

## **Minutes of the National Consultation Meeting of Ministers of States and UTs in- charge of Food & Consumer Affairs held on 7<sup>th</sup> July, 2015 in Vigyan Bhawan, New Delhi.**

1. A National Consultation Meeting was held on 7<sup>th</sup> July, 2015 with the Food & Consumer Affairs Ministers of the States/UTs under the Chairmanship of Hon'ble Minister for Consumer Affairs, Food & Public Distribution (CA, F & PD), to deliberate on the problem of food inflation and to evolve a common strategy on preventive measures to arrest price rise, particularly of vegetables, pulses and other food items of common consumption. The meeting was attended by concerned Ministers from 16 States and Principal Secretaries/representatives of other States/UTs. Shri Radha Mohan Singh, Hon'ble Agriculture Minister also attended the conference as Chief Guest.

**List of participants is enclosed.**

2. Secretary (Consumer Affairs) welcomed all the participants. He outlined the agenda of the Meeting and need to draw an action plan to tackle the problem of food inflation which is witnessed every year during July to November and invited Hon'ble Agriculture Minister to give his address.

3. Hon'ble Agriculture Minister in his address informed about various steps taken by the government for the benefit of farmers which included soil health management, improvement in irrigation, increased production of pulses and foodgrains etc. He stressed need for a Single Mandi Law in all the States. Karnataka has implemented, others have been advised to follow the same and also that the Government is committed to establish a National Agriculture Market. He assured that there will be no shortage of irrigation water and with the help of the States, the shortage in irrigation water will be resolved.

He also stressed the need for strengthening of Public Distribution System by the States and cited the example of Chhattisgarh, which could be followed by other States. About Bihar, he stated that currently out of a total coverage of 8.71 crore persons under NFSA, only 7.60 crore are being covered. He stressed on the need for early resolution of issues relating to digitisation of the list of additional about one crore persons to be covered and putting it up on the PDS portal, so that they also start getting the benefits under the Act. On the issue of implementation of National Food Security Act (NFSA) he stated that only 12 States have implemented NFSA and urged the remaining States/UTs, which are yet to implement the Act, to start it early.

4. Hon'ble Minister (CA, F&PD) in his address stated that prices of perishable commodities do increase between July and November, every year and stated that though the Central Government has taken various measures to contain the food inflation, State Governments have to play a decisive role in ensuring availability of Essential Commodities to the

people of the country at fair and reasonable prices. He praised all the States for steps taken by them to keep food inflation under control. He appealed to all States & Union Territories to ensure the smooth and adequate availability of all essential food items like Onion, Tomato, Vegetables, fruits, edible oils and pulses by making their trade, commerce and distribution free of hoarding, blackmarketing, profiteering & cartel formation. He said that tackling food inflation is also important for the government because, if left unchecked it can easily distort the various concrete initiatives already taken for revival of the economy and improvement in distributive justice. Government is, therefore, determined to meet this challenge in collaboration with the State Governments. The idea is to evolve a joint strategy and wherever possible extend its implementation up to the district level.

He stated that PDS is a lifeline for the poor and that there is sufficiency of foodgrains in the country. Even in the event of less rainfall last year, there was only a marginal decline in production. Expressing satisfaction over the foodgrains availability situation, he stressed on the need to be watchful about the price situation, especially during the period July to November, which is festive season and most sensitive to price rise. He, however, expressed confidence that the Central Government with the help of the States will be able to handle the situation. Hon'ble Minister also mentioned that his Ministry and the Government is sensitive to the plight of the farmers and in view of the damage to crops due to unseasonal rains/hailstorms, Government decided to relax the quality norms for wheat without any value cut.

With regard to cash transfer of food subsidy, Hon'ble Minister (CA,F&PD) said that this is one of the reform measures for checking leakages and diversions and has its own advantages. He however desired that all the related aspects such as closure of fair price shops and under/non- utilisation of foodgrains storage godowns in cash transfer areas, impact of cash transfer on foodgrain purchase pattern of beneficiaries, likelihood of misutilisation of cash etc, need to be carefully examined.

