadu, Uttarakhand, Kerala, Karnataka, A&N Islands and Madhya Pradesh. Uttarakhand, Gujarat, Chhattisgarh, Madhya Pradesh and West Bengal are DCP States for Wheat. Government of Andhra Pradesh has agreed to adopt DCP mode of procurement from KMS 2012-13 onwards.

2.24 Summary of views/suggestions placed before the Committee

State Government of Assam – At present, FCI is procuring paddy from the State. The State Government is considering setting up of a Civil Supplies Corporation, which will deal with the procurement of foodgrains in the State.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi – The circumstances are really very good for this Bill for a number of reasons. One is that the levels of procurement of food have increased by leaps and bounds. In fact, in the last 20 years, food procurement has increased by about five per cent per year. What has happened in the last few years is that the distribution has not kept up with procurement and this is the main reason for this enormous increase in food stocks. I am sure you all know that the food stocks have now crossed 80 million tonnes which is totally unprecedented. So, it is very urgent to make use of these resources that are available.

Recommendation of the Committee

2.25 The Committee note that in the year 2010-11, the procurement of wheat and rice was 62.5 MTs i.e. 34.2% of the production. The procurement reached to 73.2 MTs in 2011-12 which is about 37% of the production. The average annual procurement has increased from 38.22 MTs during 2000-01 to 2006-07 to 56.99 MTs during 2007-08 to 2010-11 i.e. 32.28% of the production. As such, although at the current level of procurement of 37% of the production of wheat and rice, it would be possible to meet the foodgrains requirement under the National Food Security Bill, it also implies that the average annual procurement level will have to be sustained in order to meet the foodgrains requirement in the years to come. The Committee also note that production and procurement in major procuring States viz. Punjab, Haryana, Andhra Pradesh, Western U.P. has already reached a saturation stage and additional requirement of foodgrains will have to be procured from the emerging procuring States e.g. Chattisgarh, which has emerged as a large contributor of rice and Madhya Pradesh and Orissa, which are giving large surplus of foodgrains to the Central Pool. The Committee further note that to enhance rice production and productivity in eastern parts of the country, the Ministry of Agriculture has launched a special scheme namely 'Bringing Green Revolution to Eastern India'. Further, the Government is taking other steps such as increase in MSP, increase in the commission charges for procurement by the cooperative societies and self-help groups to 2.5 per cent of MSP since 2009-10 to encourage procurement from small and marginal farmers, and encouraging States to adopt Decentralized Procurement Scheme, etc. While

endorsing the views of the Ministry of Agriculture that agriculture production is the most important component of the food security, the Committee feel that for revitalization of agriculture, the plan allocation for agriculture should be in commensurate with the future requirements. The Committee, therefore, desire the Ministry of Consumer Affairs, Food and Public Distribution to take up the matter in consultation with the Ministry of Agriculture with the Planning Commission for higher allocation of funds for the agriculture sector.

The Committee, however, are disturbed to note that the DCP Scheme that was launched in 1997 has been adopted by very few States till now and the majority of the States are yet to adopt the scheme. The Committee feel that in order to enhance procurement, the non-traditional procuring States need to strengthen their procurement machinery by creating suitable institutional mechanism and by adopting the Decentralized Procurement Scheme (DCP) and also by leveraging food credit facilities offered by Reserve Bank of India (RBI) and the consortium of banks. The Committee also wish to emphasize that continuous and vigorous efforts need to be taken not only to maintain the level of production and procurement of foodgrains but also to enhance the same in the years to come so that the implementation of the National Food Security Bill does not suffer due to shortage of foodgrains. The Committee, therefore, recommend that the Department of Food and Public Distribution in consultation with the Ministry of Agriculture take pro-active steps to ensure that the production and procurement of foodgrains keeps pace with the requirements under the National Food Security Bill.

D. STORAGE OF FOODGRAINS

2.26 For the successful implementation of the National Food Security Bill, availability of adequate and proper storage facilities for foodgrains in all parts of the country is essential. The Committee, therefore, enquired about the total storage capacity available in the country at present as well as the additional storage capacity that would be required in pursuance to implementation of the National Food Security Bill. In response, the Department of Food and Public Distribution has stated that the total storage capacity available with FCI as on 30.11.12 is 373.43 Lakh MT which includes covered, CAP, owned and hired capacity. The bifurcation is given as below:

Covered			CAP			Grand Total
Owned	Hired	Total	Owned	Hired	Total	
130.12	205.66	335.78	26.37	11.28	37.65	373.43

2.27 Besides, various agencies of state governments have a storage capacity of 341.35 lakh MT (Covered capacity-194.17 LMT and CAP-147.18 LMT) for storage of central pool stocks. Thus, the total storage capacity available with FCI and State agencies for Central Pool Stocks is 714.78 lakh MT. The stock holding under central pool (Wheat + Rice) is 682.59 lakh MT as on 01.12.12. This includes rice approx. 150.04 lakh MT which is in the form of Paddy (to be milled from 223.94 lakh MT Paddy @67% output). This (150.04 lakh MT) paddy is mainly stored with the rice millers.

2.28 Main functions of FCI are Procurement, Maintenance of Buffer Stocks and Distribution of food grains as per PDS and other welfare scheme requirements. For the last five years procurement is much more than the requirement under Buffer Stocks plus Distribution of food grains for PDS and other welfare schemes. Therefore, main concern presently is the sufficiency of storage capacity for the procured food grains, which is sufficient/ manageable as detailed in the Para above.

The buffer norms from 20.04.2005 are given as below:

As on	Buffer Norms			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1st April	122	40	162	20	30	212
1st July	98	171	269	20	30	319
1st October	52	110	162	20	30	212
1st January	118	82	200	20	30	250

2.29 However, the storage capacity available with FCI is concentrated mainly in the procuring hub located in the Northern Zone. The Northern Zone has about 58% of the total available storage capacity; the Southern Zone has about 20%, Western Zone has about 13%, Eastern Zone has only about 7% and North-Eastern Zone has less than 1% of the total available storage capacity. As stated above, around 65% of the storage capacity is concentrated in 5 major procuring States i.e. Punjab, Haryana, Uttar Pradesh, Andhra Pradesh and Chhattisgarh, while about 9% storage capacity is available in the five newly emerging procuring States of Bihar, Orissa, Jharkhand, West Bengal and Madhya Pradesh. As Government of India has initiated an ambitious programme of extension of green revolution to Eastern States, this has become an area of concern. FCI has concentrated on augmentation of storage in the eastern states and newly emerging procuring states e.g. M.P., Bihar, U.P., West Bengal and Jharkhand etc. Only 26% of total storage capacity is available in the consuming States.

2.30 As on today, some of the States have got storage capacities of less than one month of their requirement e.g. Jharkhand & Himachal Pradesh, while some other States, especially North Eastern Region have got storage capacities of less than 2 months' requirement. However, capacity augmentation of these states through PEG and Plan Scheme has attained high focus by Ministry of Consumer Affairs, Food & Public Distribution and FCI.

2.31 As regards requirement of additional storage capacity, the Department stated that overall storage requirements are based on the procurement and stock levels, which are already at a very high level. If the existing level of procurement of foodgrains is sustained, the requirement of foodgrains under NFSB can be met. Accordingly, it is expected that storage requirement may not undergo a major change with the implementation of the Food Security Bill. Necessary steps, are however, already being taken to augment the storage capacity so as to reduce dependence on CAP storage.

2.32 It is further been informed that the Department is in the process of augmenting the storage capacity for foodgrains in the country based on the 4 months requirement of PDS and other welfare schemes in a consuming area. For the procurement areas, the highest stock levels in the last three years are considered to decide the storage capacity required. On these principles, the Government formulated the Private Entrepreneurs Guarantee (PEG) Scheme in 2008, to increase the covered storage capacity in the country.

2.33 In order to create more storage facilities there is a proposal to augment 5,88,360 MT capacity Food Grain Godown by FCI during 12th Five Year Plan (2012-17). This includes 5,37,140 MT alone in North East Areas and 51,220 MT capacity in the areas other than North East. Out of this, a capacity of 4570 MT has already been completed during Financial Year 2012-13 as on 30.11.12. The details of State wise capacity to be created is given as under:

Name of State	Proposed Capacity in MT
Assam	347000
Arunachal Pradesh	19370
Manipur	40410
Meghalaya	35000
Mizoram	20000
Nagaland	15000
Tripura	45000
Sikkim	15000
Orissa	10000
Maharashtra (Goa)	20000

Kerala	10000
Himachal Pradesh	11220
Total	588360

2.34 In its meeting held on 07.02.2012, EGoM approved the proposals for the creation of 20 lakh MT capacity in the form of Silos throughout the country. These 20 LMT Silos would be created against the capacity approved/ storage gap already assessed under the PEG Scheme (i.e.181.08 LMT). The Board of Directors of FCI in its 344th meeting held on 20.03.2012 finalized the State wise distribution of capacities of 20 lakh MT of Silos. On the recommendations of State Level Committees (SLC) on location of Silos, Board of Directors of FCI in the meeting held on 19.07.2012 has approved the locations of Silos.

2.35 The Department further stated that under PEG Scheme, a capacity of 181.08 lakh MTs is being created in 19 States through private entrepreneurs and Central and State Warehousing Corporations. FCI has already sanctioned a total storage capacity of about 130 lakh MTs out of which a capacity of about 96 lakh MTs has been sanctioned to the private entrepreneurs. CWC and SWCs have been sanctioned 6.5 lakh MTs and 27.5 lakh MTs respectively. A capacity of about 60 lakh MTs is under construction. At present, about 38 lakh MTs have been completed out of which 26 lakh MTs has been taken over and the balance is expected to be taken over shortly. It is expected that by March 2013, a cumulative capacity of 73 lakh MTs will be completed and taken over under the scheme. A capacity of 20 lakh MTs of storage capacity will be constructed in silos in 10 States within the overall sanctioned capacity of the PEG Scheme.

2.36 This Department has also finalized a Plan Scheme to create a storage capacity of 5.74 lakh MT (5.34 lakh MT for North East Region and 40,000 MT for other than NE) at a cost of Rs. 551.50 crores under 12th Five Year Plan. The State Governments have also been requested for creation of intermediate storage space for usage by the States for storage of foodgrains after taking over stocks from FCI and before distributing it to TPDS beneficiaries through Fair Price Shops.

2.37 Summary of views/suggestions placed before the Committee

State Government of Andhra Pradesh – In addition to the existing godown space, there is need for construction of godowns for implementing the National Food Security Bill successfully. The Government of India has, therefore, been requested to meet the additional expenditure to a tune of Rs. 500 crores for creating additional scientific storage facility at different levels.

State Government of Assam – There is a lack of requisite infrastructure with State Government such as lack of storage facility, absence of Civil Supplies Corporation, skilled manpower shortage, transportation problems, fund constraints etc. The State Government has identified a gap of 4 lakh MT of foodgrains storage facilities. FCI has prepared a plan for creation of 3.40 lakh MT.

State Government of Odisha – Even though the storage space available for rice is inadequate, depots are being constructed and State hopes to create sufficient storage space in next two years time.

Recommendation of the Committee

2.38 The Committee note that the storage capacity, both covered and CAP, available with FCI (owned and hired) as on 30.11.2012 was 373.43 lakh MTs. The total storage capacity available in the country including the capacity owned by Central Warehousing Corporation (CWC), State Warehousing Corporations (SWCs) and other agencies put together is 716.60 lakh MTs. The Committee have been informed that if the existing level of procurement of foodgrains which is already at a very high level, is sustained, the requirement of storage of foodgrains under National Food Security Bill can be met. However, the Department is in the process of augmenting the storage capacity for foodgrains in the country based on 4 months requirement of PDS and other welfare schemes. In order to build additional storage capacity, the Government has formulated Private Entrepreneurs Guarantee Scheme (PEG) 2008 under which a capacity of 181.08 lakh MTs is being created in 19 States for which FCI has already sanctioned a total storage capacity of about 128.05 lakh MTs. CWC and SWCs have been sanctioned 6.6 lakh MTs and 27.9 lakh MTs, respectively. Further, a capacity of 20 lakh MTs will be constructed in silos in 10 States within the overall sanctioned capacity of the PEG Scheme. The Department has also finalized a plan scheme to create storage capacity of 5.76 lakh MTs at a cost of Rs.551.50 crores under the 12th Five Year Plan and it is expected that by March, 2013, a cumulative capacity of 73 lakh MTs will be completed and taken over under the PEG Scheme. The Committee are happy to note that the Government is taking pre-emptive steps to increase the storage capacity of foodgrains in the country in anticipation of the

National Food Security Bill, 2011. However, the Committee are constrained to observe that huge amount of foodgrains are damaged every year due to lack of proper and scientific storage capacity available in the country. The Committee while appreciating the efforts made by the Government, strongly recommend that the Government should impress upon the FCI, CWC, State Governments, etc to cooperate and coordinate with each other and make every effort to create scientific storage capacity not only in procuring States but also in consuming States and other parts of the country for the smooth implementation of the National Food Security Bill, 2011.

E. MOVEMENT AND DISTRIBUTION OF FOODGRAINS

2.39 The efficient movement and distribution of foodgrains is very essential for the successful implementation of the National Food Security Bill, 2011. In this context, the Department of Food and Public Distribution has informed the Committee about the existing arrangements for movement and distribution of foodgrains as below:-

Movement of Foodgrains

2.40 Under the existing arrangement, the Central Government co-ordinates and monitors the movement of foodgrains from surplus regions to deficient areas vis-à-vis available storage capacity, procurement, stocks, allocation and off-take of foodgrains. FCI undertakes the activities connected with the movement of the foodgrains for PDS and other welfare schemes. Optimum evacuation of foodgrains from procuring regions and induction and stocking of foodgrains in consuming regions, specially, the North-Eastern States, Jammu & Kashmir and other areas, identified from time to time, is monitored.

2.41 Daily movement of rakes is monitored by FCI for better streamlining the process of movement at Regional Offices/Zonal Offices of receiving/dispatching regions and Headquarters level. Meeting with the Railways at various levels are held regularly in order to ensure availability of rakes to transport foodgrains stocks for Targeted Public Distribution System (TPDS) and other welfare schemes.

2.42 Food Corporation of India (FCI) is the Central Government agency involved in inter-state transportation (movement) of foodgrains. 90% of the inter-State movement is carried out by Railways. Besides, movement of foodgrain is undertaken by rail, road and riverine routes. Some quantity is moved by road to Himachal Pradesh and parts of Jammu & Kashmir, Delhi, Uttarankhand and North-East States. A small quantity is moved by ships to Lakshwadeep and Andaman and Nicobar Islands.

2.43 The purpose of inter-State movement is to make foodgrains available in all States at all the linked depots for every district and principle distribution centres (PDCs) in hilly states across the country for issuing foodgrains under TPDS and other welfare schemes run by the Government of India. From thereon i.e. from the linked depot/PDCs, the responsibility of transporting or movement of foodgrains to Fair Price Shops (FPSs) lies with the State Government agencies as the last leg of transportation from depot onwards and distribution to end consumer through FPSs are the responsibility of State Governments.

2.44 The Department further stated that the procedure followed for movement of foodgrains is as under:-

The movement of foodgrains is planned by FCI on a monthly basis keeping in view the requirement of various States, storage capacity available in the consuming States, stocks available in the procuring States and likely procurement etc. The Department of Food and Public Distribution monitors the availability of foodgrain stocks in various States vis-à-vis monthly requirement under TPDS and other Welfare Schemes. In case of shortfall in availability of foodgrains in any States, FCI is advised to step up induction of foodgrains into the State.

2.45 FCI plans movement of foodgrains every month after considering following factors for surplus and deficit regions:

- (i) Stocks available in surplus regions;
- (ii) Demand by deficit regions;
- (iii) Likely procurement;
- (iv) Storage capacity available;
- (v) Monthly allocation/off-take.

2.46 Once the movement planning for a given month is finalized at FCI, it is passed on to Railways. Then the supply of rakes between various pair of dispatching stations and receiving stations (i.e. for the destinations worked) is followed up with Railways constantly at all levels right from loading stations to the Railway Board through co-

ordination with officers at all levels in the Railways. All efforts are made to transport as much quantity as planned through continuous monitoring.

