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Q13

## What are the reformative steps taken by the Government to make food grain distribution system more effective?

UPSC Civil Services Mains 2019 · GS III · 15 marks · Indian Economy

Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

### Core demand of the question

- List reformative steps that make the foodgrain public distribution system more effective
- Cover NFSA, targeting, Aadhaar, FPS automation, **ONORC**, FCI, and remaining gaps
- Recommend further reform

### Revision summary

**NFSA 2013** turned subsidised grain into a legal entitlement for a large share of India.

Digitised cards, Aadhaar, **ePoS**, and supply-chain computerisation cut ghosts and diversion where they work.

One Nation One Ration Card is the main reform for migrant workers.

Shanta Kumar-type FCI reform and silos address stocking and wastage.

Keep manual exceptions for authentication failure, and add millets and pulses for nutrition.

### Introduction

India moves grain from the farmer to the poor through **procurement, the Food Corporation of India (FCI), and the Targeted Public Distribution System**. For decades the chain leaked: ghost cards, diversion to the market, and exclusion of genuine households. Reforms since the **National Food Security Act, 2013**, and the digitisation drive of the 2010s try to make that chain **traceable, portable, and legally enforceable**. Effectiveness means the right grain, in the right quantity, to the right person, at a fiscal cost the State can bear.

### Body

#### Legal and entitlement reform

- **NFSA 2013** made food a **legal right** for up to **75 per cent of the rural** and **50 per cent of the urban population: priority households get 5 kg per person per month at central issue prices; Antyodaya Anna Yojana** households get 35 kg.
- Coverage shifted the debate from charity to **accountability**. Grievance redress and social audits are part of the Act, though uneven in States.
- **Decentralised procurement** lets some States buy and distribute locally, cutting transport time and matching local grain.

#### Identification and leak-plugging

- **Digitisation of ration cards**, seeding with **Aadhaar**, and deletion of duplicates cut ghost beneficiaries where enrolment and connectivity worked.
- **End-to-end computerisation**: online allocation, supply-chain tracking from godown to Fair Price Shop, and **electronic point-of-sale (ePoS)** authentication.
- **Direct Benefit Transfer** of the food subsidy in selected Union Territories (such as Chandigarh and Puducherry) tested cash in place of grain where markets are thick.
- **Doorstep delivery** to FPS in several States reduced wholesale diversion.
- SMS and web transparency let beneficiaries see allocations - a modest but real check.

### Portability and quality

- **Integrated Management of Public Distribution System / One Nation One Ration Card** (rolled out from 2018-19) lets a migrant lift her entitlement in another State once both States are on the national cluster. That is the biggest effectiveness gain for India's mobile poor.
- **Fortification** of rice in selected districts (announced around this period and expanded later) and better storage aim at nutrition, not only calories.
- **Shanta Kumar Committee (2015)** on FCI: smaller stocking, more private participation in storage, cash transfers where appropriate, and priority for the really poor - a reform map still only partly used.

### Procurement and stocking that feed PDS

- Open-ended **Minimum Support Price** procurement of rice and wheat still fills the PDS. It is effective for north-western farmers; it is costly and cereal-heavy for nutrition.
- **Price Stabilisation Fund** and pulses procurement were add-ons so distribution is not only wheat and rice.
- Scientific storage (**silos**), covered and plinth reduction of wastage, and rail movement reforms cut physical loss.

### Gaps and further steps

- **Exclusion errors** remain where Aadhaar or ePoS fails (network, fingerprint, the old, the disabled). Keep an **override and manual exception** with audit, not a hard deny.
- **Inclusion of millets and pulses** in the PDS basket would match nutrition and rainfed farming.
- Full **ONORC** with actual lifting, not only technical go-live; inter-State financial settlement must be timely.
- Reduce **excess buffer** that rots while still protecting a drought year.
- **FPS viability**: timely dealer margin so the shop does not divert to survive.
- Measure success by **household consumption surveys**, not only by grain offtake from FCI.

### Flow diagram

NFSA legal entitlement legal entitlement -> PDS grain grain  
 Aadhaar ePoS digitised cards -> PDS grain  
 FCI procurement storage procurement storage -> PDS grain  
 One Nation One Ration Card -> Migrant lifting  
 PDS grain -> Migrant lifting  
 Exceptions millets less surplus -> PDS grain

## Conclusion

Reforms that matter are NFSA entitlements, digitised targeting, ePoS, supply-chain computerisation, DBT pilots, FCI stocking discipline, and One Nation One Ration Card for migrants. They make PDS more effective where connectivity and exceptions for the old are honest. The remaining job is nutrition (millets, pulses), less rotting surplus, and a portable ration that a migrant can actually lift.

## Facts & figures

### NFSA 2013

**National Food Security Act:** legal cover for up to 75 per cent rural and 50 per cent urban population at central issue prices.

### AAAY

Antyodaya Anna Yojana: poorest households entitled to 35 kg of grain per month under NFSA.

### ONORC

One Nation One Ration Card under IM-PDS: portability of NFSA entitlements across participating States for migrants.

### Shanta Kumar Committee 2015

High-level committee on FCI that recommended leaner stocks, better targeting, and selective cash transfer.

### ePoS

Electronic point-of-sale at Fair Price Shops to authenticate beneficiaries and record offtake.

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