On the issue of TPDS and NFSA, Hon'ble Minister (CA,F&PD) stated that TPDS is operated under the joint responsibility of the Centre and State Governments and the responsibility of the Central Government is to deliver the foodgrains up to FCI depots. But, beyond that the lifting and its actual distribution to the beneficiaries is the responsibility of the State Governments. To ensure a leak proof TPDS, he urged all the States/UTs to implement end-to-end computerization in a time-bound manner. About NFSA, he stated that if implemented properly, it will address many of the existing shortcomings of TPDS. Only 12 States/UTs have, so far, implemented NFSA, although the period for implementation of the Act has been extended thrice up to 30<sup>th</sup> September, 2015. The remaining States/UTs need to ensure that implementation starts by 30<sup>th</sup> September, 2015.

5. This was followed by presentations on Price Trend in essential 22 food items, implementation of NFSA, end-to-end computerisation of TPDS and land related issues for construction of godowns as under;

(i) Principal Advisor, D/o Consumer Affairs gave a presentation on causes of price rise, trend in prices of essential commodities and recent initiatives by the Government to control food inflation. A copy of the presentation is at **Annexure- I**.

(ii) Economic Adviser, D/o Food & P.D., in his presentation on implementation of NFSA, apprised about the current status of its implementation, responsibilities of Central and State Govts. in implementation of the Act and need for its early implementation. He also informed that the additional APL and BPL allocations to States/UTs, which are yet to implement the Act, is upto 30.09.2015. Its continuation may be reconsidered if they fail to implement the Act by 30<sup>th</sup> September, 2015.

(iii) JS (BP, PD), D/o Food & P.D. presented State-wise physical and financial progress under the scheme of end-to-end computerisation of TPDS. He stressed on the need to expedite the pace of utilisation of funds already released so that next installment could be released. State Governments were also requested to prepare quarter-wise action plan for automation of FPS in one-thirds of the Districts by March, 2016 through installation of Point of Sale devices, for which necessary technical specifications and pattern of financial assistance have already been shared with all States/UTs. Priority should be given to 108 Districts with more than 90% Aadhaar saturation. Besides, he also informed about DBT/Cash Transfer for foodgrains as another reform measure being pursued, especially in few UTs on pilot basis.

(iv) JS (Storage) presented land related issues for construction of godowns by FCI in different States, and for construction of godowns in Bihar under PEG scheme and by the Central Warehousing Corporation.

(v) A copy of the presentation covering (ii), (iii) and (iv) above is at **Annexure-II**.

6. Officers from the States of Andhra Pradesh, Madhya Pradesh, Gujarat and Delhi thereafter informed about their successful initiatives in the areas of FPS automation and 'Aadhaar' seeding, details of which are at **Annexure- III**.

7. After the above presentations, discussions were held with the States on the agenda of the meeting. The salient points of the discussions are as under: -

**(i) Gujarat:-**

**Price control measures**

All the District Authorities have been directed to be vigilant about the food inflation.

**Implementation of NFSA**

All necessary steps are being taken to bring transparency in the distribution system and to implement the Act expeditiously. The ration cards have been digitized and are available on the portal. The State Govt. is using SECC data for verification of ration card data base. During the verification process, they are also collecting mobile number, aadhaar number and linking it to the data base. So far, about 25% of verification has been done and the State requires at least 6 more months to complete the process and implement the Act.

Door step delivery (DSD) has been implemented. Godowns have been computerized.

**(ii) Odisha:**

**Price control measures**

Onion price rise is due to unseasonal rains. In Pulses and edible oils, the trend of prices is the same as in others States at national level. Vegetables and Fruits have been delisted from the APMC Act. 1500 MT storage capacity has been created during last year. Steps are being taken to approach the Price Stabilisation Fund.

**Implementation of NFSA**

The State has finalized 8 exclusion and 5 auto-inclusion criteria for identification of beneficiaries under NFSA. Identification of priority households is in final stages. The final beneficiary data base will be available on State e-PDS portal by 31.8.2015. The State expects to implement the NFSA by 30.9.2015. It was pointed that the allocation of foodgrains mentioned in the Act needs to be increased as the DFPD has assumed the family size of AAY households as 5, whereas the actual household size for AAY is 3.79.

**Other issues**

DFPD was also requested to increase the coverage under SC/ST Hostel scheme as it has increased three times in last 6 years. The State was requested to approach the concerned Ministries, who have to project the requirement of foodgrains to DFPD.

**(iii) Andhra Pradesh:**

**Price control measures**

Prices are stable except Gram Dal. District Price Monitoring Committees monitor prices of food commodities. Against market rate of Rs. 100/kg, State Government is providing the Gram Dal @ Rs. 50/kg.