2.47 Apart from inter-state movement, intra-regional movement is also undertaken through Rail and Road as per local requirements in the States, viability and cost effectiveness. In the past more than 90% of stocks were moved Ex-North as procurement was largely concentrated in northern States like Punjab and Haryana. However, with the expansion of procurement in Andhra Pradesh, Chhattisgarh, Orissa, West Bengal and Madhya Pradesh, surplus rice and wheat are also available in these States. Therefore, at present, movement Ex-North is 63% and other than North is 37% of total movement. The All India movement since the year 2006-07 to 2012-13 is given below:-

(Fig. in LMT)

Year	Inter-State Movement			Intra-State Movement	Grand Total
	Rail	Road	Total		
2006-07	203.25	18.45	221.7	19.6	241.3
2007-08	203.98	17.81	221.79	20.76	242.55
2008-09	204.6	20.57	225.17	25.25	250.42
2009-10	249.18	26.65	275.83	27.86	303.69
2010-11	279.65	25.64	305.29	29.65	334.94
2011-12	303.23	24.54	327.77	40.17	367.94
2012-13* (*upto Aug 2012)	113.82	9.19	123.01	23.73	146.74

2.48 The Committee enquired as to what is the estimated requirement of rakes in pursuance to the implementation of the Bill, total rakes demanded by FCI vis-à-vis rakes provided by Railways to FCI during the last three years and the reasons of Railways for not being able to provide the number of rakes required by FCI. In response, the Department of Food and Public Distribution stated that FCI along with other State agencies procured around 630 lakh MTs of wheat and rice during 2011-12. About 563 lakh MTs of foodgrains was distributed during 2011-12. With the increased allocations

by the Government of India following the implementation of the National Food Security Bill, this may go up to 610 lakh MTs per year. Accordingly, the requirement of rakes will increase by about 20% i.e. about 15500 rakes would be required by FCI. The details of total number of rakes demanded by FCI vis-à-vis rakes provided by Railways to FCI during the last three years is as given below:-

Year	No. of rakes planned by FCI	Actual No. of rakes supplied by Railways
2010-11	13003	10607
2011-12	13215	10969
2012-13(upto Oct 2012)	6696	5912

2.49 The reasons cited by Ministry of Railways for not providing the required number of rakes to the Department or the FCI is as given below:-

- (i) Limited line capacity and availability of wagons.
- (ii) Competing demand for other commodities like fertilizer, cement during busy season.
- (iii) Lack of infrastructure at loading and unloading Stations.
- (iv) At times, rakes availability is affected due to foggy weather, bandhs etc.

2.50 The various problems being faced by FCI with Railways which is adversely affecting the movement of foodgrains are as under:-

- (i) Non-supply of adequate number of rakes as per FCI's demands - Railways are not providing adequate number of rakes as per the movement plan of FCI. The shortfall in supply of rakes by the Railways invariably takes place in their Busy Season i.e. from November to March every year.
- (ii) Insufficient supply of rakes under two point combinations – There are a large number of railheads in Kerala, Jharkhand and Bihar, which can accommodate only half rakes and are approved by the Railway Board for loading under two-point combinations. But during the period from November to March every year, all the Zonal Railways stop sponsoring programs for movement of rakes under two point combination which leads to depletion of stocks at various centers in Kerala, Jharkhand and Bihar.
- (iii) Non-availability of basic infrastructural facilities - There are large number of railheads which lack the basic infrastructure facilities like proper lighting, covered shed, approach road, proper platforms, drinking water etc. Most

of the goodsheds do not have platforms and covered shed which causes a huge difficulty in unloading of stocks especially during rainy season.

- (iv) Penal Demurrage – Railways impose penal demurrage for ensuring quick release of rakes. On one hand, Northern Railway violates the weekly priorities in loading of rakes and on the other hand, the Zonal Railways of receipt ends impose demurrages and even penal demurrages on detention of rakes at various destinations for which FCI is not at all at a fault.

Recommendation of the Committee

2.51 The Committee note that the Central Government coordinates and monitors the movement of foodgrains from surplus regions to deficient areas and Food Corporation of India (FCI) is the Central Government agency involved in movement of foodgrains. Movement of foodgrains is planned by the Food Corporation of India (FCI) on a monthly basis keeping in view the requirement of various States, storage capacity available in the consuming States, stocks available in the procuring States, likely procurement, demand by deficit region and monthly allocation/offtake, etc. The Committee have been informed that 90 per cent of the Inter-State movement of foodgrains of FCI is carried out by the Railways. Some quantity is moved by road to Himachal Pradesh, parts of Jammu & Kashmir, Delhi, Uttarakhand and North-Eastern States and a small quantity is moved by ships to Lakshadweep and Andaman & Nicobar Islands. The purpose of Inter-State movement is to make available foodgrains in all States in all the linked depots for every district and principal distribution centres in hilly States across the country. Intra-State movement of foodgrains is also undertaken through rail and road as per local requirement in the States, viability and cost effectiveness. The Committee also note that in case movement of foodgrains is affected due to inadequate supply of rakes or imposition of restriction by Railways, the Department of Food and Public Distribution takes up the issue with the Ministry of Railways and with a view to improving efficiency in movement of foodgrains, arrangement for regular review of movement of foodgrains is being set up. The Committee note that following the implementation of the National Food Security Bill, the quantity of foodgrains required to be moved from

procuring States to consuming States would increase considerably and the requirement of rakes therefor will increase by about 20%. The Committee, therefore, recommend that the Department of Food and Public Distribution and the Ministry of Railways should evolve a mechanism whereby the issue of providing additional rakes to FCI is sorted out and the monthly plan for movement of foodgrains by FCI is executed in a smooth and efficient manner.

The Committee further note that the Ministry of Railways are not able to provide the required number of rakes to the FCI due to limited line capacity and availability of wagons, competing demand for other commodities like fertilizer, cement during busy season, lack of infrastructure at loading and unloading Stations and at times, rakes availability is affected due to foggy weather, bandhs etc. which adversely affects the functioning of FCI in movement of foodgrains. The Committee also note that Railways impose penal demurrage on FCI for detention of rakes at various destinations due to lack of infrastructure for which FCI is not at fault. The Committee also note that the Ministry of Railways accord 'B' priority to the movement of foodgrains which is the next priority given for Military movement. While appreciating this, the Committee desire that the Ministry of Railways should take urgent steps to improve the basic infrastructural facilities at those railheads which lack such facilities like proper lighting, covered sheds, approach roads and proper platforms etc., so as to facilitate the unloading of stocks. They may also consider to supply sufficient number of rakes under two point combinations in States like Kerala, Jharkhand and Bihar for smooth movement of foodgrains. The Committee further recommend that the Department of Food and Public Distribution, Food Corporation of India and the Ministry of

Railways may evolve a mechanism whereby the problems of supply of rakes, levying of demurrage charges etc. could be reviewed and sorted out on a regular basis.

F. Distribution of Foodgrains

2.52 With a view to specifically target poor sections of society, Targeted Public Distribution System (TPDS) was launched in 1997. Under TPDS, foodgrains @ 35 kg per family per month are allocated by the Central Government to States/Union Territories for 6.52 crore accepted number of Below Poverty Line (BPL) families including 2.43 crore Antyodaya Anna Yojana (AAY) families for distribution at subsidized prices through Fair Price Shops. Allocation of foodgrains to 11.5 crore Above Poverty Line (APL) families is made depending upon the availability of foodgrains in the central pool and past offtake. Presently, the allocation of foodgrains to APL families ranges between 15 and 35 kg per family per month.

2.53 TPDS 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. The operational responsibilities for allocation and distribution of foodgrains within the States/UTs, identification of eligible Below Poverty Line (BPL) families, issuance of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) rest with the concerned State/UT Governments.

2.54 In order to maintain supplies and securing availability and distribution of essential commodities under the PDS, the Public Distribution System (Control) Order, 2001 has been notified on 31.08.2001. States/UTs have also notified their respective PDS (Control) Orders for identification of eligible Below Poverty Line (BPL) families, issue of distinctive ration cards to APL, BPL & AAY families, issuing licenses to FPSs dealers, monitoring the functioning of FPSs, etc.

Recommendation of the Committee

2.55 The Committee note that implementation of the Targeted Public Distribution System (TPDS) is a joint responsibility of the Central and the State/UT Governments. The Central Government is responsible for the procurement, allocation and transportation of foodgrains up to the designated depots of the FCI. Allocation and distribution of foodgrains within the States/UTs including identification of eligible beneficiaries , issue of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) are the responsibilities of the concerned State/UT Government. The Committee also note that the PDS (Control) Order, 2001 was notified on 31st August, 2001 in order to maintain supplies and securing availability and distribution of essential commodities under the Public Distribution System (PDS). The States/UTs have also notified their respective PDS Control Orders. The Committee feel that strengthening and streamlining the process of distribution of foodgrains under PDS is essential for the effective implementation of the National Food Security Bill. The Committee, therefore, recommend that the Department of Food and Public Distribution should make all possible efforts to persuade the State/UT Governments to strengthen their distribution network and effectively implement the PDS Control Orders in their respective States/UTs in order to ensure smooth and effective implementation of the Food Security Bill.

G. MODERNIZATION/REFORMS IN TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)

2.56 In a written note furnished to the Committee, the Department of Food and Public Distribution stated that modernization of PDS is the foremost priority of the Central Government. TPDS operates in 35 States/UTs through more than 5 lakh fair price shops across a diverse operating environment. The challenges faced by TPDS are leakages and diversion of foodgrains; inclusion/exclusion errors; fake and bogus ration cards; lack of transparency regarding allocation, off-take, availability of foodgrains at FPS etc.; weak grievance redressal and social audit mechanisms; viability of Fair Price Shops, etc.

2.57 The National Food Security Bill (NFSB) would make Right to Food a Legal Entitlement. As per the provisions of NFSB, failure to supply the entitled quantity would entitle the individuals to receive food security allowance. Thus, Modernization of PDS, which is aimed at addressing the challenges of inclusion/exclusion errors and diversion of foodgrains, is a dire need.

2.58 For modernizing TPDS, proper identification of beneficiaries and recording of transactions is a must. This requires digitization of beneficiary database, FPS automation, computerization of Supply-Chain and setting up of transparency and grievance redressal mechanisms.

2.59 Regarding steps taken by the Government in this regard, it is stated that the Department of Food and Public Distribution has issued detailed guidelines to the Chief Secretaries and Food Secretaries of all the States/UTs for end to end computerization of PDS which would comprise the following components:

- (i) Digitization of Beneficiary Database
- (ii) Computerization of Supply-Chain Management from Food Corporation of India (FCI) till Fair Price Shops (FPS)

- (iii) Sale of TPDS commodities at Fair Price Shops including identification and authentication of beneficiaries and recording of transactions and
- (iv) Transparency and Grievance Redressal Mechanism

2.60 As per these Guidelines, Computerization of the supply chain, digitization of Ration Card database and setting up transparency portal and grievance redressal mechanism would constitute Component 1, while FPS automation is to be taken up as Component 2. The process of digitization of Ration Card database would include a special drive for elimination of fake and bogus Ration Cards and de-duplication of the database. The digitized database is to be placed in the public domain. Computerization of the supply chain would cover tracking of foodgrains up to the Fair price shop level. The transparency and grievance redressal mechanism comprise the setting up of a public information portal, SMS alerts regarding the availability of foodgrains and setting up of toll free numbers for grievances registration and redressal. All States/UTs are required to take the following actions for end to end computerization on top most priority:

- (i) Implementation of Chhattisgarh model of computerized Supply-Chain Management.
- (ii) Digitized database of ration cards to be put in the public domain including on the websites.
- (iii) Drive be started to eliminate fake and ghost ration cards.
- (iv) PDS Public Information portal to provide for complete TPDS information.
- (v) Four digit toll free number in all States/UTs for grievance registration and redressal.
- (vi) Allocation of foodgrains to reach FPS before 1st day of the month and information thereof be made available on the transparency portal.
- (vii) Door step delivery of foodgrains for all ration shops in a time bound manner.
- (viii) Measures to be taken for making FPS financially viable.

2.61 Application Software has been made available to all States/UTs through National Informatics Centre (NIC). NIC was asked to prepare a Detailed Project Report (DPR) in consultation with Food and Civil Supplies Departments of all States/UTs and NIC State units, covering all States/UTs for Component I initially for Computerization of PDS.

2.62 Summary of views/suggestions placed before the Committee

Ministry of Finance – Importance of PDS reforms are paramount as the reforms are the main mode by which supply side bottlenecks can be corrected. Further, a suitable provision may be made in the Act that States would undertake the PDS reforms within a stipulated time frame (say 3 years). Thereafter, the entitlement of General Category may be linked to the progress in reforms in TPDS.

Unique Identification Authority of India – TPDS database should be linked with 'Aadhaar' number. 'Aadhaar' based authentication should be used for distribution of ration as it is happening in East Godavari District of Andhra Pradesh.

Creating an Aadhaar linked management information system across the PDS is not an unrealistic goal – different aspects of such reform have been tried across states with some success most notably in Chhattisgarh. The State has implemented end-to-end computerization of the PDS procurement chain. This involved an online registration system for millions of PDS rice, as well as procurement and movement orders that are issued electronically. The government carries out allocations to FPS shops using the ration cards database and the transmission time for allocations has been cut from three weeks to two hours. Continuous monitoring of sales and stock levels at FPS outlets also ensured in-time stocking of the shops, so that outlets could meet the demand from beneficiaries at all times. In a recent 2009 survey, 92% of respondents in Chhattisgarh reported receiving their full rations without problems.

All India Democratic Women's Association – It does not undertake any clear and time bound obligations for improving the PDS. Two controversial reforms are suggested in sections (c) and (h) regarding linking entitlements to 'Aadhaar' and cash transfers, food coupons and any other schemes initiated by the Central Government.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi – The other reason why the circumstances are very favourable to the implementation of this Bill is that there have been substantial improvements in the functioning of the Public Distribution System. Many States in recent years I think have really learnt a lot about how the PDS can be improved and made effective. In fact, several States have very effective Public Distribution System starting of course with Tamil Nadu for many years, but even beyond that, like Andhra

Pradesh, Chhattisgarh, even Rajasthan, Orissa, Himachal Pradesh, and so on. There is actually a trend of consolidation and improvement of the Public Distribution System. That trend can be decisively consolidated across the country through this Food Security Bill and it is really an opportunity to eliminate hunger.

Recommendation of the Committee

2.63 The Committee note that the Government has accorded foremost priority to the modernization of Public Distribution System (PDS) which is currently operating in 35 States/UTs through more than five lakh Fair Price Shops (FPSs) across the country. The Committee also observe that the Department of Food has issued detailed guidelines to the Chief Secretaries and Food Secretaries of all the States/UTs for end-to-end computerization of PDS based on which computerization of supply chain, digitization of ration card data bases, setting up transparency portal and grievance redressal mechanism would constitute Component 1 followed by FPS automation as Component 2. The process of digitization of Ration Card database would include a special drive for elimination of fake and bogus ration cards and de-duplication of database. As the National Food Security Bill intends to make right to food as a legal entitlement to identified beneficiaries and keeping in view the fact that there are large scale leakages and diversion of foodgrains, inclusion/exclusion errors of identification leading to issuance of a large number of fake and bogus ration cards and lack of transparency etc. in the existing Targeted Public Distribution System (TPDS), the Committee feel that modernization of PDS is very essential so as to effectively address these challenges. The success stories of some Districts/States in this regard are indeed encouraging. The Committee, therefore, strongly recommend that the Government should make all efforts in close coordination with the State Governments/UTs to complete modernization of PDS in a time bound manner. Thereafter, computerization of supply chain for tracking of foodgrains up to Fair

Price Shop level should also be taken up vigorously for effective implementation of the National Food Security Bill.

2.64 The Committee observe that one of the challenges being faced by TPDS is the viability of Fair Price Shops (FPS). With the modernization of TPDS, most of the challenges such as leakages and diversion of foodgrains, inclusion/exclusion errors and lack of transparency regarding allocation and off-take and availability of foodgrains at FPS, etc. will be addressed. The Committee, however, feel that the FPS dealers who play a key role in the distribution of foodgrains rightfully deserve to be provided a reasonable margin for their sustainability and viability. The operational responsibilities for allocation and distribution of foodgrains within the States/UTs including supervision and monitoring of functioning of FPS rests with the State/UT Governments and the FPS are functioning across the country in a diverse operating environments. The Committee, therefore, feel that it is for the State Governments to suitably increase the FPS dealers margin keeping in view the various factors involved in their functioning. The State Governments, however, may be given the flexibility in fixing the commission of the FPS dealers so as to increase their viability. The Committee have been informed that to make operations of FPS economically viable, the State/UT Governments have been advised to allow FPS licensees to enlarge basket to commodities by allowing sale of non-PDS items for daily use as per local requirements. 13 States/UTs have confirmed that FPS in these States are selling non-PDS items such as edible oil, pulses, milk powder, soap etc. The Committee view this as a positive step and recommend the Government to impress upon the remaining State Governments/UTs that besides considering suitable increase in

the commission, to also allow the FPS licensees to enlarge the basket of commodities for sale in order to enhance their viability.

H. DIRECT CASH TRANSFERS IN LIEU OF FOOD SUBSIDY

2.65 Clause 18 (2) (h) of the Bill, inter-alia, provides for direct cash transfer in lieu of food subsidies to the beneficiaries under the National Food Security Bill, 2011. In this regard, a lot of views/suggestions were received by the Committee, some in favour and many against the provision of direct cash transfer as it would not solve the problem.

2.66 Summary of views/suggestions placed before the Committee

Ministry of Finance – The Food Security Bill can be combined with improvements in the system of delivery, in particular, a system of giving the subsidy directly to the beneficiary in the form of direct cash transfers. This would, to a certain extent, avoid putting a heavy burden on the state machinery.

Ministry of Tribal Affairs – It is advisable to arrange for food rather than cash because the aim is food security and money has propensity to get misutilized and will compromise the food security.

Right to Food Campaign – Cash transfer should not be introduced because it will not solve problems of identification, leakages of foodgrains, banking infrastructure is limited, cash does not guarantee food security, no protection from inflation and fluctuation of market prices of food, it will have adverse impact on agriculture etc.

All India Democratic Women's Association – There is no guarantee that cash transfer is free from leakages and pilferage for individual beneficiaries either. The implementation of schemes that are based on cash transfers to bank accounts, such as NREGA, old age pension, widow pension, etc. shows that the problems of corruption and undue delays continue. Any shift to cash transfers would expose the people to the vagaries of prices in the market.

Smt. Brinda Karat, Ex-M.P. (RS) – There is no consensus in the country on the issue of cash transfer in lieu of foodgrains. There is also no guarantee that the money will not be used for other non-food expenditures. Cash transfers will also lead to the further weakening of the vast Public Distribution System of over 5 lakh fair price shops which any country should be proud of. Cash transfers instead of the provision of foodgrains could lead to further malnutrition and hunger.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi – Actually, the Bill has a provision which allows cash transfer. So, there is no need to give any further push. We are quite abreast of it. We have also apprised the Committee about it.

2.67 Reply of the Department of Food and Public Distribution

Asked about the pros and cons of Direct Cash Transfer of food subsidy to the beneficiaries, the Ministry stated that the Department proposes to introduce a pilot scheme for direct cash transfer of food subsidy under Targeted Public Distribution System (TPDS) in six Union Territories (UTs). Under the proposed scheme, foodgrains will be issued by Food Corporation of India (FCI) at the economic cost and cash subsidy equal to the difference in the economic cost and present issue price will be credited to the bank account of the beneficiary in advance to enable the beneficiary to purchase the foodgrains at this cost.

The scheme is expected to check leakages/diversion of foodgrains under TPDS. Further, the proposal does not involve dismantling the TPDS as foodgrains shall continue to be distributed to the beneficiaries under TPDS through the Fair Price Shops. No apparent drawback is anticipated at this stage for implementation of the scheme. The scheme details will be finalized in consultation with UTs etc.

Recommendation of the Committee

2.68 The Committee note that the Bill inter-alia has provision of direct cash transfer, food coupons or other schemes to the targeted beneficiaries in lieu of foodgrains entitlements. Considering the fact that the existing banking infrastructure and facilities available in the country are not adequate, particularly in rural and remote areas, as well as the views/suggestions expressed by several stakeholders that cash transfer in lieu of food subsidy will not solve the various problems associated with the functioning of PDS, the Committee are of the view that introduction of cash transfer at this juncture may not be desirable. The Committee, therefore, recommend that the Government should ensure that banking infrastructure and accessibility to banking facility are made available in all parts of the country including remote, rural and hilly tribal areas before introducing cash transfer in lieu of food subsidy.

I. SHARING OF EXPENDITURE

2.69 The Bill under its various clauses provides for cost sharing of expenditure between the Central and the State Governments towards identification of priority and general households, identification of persons living in starvation, payment of food security allowance, establishment of District Grievance Redressal Officer and State Food Commission including payment of salaries and allowances to the staff, creation and maintenance of scientific storage facility at the State, District and Block levels and for setting up of Vigilance Committee at various levels in the States, etc.

2.70 Summary of views/suggestions placed before the Committee

State Governments of Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Madhya Pradesh, Meghalaya, Odisha, Tripura, Uttar Pradesh etc. – The entire cost on implementation of the National Food Security Bill should be borne by the Central Government since it is the Central Government's own policy.

State Governments of Kerala, Rajasthan, West Bengal, Gujarat etc. – The cost on implementation of the National Food Security Bill should be shared by the Central and State Government. The share of State Government should not exceed 20% of the cost.

2.71 Reply of the Department of Food and Public Distribution

The implementation of PDS is the joint responsibility of the Centre and the States. Under the Act, foodgrains will be supplied by the Central Government upto the depots designated by the Central Government in each State at highly subsidized prices and the entire subsidy on account of this will be borne by the Central Government. The expenditure on distribution of foodgrains within the States should be borne by States/UTs. A few States are already bearing the transport cost and expenditure of dealer's margin, and are further subsidizing the issue price under PDS. As the Bill is going to be a joint responsibility of Central and State Governments, it is imperative that the States participate in the process actively and share some of the costs.

The Department further stated that though some tentative estimates of the likely additional expenditure to be borne by States/UTs have been worked out, its full extent can be shown only after final shape of the Bill emerges and new schemes for providing meals to vulnerable groups such as destitute and homeless persons, emergency/disaster affected persons and persons living in starvation, including pattern of cost sharing between Central and State Governments, is finalized.

As regards food security allowance, Section 13 of the Bill provides that in case of non-supply of the entitled quantities of foodgrains or meals to entitled persons under Chapters II, III and IV, such persons shall be entitled to receive such food security allowance from the concerned State Government as may be prescribed by the Central Government.. However, Section 31 provides that in case of short supply of foodgrains from the central pool to a State, the Central Government shall provide funds to the extent of short supply to the State Government for meeting obligations under Chapters II, III and IV in such manner as may be prescribed by the Central Government. These sections imply that States would have to give food security allowance only in case of non-delivery of entitlements due to deficiency at States' end. In case of failure arising out of short supply of foodgrains by the Central Govt., State Governments will be adequately compensated.

Recommendation of the Committee

2.72 Considering the majority views/suggestions received from the various State Governments and also keeping in view the fact that the economic and financial position varies from State to State, the Committee are of the strong view that the State Governments may be divided into Category A, Category B and Category C. Those States which are performing financially well may be termed as Category A States and they may bear the entire cost of expenditure as envisaged under the aforesaid provisions of the Bill, both one time and recurring nature, for implementation of The National Food Security Bill. The remaining States may be divided into Category B and C for which the Central Government may provide financial assistance to the extent of 50% to Category B States and 75% to Category C States for one time capital expenditure to be incurred on creation of infrastructure, constitution of State Food Commission, creation and maintenance of scientific storage up to block levels and setting up of Vigilance Committees at various levels. However, recurring expenditure towards payment of salary and allowances to the Chairman and Members of State Food Commissions and Officers and staff of the District Grievance Redressal Office etc. shall have to be borne by the respective State Governments since they will be the State Government Employees.

The Committee further note that under the existing TPDS, the States/UTs have the freedom to pass on to the APL and BPL beneficiaries the cost incurred on internal transportation of foodgrains and fair price shop (FPS) dealers' margin. In case of AAY households such costs cannot be passed on to beneficiaries.

Presently, while some States are passing on these costs to beneficiaries, States such as Chhatisgarh, Gujarat, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Odisha, Rajasthan, Sikkim, Tamil Nadu, Uttarakhand, West Bengal are not only not passing it on, but are further subsidising the price. The Committee are informed that under the NFSB, States/UTs will not have the flexibility to pass on the cost on transportation and handling of foodgrains and FPS dealers' margin as the Central Issue Price (CIP) and the end price to be charged from the beneficiaries are the same. Keeping in view the additional financial burden on the State Governments due to the proposed Bill, the Committee recommend that the States/UTs may be allowed to pass on the cost of transportation and FPS Dealers' margin to the beneficiaries, if they so desire.

CHAPTER – III
CLAUSE-WISE ANALYSIS

(a) Preparedness of States/UTs

Section 1 (3) - It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint, and different dates may be appointed for different provisions of this Act.

3.2 Reply of the Department of Food and Public Distribution

The National Food Security Bill under Section 1 (3) provides that it shall come into force on such date as the Central Government may by notification appoint in the Gazette and different dates may be appointed for different provisions. This offers flexibility for bringing into force different provisions of the Act from different dates. Similar flexibility is however not available for Act coming into force on different dates in different States, with an outer limit within which all States/UTs will have to implement it.

State Governments will be required to take various preparatory steps for proper implementation, which will include Identification of beneficiaries, issue of ration cards and strengthening of required infrastructure in terms of Fair Price Shops, godown facility etc.

Recommendation of the Committee

3.3 As preparedness to implement the Act varies from State to State, the Committee recommend that the Act should provide for allowing States/UTs, a reasonable time limit, which could be one year, within which they will be required to complete the preparatory work, at the end of which the Act will come into force in all States. If any State/UT is in a position to implement the Act earlier than the stipulated time, they can do so. Conditions/Guidelines for determining preparedness of States/UTs may be prescribed by the Central Government.

(b) Provision for Food Security

3.4 Clause 3(1) - Every person belonging to priority households and general households, identified under sub-section (2) of section 15, shall be entitled to receive every month from the State Government, under the Targeted Public Distribution System, seven kilograms of foodgrains per person per month for priority households and not less than three kilograms of foodgrains per person per month for general households, at subsidised prices specified in Schedule I. The Schedule I provides the subsidized prices under Targeted Price Distribution System, as under:-

Subsidised Price for Priority Households	Subsidised Price for General Households
1	2
Not exceeding rupees 3 per kg for rice, rupees 2 per kg for wheat and rupee 1 per kg for coarse grains.	Not exceeding 50 per cent. of the minimum support price for wheat and coarse grains, and not exceeding 50 per cent. of derived minimum support price for rice.

3.5 Summary of views/suggestions placed before the Committee

Ministry of Finance – The Act should not fix price of foodgrains for the beneficiaries. Rather, issue price should be linked with MSP fixed every year for procurement purposes. Fixed price may lead to a continuous rise in the Government of India's (GOI) food subsidy and, ultimately, it may not be sustainable in the longer run.

Ministry of Tribal Affairs – Food entitlements should be specified on the basis of recommended nutritional requirements to enable purchase of needed quantity at option or yearly aggregate entitlements may be specified instead, since the average off-take may fluctuate at different times of the year depending upon prices or alternate sources of supply, and may be more relevant for planning subsidy/logistic requirements.

State Government of Kerala – Instead of reducing the present quota of 35 kg for a BPL family with less than 5 members, it is suggested that the minimum allocation at 35 kg for a family. Thereafter, for every additional person over five persons in the family, a certain stipulated quantity (say 5 to 7 kg) should be additionally provided.

State Government of Odisha – Regarding entitlement of foodgrains for General Households the proposal in the Bill to provide 7 kg of rice per head for general household has not been accepted by the Government. Odisha feels that allotting 3 kg of rice per head per month i.e. @ 100 gms. per day per head is quite low for sustenance of a person.

Right to Food Campaign – 'Every person shall be entitled to 14 kgs of cereals, 1.5 kgs of dal and 800 gm of oil per month.'

UNICEF – 7 kgs subsidized foodgrains per person per month needs to include other nutritious food such as pulses, oil and milk/dairy products.

Shri Naveen Jindal, MP (LS) – World Health Organization (WHO) prescribes minimum subsistence to be 11 kgs as against 7 kgs that is being prescribed right now. Committee may like to suggest accordingly.

Prof. M.S.Swaminathan, MP (RS) – We must ensure that the Bill makes improvement, and does not cut down the provisions contained in the Antyodaya Anna Yojana because we must protect what we are already doing. So, we have to be careful in our wording so that the Antodaya Anna Yojana beneficiaries who are today getting 35 kgs. per family are protected.

Smt. Brinda Karat, Ex-M.P. (RS) – At present the Antodaya category numbering approximately 2.5 crore families is getting a price advantage of 35 kilos of rice at two rupees a kilo. The Bill eliminates this category and also the price advantage. Thus for 2.5 crore families, the FSB will result in an added expenditure of 35 rupees per month. This is unfair. Secondly, the price of rice has been kept at three rupees whereas in many States, it is presently priced at two rupees. In Tamil Nadu, 20 kgs of rice is free. Further, the 3 kgs a month entitlement for APL section is making a mockery of food security.

All India Democratic Women's Association – The Bill represents a retreat and not an advance because instead of guaranteeing food security as a right, it actually dilutes the existing, albeit weak, provision of the present Public Distribution System (PDS). Further, at present, 2.5 crore households in our country are identified as AAY category and they are provided 35 kgs rice per month at the price of Rs. 2 per kg. These families will now have to pay an additional Re. 1 per kg for rice, which is proposed to be priced Rs. 3 per kg. Several State Governments are already providing rice at, or below, Rs. 2 per kg (Tamil Nadu supplies rice free of cost with universal coverage) to far above the prescribed numbers of BPL sections in their States.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi – Currently, the Bill is saying 7 kgs for priority group and 3 kgs for general category. In our opinion, the procurement level is so high and it is going to continue increasing. We feel that you could even make it 7 kgs.

3.6 Reply of the Department of Food and Public Distribution

The foodgrains entitlement in the Bill is on individual basis and not on household basis. At the proposed entitlement of 7 kg per person per month for priority households, it works out to be 35 kg per month for a family of five, which is the same as existing entitlement of 35 kg per month for a BPL family. Current levels of production and procurement of foodgrains has also been kept in mind while prescribing entitlements and coverage.

When asked whether at the current level of production and procurement of foodgrains, it is possible to provide 7 kg or 11 kg per person per month to all the beneficiaries, the Department of Food and Public Distribution stated as under:-

'The estimated foodgrains requirement @ 7 kg and 11 kg per person per month for 75% of the rural population and 50% of the urban population would be beyond the realm of feasibility. Foodgrains requirement at 5 kg per person per month is however manageable and may be considered by the Committee as an option. It may however be noted that currently AAY and BPL beneficiaries are entitled to receive 35 kg per household per month, which comes to about 7 kg per person per month.'

Section 17 of the Bill provides as under:-

Within the State-wise number of persons belonging to priority households and general households, determined under sub-sections (1) and (2) of section 14, the list of the eligible priority households and general households shall be updated by the State Governments in such manner as may be prescribed by the Central Government.

The Department of Food and Public Distribution stated in this regard that this means that the foodgrains requirement will increase with increase in population and increase in production and procurement of foodgrains will have to keep pace with such increases in foodgrain requirement. The Table below gives the estimated requirement of foodgrains based on provisions of the Bill, using the projected population of that year along with the projections of production and procurement of wheat and rice made by the Ministry of Agriculture:

Projection of Production, Procurement and Requirement of Foodgrains

(in million tons)

Year	Production (Wheat & Rice)	Procurement (Wheat & Rice)		Foodgrains requirement under TPDS and OWS
		(As projected by Min. of Agri.)	Adjusted	
2011-12*	198.22	73.18\$		60.74
2015-16	196.32	64.18	67.18	64.46
2020-21	207.48	67.83	70.83	69.67
2025-26	219.29	71.68	74.68	75.39

* Production as per 4th Advance Estimate and actual Procurement as on 10.10.12

\$ Actual as on 10.12.2012

Note: Projection of foodgrain requirement is as per the NFSB provisions regarding coverage under TPDS and population projections using the rate of growth as observed during 2001-2011. OWS requirement is assumed to grow at the same rate as population.

As can be seen, the estimated requirement of foodgrains is likely to surpass the projected procurement in 2015-16. It may however be noted that the projection of wheat production for 2011-12 was about 10 million tons below the actual production and therefore even the future projections could be on the lower side. Accounting for this and assuming that 1/3rd of the production will be procured, the projection of the Ministry of Agriculture regarding procurement can be suitably adjusted upwards by 3 million tons. Even then, shortfall in foodgrain availability in the Central Pool is anticipated in 2025-26. It may however be noted that projections of procurement done by the Ministry of Agriculture is based on the assumption that about one third of the total production of wheat and rice will be procured. It would be difficult to sustain procurement at this level year after year.

Recommendation of the Committee

3.7 The Committee note that most of the State Governments or Experts who tendered their views/suggestions before them have suggested that the entitlement of foodgrains should not be less than 7 kg per person per month. The Committee further note that though the projection of wheat production for 2011-12 was about 10 million tons below the actual production, the estimated requirement of foodgrains is likely to surpass the projected procurement in 2015-16 and the shortfall in foodgrains availability in the Central Pool is anticipated in the year 2025-26. The Committee while agreeing that the entitlement of foodgrains should be adequate, also feel that it is very important that the proposed legislation, which is one of the most ambitious legislations in the world, is sustainable in the long run. Therefore, the Government needs to ensure that the Food Security Bill which is under consideration, does not face problems in implementation and the commitments made therein are feasible. The Committee, therefore, recommend that to begin with, the entitlement of foodgrains be fixed at 5 kg per person per month for all the persons to be covered under the Bill. However, taking into account the level of production and variation in the population estimates, the Government may review the position periodically and consider increasing the entitlement of 5 kg per person per month in future. The Committee also observe that the Bill prescribes too many categories with different proportions of entitlement at different prices. The Committee are of the considered opinion that such categorization is very complicated and impractical to implement and feel that it is bound to give rise to several problems in implementation, giving more scope for pilferage/leakages

and other shortcomings which are already being faced in the implementation of TPDS. As recommended earlier, the Committee, therefore, desire that there should only be a single category of inclusion with uniform entitlement of 5 kg per person per month at uniform subsidized price in order to successfully achieve the objectives of the Bill.