## **Implementation of NFSA**

Most of the preparatory work has been completed. The State will complete the remaining preparatory activities and start implementation of Act by 30.9.2015. The State Govt. also claimed to have already started implementation of the Act though foodgrains allocation to them under the Act is yet to start. The State requires additional allocation of 3 lakh tons of rice over and above the estimated allocation for the State under NFSA.

## **Computerisation**

Under the Component-I of TPDS Computerisation, digitization of ration cards and supply-chain computerisation have been completed. State Government requested for release of the remaining amount admissible under Component-I. Regarding FPS automation, it was informed that more than 7500 FPSs have been automated so far in the State and they have provided for Iris reader also. Due to FPS automation, they were able to save Rs. 40 crore per month. Besides, by use of Aadhaar seeding, foodgrains worth Rs. 300 crores were saved by removing 67 lakh duplicate/ bogus cards. In 2<sup>nd</sup> phase, State Govt. has decided to automate all 20,000 FPSs in the State. The State Government sought financial assistance amounting to Rs. 215 crore from DoF & PD for FPS automation. The Issue related to technical support from NIC in one District was also raised.

## **Other Issues**

State Govt. requested for increase in allocation for SC/ST hostels , for which they were advised to approach the concerned Ministries, i.e. Ministries of Social Justice & Empowerment and Tribal Affairs.

## **(iv) Bihar:-**

### **Price control measures**

Stock limits have been imposed as per orders of the Central Government, to check food inflation, hoarding, black marketing and profiteering. Central Government should decide stock limits and prices for perishable food items like tomato, potato etc. The offences under the EC Act be made non-bailable. 13 lakh MT storage capacity has been created.

### **Implementation of NFSA**

Bihar has implemented the Act from March, 2014, with partial coverage after completing almost all the preparatory activities. Out of the coverage of 8.71 crore under the Act, the State has covered 7.60 crore in the first phase and about 1.02 crore are proposed to be covered in the second phase. Request of the State Govt. for foodgrain allocation for additional 1.02 crore persons proposed to be covered in the second phase has not been agreed by the DFPD as the beneficiary list has not been digitised and placed on the PDS portal. Admitting their shortcomings in digitizing and uploading of the beneficiary list, the State Government

requested for increase in the allocation for additional beneficiaries as an interim measure and promised to complete the digitisation by August end.

### **Other issues**

The State mentioned about the problem of availability of rakes for movement of foodgrains in some places resulting in non-availability of foodgrains. FCI clarified on this that there are sufficient foodgrains in FCI depots to meet about one and half month's requirement of the State but the State's problem is regarding transportation of these goods to internal areas for which the matter is under consideration in Ministry of Railway for providing more rakes to the State for internal transport. The problem of non existence of any godown in Jamui district was also raised. On this issue, Hon'ble Minister (CA, F&PD) desired that the matter be looked into to ensure availability of rakes and foodgrains in all the districts.

### **(v) Chhattisgarh:-**

#### **Price control measures**

Prices of food commodities have rose except in Gram. PDS should be used for distribution of Onion. Subsidy on pulses be restored. 'Hoarding' & 'black marketing' be defined. States be delegated more powers under the EC Act. The condition of concurrence of Central Government on stock limits be done away with. The offences under the EC Act be made non-bailable with provisions for summary trial.

#### **Implementation of NFSA**

Chhattisgarh has implemented NFSA. In response to a query of Hon'ble Minister about steps taken for effective implementation of PDS in naxalite affected areas, the State Government explained that they have online system in cities up to District level and offline system in other areas especially naxalite affected. For ensuring distribution of foodgrains in disturbed areas, police protection is provided. Door step delivery is ensured in the State, including naxal areas. For ensuring proper distribution the State Government maintains all records and complaints, if any, are looked into expeditiously.

#### **Computerisation**

At present, out of 11,000 FPSs in the State, 500 FPSs in urban areas have been automated and also provided portability.

#### **Other issues**

The State mentioned about the subsidy payment due from the Central Government and also requested for creation of additional storage capacity specially in the form of Silos.

It was also requested that the Central Government should allocate 10 kg pulses at subsidized rate of Rs.20 per kg.

**(vi) Haryana:-**

**Price control measures**

Except Moong, pulses price increased. The price rise is due to Cartelling. Cartelling by traders be taken seriously. The international hoarding and black marketing also needs to addressed.

**Implementation of NFSA**

Haryana has also implemented NFSA.