The Committee further note that the entitlements proposed in the Bill are on per person basis and not on household basis, whereas under the present TPDS, every BPL and AAY household get 35 kg of foodgrains irrespective of the household size. Though it has been apprehended by some experts/organizations that the shift from household based entitlement will lead to decrease in the entitlement in case of smaller family size, the Committee feel that households with more members and larger families will be entitled to get more. The Committee are of the opinion that this per person entitlement appears to be more rationale and equitable, particularly when a legal right is sought to be created.

The Committee also recommend that the allocation of foodgrains to States/UTs should be based on 2011 Population Estimates, to begin with, which may be reviewed after every 10 years. The Committee further recommend that in case the implementation of the Bill results in decreased allocation to any section or State/UTs, the Government could consider protecting the same through an Executive Order. The Government may, accordingly, revise the relevant clause of the Bill.

The Committee further note that Schedule I of the Bill provides that subsidized price for priority households are proposed to be not exceeding Rs. 3 per kg for rice, Rs. 2 per kg for wheat and Rs. 1 per kg for coarse grains.

However, the Committee feel that the above stated price may lead to continuous rise in the food subsidy of the Government which may not be sustainable in long term. Therefore, the subsidized prices cannot be fixed for all times to come and may need revision in future. The Committee, therefore, recommend that the Government may review the prices of subsidized foodgrains every five years and depending upon the production, procurement, stock position etc. of foodgrains, revise the prices, if required, so that the amount of food subsidy does not put a heavy burden on the national economy.

Coverage of Population

3.8 Clause 3(2) - The entitlements referred to in sub-section (1) at subsidised prices shall extend up to seventy-five per cent of the rural population and up to fifty percent of the urban population:

Provided that not less than forty-six percent of the rural and twenty-eight per cent of the urban population shall be designated as priority households.

3.9 Summary of views/suggestions placed before the Committee

State Governments of J&K, Kerala, Meghalaya – The total coverage in rural areas should be retained at 90% of the rural population as was envisaged by the National Advisory Committee in its original draft.

State Government of Tamil Nadu – The State Government is implementing Universal PDS which is functioning well.

State Government of Tripura – The State Government strongly feels that 100% population both in urban and rural areas should be covered under the proposed National Food Security Bill, 2011.

Prof. M.S.Swaminathan, MP (RS) – There should be 67 per cent coverage in 22 States and Union Territories, and 75 per cent coverage in the 250 Backward Region Grant Fund Area. Those districts are important. There 75 per cent will have to be covered. Then, there is 90 per cent coverage in the Special Category States, i.e. North-Eastern States and Jammu and Kashmir.

Mr. Jeane Dreze, Hon. Professor, Delhi School of Economics and Ms. Reetika Khera, Asst. Professor, IIT, Delhi – The main concern with the Bill as it is today is that it has a very complicated and a very impractical targeting framework, which has three categories – for example in rural areas, 46 per cent will be in the priority groups and 29 per cent in the general category. In urban areas, there are different proportions, different entitlements and prices for different groups, etc. It is very complicated. It is not practical. We have to see this in the light of the very poor experience of BPL targeting.

General Public - Approximately more than 1.5 lakh citizens from various parts of the country suggest that National Food Security Bill, 2011 must be a comprehensive one which will render Food Security through PDS to all citizens of this country irrespective of their Class or Category. Every one of us must be given benefit of PDS which we have been getting since independence. There may be classification of beneficiaries and difference price structure for different categories but no one should be excluded from the ambit of PDS to ensure Universal Food Security through PDS.

3.10 Reply of the Department of Food and Public Distribution

At the all India level, coverage of 75% and 50% under TPDS in rural and urban areas respectively has been proposed in the Bill keeping in view the current levels of production and procurement of foodgrains. Corresponding to this, coverage in each State/UT under priority and general households is to be determined by the Central Government. The Bill lays down the minimum entitlements of the persons belonging to priority and general households that the Governments at the Central and State levels will be jointly required to fulfill as legal obligation. Obligation of the Central Government under TPDS will be to allocate foodgrains for number of persons belonging to priority and general households determined for each State. State Governments will be responsible for actual delivery of foodgrains to entitled persons at specified prices. State Governments, however, if they so desire, will be free to extend the coverage out of their own resources as long as the minimum entitlements prescribed under the Bill for the identified priority and general households are met. Section 40 of the Bill provides that the provisions of this Act shall not preclude Central or State Governments from continuing or formulating other food based welfare schemes.

Recommendation of the Committee

3.11 The Committee observe that Clause 3(2) of the Bill provides that 75% of the rural population and 50% of the urban population shall be entitled to subsidized foodgrains provided that not less than 46% of the rural population and 28% of the urban population shall be designated as priority households. The Committee have already agreed to the percentage of coverage of population as proposed in the Bill and also recommended for single category with uniform entitlements @ 5 kg per person per month considering the various factors such as current levels of production and procurement of foodgrains, the average annual production of wheat and rice during the last five years, the average annual procurement during the last five years as 30% of the production and keeping in view the recommendation of the Expert Committee chaired by Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, which stated that larger than 30% procurement had the danger of distorting the food prices in the open markets etc. The Committee have given detailed recommendation in this regard at Para No. 2.5 of the Report.

Provision of free meal to women during pregnancy and six months after the child birth

3.12 **Clause 4 (a)** - meal, free of charge, during pregnancy and six months after the child birth, through the local anganwadi, so as to meet the nutritional standards specified in Schedule II; and

(b) - Maternity benefit of rupees one thousand per month for a period of six months in accordance with a scheme, including cost sharing, payable in such instalments as may be prescribed by the Central Government:

Provided that all pregnant women and lactating mothers in regular employment with the Central Government or State Governments or Public Sector Undertakings or those who are in receipt of similar benefits under any law for the time being in force shall not be entitled to benefits specified in clauses (a) and (b).

Schedule – II

NUTRITIONAL STANDARDS

Nutritional standards: The nutritional standards for children in the age group of 6 months to 3 years, age group of 3 to 6 years and pregnant and lactating women required to be met by providing 'Take Home Rations' or nutritious hot cooked meal or ready to eat meal in accordance with the Integrated Child Development Services Scheme and nutritional standards for children in lower and upper primary classes under the Mid Day Meal Scheme are as follows:

Serial Number	Category	Type of Meal	Calories (Kcal)	Protein (g)
1	2	3	4	5
1.	Children (6 months to 3 years)	Take Home Ration	500	12-15
2.	Children (3 to 6 years)	Morning Snack and Hot Cooked Meal	500	12-15
3.	Children (6 months to 6 years) who are malnourished	Take Home Ration	800	20-25
4.	Lower Primary Classes	Hot Cooked Meal	450	12
5.	Upper Primary Classes	Hot Cooked Meal	700	20
6.	Pregnant and Lactating Mothers	Take Home Ration	600	18-20

Note: 1.—Energy Dense Food fortified with micronutrients as per 50 per cent. of Recommended Dietary Allowance.

Note: 2.—Meals shall be prepared in accordance with the prevailing Food Laws.

NB: Nutritional standards are notified to provide balance diet and nutritious foods in terms of the calorie counts, protein value and micronutrients specified.

3.13 Summary of views/suggestions placed before the Committee

Ministry of Women and Child Development – In the National Food Security Bill (NFSB), a new provision for maternity benefit of Rs. 1,000 p.m. for a period of six months has been made. It may be stated that disbursing the amount every month may be administratively difficult. A provision of Rs. 6,000/- during the period of six months may be reiterated and first part of Section 4(b) may be modified to read as under:-

"Maternity benefit of Rs. 6,000 @ Rs. 1,000 p.m. for a period of six months in accordance with the scheme including cost sharing, mode and periodicity of disbursement, as may be prescribed by the Central Government.'

Implementation of the National Food Security Bill, 2011 will not have any major impact on the functioning of the Ministry per se but it will definitely affect the implementation of the scheme having nutrition component i.e. Integrated Child Development (ICDS) schemes. ICDS scheme is for the benefit of under-six years' children, pregnant and lactating mothers whereas Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA) scheme, being implemented on a pilot basis, is for adolescent girls. Both the schemes are serviced at the Anganwadi Centres (AWCs) under the ICDS through the Anganwadi Workers/Anganwadi Helpers (AWW/AWHs). Supplementary nutrition is one of the services provided under these schemes.

ICDS scheme is currently in transition and the on-going efforts are to improve delivery through implementation of revised feeding and nutritional norms with quality as well as reach out to the population through AWCs in all the 14 lakh habitation. The scheme is confronted with programmatic and operational gaps which would need to be addressed first. After then only the ICDS scheme would evolve to an acceptable level of performance in terms of delivery of services and outcomes. Therefore, the time is not ripe yet for making the entitlements legal through an Act of Parliament. At best, it could be considered for inclusion in the enabling provision as in the case of health services, water and sanitation. Ideally, Food Security Bill should concentrate and strengthen the adequacy availability of full basket of commodities at the household level such as cereals, millets, oil, fruits etc. for overall nutrition outcomes.

The provisions in Clauses 20 to 29 of Chapter IX and 40 to 52 of Chapter XV of the draft Bill read with Schedule II, in so far it relates to ICDS, may be made operative only after the ICDS scheme has been notified for implementation under the NFSB. Further, the autonomy of these institutions may be ensured.

Ministry of Health and Family Welfare – The rate of Rs. 1,000/- per month would need to be revised periodically linked with Consumer Price Index (CPI) – a provision needs to be made accordingly. Sole exclusion of pregnant women and lactating mothers in regular Government employment (Central/State/PSUs) would deprive a rather small section of women of the benefit and therefore this exclusion may be reviewed.

State Government of Kerala – The maternity entitlements provided for in the original draft of the National Advisory Committee should be retained.

National Commission for Protection of Child Rights (NCPCR) – No conditionalities should be attached to maternity benefits. In particular, the benefit should apply irrespective of the place of birth (institutional or non-institutional deliveries), age of mother, or number of children.

Right to Food Campaign – Every pregnant and lactating mother shall be entitled to maternity benefits for a period of nine months, commencing from three months before the date of delivery and continuing for six months after that date. Such maternity benefit shall be at minimum wages and shall also be inflation indexed.

Shri Naveen Jindal, MP (LS) – The maternity benefit of Rs. 1,000 per month for a period of six months should be started only after three months into the pregnancy as before that the foetus is unstable and also, could lead to pressure on women to get pregnant for free food and abort later. This benefit should be only given till the birth of 2nd child – this will help in ensuring population stabilization, otherwise we run the risk of promoting practice of producing more children.

Smt. Brinda Karat, Ex-M.P. (RS) – It is essential to have a mention in the Bill of the need to strengthen and universalize anganwadis otherwise the legal rights of pregnant and lactating mothers cannot be met.

3.14 Reply of the Department of Food and Public Distribution

For strengthening the local anganwadis in all parts of the country for providing meal, free of charge to pregnant women and lactating mothers, the Integrated Child Development Scheme (ICDS) has been strengthened and restructured recently with an outlay of Rs. 1,23,580 crores for the 12th Five Year Plan. This inter-alia includes revision of cost norms for Supplementary Nutrition Program (SNP), improvement of infrastructure, construction of building of Anganwadi Centres (AWCs), revisions of cost norms for other components, revision of rent for AWC premises etc.

The Department further stated that the Ministry of Women and Child Development (WCD) has informed that their Ministry supports the maternity benefit after the child birth only for 6 months. This is to support the exclusive breast feeding for 6 months. As regards the amount of maternity benefit, it is submitted that in view of other provisions in the Bill for nutritional support to pregnant women and lactating mothers, the amount of Rs. 1,000/- per month appears adequate. It is also mentioned that the WCD Ministry during interaction with the Standing Committee on Food, Consumer Affairs and Public Distribution, in its sitting held on 22.11.2012, had suggested that in the provision under Section 4, Clause (b) of the Bill relating to maternity benefits to pregnant women and lactating mother, the amount of monthly maternity benefit should not be mentioned in the Act itself as any subsequent revision in the amount would require amendment in the Act. As such, in order to facilitate revision in amount in future, this may be considered for putting the amount of maternity benefit in a Schedule.

Recommendation of the Committee

3.15 The Committee observe that under Clause 4(b) of the Bill, maternity benefit of Rs. 1,000/- per month for a period of six months shall be payable in such installments as may be prescribed by the Central Government. The Committee recommend that the pregnant women should be eligible for the maternity benefit of Rs. 1,000 per month after three months into pregnancy. The Committee further recommend that the maternity benefit of Rs.1000/- shall be admissible up to the birth of second child only in order to encourage stabilization of population. The Committee also desire that the amount of Rs. 1,000/- should be indicated in the Schedule and not in the body of the Bill so that subsequent revision in the amount would not require amendment to the Act.

The Committee also observe that the Food Security Bill also provides for meal, free of charge to pregnant women during pregnancy and six months after child birth through local anganwadis to meet nutritional standards specified in the Bill. However, the Committee find that sufficient anganwadi centres are not existing in all parts of the country and in many places where they exist, are not properly functioning. The Committee also feel that it is not practical for pregnant women to go to anganwadi centres to get free meal. Moreover, the Committee have been informed by the Ministry of Women and Child Development that the implementation of the Bill will affect the implementation of the Integrated Child Development Scheme (ICDS), which is being run by the Ministry for the benefit of under six years children, pregnant and lactating mothers and the Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA), being implemented on a

pilot basis for adolescent girls. Both the schemes are serviced under the ICDS through Anganwadi Centres/Anganwadi Helpers. The Ministry have informed the Committee that the ICDS scheme is confronted with programmatic and operational gap which would need to be addressed first and only thereafter, it would evolve an acceptable level of performance in terms of delivery of services and outcomes. The Committee, therefore, recommend that pregnant women should be given an additional 5 kg of foodgrains per month during pregnancy and till two years after the child birth so as to meet her nutritional requirement, both post delivery and during lactation.

3.16 Nutritional Support to Children

Clause 5 (1) - Every child up to the age of fourteen years shall have the following entitlements for his nutritional needs, namely:—

(a) in the case of children in the age group of six months to six years, age appropriate meal, free of charge, through the local anganwadi so as to meet the nutritional standards specified in Schedule II:

Provided that for children below the age of six months, exclusive breast feeding shall be promoted.

(b) in the case of children in the age group of six to fourteen years, one mid-day meal, free of charge, everyday, except on school holidays, in all schools run by local bodies, Government and Government aided schools, up to class VIII, so as to meet the nutritional standards specified in Schedule II.

3.17 Summary of views/suggestions placed before the Committee

Right to Food Campaign – Insert Clause 5 (1) (c) In the case of all adolescent girls, age appropriate meal in the form of hot cooked meals or take-home rations as per the nutritional standards mentioned in Schedule I.

UNICEF – The qualitative aspect of the meal like foods to include, its fat content, portion size etc. are not specified. Young children between 6 to 24 months require appropriate nutrient dense food because of their rapid growth and small stomach size, therefore, stress needs to be given to children's right to the right food.

The first 1,000 days from inception to age two years, offer an opportunity to improve the nutrition situation of children. If this opportunity is missed, the window closes, and it closes forever leading to an intergenerational cycle of undernutrition and deprivation.

World Food Programme (WFP)- The Bill lays enough emphasis on meeting the requirements of the first 1,000 days of life (from inception till 2 years of age) through the ICDS. Integrating the age appropriate nutrition requirements into PDS, also taking cognizance of specific physiological conditions including HIV/TB or need of fortification are indeed necessary.

Shri Naveen Jindal, MP (LS) – This scheme should also be extended to kids below the age of six months, if they are lactose intolerant or are mother-less. This would also reduce infant mortality.

Recommendation of the Committee

3.18 The Committee note that the Bill proposes to provide age appropriate meal, free of charge to children in the age group of 6 months to 6 years, through the local anganwadis so as to meet their nutritional standards specified in Schedule II of the Bill. As observed in the preceding paragraphs, the Committee find that ICDS scheme is not yet ripe to implement the provisions of the Bill. Moreover, the Committee do not find it practical for the children below the age of 2 years to go to anganwadi centres to get free meal. The Committee, therefore, recommend that the children below the age of two years who will be entitled to 5 kg of foodgrains under the provisions of the Bill need not be provided free meals as they will be fed by their mothers who have already been recommended additional 5 kg of foodgrains till two years of the child birth vide recommendation in para no. 3.15. The Committee further recommend that children in the age group above two years to sixteen years (or the age when they start going to school) be provided, one mid-day meal, free of charge, in all schools, run by local bodies, Government and Government aided schools, so as to meet the nutritional standards specified in Schedule II.

3.19 The Committee, however, observe that nutritional needs of adolescent girls are higher due to age related physical and hormonal changes. The Committee also agree with the views of the experts that only healthy girls will become healthy mothers. Therefore, to meet their nutritional requirements and iron deficiency, a provision of fortified atta and iron rich diet is needed. The

Committee, therefore, recommend that under sub-clause 5 (1) (b), a new Clause 5 (1) (c) may be added as under:-

Clause 5 (1) (c) In the case of all adolescent girls, age appropriate meal in the form of hot cooked meals or take-home rations as per the nutritional standards mentioned in Schedule II.

(c) Entitlements of Special Groups

3.20 Clause 8 - The special groups consisting of all destitute persons or homeless persons shall have the following entitlements, namely:—

(a) all destitute persons shall be entitled to at least one meal every day, free of charge, in accordance with such scheme, including cost sharing, as may be prescribed by the Central Government;

(b) all homeless persons shall be entitled to affordable meals at community kitchens, in accordance with such scheme, including cost sharing, as may be prescribed by the Central Government.

3.21 Summary of views/suggestions placed before the Committee

Food and Agriculture Organization (FAO)- FAO finds that 'destitution' is not very clearly defined. It supports the notion of seeking to identify social and occupation groups that are especially vulnerable, such as the homeless. Other groups that could be singled out include scheduled caste population, tribal populations, manual scavengers, beggars, sex workers, landless labourers, artisans, persons with disabilities, people with stigmatizing illnesses such as leprosy or HIV/AIDS, the elderly and the young who lack family support, and single women.

Right to Food Campaign – Insert a Clause after Clause 8

Pension entitlements: The following persons shall be entitled to an individual pension of atleast Rs. 1300 per month (at Rs.2009-10 prices), without prejudice to any other benefits or entitlements they may have under this Act, provided that they satisfy certain exclusion criteria:

- (a) Widows, Separated, Divorced and Abandoned women.
- (b) Elderly persons,
- (c) Disabled persons.

(2) Gram Panchayat Certification: Eligibility to a pension, in terms of these criteria, shall be certified by the Gram Panchayat, after being duly verified and recommended by the Gram Sabha.

(3) Timely disbursal: Pensions shall be disbursed regularly every month, by the 7th day of each month, through Post Offices or bank accounts of the recipients.

Clause 8 (b) – Entitlements need to be more clearly specified, in terms of cost of the meal, cost sharing, as well as nutritional content of the meal.

UNICEF – Children with severe acute malnutrition (SAM) and people living with HIV/AIDS to be included under this category as these groups have special nutritional needs, and evidence indicates that adequate nutrition therapy and treatment can save lives.

World Food Programme (WFP)- WFP believes that a more clear description of targeted groups could potentially be further enhanced in the Bill.

Shri Naveen Jindal, MP (LS) – It is difficult for the administration to verify the claim of being homeless or being a destitute. It runs the risk of breaking the social fabric as non-earning members of the family (elderly & disabled) might be pushed out of homes to feed for themselves.

Recommendation of the Committee

3.22 The Committee note that the Bill provides that all destitute persons shall be entitled to atleast one meal every day free of charge and all homeless persons shall be entitled to affordable meals at community kitchens, in accordance with such schemes, including cost sharing, as may be prescribed by the Central Government. The Committee feel that it would be difficult for the administration to identify destitute and homeless persons who may be given such benefits under the provisions of the Bill. Further, there is a risk of breaking the social fabric as non-earning members of the family may be pushed out of homes to feed for themselves. The Committee have already recommended for inclusion of this category of persons in the inclusion category under Recommendation Para No. 2.12. The Committee, therefore, recommend that this Clause may be deleted from the Bill.

(d) Food Security Allowance

3.23 Clause 13 - In case of non-supply of the entitled quantities of foodgrains or meals to entitled persons under Chapters II, III and IV, such persons shall be entitled to receive such food security allowance from the concerned State Government to be paid to each person, within such time and manner as may be prescribed by the Central Government.

Clause 31 - In case of short supply of foodgrains from the central pool to a State, the Central Government shall provide funds to the extent of short supply to the State Government for meeting obligations under Chapters II, III and IV in such manner as may be prescribed by the Central Government.

3.24 Summary of views/suggestions placed before the Committee

State Government of Andhra Pradesh – Payment to be made for failure of supply of food grains or food by the State Government, the State Government should be consulted before implementing this provision.

State Government of Assam – Food Security Allowance should be borne by the Central Government and the fund should be transferred to the beneficiaries preferably through bank accounts.

State Government of Odisha – Regarding Food Security Allowance, the finances of State Government does not allow it to bear the same. The Union Government should bear the entire cost.

Right to Food Campaign - Insert 'Provided that such food security allowance shall be resorted to only in the last instance and is a punitive measure for the non-supply of the foodgrains;

Provided further that such food security allowance will be five times the original quantity of foodgrains that the beneficiary was entitled to and shall be provided in kind as well.

Shri Naveen Jindal, MP (LS) – The Bill provides for entitlements to receive food security allowances only in the advent of non-availability of food. We would like to recommend usage of direct cash transfer/food coupons as an option for all beneficiaries in the hands of the lady of the House.

3.25 Reply of the Department of Food & Public Distribution

Though some tentative estimates of the likely additional expenditure to be borne by States/UTs have been worked out, its full extent can be known only after final shape of the Bill emerges and new schemes for providing meals to vulnerable groups such as

destitutes and homeless persons, emergency/disaster affected persons and persons living in starvation, including pattern of cost sharing between Central and State Governments, is finalized. Sections 13 and 31 of the Bill implies that States would have to give food security allowance only in case of non-delivery of entitlements due to deficiency at States' end. In case of failure arising out of short supply of foodgrains by the Central Government, State Governments will be adequately compensated.

Recommendation of the Committee

3.26 The Committee note that in case of short supply of foodgrains from the Central Pool to a State, the Central Government will provide funds to the extent of short supply to the State Government for meeting their obligation under various provisions of the Bill, including Food Security Allowance. As such, no expenditure will be incurred by the States for the purpose of paying food security allowance and hence, the apprehensions of some State Governments in this regard is unfounded. The Committee are of the view that responsibility of the State Governments under the provisions of Clause 13 of the Bill is taken care of by the provisions in Clause 31.

(e) Identification of Priority households and general households

3.27 Clause 14. (1) - At the all India level, the percentage coverage of overall rural and urban population under the priority and general households, for the purposes of providing subsidised foodgrains under the Targeted Public Distribution System, shall be to the extent specified in sub-section (2) of section 3.

(2) Subject to sub-section (1), the Statewise distribution shall, from time to time, be determined by the Central Government.

Clause 15. (1) - The Central Government may, from time to time, prescribe the guidelines for identification of priority households, general households and exclusion criteria, for the purposes of their entitlement under this Act, and notify such guidelines in the Official Gazette.

(2) Within the State-wise number of persons belonging to the priority households and general households, determined under sub-sections (1) and (2) of section 14, identification of priority households and general households shall be done by the State Governments or such other agency as may be decided by the Central Government, in accordance with the guidelines referred to in sub-section (1):

Provided that no household falling under the exclusion criteria, to be prescribed by the Central Government, shall be included either in the priority households or general households.

3.28 Summary of Views/Suggestions placed before the Committee

Ministry of Finance - The Ministry of Rural Development is coordinating the ongoing Socio-economic Caste Census (SECC), 2011 which is surveying all rural households in the country to collect information on a number of socio-economic indicators. The eligibility and entitlements of rural households in the country for different Central Government programmes and schemes will be determined in line with the SECC, 2011 results. Ministry of Rural Development and Planning Commission will consult States, experts and civil society organizations to arrive at a consensus on the methodology that will seek to ensure that no poor or deprived household will be excluded from the coverage under different government schemes. An Expert Committee to be appointed will ensure that this methodology is consistent with the provisions of the Food Security Bill as it finally emerges. Since the methodology for determining eligibility under different scheme will be decided in consultation with State Government and experts, concerns of State Governments will be addressed. The Department would like to see a consultative mechanism involving, Central Government and State Government in the Final determination of the coverage of beneficiaries.

Ministry of Panchayati Raj - In Clause 15 after sub-clause (2), the sub-clause (3) shall be added in which recommendatory roles of panchayats are suggested because ultimately Union and State Governments are responsible for food security under

Chapter X and Chapter XI of the Bill. Panchayats/Gram Sabha should also be given a role to recommend cases of priority and general households.

Ministry of Social Justice and Empowerment- A more liberal criterion in respect of the households having any of the member(s) with disability for automatic inclusion as the priority households for the purpose of their entitlements under the proposed National Food Security Act, 2011 needs to be adopted. While framing guidelines for identification of priority households, issues concerning persons with disabilities including their problems to access facilities on account of a multiplicity of reasons including reduced mobility, inaccessible information and communication may please be given due consideration.

Ministry of Tribal Affairs - A separate commission or committee for identification of beneficiaries may not be required. Identification should be by the local authorities or by the tribal hamlets/habitations. The Ministry feel that the tribals in remote/inaccessible areas may be included in the priority.

State Government of Rajasthan – In Clause 15 (1), State Governments should be consulted before prescribing the guidelines for identification of priority households.

All India Fair Price Shops Dealer's Federation - For the sake of food security of all categories of people of India, Public Distribution System should cater universally at various prices to different categories of recipient but invariably at prices lower than the prevailing open market rates. This view is also supported by thousands of letters received from general public.

The Catholic Health Association of India, Secunderabad – The Revised National TB Control Programme (RNTCP) of India registered a total of 15,15,872 TB patients for treatment. Further, about 750,000 of the total 15,15,872 TB patients that India notifies annually for the last five years live on an income below Rs. 2000 per month. Every year, about 1.5 million new TB patients are identified in India. Out of this, approximately 7,50,000 are BPL. TB Patients must be included in the Food Security Bill as a uniquely vulnerable group. Specifically, they should be given access to nutritious supplements under the provisions of the Food Security Bill.

Food and Agriculture Organization - Ideally identification of beneficiaries should be built on objective criteria linked to the socio-economic situation of individuals and households taking into account their income and assets. This should be done at a decentralized level with a combination of professional estimates and social validation to help ensure fairness and participation. However, FAO does not wish to make detailed proposals on this.

Right to Food Campaign (Secretariat), New Delhi - PDS entitlements must be universal (i.e. everyone must be eligible for subsidized grains without any divisions into different categories). It is further submitted that the Bill does not make mention of the BPL lists, it also does not specify how the Priority and General categories are to be identified. Chapter VI only mentions that such identification shall be based on guidelines

issued by the Central Government. There is no guarantee that present errors of exclusion will be taken care of in any new approach. It can be presumed that the identification of Priority and General Categories will be done on the basis of the ongoing SECC, 2011. There are many problems with the design of the SECC and this is bound to lead to exclusion errors. This is tied to the earlier argument that such a categorization needs to be done away with. It is untenable to have an Act that does not clearly define who is entitled to what benefits.

World Food Programme, New Delhi: -With regard to methodology for identification of priority households and general households, the organization stated that there are several studies and committees who have given reports on identification of poor. While WFP does not have any specific suggestion on this but they feel that such identifications should be transparent, based on a sound rationale and conscious attempt to take into account the differences. There should be clearly defined criteria for exclusion and the rest should get the entitlement uniformly across.

Smt. Brinda Karat, Ex-M.P. (RS) – For the purpose of the Bill, there should only be one exclusion criteria, that is all income tax payees. The rest should be entitled to the full benefit of the entitlement. The above clauses should be amended accordingly. It may be noted that even at present where there are universal systems put in place by State Governments there is self-exclusion by those who prefer and can afford to buy better quality grain from the market.

3.29 Reply of the Department of Food and Public Distribution

The Department of Food and Public Distribution while responding to the above suggestions, informed the Committee that the Ministry of Rural Development is coordinating the ongoing Socio-economic Caste Census (SECC), 2011. Similar survey in urban areas is being coordinated by the Ministry of Housing and Urban Poverty Alleviation. Under the methodology for Socio-Economic and Caste Census 2011, rural households are classified in three steps which are as follows:-

- (i) First, a set of households are excluded.
- (ii) Second, a set of households are compulsorily included.
- (iii) Third, remaining households are ranked as per the number of deprivation indicators.

Further, the Department of Food and Public Distribution informed about the details of Automatic Exclusion, Inclusion Criteria and Deprivation Indicators which is given as under:-

Automatic Exclusion Criteria

- (i) Motorized Two/Three/Four Wheelers/Fishing boats (which require registration).
- (ii) Mechanized Three/Four wheeler agricultural equipment such as tractors, harvesters etc.
- (iii) Kisan Credit Card with the credit limit of Rs. 50,000 and above.
- (iv) Households with any member as Government Employee : gazetted/non-gazetted/Central/State Government/PSU Government – aided autonomous bodies and local bodies.
- (v) Households with non-agricultural enterprise registered with the Government.
- (vi) Any member in the family earning more than Rs. 10,000 per month
- (vii) Paying income tax or profession tax
- (viii) Households with three or more rooms with all rooms having pucca walls and pucca roof.
- (ix) Owning Refrigerator
- (x) Owning landline phones.
- (xi) Households owning 2.5 acres or more irrigated land with at least one irrigation equipment such as diesel/electric operated bore well/tubewell.
- (xii) 5 acres or more land irrigated for two or more crop seasons;
- (xiii) Households owning 7.5 acres or more land with atleast one irrigation equipment such as diesel/electric operated borewell/tubewell.

Automatic Inclusion Criteria

- (i) Households without shelter
- (ii) Destitute/living on alms
- (iii) Manual scavengers
- (iv) Primitive Tribal Groups
- (v) Legally released bonded labourers

Deprivation Indicators

- (i) Households with only one room with kucha walls and kucha roof.
- (ii) Households with no adult member between age 16 and 59.
- (iii) Female headed households with no adult male member between age 16 and 59.
- (iv) Households with any disabled member and no able bodied adult member.
- (v) SC/ST households.
- (vi) Households with no literate adult above 25 years.

- (vii) Landless households deriving the major part of their income from manual casual labour.

Asked to indicate the current status of the SECC, 2011 and when it is likely to be completed, the Department of Food and Public Distribution stated as under:-

'The Ministry of Housing and Urban Poverty Alleviation (HUPA) has informed that the SECC-2011 Survey is in progress. The reason for delay is late initiation of field work in some of the State due to State/Urban Local Body elections and other local factors. The SECC was launched on 28th June, 2011, with the financial and technical support of the Government of India. The total Number of Enumeration Blocs (EBs) to be canvassed for urban cities/towns is 6.3 lakh. Enumeration process, so far, has been completed in 5.5 lakh EBs which is 88% of the total. Supervision has been completed in 4.2 lakh EBs, which is 75% of the EBs Enumerated. At present, Twenty Eight State/UTs namely, Haryana, Nagaland, Sikkim, Punjab, Himachal Pradesh, Karnataka, Rajasthan, Gujarat, Chhattisgarh, Tripura, Puducherry, Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Arunachal Pradesh, Jammu & Kashmir, Kerala, Goa, Uttarakhand, Delhi, Madhya Pradesh, Tamil Nadu, Meghalaya, Assam, Mizoram, Orissa and Andhra Pradesh have completed the enumeration and the survey is in progress for six States namely Manipur, West Bengal, Maharashtra, Jharkhand, Uttar Pradesh and Bihar.

Information from the Ministry of Rural Development (RD) regarding the status of SECC has not been received. However, earlier in October, 2012, Secretary, Department of Food and Public Distribution discussed the progress of Socio Economic and Caste Census (SECC), 2011 with the Secretary, Department of Rural Development. It was informed that roughly 68% survey is complete. Particularly in Uttar Pradesh, half of the population is covered in the first phase. As soon as first phase is completed, rest of the population will be taken up as the same PC Tablets are to be used for the purpose. Once the enumeration is complete, analysis and process of publication and inviting objections and appeal etc. will be gone through. All these will take time, therefore, the Ministry of Rural Development is not in a position to commit timeline for completion. It was also mentioned that States have been asked to physically check the position of cases which will cover under automatic inclusion criteria.'

Recommendation of the Committee

3.30 The Committee observe that much of the controversy relating to the Bill revolves around the identification of the priority households both in rural and urban areas. The Bill does not specify the criteria for categorization of the population into priority and general household and also not specifies as to how the priority and general households will be identified. The Bill only mentions that State-wise distribution of the coverage is to be determined by the Central Government. The Bill provides that within the State-wise coverage, identification of priority and general household is to be done by the State Governments as per the guidelines of Central Government. The Committee have been informed that the Ministry of Rural Development is coordinating the on-going Socio-Economic Caste Census (SECC, 2011). Similar survey in urban areas is being coordinated by the Ministry of Housing and Urban Poverty Alleviation. The Committee have already recommended that since multiplicity of categories will lead to severe identification errors, there should be a single inclusion category and for this, there should be a clearly defined exclusion criteria. The Committee strongly urge the Central Government to take special care in coordination with the State Government in the identification of households for entitlements under Targeted Public Distribution System (TPDS) under the National Food Security Bill and ensure that deserving persons may not get excluded from the coverage of Public Distribution System and other social welfare schemes.