**Computerisation:**

It was mentioned that they have digitized entire beneficiary database and 99% of which has been verified. It was suggested that the Point of Sale (PoS) device and Mobile Terminals which are to be used for FPS automation may also be bought under DGS&D rate contract. This would benefit the States/UTs for procuring the same.

**(vii) Himachal Pradesh:-**

**Price control measures**

The State Government is vigilant on the price rise in food items and is taking effective operations against hoarders, black marketeers and profiteers.

**Implementation of NFSA**

Himachal Pradesh has started implementation of NFSA from w.e.f. February 2013, with partial coverage. Their request for increasing allocation under NFSA for more beneficiaries identified for coverage has not been agreed by the DFPD on the ground that digitised list of beneficiaries has not been made available on the State portal. It was argued by the State Government that this is against the provisions of the Act, which legally entitles all the identified beneficiaries to receive subsidised foodgrains. Linking foodgrains allocation to digitisation and uploading of the beneficiary list is not correct, because, as per the Act, computerisation of TPDS is not a mandatory pre-condition.

JS(BP&PD) invited the attention of the State Government to the Hon'ble Supreme Court's Order dated 14.9.2011, which inter-alia required State Governments to complete end-to-end computerisation in a time-bound manner. State Governments were also directed to complete certain activities within three months which inter alia included putting up digitized database of ration cards in public domain including on the websites. Attention of the State Government was also drawn to provisions under Section 11 and 27 of NFSA regarding placing the list of identified eligible households and all PDS related records in public domain. Section 38 of the Act empowers Central Government to give directions to State Governments for effective implementation of provisions of the Act, which State Governments are required to comply. Stand of the DFPD therefore

on computerisation of TPDS for implementation of NFSA is in line with provisions of the Act and directions of the Hon'ble Supreme Court.

### **Computerisation**

State team has been facing issues regarding application software and NIC was unable to render required level of support. It was informed that NIC was supposed to provide the application software by 03.07.2015 but still the same was pending. It was clarified by DDG, NIC that NIC is ready with the application software and will be demonstrate the same as per mutual convenience with State Government.

### **(viii) J&K:-**

**Price control measures:** No information.

### **Implementation of NFSA**

Under NFSA, the coverage is 63.55% in rural areas and 47.1% in urban areas. The population covered is 74 lakhs under NFSA and the annual allocation under the Act is 7.51 lakh including tide over allocation of 2.72 lakh. It was stated that this allocation is not sufficient as the State has to provide foodgrains to 100% population for which the requirement of foodgrains will be 9.71 lakh tons. Further, under NFSA, the average allocation of foodgrains is likely to come down to 27 kg per family as against the norm of 35 kg per family per month under existing TPDS. Therefore, the coverage should be increased to 90% in rural areas and 75% in urban areas.

State Government has finalised the inclusion and exclusion criteria for identification of beneficiaries.

The State needs one more year to implement the Act. Hon'ble Minister (CA, F&PD) advised the State Govt. to start implementing the Act at the earliest so that its benefits start reaching the people without any delay.

### **Computerisation**

It was mentioned that the State of J&K is a hilly State, affected by militancy. Therefore, it may be treated at par with the North-Eastern States for the pattern of financial assistance i.e. they may be given funds on 90:10 basis instead of 50:50 basis.

### **(ix) Jharkhand:-**

**Price control measures:** No information.

### **Implementation of NFSA**

The State intends to start implementation of the Act in 8 Districts in first phase for which a proposal is under consideration of DFPD. It was requested that the existing norm of 5 kg per person per month under NFSA may be increased to 7 kg with an upper limit of 35 kg per family per month. Further, the State requires allocation of wheat also instead of only rice under TPDS.

## **Computerisation**

It was informed that around 35 lakh cards have been digitized with 80% linkages with Aadhaar. The State has been leveraging SECC data for digitization of beneficiary data but it has lot of defects specially in respect of data of urban areas. As regards Supply Chain Management, the State would be making depot code module online by August 2015. The State Government plans to automate all FPSs by March 2015.

## **Other issues**

There is shortage of godowns in the State and they need Central assistance for construction of more godowns.

While implementation of National Food Security Act comes under the domain of the State Food Department, the Food Safety and Standard Act (FSSA) comes under the domain of Health Ministry. However, in actual practice, any problem related to FSSA is also referred to the State Food Department. It was, therefore, suggested that FSSA should also be under the domain of M/o CA,F&PD. Other States also agreed to the suggestion.

## **(x) Karnataka:-**

**Price control measures:** No information.

## **Implementation of NFSA**

Karnataka has implemented the NFSA w.e.f. January 2014. The State is providing 5 kg foodgrains, 1 kg salt and 1litre kerosene oil to the beneficiaries free of cost. The experience of the State showed that implementation of NFSA has improved the PDS in the State.

## **Computerisation**

The State has implemented end-to-end computerization of TPDS operations. At present, the State is collecting both Aadhaar and EPIC numbers and seeding the same in the beneficiary database. So far, information about 80% of the beneficiaries has been collected and would be seeded within next 2 months. Due to de-duplication, the State has saved Rs.500 crore.

The State representatives had used their own funds for the implementation of Component-I of TPDS computerization. Similarly, 3,000 FPSs have been automated, so far, in the State. It was informed that entire beneficiary list and FPS wise allocation details are on the portal and supply-chain has been computerized. D/o F&PD was requested to reimburse the expenditure incurred by the State Government under Component-I & II of TPDS computerisation.

It was also stated that NIC team needs to be more proactive in their support on technical matters, without waiting for intervention at higher level. DDG, NIC informed that entire application software for TPDS computerization in the State has been developed by State NIC team only. As regards the current issues, he mentioned that he will look into the matter and address the same in consultation with State NIC.

**(xi) Kerala:**

**Price control measures:** Atta & Sugar are being delivered door-to-door. Give more money to the Consumer Affairs department.

**Implementation of NFSA**

It was informed that the State is taking all the necessary steps for speedy implementation of NFSA. The State is in the process of reviewing 82 lakh ration cards and identification of priority households. The existing ration cards are being renewed and the State has conducted camps also to facilitate the beneficiaries. Door-step delivery has been started on pilot basis. The State has developed its online distribution system. Constitution of Food Commission in the State is in progress. Rules are also being finalised under NFSA. It was also informed that they are also providing atta and sugar under PDS in addition to rice.

It was suggested that the allocation under NFSA should be increased to 7 kg per person under priority category.

Though the State shall try to implement the Act by 30.9.2015, the last date may have to be extended by one month.

**Computerisation**

State Government had sought fresh forms from the beneficiaries which were in process of digitization.

NIC was requested to provide more cooperation for implementation of TPDS computerization. Officers of NIC Hqrs. had visited State for addressing the issues which were still persisting. DDG, NIC responded that NIC team is working to provide all possible support to State team.

**(xii) Lakshadweep:-**

**Price control measures:** No information.

**Implementation of NFSA**

It was informed that the UT has completed all the pre-requisites for implementation of NFSA and sent a proposal for allocation of foodgrains to DFPD. The UT is awaiting approval to their proposal.

**(xiii) Madhya Pradesh:-**

**Price control measures:** Stock limits have been imposed. The judges in Consumer Forums are overloaded. More judges are required. The number be increased.

**Implementation of NFSA**

The State is already implementing NFSA. It is expected that by November 2015, PoS will be installed in all the FPSs and that will address the problem of leakage of foodgrains.

**(xiv) Punjab:-**

**Price control measures:** Godowns under PDS are checked regularly.

**Implementation of NFSA**

It was informed that the State is the highest contributor of foodgrains to the Central Pool. The State has implemented NFSA and under the Act, six months quota is being delivered in 30kg bags to the beneficiaries at a time. The State is using colour tagged bags so that it is possible to identify which bag is from which Mandi along with the year of stock. The 30 kg packaging has resulted in saving a lot of money.

**Computerisation**

It was mentioned that the State team has created Aadhaar compliant ration card database and the system is such that they are able to capture photographs of the beneficiaries available in the Aadhaar database. This has helped the State in getting the photographs of beneficiaries on their ration cards.

**Other issues**

The pending amount of food subsidy payable to the State Govt. by the Centre should be released expeditiously so that the State Government does not face any financial problems in fresh procurement.

**(xv) West Bengal:-**

**Price control measures**

Maoist extremism affected BPL families are provided rice @Rs. 2/kg. There is shortage of storage capacity. 33 lakh MT paddy has been purchased, 25 lakh MT more is to be purchased.

**Implementation of NFSA**

The State has started implementation of NFSA in 7 districts. It was however informed that they would be able to cover all the Districts under NFSA by December, 2015 and not September, 2015, indicated earlier. Further, coverage under NFSA is not sufficient and needs to be increased. It was also requested that the rice to wheat ratio in the allocation of foodgrains requires to be changed from 60:40 to 80:20.

**Computerisation**

It was informed that they had digitized the NFSA beneficiary database in respect of districts where NFSA is being implemented and the same is available on the portal.

**Other issues**

The State expressed the need for PEG godowns in the State especially in Jangalmahal area. Additional storage capacity needs to be created in view of the likely procurement of large quantity of paddy by the State.

Hon'ble Minister (CA,F&PD) asked the officers of the Ministry regarding construction of godowns under PEG in West Bengal. It was informed that since West Bengal is DCP State in respect of paddy, FCI is not creating any PEG godowns there. The Hon'ble Minister (CA, F&PD) desired that ED, FCI should hold a separate meeting with the State Food Secretary to sort out storage related issues.

**(xvi) Sikkim:-**

**Price control measures:** No information.

**Implementation of NFSA**

The State mentioned that they are in the advanced stage of completion of formalities for implementation of NFSA. However, being a hilly State there is transportation problem. The State will be able to implement NFSA by 30<sup>th</sup> December, 2015.

**Computerisation**

State Government intends to undertake end-to-end computerization in the State but they have been facing challenges related to network connectivity.

**(xvii) Arunachal Pradesh:-**

**Price control measures:** No information.

**Implementation of NFSA**

It was stated that they have some problems relating to transportation due to hilly terrain and the State has to deploy helicopter or resort to headloads to carry foodgrains to certain areas.. The State will be able to implement the Act by 31.3.2016.

There will be a shortage of 2200 MT of rice annually under NFSA and the State's quota needs to be increased. The ratio of sharing of expenditure on intra-State transportation and margins to FPS dealers, between Centre and the State, needs to be revised from 75:25 to 90:10.

**Computerisation**

The State have invited the tender/bid for end-to-end computerization of TPDS.

**(xviii) Rajasthan**

**Price control measures**

Non-PDS items also being distributed through FPSs.

**Implementation of NFSA**

Rajasthan is already implementing NFSA. The State is providing non-PDS items also under NFSA.

35kg of foodgrains are also being provided to the Annapoorna category.

## **Computerisation**

Ration card digitization would be completed by August 2015.

### **(xix) Other States**

Due to shortage of time, the Chairman requested the remaining States to indicate the date by which they would be able to implement NFSA. The dates given by the States for NFSA implementation are as under: -

- (i) Assam- October, 2015
- (ii) A&N Islands-September, 2015
- (iii) Meghalaya- September,2015
- (iv) Mizoram – December, 2015
- (v) Nagaland- October, 2015
- (vi) Puducherry- August, 2015
- (vii) Telangana- September,2015
- (viii) Tamil Nadu- one and a half to two years
- (ix) Uttar Pradesh- December, 2015

No information could be sought on price control measures. All the States were asked to provide the same in writing later.

### **8. After detailed deliberations, the Meeting noted that:**

- a. Concerted action needs to be taken during the peak demand period between July-December each year for the availability of essential commodities of common consumption including vegetables(Onion, tomatoes & Potatoes), Cereals (rice, jowar and bajra), Pulses (masur, tuar and moong dal) and edible oils.
- b. It was noted that, this period also coincides with the festive season giving rise to peak demand.
- c. The intermediaries in the market – the mandi merchants, wholesale traders and APMC yards are likely to create artificial storages.
- d. State APMC laws are a hurdle to modernisation of the food economy. There is a need for revising the Agriculture Produce Market Committee Act (APMC Act), encouraging competition among traders and promoting efficiency in retailing to provide for a competitive market and to moderate food inflation.
- e. It is, therefore, crucial that a detailed *plan* outlining actions needed to be taken to maintain adequate supplies of select essential commodities at reasonable prices is drawn up by each State and monitored closely and co-ordinated with Government of India to ensure that market interventions are made on a real-time basis.

### **Department of Food And Public Distribution:**

- i) Period of one year provided in the NFSA for identification of eligible households, had to be extended thrice as this exercise and other preparatory measures for implementation of the Act had not been

completed in many States/UTs. Such States/UTs should take all necessary measures to implement it within the extended period of 30.09.2015.