(f) REFORMS IN TARGETED PUBLIC DISTRIBUTION SYSTEM

3.31 Clause 18. (1) The Central and State Governments shall endeavour to progressively undertake necessary reforms in the Targeted Public Distribution System in consonance with the role envisaged for them in this Act.

(2) The reforms shall, inter alia, include—

(a) doorstep delivery of foodgrains to the Targeted Public Distribution System outlets;

(b) application of information and communication technology tools including end-to-end computerisation in order to ensure transparent recording of transactions at all levels, and to prevent diversion;

(c) leveraging “aadhaar” for unique identification, with biometric information of entitled beneficiaries for proper targeting of benefits under this Act;

(d) full transparency of records;

(e) preference to public institutions or public bodies such as Panchayats, self help groups, co-operatives, in licensing of fair price shops and management of fair price shops by women or their collectives;

(f) diversification of commodities distributed under the Public Distribution System over a period of time;

(g) support to local public distribution models and grains banks;

(h) introducing schemes, such as, cash transfer, food coupons, or other schemes, to the targeted beneficiaries in lieu of their foodgrain entitlements specified in Chapter II, in such area and manner as may be prescribed by the Central Government.

3.32 Summary of the views/suggestions placed before the Committee

Ministry of Finance – Suitable provision to be made in the Act that States would undertake the PDS reforms within the stipulated time period (say 3 or 5 years).

Ministry of Panchayati Raj – Regarding Clause 18 (2) (e), there is inter-mixing of licensing and distribution function. Licensing function is a governance function and can be given only to authorities like Panchayats, Municipalities and elected Village Councils. Distribution should be preferably by Women's Self Help Groups (SHGs), cooperatives. In disturbed areas, Panchayats should also have preference in distribution function.

Ministry of Tribal Affairs - Maximum malnutrition and hunger is one of the severe malaise afflicting the tribals. They require nutritious as well as adequate food supply. Millets (Ragi, Makka etc.) is one of the staple diets of the tribals. Under PDS, tribals/forest dwellers should invariably get adequate quantity of millets which needs to be incorporated in the Bill.

World Food Programme, New Delhi - It is important to give due consideration in the Bill to meet the micronutrients requirement of the population. About 76 countries in the world mandatorily fortified their wheat flour. Inclusion of millets and coarse cereals and thereby diversifying the PDS food basket could be another complementary strategy. Therefore, amendment of Clause 18 (2) (a) is a must.

3.33 Reply of the Department of Food and Public Distribution

Informing about the status of reforms in TPDS in various States, the Department of Food and Public Distribution stated as under:-

Targeted Public Distribution System (TPDS) 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. The operational responsibilities for allocation of foodgrains within the States/UTs, identification of eligible Below Poverty Line (BPL) families, issuance of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) rest with the concerned State/UT Governments.

Evaluation studies on functioning of TPDS are got conducted by the Department from time to time. As the evaluation reports on TPDS by Programme Evaluation Organization (PEO), Planning Commission and ORG MARG in 2005 indicated diversion/leakages of foodgrains under TPDS, exclusion and inclusion errors in identification of BPL and AAY families etc., a nine-point Action Plan was evolved in July, 2006 for necessary action by States/UTs and for regular monitoring of implementation of TPDS. The points and the action taken by States/UTs as reported up to 30.09.2012 are given as below:

- (i) States should undertake a campaign to review BPL/AAY list to eliminate ghost ration cards - Implementation of the action plan has resulted in elimination of a total of 318.50 lakh bogus/ ineligible ration cards since July 2006 in 27 States.
- (ii) Strict action should be taken against the guilty to ensure leakage free distribution of food grains - 33 States have reported that action is being taken against the guilty to ensure leakage free distribution of food grains.
- (iii) For sake of transparency, involvement of elected PRI members in distribution of food grains be ensured. FPS licenses be given to SHGs, gram panchayats, cooperatives etc. - There is involvement of PRIs in Vigilance Committees to monitor FPS in 29 States/UTs. 30 States/UTs have reported FPS being run by Gram Panchayats, SHGs, Cooperatives etc. Out of about 5.14 lakh FPS in operation, about 1.26 lakh FPS i.e. about 25% of the FPS are being run by such organisations.
- (iv) Display of BPL and AAY lists by fair price shops - BPL lists at FPS are displayed in 31 States/UTs.
- (v) Display of fair price shop-wise and district-wise allocations of PDS commodities on web-sites for public scrutiny - Action regarding putting up district-wise and FPS-wise allocation of food grains on websites and other prominent places has been initiated in 21 States/UTs.
- (vi) Door-step delivery of PDS commodities to fair price shops - Door-step delivery of food grains to FPS by State Governments instead of letting private transporters to transport goods is being done in 19 States/UTs. This reduces leakages during the transportation of foodgrains and ensures viability of FPS owners. Remaining States / UTs have also been requested to take up door-step delivery wherever possible.
- (vii) Ensuring timely availability of foodgrains at FPS and distribution of foodgrains by FPS - Action is being taken by 32 States in this regard.

(viii) Training of Vigilance Committee members - 27 State/UT Govts have taken up training programmes for FPS level vigilance committees. Funds are also being provided by Government of India under a Plan Scheme for training of TPDS officers/ officials.

(ix) Computerization of TPDS operations, use of IT etc. - Computerisation of PDS is the top-most priority of the Department. End-to-end computerisation including Digitisation of ration card and other databases, Supply chain management, creation of transparency portal, grievance redressal mechanism and FPS automation has been taken up. States/UTs have prepared their action plans regarding computerisation. Detailed guidelines and timelines for achieving specific milestones have been sent to States/UTs. A Plan Scheme for providing infrastructural and financial support has been approved.

Besides, several other measures are also being taken for strengthening of the TPDS which include the following:

(i) To make TPDS operations transparent and amenable to public scrutiny by use of provisions of Right to Information Act, 2005, a revised Model Citizens' Charter was issued by the Department in July, 2007 for adoption and implementation by all State/UT Governments. Its speedy implementation was agreed to by all State/UT Food Secretaries in the meeting on 8.2.2008. By now, 34 State/UT Governments have reported adoption and implementation of the revised Model Citizens' Charter.

(ii) To ensure greater transparency in functioning of fair price shops, directions were issued to State & UT Governments in March 2008 to introduce monthly certification by village panchayats/urban local bodies/vigilance committees/women's Self Help Groups for delivery of food grains to fair price shops in time and their distribution to ration card holders during the allocation month. So far, 23 State/UT Governments have reported on implementation of this monthly certification.

(iii) To facilitate greater public scrutiny of functioning of TPDS, publicity-cum-awareness campaign on TPDS has been taken up under a plan scheme on

strengthening of TPDS. Rs. 59.832 lakh were sanctioned to 8 States including 4 NE States during 2011-12. During 2012-13, an amount of Rs. 30.756 lakh were sanctioned to the states of Andhra Pradesh (Rs. 8.4 lakh), Kerala (Rs. 19.30 lakh) and Tripura (Rs. 3.05 lakh).

(iv) The State Governments/UTs have been permitted to lift and distribute upto six months ration under TPDS in one go subject to the condition that there should be no compulsion on the beneficiaries to lift their entitlements and installments should be permitted for those who are not interested or cannot afford to lift the entire quantity. Further, with a view to ensure transparency, the bulk distribution of foodgrains may be made as far as possible in the presence of State Government officials, representative of PRIs, members of Vigilance Committees in Gram Sabha NGOs concerned, etc.

(v) In order to curb diversion and leakages of foodgrains meant for TPDS, a scheme namely 'Innovative scheme for curbing leakages/diversion of foodgrains meant for TPDS' was taken up on pilot basis in Chhattisgarh and Tamil Nadu in 11th Five Year Plan. Under this scheme, financial assistance is provided to State/UT Governments for installation of Global Positioning System (GPS) sets on the vehicles carrying TPDS commodities. In view of the feedback received about success of this scheme, it was decided to extend this scheme. Proposals have been invited from States/UTs for financial year 2012-13 also for sanctioning funds under the scheme.

(vi) To facilitate distribution of wheat flour/fortified wheat flour instead of whole wheat in convergence with other Government programmes / schemes for nutritional improvement of targeted beneficiaries, the Department had issued revised policy guidelines on this subject in January, 2008. As on 30.09.2012, 17 States/UTs are distributing wheat flour/fortified wheat flour under TPDS.

(vii) To make operations of FPS economically viable, the State/UT Governments have been advised to allow FPS licensees to enlarge basket of commodities by allowing sale of non-PDS items for daily use as per local requirements. 13 State/UT Governments have confirmed that FPS in these States are selling non-PDS items such as edible oil, pulses, milk powder, soaps etc.

The State/UT Governments have been given the flexibility in 2001 in fixing the commission in order to enable them increase the commission of FPS licensees. States/UTs have been requested to reassess the commission being paid to FPS dealers and enhance the same so as to increase the viability of FPS operations.

The Department further stated that to improve functioning of TPDS, Government has been regularly issuing advisories and holding conferences wherein State/UT Governments are requested for continuous review of lists of BPL and AAY families, ensuring timely availability of foodgrains at Fair Price Shops (FPSs), ensuring greater transparency in functioning of TPDS and improved monitoring and vigilance at various levels. Utilization Certificates (UCs) for the foodgrains allocated to State Government are also obtained regularly from the State Governments.

Recommendation of the Committee

3.34 The Committee observe that sometimes foodgrains supplied to beneficiaries at Fair Price Shops are of sub-standard quality and also there is considerable variation in the quality of foodgrains kept in the different Government godowns within a State. The Committee also find that in the Performance Evaluation of TPDS by the Planning Commission, it has been observed that the presence of foreign particles is comparatively lower in the PDS foodgrains procured from the three biggest source States of PDS grains e.g. Andhra Pradesh, Punjab and Haryana. It is also seen that major dependent States viz. the North-eastern States, Kerala, Tamil Nadu and Bihar reported the highest presence of foreign particles in PDS grains. The Committee, therefore, desire the Central Government to prescribe minimum quality standard norms for the foodgrains and it should be inserted in Clause 18 (2) of the Bill. The Committee further desire that the State Food Commissions be vested with the power to check the quality of the foodgrains before taking delivery from Central Government and that the end consumers should also be given the right of refusal to accept delivery of grains which are below prescribed minimum quality standard norms set by the Central Government.

3.35 The Committee observe that there is no provision for fortified foodgrains/ fortified atta/pulses/oil/sugar/milletts and other nutrigrains (coarse grains) etc. in the Bill and, therefore, it fails to meet the nutritional requirements of the beneficiaries. It is felt necessary to restore balance in the nutrition as well as cultivation systems of the country which have been distorted due to over emphasis on the major cereals i.e rice and wheat. The Committee also desire that the PDS should provide pulses, oil and millets in addition to foodgrains which will go a long way in addressing the problem of malnutrition. The Committee, therefore, recommend that Clause 18 (2) (a) may be replaced as under:-

"Doorstep delivery of fortified foodgrains/fortified atta/pulses/sugar/milletts and other nutrigrains (coarse grains) to the Targeted Public Distribution System (TPDS) outlets".

3.36 The Committee observe that as per provision contained in the Clause 18 (2) (b), Reform in Targeted Public Distribution System (TPDS) shall include "application of information and communication technology tools including end-to-end computerisation in order to ensure transparent recording of transactions at all levels, and to prevent diversion".

The Committee desire that CCTV Cameras should be installed in the storage godowns of wheat, rice, sugar etc. so that all the activities of arrival and departure of these material could be recorded into the CCTV Cameras. All the storage points should be connected with the internet system installed at the district headquarter to view online the entire activities of receipt and issue of these commodities. The distribution of PDS commodities viz. wheat, rice, sugar etc. should be made through computer generated bills which should connect with the respective states headquarters. It will lessen corruption in distributing the aforesaid commodities.

3.37 The Committee also desire the Government to consider installing GPS devices in vehicles carrying foodgrains so as to prevent leakages/diversion in transportation of these grains. The relevant clause should be amended to the above extent.

3.38 The Committee note that vide Clause 18 (2) (h) under TPDS reforms, the Bill provides for introducing schemes such as cash transfer, food coupons or other schemes in lieu of foodgrains entitlement, in such area and manner as may be prescribed by the Central Government. So far as idea of introducing cash transfer to beneficiaries is concerned, as already recommended by Para No.2.68 the Committee desire that Government must ensure availability of adequate banking system in all parts of the country before launching direct cash transfer to beneficiaries in lieu of food entitlements.

(g) Grievance Redressal Mechanism

3.39 Clause 21. (1) For expeditious and effective redressal of grievances of the aggrieved persons in matters relating to distribution of entitled foodgrains or meals under Chapters II, III and IV, a District Grievance Redressal Officer, with requisite staff, shall be appointed by the State Government for each District, to enforce these entitlements and investigate and redress grievances.

(4) The State Government shall provide for the salary and allowances of the District Grievance Redressal Officer and other staff appointed under sub-section (1), and such other expenditure as may be considered necessary for their proper functioning.

(5) The officer referred to in sub-section (1) shall hear complaints regarding non distribution of entitled foodgrains or meals, and matters relating thereto, and take necessary action for their redressal in such manner and within such time as may be prescribed by the Central Government.

3.40 Summary of the views/suggestions placed before the Committee:

Ministry of Agriculture (Department of Agriculture &Co-operation)- At least one member in each of the Commissions should be from the Panchayats."

Ministry of Panchayati Raj: In Clause 21(1)- Add the following sentence:

An elected women member of the District Panchayat and in urban districts where Panchayats do not exist, an elected women member of the Municipality shall be the ex-officio Additional District Grievance Redressal Officer.

In Clause 21 another sub-clause (8) may be added as follows:

21(8) The Grievance Redressal Officer shall consider every decision of Gram Sabha, Gram Panchayat and Municipality on the above matters.

The representatives of the Ministry of Panchayati Raj, further stated in their evidence that:

"It is because, at the village level, people have no access to the higher up authorities but they will have direct access to an elected woman representative. If this could be made in the draft Bill, it would be useful."

State Government of Andhra Pradesh - The State is in agreement with the proposed redressal mechanism etc. However, the expenditure for maintaining the grievance redressal mechanism at different levels for the implementation of NFSB shall be met by the Government of India, as the State cannot bear this expenditure.

State Government of Bihar - Being a Central Act, the entire establishment and contingent cost of recurring and non-recurring nature to be incurred on District Grievance Redressal Officer and other Staff should be borne by the Central Government.

State Government of Himachal Pradesh -There appears to be no need for district grievance officer for this small area of activity. The existing machinery of DFSCs can deal with this.

State Government of Jammu and Kashmir - Additional financial burden by the Government of India.

State Government of Rajasthan - The financial implications in this regard should be fully borne by the Government of India.

State Government of Uttarakhand: The administrative officers of the Food Department may also carry out the works of supervision, control & grievance redressal at every level, which normally they have been doing for last many years.

National Informatics Centre (NIC)- It is proposed that an effective Grievance Redressal Mechanism is possible only with an extensive use of ICT tools where role based links to information can be provided.

National Commission for Protection of Child Rights (NCPCR) - The State Governments shall identify and notify the local authority at the gram Panchayat, block/mandal and district level which shall perform the function of grievance authority. Every notified local authority shall maintain a record of grievances filed and decisions taken by it and submit a periodic report to the State Government.

Right to Food Campaign – For the grievance redressal mechanism to be effective clear responsibilities delivering of entitlements must be laid out. A statement of obligations of each public authority/office in terms of its duties, obligations and commitments towards citizens under the Food Security Act should be developed which clearly defines the services to be provided, the eligibility to be a beneficiary, individual responsibility for delivery of service, supervision and so on. Section 4 of the RTI Act requires each public authority to put its obligations in the public domain. Any violation of the statement of obligations/citizens charter and failure to provide any service or obligation in a manner that would be reasonable to expect under this Act, should then be defined as constituting a grievance.

The proposed grievance redress mechanism under the NFSB begins at the district level. But this is too far away for people to effectively access. Every office, right down to the panchayat level should have a designated Grievance Redress Officer (GRO) for receiving and disposing of complaints about any deficiency by an officer/functionary, in a specified timeframe. The NFSB must provide for facilitation centres to be set up at the block level which would register grievances of citizens and forward these to the appropriate GRO.

Shri Naveen Jindal, MP(LS) - In sub- Clause 5 of Clause 21- Also, the officer referred should be entrusted with the task of organizing public information/awareness programme in the district. During the course of evidence Shri Naveen Jindal, MP(LS) also stated as under:

"...I would like to suggest that the designated officers should be entrusted the task of disseminating information and creating public awareness through programmes at the Block and District levels. A lot of times, schemes are there but people did not know about those schemes well enough and they are not able to take benefit of those schemes.

Shri Mani Shankar Aiyar, MP (RS)- There is no reference in the Grievance Redressal provisions to elected women (or men) representatives in the Panchayats at any level. The entire redressal mechanism is structured bureaucratically through politically nominated representatives. The entire mechanism should be brought at the District level under the district panchayats with the bureaucracy serving under the elected local body. At higher levels, adequate representation of the District Planning Committees established under Article 243 ZD of the Constitution and the panchayats, especially district panchayats, would be crucial to ensuring people –run and people-oriented grievance redressal mechanism.

3.41 Reply of the Department of Food and Public Distribution

When enquired about views on cost sharing of expenditure on implementation of the various provisions of the Bill, likely functioning of State Food Commission etc., the Department stated as under:-

'Implementation of Bill would primarily be through the State Governments. As the Bill is going to be a joint responsibility of Central and State Governments, it is imperative that the States participate in the process actively and share some of the costs. Setting up of Grievance Redressal Mechanism at District and State level is necessary to ensure effective monitoring of implementation of the Bill and to redress grievances quickly. State Governments are expected to bear this expenditure as these authorities will be working for effective implementation of the Act within the State. Also, DGROs and State Commissions are to be appointed/constituted by the State Government.'

The Department suggested for additional change in Grievance Redressal Mechanism to be considered by the Committee which is as under:-

'As per provisions of the Bill, the cost towards the State Food Commission and DGROs is to be borne by concerned State/UT, to which States/UTs have opposed. The Committee may, therefore, consider allowing States to use existing machinery as Grievance Redressal Officer. A strong and independent State Food Commission is however considered necessary to monitor implementation of the Act and enforce its entitlements.'

Recommendation of the Committee

3.42 The Committee note that Clause 21 (1) of the Bill proposes to appoint a District Grievance Redressal Officer, for expeditious and effective redressal of grievances of the aggrieved persons in matters relating to distribution of entitled foodgrains under various provisions of the Bill. Clause 21(4) of the Bill proposes that the State Government shall provide for the salary and allowances of the District Grievance Redressal Officer and other staff appointed under sub-section (1), and such other expenditure as may be considered necessary for their proper functioning. The State Governments have different views on these provisions in the Bill. Some of the State Governments viz. the State Governments of Rajasthan, Andhra Pradesh, Bihar and Jammu and Kashmir have expressed their unwillingness to bear the expenditure in this regard and desired that the financial implications should be fully borne by the Government of India. The State Government of Uttarakhand has suggested that the administrative officers of the Food Department may carry out the work of supervision, control and grievance redressal at every level. The State Government of Himachal Pradesh has felt that there is no need for district grievance officer for this small area of activity and the existing machinery of District Food Security Commissions can deal with this. The Committee, therefore, desire that the Department should discuss the matter with all the State Governments/UT Administrations and find out an amicable solution with regard to sharing of expenditure on establishment of redressal mechanism in the States. As far as States/UTs who have opposed to bear the cost towards the State Food Commission and DGROs are concerned, the Department may allow those States to use existing machinery as Grievance Redressal Officer.

However, maintenance of redressal mechanism infrastructure and meeting the recurring expenditure such as payment of salary and allowances of the staff/employees should be borne by the State Governments themselves as they will be employees of the respective State Government.

The Committee also note that in the Bill there is provision relating to setting up of Grievance Redressal Authority upto the District level only and there is no provision for setting up Grievance Redressal Authority at the block level. The Committee have been given the view that people living in villages have no access to higher authority at district level. In the absence of any Grievance Redressal Authority at the block/panchayat level, a large number of poor people living in village and remote areas will not have access to any authority for redressal of their grievances relating to their entitlement under the National Food Security Bill. The Committee, therefore, recommend that the Bill should have provision for grievance redressal at Block/Village Panchayat level also with elected women representatives for easy access of the people living in village and remote areas. Further, adequate representation of Panchayat members is also desirable in the District Planning Committees with a view to ensuring people run and people oriented grievance redressal mechanism.

(h) State Food Commission

3.43 Clause 22 (2): The State Commission shall consist of —

- (a) a Chairperson;
- (b) five other Members; and
- (c) a Member-Secretary:

Provided that there shall be at least two women, whether Chairperson, Member or Member-Secretary:

Provided further that there shall be one person belonging to the Scheduled Castes and one person belonging to the Scheduled Tribes, whether Chairperson, Member or Member-Secretary.

3.44 Summary of the views/suggestions placed before the Committee:

Ministry of Panchayati Raj - In Clause 22(2), after the second proviso, the following shall be added:

Provided further that there shall be at least one elected woman member from a District Panchayat, and where District Panchayats do not exist, an elected woman member from any other Panchayat or elected Village Council, and such a member will be in addition to the women members mentioned under the first proviso.

State Government of Himachal Pradesh - Having National and State Food Security commission is unnecessary and amounts to Government of India being prescriptive in a Sector that is clearly in the State domain.

State Government of Jammu and Kashmir - Additional financial burden by the Government of India.

State Government of Rajasthan - The financial implications in this regard should be fully borne by the Government of India.

State Government of Uttarakhand - Job of State Food Security Commission be entrusted to Lok Ayukta of the State so that unnecessary expenditure on the State may be reduced. Moreover, the administrative officers of the Food Department may also carry out the works of supervision, control & grievance redressal at every level, which normally they have been doing for last many years.

National Informatics Centre (NIC)- The National Food Commission, shall undertake the functions relating to monitoring and evaluation of implementation of this act and monitoring the performance of schemes both at Centre and State level. The following aspects may also be taken into consideration:

(iii) An institutional mechanism for implementation of ICT based Management and Monitoring System for Information sharing among multiple stakeholders at Central and State level.

(iv) Training of professionals involved in implementing ICT solution on the implications and provisions of the Act.

The State Commission and National Commission can be supported through office automation tools.

Right to Food Campaign - In Clause 22(2), the following lines are proposed:

'Provided that there shall at least be two women and one person who is disabled, whether Chairperson, Member or Member Secretary'.

In Clause 22(6), the sub- Clause (11) is proposed to be inserted:

'The State Commission shall dispose of cases within two weeks and shall have the power to impose penalties and order for compensation as required'.

Deletion of Clauses 22(9)(b) and 26(10)(b) which allows the Central Government to remove from office the Chairperson or any member who 'has become physically or mentally incapable of acting as a member' since this clause will be detrimental to persons with disabilities as it promotes discrimination against them.

To insert clause 22(9)(2) given as under:

'The members of the State Commission shall be subject to appraisal to ensure their eligibility to continue as members'.

Shri Mani Shankar Aiyar, M.P.(R.S.) - Chapter XI makes no mention of the local institutions of self- government. Whatever "agencies" work at district and sub-district level in this regard must be brought under the disciplinary and regulatory authority of the appropriate tier of the panchayat system (and equivalent in urban areas).

Prof. M.S. Swaminathan, M.P. (R.S.) - This Bill would succeed or fail depending upon the production of the necessary quantities of wheat, rice or nutri-millet. Our farmers can be legitimately regarded as the guardians of the food security system in our country. Unfortunately farmers do not find place in this Bill. At least in State Food Commission, there should be one woman and one male farmer.

Recommendation of the Committee:

3.45 The Committee note that Clause 22 of the Bill pertains to composition of the State Commission which consists of a Chairperson, five other Members and a Member-Secretary who shall be appointed from amongst services and people having knowledge and experience in matters relating to Food Security, policy making and administration in the field of agriculture, civil supplies, nutrition, health or any allied field. Considering the views/suggestions received and also the fact that a large percentage of our population constitutes farmers who are both producers as well as consumers, the Committee desire that the State Food Commission should have atleast one representative from the famers' community. The Government may consider amending the relevant provisions of the Bill accordingly.

(i) Obligations of Central/State Government to ensure Food Security

3.46 Clause 30. (5) Without prejudice to sub-section (1), the Central Government shall,—

(c) provide for transportation of foodgrains, as per allocation, to the depots designated by the Central Government in each State; and

(d) create and maintain required modern and scientific storage facilities at various levels.

The relevant provisions of the Bill pertaining to obligations of state government for food security are as under:

Clause 32.(2) Under the Targeted Public Distribution System, it shall be the duty of the State Government to—

(a) take delivery of foodgrains from the designated depots of the Central Government in the State, at the prices specified in Schedule I, organise intra-State allocations for delivery of the allocated foodgrains through their authorised agencies at the door-step of each fair price shop; and

(6) For efficient operations of the Targeted Public Distribution System, every State Government shall,—

(a) create and maintain scientific storage facilities at the State, District and Block levels, being sufficient to accommodate foodgrains required under the Targeted Public Distribution System and other food based welfare schemes;

3.47 Summary of the views/suggestions placed before the Committee:

Ministry of Railways - The provisions of Chapter X- Obligations of Central Government for Food Security and Chapter XV- Miscellaneous have a bearing on the functions and responsibilities of Railways. Railway's role would have to be limited to the transportation of foodgrains to only those places which are/ can be served by Railways and that too only to the extent it is operationally feasible. Moreover, the rail borne foodgrains traffic would be charged on the basis of the applicable freight rate as notified and amended from time to time. As far as operational and commercial aspects of transportation of foodgrains are concerned, the same would have to continue to be governed by the Indian Railways Act of 1989 and the provision of the proposed Act would be neutral in so far as their financial implications on the rail transportation element are concerned.

State Government of Andaman and Nicobar - We agree with regard to the obligations of the Central and State Government except 32(2)(a) relating to delivery of foodgrains to the doorsteps of each FPS.

State Government of Andhra Pradesh - The additional expenditure on scientific storage facility at different levels to a tune of Rs. 500 crores may be provided by the Government of India.

State Government of Bihar - Since Government of India presently bears the expenditure related to TPDS, they should also bear the entire financial burden of enlarged entitlements and its implementations as per the cherished goals of this legislation. Therefore, Government of India should bear the entire cost of storage, dealer's commission, transportation and handling of foodgrains in all schemes till it is finally delivered to the beneficiaries.

The overriding negative feature of the Bill is that under it the Central Government arrogates to itself all power to decide the number, criteria and schemes, while unilaterally imposing a substantial financial burden on the State Government. Any exercise done by Government of India, without estimating and provisioning for the additional financial burden would impose upon the States, this Bill will definitely cripple the State Government financially which in turn would certainly impact the desired result adversely.

3.48 Reply of the Department of Food and Public Distribution

When the Committee desired to know whether the Ministry has analyzed, in consultation with the 14th Finance Commission, the additional finances to be borne by the States on account of Food Security Bill, the Department stated that though some tentative estimates of the likely additional expenditure to be borne by States/UTs have been worked out, its full extent can be known only after final shape of the Bill emerges and new schemes for providing meals to vulnerable groups such as destitute and homeless persons, emergency/disaster affected persons and persons living in starvation, including pattern of cost sharing between Central and State Governments, is finalized. No consultation with the Finance Commission on this issue has taken place.

The Department further stated that the State Governments will be required to take various preparatory steps for proper implementation, which will include Identification of beneficiaries, issue of ration cards and strengthening of required infrastructure in terms of Fair Price Shops, godown facility etc. As preparedness to implement the Act varies from State to State, the Committee may consider that the Act should provide for allowing States/UTs a reasonable time within which they will be required to complete the preparatory work, at the end of which the Act will come into force in all States. If any State/UT is in a state to implement the Act early, they can do so. Conditions/guidelines

for determining preparedness of States/UTs may be prescribed by Central Govt. or this work can be given to the State Commission to be constituted under the proposed Act.

Movement/Transportation of food grains:

When asked the estimated requirement of rakes in pursuance to implementation of the Bill, the Department, inter-alia, informed that the requirement of rakes will increase by about 20% i.e. about 15500 rakes would be required by FCI and furnished the following details regarding total number of rakes demanded by FCI vis-à-vis rakes provided by Railways to FCI during the last 3 years:

Year	No. of rakes planned by FCI	Actual No. of rakes supplied by Railways
2010-11	13003	10607
2011-12	13215	10969
2012-13 (upto Oct /12)	6696	5912

The Department further stated that the Railways could not provide the number of rakes required by FCI due to the following reasons:-

- a) Limited line capacity and availability of wagons.
- b) Competing demand for other commodities like fertilizer, cement during busy season.
- c) Lack of infrastructure at loading and unloading Stations.
- d) At times, rakes availability is affected due to foggy weather, bands etc.

Creation and Maintenance of Storage facilities:

The Department stated that creation of storage facilities at various levels is the obligation of the Central Government while the State Governments are obligated to create and maintain scientific storage facilities at State, District & Block levels. When asked whether the obligation of the Central and State Governments are overlapping, the Department in their reply stated that implementation of Targeted Public Distribution System is joint responsibility of the Central and State Governments. States/UTs therefore are required to play an important role in all the important activities such as

procurement, storage and distribution of foodgrains. In order to be able to meet their respective obligations, while the Central Government will be required to create first point storage facilities from where foodgrains can be lifted by States/UTs for distribution to beneficiaries, States/UTs will be required to create intermediate and grassroots levels storage facilities at various locations to ensure availability of adequate quantities of foodgrain sat to meet the distribution needs. Obligations of Central and State Governments in creation of storage facilities are therefore not overlapping but complementary.

In consuming States, the obligation of the Central Government and State Governments are not overlapping as roles are defined for both. However, some overlapping does happen in case of DCP states, as State Governments procure, store and distribute stocks on behalf of Central Government. Hence, storage facilities in DCP states at state, district and block levels is maintained by the State Government whereas FCI maintains storage facilities at various levels for taking over surplus stocks/feed in case of DCP states.

Recommendation of the Committee:

3.49 The Committee note that the Department did not consult the Financial Commission regarding the additional expenditure to be borne by the States on account of the implementation of the National Food Security Bill. However, the Department has worked out tentative estimates of the likely additional expenditure to be borne by States/UTs, but the full extent of additional expenditure of the States/UTs would be known only after final shape of the Bill emerges. The Committee feel that the Department may consult the Finance Commission with regard to the additional expenditure required to be borne by the State Governments/UT Administrations so that the States/UTs may allocate sufficient funds in their respective Budgets for the implementation of the National Food Security Bill, 2011.

3.50 The Committee note that requirement of additional rakes by FCI for movement of foodgrains will increase by about 20% in pursuance to implementation of the National Food Security Bill. The Ministry of Railways have not been able to provide the required number of rakes to the FCI during the last three years due to limited line capacity and availability of Wagons, competing demand for other commodities, lack of infrastructure at loading and unloading Stations, etc. The Committee note that the Ministry of Railways accorded 'B' priority to movement of foodgrains of FCI for Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS). Considering that 90% of the movement of foodgrains of FCI is met by Railways, the Department should take up the issue of allocation of rakes with the Ministry of Railways on a regular basis. FCI may also move foodgrains through road transport in addition to the Railways so that no beneficiaries in any part of the country are deprived of their entitlements for want of foodgrains.

3.51 The Committee note that for the efficient operation of Targeted Public Distribution System(TPDS) under the National Food Security Bill, 2011 all State Governments/UT Administrations will have to create and maintain scientific storage facilities at the State, District and Block levels sufficient to accommodate the requirement of foodgrains. The Committee feel that creation of adequate storage space is an essential pre-condition for the successful implementation of the National Food Security Bill. The Committee also note that in Decentralized Procurement States (DCP), obligation of the Central and State Governments sometimes overlap. The Committee, therefore, recommend that the Department should impress upon all State Governments/UT Administrations to make every possible efforts to create scientific Storage facilities upto the Block levels by taking advantage of the Private Entrepreneurs Guarantee (PEG) Scheme. The Committee also urge upon the Department to try and avoid overlapping obligations of the Central and State Governments/UT Administrations. The Central Government may provide financial assistance to the States/UTs for creation of modern scientific storage facilities.

(j) OBLIGATIONS OF LOCAL AUTHORITIES

3.52 Clause 33. (1) The local authorities shall be responsible for the proper implementation of this Act in their respective areas.

(2) Without prejudice to sub-section (1), the State Government may assign, by notification, additional responsibilities for implementation of the Targeted Public Distribution System to the local authority.

Clause 34. In implementing different schemes of the Ministries and Departments of the Central Government and the State Governments, prepared to implement provisions of this Act, the local authority shall be responsible for discharging such duties and responsibilities as may be assigned to them, by notification, by the respective State Governments.

3.53 Summary of views/suggestions placed before the Committee:

Ministry of Panchayati Raj- Gram Sabhas should be convened four times in a year. The report of the Gram Panchayat Committee on the functioning of the FPS of the area should be compulsory item on the agenda of the Gram Sabha to which the presence of the FPS owners should be insisted upon. If the Gram Sabha does not find the functioning of the FPS satisfactory, a report to that effect shall be made to Government functionary prescribed by the State Government. This should be done within one week of the Gram Sabha meeting.