- ii) Additional APL and BPL allocation to States/UTs which are yet to implement NFSA has been made up to 30.09.2015, by which time they are expected to switch over to NFSA.
- iii) States/UTs are required to certify their preparedness to implement the Act in a prescribed proforma. It should be ensured that all the items of preparedness in the proforma are completed before sending proposal for foodgrain allocation under the Act.
- iv) Completion of all the activities under the ongoing scheme of end-to-end computerisation of TPDS operation is one of the pre-conditions for implementation of NFSA, which is in line with directions of Hon'ble Supreme Court in this regard and provisions of NFSA regarding placing the PDS related information in the public domain.
- v) The Hon'ble Supreme Court's Order dated 14.9.2011 in the Writ Petition (Civil) No.196 of 2001 – PUCL Vs UoI & Others is available at <http://fcs.uk.gov.in/upload/doc/Document-9.pdf>. It directs that the States/UTs must complete end-to-end computerization of TPDS in a time bound manner. Activities like digitization, door-step delivery, creation of a PDS portal, call centre, etc were to be completed in three months. This Order clarifies that digitized database is to be put up in the public domain including on the website.
- vi) Information furnished by most of the States/UTs regarding progress under various activities under the ongoing scheme of TPDS computerisation is not visible on the PDS portal. Henceforth, information available on the portal only will be taken as authentic.
- vii) States/UTs which have availed Central assistance under the scheme of TPDS computerisation should ensure that matching State share is provided. They also need to improve the pace of expenditure, submit Utilisation Certificates for the funds released and avail second installment of Central assistance.
- viii) Available 'aadhaar' numbers should be seeded in the TPDS beneficiary database, for de-duplication of beneficiary database and elimination of fake/bogus ration cards. Wherever 'aadhaar' generation itself is low, concerned State/UT should taken up the matter with UIDAI for more enrolment camps in uncovered areas.
- ix) Seeding of 'aadhaar' in the beneficiary database is also necessary for biometric authentication of beneficiaries through PoS devices to be

installed in FPSs, for which technical specifications and pattern of Central assistance have been shared with States/UTs.

- x) States/UTs should target installation of PoS devices in at least one-third of the Districts by March, 2016. They should prepare a quarterly action plan for this purpose, indicating the names of Districts to be covered in each quarter, and share it with DFPD.
- xi) To begin with, Districts with more than 90% 'aadhaar' saturation may be taken up on priority, for PoS installation by September, 2015. List of such Districts, which is dynamic, is available on the website of UIDAI.
- xii) The States/UTs have to install PoS/smart device at all the FPSs for biometric authenticated electronic transaction in a time bound manner and must make all necessary preparations for the same. However, they may also choose to transfer the entitlement in cash through the Direct Benefit Transfer (DBT) model as discussed.
- xiii) Regarding allocations for SC/ST hostels and welfare institutions, States/UTs were informed about a recent decision of the Govt. as per which such allocations will be made on the recommendation of Central Ministries of Social Justice & Empowerment and Tribal Affairs. States/UTs should therefore send their proposals to the concerned Ministries.

## **9. Conclusions of the Meeting:**

1. Shri Ram Vilas Paswan, Minister of Consumer Affairs, Food & Public Distribution emphasized the importance of coordinated action between the Central Government and the States in tackling increase in food prices. He said that tackling food inflation is important because, if left unchecked it can easily distort the various initiatives already taken for revival of the economy and improvement in distributive justice. Government is therefore determined to meet this challenge in collaboration with the State Governments. The idea of this Meeting, he said, was to evolve a joint strategy and where possible extend its implementation up to the district level.
2. While noting that the prices of perishable commodities do increase between July and November every year, Shri Paswan pointed out that the Central Government has already taken various measures to contain food inflation. He also noted that the measures initiated by the Centre and the States following the decisions of the National Consultation Meeting held on July 4<sup>th</sup> last year had helped in moderating food prices. He highlighted the responsibility of State Governments in ensuring availability of Essential Commodities at fair and reasonable prices. He pointed out that the next six months is a period that also coincides with the festive season across the country and demand for essential food items reaches its peak, hence it is necessary to take steps to prevent hoarding and black marketing as

well as to strengthen the supply and distribution channels of essential commodities during this period.

3. The Meeting was attended by representatives from 33 states and Union Territories. Ministers from 16 states participated in the meeting besides the Secretaries in charge of Food and Consumer Affairs from most of the States/UTs. Some of the States made important suggestions on improving the availability of essential commodities and on measures to moderate prices.
4. The Meeting recognized the importance of the effective implementation of National Food Security Act. It was noted that 12 states have already implemented the National Food Security Act, while in the other states there has been progress. Shri Ram Vilas Paswan urged all states to adhere to the time line of 30<sup>th</sup> September 2015.
5. The States passed a resolution that in order to establish better coordination among different agencies working on protection of rights of consumers, the administrative control of FSSAI be brought under the Department of Consumer Affairs and that the sentiments of the States be conveyed to the Prime Minister.

**The following action plan was agreed to and adopted with the objective of maintaining the availability of essential commodities at reasonable prices during the six-month period between July – December 2015:**

- a) The action plan will cover Pulses, edible oils, rice, onions, tomatoes and potatoes.
- b) Sustained action will be initiated against hoarding and black-marketing and States will undertake effective enforcement of the Essential Commodities Act and Prevention of Black Marketing Act.
- c) States will identify vulnerable areas where supply shortages occur and ensure that “stock-out” situations do not occur especially of items of common consumption.
- d) States will mobilize existing storage capacity utilizing the Government/private/cooperative storage infrastructure to ensure that adequate decentralized stocks are maintained across different cities/rural areas of the State to ensure adequate supplies of these commodities. States will also mobilise Food & Civil Supplies Corporations, cooperative Societies and Fair Price Shops for augmenting distribution avenues for essential food items.

- e) The existing Price Monitoring Cells in the States will be strengthened to monitor the prices of these specific commodities on the basis of wholesale prices at the mandis as well as the retail prices obtaining in various parts of the State. This should enable the States to make market interventions on a real time basis.
- f) Review of APMC Act with reference to Onions, Potatoes and Tomatoes to remove inter- state barriers to internal trade.
- g) Progress in preparedness of the States/UTs where National Food Security Act is yet to be implemented was reviewed by Hon'ble Minister and he stressed on the need to ensure that the Act is implemented within the extended period i.e. by 30.09.2015. Most of the States/UTs assured for its implementation within this time limit.
- h) In addition, progress in the computerization of TPDS operations was also reviewed. Hon'ble Minister emphasized that its time bound completion is essential for checking leakages and diversion of foodgrains and to bring in transparency and accountability in the system. There was a broad agreement on the need for its time bound completion. Issues relating to Aadhaar seeding in beneficiary database and installation of Point of Sale devices at Fair Price Shops for authentication of beneficiaries and electronic recording of transactions were also discussed.
- i) Some States raised the demand for more allocation for SC/ST hostels and welfare institution. They were informed about a recent decision of the Government that such allocations will now be made by the Central ministries of Social Justice & Empowerment and Tribal Affairs. State Government should accordingly send their proposals to concerned Ministries.

**10.** The Central Government will coordinate implementation of the Action Plan closely with States. The Joint Secretary, Consumer Affairs, Government of India will be the National Focal Point and each State Government has been advised to designate the Commissioner of Food and Civil Supplies of the State as the State focal point for the effective price monitoring of essential commodities over the next six months.

**11.** The meeting ended with vote of thanks.

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**SPEED POST**

F. No. S-2/1/2015-ECR&E  
Government of India  
Ministry of Consumer Affairs, Food And Public Distribution  
Department of Consumer Affairs  
Krishi Bhavan, New Delhi-110001.

Dated the 31<sup>st</sup> July, 2015.

**Subject: Minutes of the National Consultation Meeting of Ministers of States and UTs in- charge of Food & Consumer Affairs held on 7<sup>th</sup> July, 2015 in Vigyan Bhawan, New Delhi.**

The undersigned is directed to forward a copy of minutes of the National Consultation Meeting of Ministers of States and Union Territories in-charge of Food & Consumer Affairs held on 7<sup>th</sup> July, 2015 in Vigyan Bhawan, New Delhi for consideration and necessary action. Hindi version will follow.

This issues with the approval of the competent authority.

**( SURENDRA SINGH)**

Deputy Secretary to The Government Of India

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To,

1. All participants as per list.
2. All Chief Secretaries of States/UTs.

**Copy to ;**

1. PS to Hon'ble Minister for CA, F&PD.
2. PS to Hon'ble Minister for Agriculture.
3. PSO to Secy (CA).
4. Secy(F&PD).
5. Secy(A&C)
6. Sr.PPS to AS(CA).
7. NIC for uploading on the website of the department of Consumer Affairs.
8. OL(CA) for providing Hindi version of the Minutes.
9. Guard File/Spare copy folder.