Ministry of Tribal Affairs- Gram Sabhas of the tribal hamlets/Gram Panchayats should be the custodian of records in The Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) areas.

Ministry of Women and Child Development- These may be made applicable from the date ICDS scheme has been notified for implementation under the NFSB, 2011.

State Government of Bihar- The roles and responsibilities envisaged for local bodies under this Central legislation both in rural and urban areas should have matching provisions of central funding.

Government of National Capital territory of Delhi, State Governments of Himachal Pradesh, Andhra Pradesh, Uttar Pradesh and Rajasthan have agreed with the provisions of the clause

National Commission for Protection of Child Rights (NCPDR)- All the three functions of planning, implementation and assessment/monitoring of the programme should devolve at the local level enabling community ownership and responsibility for the program. Plans should flow from the Gram Panchayats to Block level and above.

In difficult terrains, risks of landslides, floods, lack of roads and in general risks for young children to approach from their homes to the nearest anganwadi centre the

appropriate government shall locate the anganwadi centre or make adequate arrangements such as allowance to the anganwadi worker to travel, stay in the habitation, even if the numbers of children/population in such habitations are less.

AARTH – ASTHA Charitable Trust-The role of the State machinery in reaching out to the population who do not have access to the meals through the anganwadi needs to be stated. Official statistics indicate that the strategy of home based education has benefited almost 61,290 children with severe disabilities so far. But they are not provided with any midday meals from the nearest schools.

Right to Food Campaign– Local bodies be empowered to plan, execute and monitor the execution of the Food Security Act such as functioning of ration shops, implementation of all entitlements of pregnant and nursing women and children, the selection of beneficiaries as well as the monitoring of expenditure in their area.

Identification of people living in starvation in their territorial jurisdiction and alert the district authorities when needed should be done by local bodies.

A procurement committee should be set up under the Gram Panchayats.

Local procurement of hot cooked meals as per the minimum support price specified for the cereals, pulses and oil by the Government and other produce may be procured as per market rates by the Committee for Midday Meal Scheme and ICDS.

West Bengal Education Network- There should be clear pronouncement in the Bill that private companies & NGOs will not be contracted to implement entitlement programmes. All these programmes should be run by the gram Panchayats, Mahila Mandal, Women Self Help Groups etc.

Shri Mani Shankar Aiyar, M.P., Rajya Sabha- The expression 'local authority' must be replaced by the words "local institutions of self – government constituted under Articles 243G and W of the Constitution"

The State legislatures must be charged with the task of legislating the 'duties and responsibilities' that must vest in the panchayats and nagar palikas, particularly in view of Entry 28 "Public Distribution System" of the Eleventh Schedule, which illustratively lists the functions to be devolved to the elected local bodies.

In a separate schedule to the draft bill, the specific functions to be devolved to each tier of the three-tier system of panchayat raj should be detailed along with the simultaneous devolution of finances and functionaries to undertake last mile delivery.

To avoid panchayat raj from becoming sarpanch raj, there must be statutory provision for each elected local body to have a committee of members, including all lady representatives, to oversee the local women's self-help groups.

Role of the District Planning Committees set up under Article 243ZD (and ZE for the metropolitan areas) in regard to determining and projecting the district's requirements of food security must be clearly spelt out.

There must be statutory provision for the Gram Sabha (or equivalent body in the municipalities and metros) to regularly meet and discuss issues relating to food security, with the strict injunction that decisions taken by consensus or majority in the Gram Sabha in this regard must be respected.

Recommendation of the Committee

3.54 The Committee note that the Bill provides that the local authorities shall be responsible for the proper implementation of this Act in their respective areas. The State Governments may assign additional responsibilities for implementation of the Targeted Public Distribution System to the local authority. The Committee find that the term 'Local Authority' is vague and may be replaced by 'Local institutions of self government'. Further, role and responsibilities of local authorities have not been clearly spelt out in the Bill. The Committee, therefore, desire that a detailed list illustrating the functions to be devolved to the elected local bodies under the National Food Security Bill, both in rural and urban areas may be annexed to the Bill. The Committee further recommend that a provision should be made in the Bill indicating that in order to enable the local authorities to perform the responsibilities assigned under sub-section (1) and sub-section (2) above, the State Governments or the authorities in charge of distribution of food, identification of beneficiaries and appointment of fair price shops shall disclose voluntarily to the Gram Sabha at least twice a year, the information on the schemes and programs for food security under implementation in the Gram Panchayat concerned, regarding the availability of food grains, inclusion or exclusion of beneficiaries, appointment and termination of fair price shops, quantity of food grains received and distributed and other information relevant under the Act. Further, the District Planning Committee and Committee for Metropolitan Planning constituted under Part IX A of the Constitution should be responsible to work out the requirement of food and its storage at different

locations in the Annual Plan for their respective areas. The Committee further recommend that in Clause 34, the following sentence may be added after the existing sentence:

The State Government shall make available the required funds and functionaries to the institutions of local self government to enable them to perform the responsibilities vested in them under the Act.

(k) Provisions for advancing food security

A. Special focus on vulnerable groups in remote, hilly and tribal areas:

3.55 Clause 38. The Central Government and the State Governments shall, while implementing the provisions of this Act and the schemes for meeting specified entitlements, give special focus to the needs of the vulnerable groups especially in remote areas and other areas which are difficult to access, hilly and tribal areas for ensuring their food security.

3.56 Summary of views/suggestions placed before the Committee:

Ministry of Tribal Affairs - The tribals require nutrition as well as adequate food supply including millets. So such provisions should be explicitly made in the rules in accordance with Clause 38 of the Bill.

State Government of Jammu & Kashmir- While agreeing with the current provisions of the Bill, the State Government is committed to provide Food security to the people living in hilly, remote, inaccessible and tribal areas and had earlier proposed higher scale of food grains for these people and is already shouldering this responsibility.

Smt. Brinda Karat, Ex.M.P., Rajya Sabha— A provision should be added to ensure supplies to these sections and areas and the Central government should make special financial allocations for the same

B. Enabling Provisions:

Clause 39. The Central Government, the State Governments and local authorities shall, for the purpose of advancing food and nutritional security, strive to progressively realise the objectives specified in Schedule III.

Schedule III provides provisions for advancing food security as under:-

(1) Revitalisation of Agriculture —

- (a) agrarian reforms through measures for securing interests of small and marginal farmers;
- (b) increase in investments in agriculture, including research and development, extension services, micro and minor irrigation and power to increase productivity and production;
- (c) ensuring remunerative prices, credit, irrigation, power, crop insurance, etc.;
- (d) prohibiting unwarranted diversion of land and water from food production.

- (2) Procurement, Storage and Movement related interventions—
- (a) incentivising decentralised procurement including procurement of coarse grains;
 - (b) geographical diversification of procurement operations;
 - (c) augmentation of adequate decentralised modern and scientific storage;
 - (d) giving top priority to movement of foodgrains and providing sufficient number of rakes for this purpose, including expanding the line capacity of railways to facilitate foodgrain movement from surplus to consuming regions.
- (3) Others: Access to—
- (a) safe and adequate drinking water and sanitation;
 - (b) health care;
 - (c) nutritional, health and education support to adolescent girls;
 - (d) adequate pensions for senior citizens, persons with disability and single women.

3.57 Summary of views/ suggestions placed before the Committee:

State Government of Bihar-Instead of leaving it to the realm of uncertainty, in-depth assessment of expenditure on the provisions for advancing Food Security as specified in Schedule III, should be made as this would be cardinal to the long term success of the desired objectives as envisaged in this Bill and funds for the same should be provided for by the Central government to the States.

Prof. M. S. Swaminathan, M.P., Rajya Sabha- Among the enabling provisions, which do not constitute legal entitlements, mention should be made of adequate efforts in the field of safe storage of food grains, food safety, assurance of a remunerative price to farmers, implementation of National Policy for Farmers, Rajiv Gandhi Drinking Water Mission, Mahatma Gandhi Total Sanitation Programme, and the Rural and Urban Health Missions.

Smt. Brinda Karat, Ex.M.P., Rajya Sabha – A specific time frame should be set in the main body of the Bill and the establishment of a mechanism to monitor the implementation of the Schedule

Recommendations of the Committee

3.58 The Committee note that Clause 38 of the Bill seeks to give special focus to the needs of vulnerable groups especially in remote, hilly and tribal areas and other areas which are difficult to access for ensuring their food security. Keeping in view the nutritional requirements of these groups, the Committee desire that special emphasis should be given on local produce of these areas such as millets, ragi, madhuva, etc. to meet their nutritional requirements.

While noting that the provisions for advancing food security as specified in Schedule III of the Bill are crucial, the Committee find that the Bill simply mentions that revitalization of agriculture, procurement, storage, movement and access to drinking water, health care, sanitation etc. as steps to advancing food security without giving any details as to the course of action to be followed and the time schedule within which it will be done. The Committee desire that besides looking into these aspects, it should also be the endeavour of the Government to ensure proper implementation of the related welfare Schemes and Programmes like Rajiv Gandhi Drinking Water Mission, Mahatma Gandhi Total Sanitation Programme, and the Rural and Urban Health Missions. The Committee further desire that the Government should consider amending the following provision in Schedule III of the Bill:-

(1) (c) may be modified as "ensuring livelihood security to farmers by way of remunerative prices, access to inputs, credit, irrigation, power, crop insurance, etc."

(I) MISCELLANEOUS - OTHER WELFARE SCHEMES

3.59 Clause 40 - The provisions of this Act shall not preclude the Central Government or the State Governments from continuing or formulating other food based welfare schemes.

3.60 Summary of the views/suggestions placed before the Committee

World Food Programme (WFP), New Delhi - The outcome focus may be strengthened through institutionalization of independent evaluations of outcomes with fixed periodicity. Synergies may be built with Annual Health Outcome Survey for measurement of nutritional outcomes or with Central Statistical Organization who have such survey built in with a frequency 3-5 years, covering the entire country.

Shri Naveen Jindal, MP (LS) – Necessary changes should be made in the provision of the Bill based on the impact assessment every five years by the Central Government.

Recommendation of the Committee

3.61 Clause 40 of the Bill provides for other welfare schemes which states that the provisions of this Act shall not preclude the Central Government or the State Governments from continuing or formulating other food based welfare schemes. Though there are many schemes being implemented by the Government in this direction, yet the Committee feel that the Food Security Bill should be looked upon as a vehicle which will contribute to reduction in the level of malnutrition. In this context, the scheme should have regular independent evaluation and should also have nutritional outcome as means of measuring achievement. The Committee, therefore, desire that the focus on impact assessment may be strengthened through institutionalization of independent evaluations of outcomes, with fixed periodicity in coordination with the Ministry of Health for measurement of nutritional outcomes with a frequency of 3-5 years, covering the entire country. The Committee, therefore, recommend to insert in Clause 40 of the Bill as under:-

'Necessary changes should be made in provision of the Bill based on the impact assessments regarding change in health indicators etc. with the roll out of the food security plans, every 5 years by the Central Government.'

(m) Power to Amend Schedules

3.62 Clause 45. (1) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by notification, amend Schedule I or Schedule II or Schedule III and thereupon Schedule I or Schedule II or Schedule III, as the case may be, shall be deemed to have been amended accordingly.

(2) A copy of every notification issued under sub-section (1), shall be laid before each House of Parliament as soon as may be after it is issued.

Clause 46. The Central Government may, from time to time, give such directions, as it may consider necessary, to the State Governments, for the effective implementation of the provisions of this act and the State Government shall comply with such directions.

3.63 Summary of the views/suggestions placed before the Committee

State Government of Bihar – In Clause 46, Government of India should take the concurrence of the State Government before making rules.

State Government of Rajasthan - Amendment of schedules in Clause 45(1) may be done after due consultation with the State Government.

Ministry of Law and Justice – When asked whether it is a common practice to empower the Central Government to amend the Schedules to the Bills, the Department stated that it is a legislative practice to make such provision in the Bills conferring powers upon the Central Government to amend Schedules, if the Government is satisfied that it is necessary or expedient so to do. The provisions of any Act are modified or amended through an amending Bill.

In reply to a query about the difference in procedure for amendments to the provisions of the Bill through notification vis-à-vis bringing amendment Bills to amend the provisions of the Bill including their Schedules, the Department stated that Chapter 9 of the 'Manual of Parliamentary Procedures in the Government of India' lays down a detailed procedure with regard to legislation. It makes provisions for initiating legislation; pre-drafting stage; formulation of legislative proposals; consultation with the Ministry of Law and Justice; approval of the Cabinet; drafting stage; format of the Bill; approval of the Cabinet on the Bill; and action to be taken after Cabinet decision according to the practice and procedure followed with respect to the Bills in Parliament.

The laid down procedure is required to be followed by all Ministries/Departments for all proposals relating to Bills, whether it is principal legislation or amending legislation.

However, amending Schedule of any Act by notification is a simple procedure. The notifications are formulated within the scope of delegated powers under the provisions of the principal Act and issued after the approval of the competent authority, that is, the Minister concerned. Such notifications fall under the category of subordinate or delegated legislation which is subject to Parliamentary scrutiny. These notifications are required to be laid before both the Houses of Parliament and once laid, Parliament may amend or modify or rescind the notification so issued by the Government and in that event, the notification shall have effect only in such modified form.

When asked to give examples of a few important legislations which contain such provisions, the Department informed the Committee that the following are few important laws which contain provision on the lines of Clause 45 of the National Food Security Bill, 2011 empowering the Government to amend Schedule by notification, namely:-

- (i) The Drugs and Cosmetics Act, 1940 (Section 330);
- (ii) The Industrial Disputes Act, 1947 (Section 40);
- (iii) The Emblems and Names Prevention of Improper Use Act, 1950 (Section 8);
- (iv) The Taxation Laws (Continuation and Validation of Recovery Proceedings) Act, 1964 (Section 4);
- (v) The Police Force (Registration of Rights) Act, 1966 (Section 5);
- (vi) The Customs Tariff Act, 1975 (Section 11A);
- (vii) The Agricultural and Processed Food Products Export Development Authority Act, 1985 (Section 3);
- (viii) The Child Labour (Prohibition and Regulation) Act, 1986 (Section 4);
- (ix) The Haj Committee Act, 2002 (Section 41);
- (x) The Prevention and Control of Infectious and Contagious Diseases in Animals Act, 2009 (Section 38);
- (xi) The Right to Children to free and Compulsory Education Act, 2009 (Section 20);
- (xii) The National Green Tribunal Act, 2010 (Section 34).

Recommendation of the Committee

3.64 The Committee note that Clause 45 of the Bill provides that if the Central Government is satisfied that it is necessary or expedient so to do , it may by notification amend Schedule I or Schedule II or Schedule III as the case may be, and thereupon such Schedule shall be deemed to have been amended accordingly. The Committee find that such provisions are normal practice and many Acts of the Government such as The Drugs and Cosmetics Act, 1940, the Industrial Disputes Act, 1947, The National Green Tribunal Act, 2010, the Customs Tariff Act, 1975, the Right to Children to free and Compulsory Education Act, 2009 (Section 20) etc. also contain similar provisions. The Committee, therefore, agree with the proposed provision of the National Food Security Bill.

3.65 Clause 52. - The Central Government, or as the case may be the State Government, shall not be liable for any claim by persons belonging to the priority households or general households or other groups entitled under this Act for loss, damage, or compensation; whatsoever, arising out of failure of supply of foodgrains or meals when such failure of supply is due, either directly or indirectly, to force majeure conditions, such as, war, flood, drought, fire, cyclone, earthquake or any act of God.

3.66 Summary of the views/suggestions placed before the Committee

Smt. Brinda Karat, Ex-M.P. (RS) – To delete Clause 52 as during the circumstances stated, i.e. flood, drought or natural calamity, Government will have no liability and such acts are stated as "acts of God."

Recommendation of the Committee

3.67 The Committee note that Clause 52 of the Bill states that if there is a natural calamity such as war, flood, drought, fire, cyclone, earthquake or any act of God which leads failure to supply of foodgrains, neither the Central Government nor the State Government, as the case may be, shall be held liable. The Committee observe that many parts of the country are perennially affected by either floods or drought or sometimes both, in different regions for which contingent plan of action could be drawn up in advance. The Committee feel that as the NFSB is meant to provide food security to all the citizens, the Government should not leave the affected persons to defend themselves when they most need the help and support of the Government. It is also noted that black marketers and profiteers are out to make profits from the vulnerability of the affected population in such times of difficulty. The Committee are of the view that in a Welfare State like India, the Government cannot shy away from its responsibility towards their citizens under any circumstances, be it natural calamity or otherwise. On the contrary, the Government should be committed to meet any contingency arising out of natural calamity or otherwise and help its victimized citizens to the extent possible. The Committee, therefore, feel that the provisions of Clause 52 of the Bill should not stand part of the Bill and may be deleted.

**NEW DELHI
11 January 2013
21 Pausa, 1934(Saka)**

**VILAS MUTTEMWAR,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution**