

Milestone Volume

BUDGET BRIEFS

Vol 15/Issue 2

Food Subsidy and the National Food Security Act (NFSA) Gol, 2023-24

Food Subsidy is provided by the Government of India (GoI) for the supply and distribution of foodgrains and other essential commodities.

With the passing of the **National Food Security Act (NFSA)** in 2013, nutritional security became a right. Under the Act, adequate quantities of quality food at affordable prices are to be provided to two-thirds of India's population. This brief uses government data to analyse:

- Allocations and releases under Food Subsidy;
- Trends in foodgrain allocations, offtake, and distribution under NFSA and Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY);
- Coverage under NFSA; and
- Implementation under 'One Nation, One Ration Card' (ONORC).

Cost share and implementation:

Funds are borne by GoI, with state governments having the option to choose between direct procurement or opting centralised procurement via the Food Corporation of India (FCI).

HIGHLIGHTS

₹ 2,05,765 cr

GoI allocations for Ministry of Consumer Affairs, Food and Public Distribution (MoCAF&PD) for FY 2023-24

₹ 1,97,350 cr

GoI allocations for Food Subsidy in FY 2023-24

SUMMARY & ANALYSIS

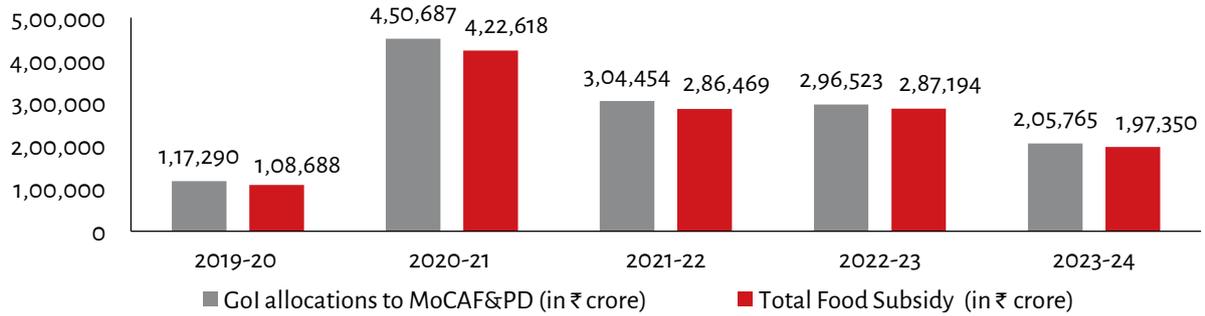
- For Financial Year (FY) 2023-24, GoI has allocated ₹1,97,350 crore for Food Subsidy, a 31 per cent decrease from the previous year's Revised Estimates (REs) and 5 per cent lower than the Budget Estimates (BEs).
- This decrease is partly due to the removal of additional foodgrain allocations under PMGKAY and other pandemic relief measures.
- GoI, however, has announced free foodgrains to all eligible households under NFSA for one year from 1 January 2023 to 31 December 2023 in the new integrated scheme also called Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Total expenditure for this is budgeted at ₹2 lakh crore to be borne by GoI.
- Coverage under NFSA is still measured using Census 2011 data. Using the population projections for 2022, as of November 2022, only 87 per cent of eligible citizens under NFSA are covered under the scheme. Therefore, approximately 12.3 crore eligible citizens are being excluded at present.
- Between April 2021 and December 2022, ONORC was accessed by 1.74 crore eligible citizens but still accounted for less than 1 per cent of total e-transactions occurring in this period. Eighty-six per cent of all interstate transactions took place in Delhi, Haryana, and Maharashtra.

- The Public Distribution System (PDS) is the Government of India's (GoI's) flagship programme aimed at ensuring food security to Indian citizens through the supply and distribution of foodgrains and other essential commodities.
- The implementation of the scheme is the joint responsibility of GoI and states. At the GoI level, the scheme is implemented by the Department of Food and Public Distribution (DoFPD) and the Food Corporation of India (FCI).
- In 2013, the enactment of the National Food Security Act (NFSA) made the provision of adequate quantities of quality food at affordable prices and made nutritional security a right. The Act is meant to cover about two-thirds of the population and is currently being implemented across all states and Union Territories (UTs). The Act relies on the existing Targeted Public Distribution System (TPDS) mechanism to deliver these entitlements.
- To help reduce hunger and nutrition challenges arising due to lack of access during the COVID-19 pandemic, GoI announced the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) in March 2020, providing additional foodgrains to eligible citizens free-of-cost. Since then, seven phases of the scheme have been announced, with the latest PMGKAY-VII being implemented for a period of three months from October to December 2022.
- In December 2022, it was announced that GoI will provide will distribute foodgrains free-of-cost to all eligible citizens under NFSA, with the new integrated scheme also named PMGKAY, from 1 January 2023 for a period of 12 months.
- This brief looks at the trends in Food Subsidy and implementation of the NFSA and PMGKAY, and the inter-portability of NFSA benefits under the 'One Nation, One Ration Card' (ONORC) scheme.

TRENDS IN GOI ALLOCATIONS AND RELEASES

- For Financial Year (FY) 2023-24 Budget Estimates (BEs), GoI allocated ₹2,05,765 crore to the Ministry of Consumer Affairs, Food and Public Distribution (MoCAF&PD), a 31 per cent decrease from the previous year's Revised Estimates (REs) and a 5 per cent decrease from the BEs. .
- Food Subsidy is the largest scheme of the Ministry, accounting for 96 per cent of the Ministry's budget in FY 2023-24 BEs. Under the programme, foodgrains are procured by the FCI and states from farmers at government-notified prices known as Minimum Support Price (MSP). These are then sold at subsidised prices known as Central Issue Prices (CIPs). The difference between the total cost of procurement of foodgrains (MSP and other incidentals) and CIP is provided by GoI as Food Subsidy to FCI. The subsidy also covers the storage cost incurred by FCI in maintaining buffer stocks to ensure food security in the country.
- For FY 2023-24, GoI has allocated ₹1,97,350 crore for Food Subsidy 31 per cent lower than the previous year's REs and 5 per cent lower than the BEs.
- This decrease in allocations comes after significant increases in allocations in FY 2020-21, FY 2021-22 and FY 2022-23, due to additional foodgrains provided to families as part of the COVID-19 pandemic relief package, particularly under PMGKAY. For the 28 months that PMGKAY was implemented, a total outlay of approximately ₹3.91 lakh crore was sanctioned for 1,118 lakh tons of allocated foodgrain.
- As of January 2023, while no additional allocations are provided as part of COVID-19 relief measures, free foodgrain would now be provided to all eligible citizens under NFSA till December 2023.
- Despite the provision of free foodgrains under NFSA, the removal of pandemic related allocations is estimated to save the government ₹94,332 crore, using FY 2021-22 figures.

TOTAL ALLOCATIONS FOR FOOD SUBSIDY IN 2023-24 WERE 31% LOWER THAN 2022-23 RES



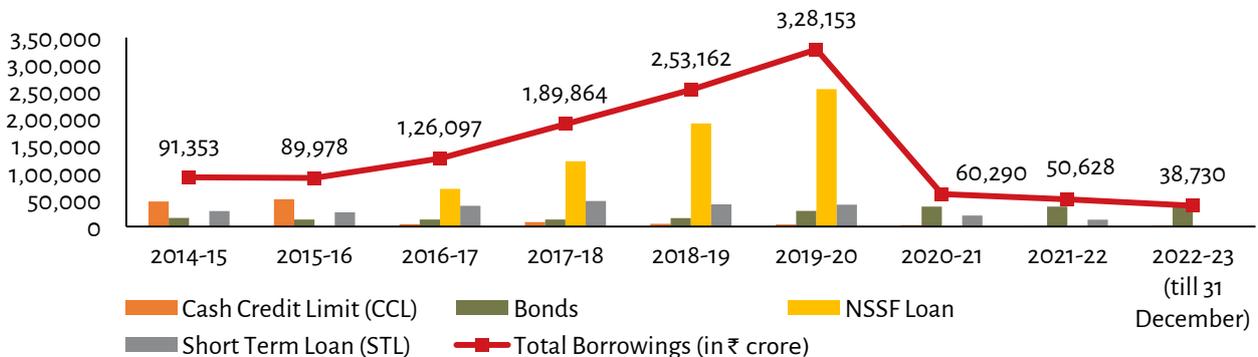
Source: Union Expenditure Budget, MoCAF&PD FY 2018-19 to FY 2023-24. Available online at: <https://www.indiabudget.gov.in>. Last accessed on 1 February 2023.

Note: Figures are in crores of Rupees and Revised Estimates (REs), except for FY 2023-24 which are Budget Estimates (BEs).

Releases

- Allocations for Food Subsidy are released by Gol to FCI. Release of funds by Gol has been falling since FY 2013-14, resulting in large arrears and increase in debt burden as the dues are carried over to the next financial year. To meet its debt obligation, FCI borrows funds through Cash Credit Limit (CCL), Ways and Means Advances (WMA), Short Term Loan (STL), National Small Saving Fund (NSSF) Loan, and bonds.
- FCI's debt burden increased from ₹84,446 crore in March 2014 to ₹3,28,153 crore in March 2020 – more than a three-fold increase.
- The trend, however, changed in FY 2020-21 when, against a claim of ₹2,16,833 crore, Gol released ₹4,62,789 crore or over two-fold the subsidy claimed during the year. With a repayment of ₹3,39,236 crore during FY 2020-21, NSSF loans have been fully repaid out of the additional subsidy provided by Gol.
- In FY 2022-23, as on 1 December 2022, the total debt burden decreased further by 24 per cent. The largest proportion of this debt burden is through bonds, at ₹37,000 crore.

USING BUDGETARY PROVISIONS FROM GOI, FCI'S DEBT BURDEN DECREASED SIGNIFICANTLY IN 2022-23

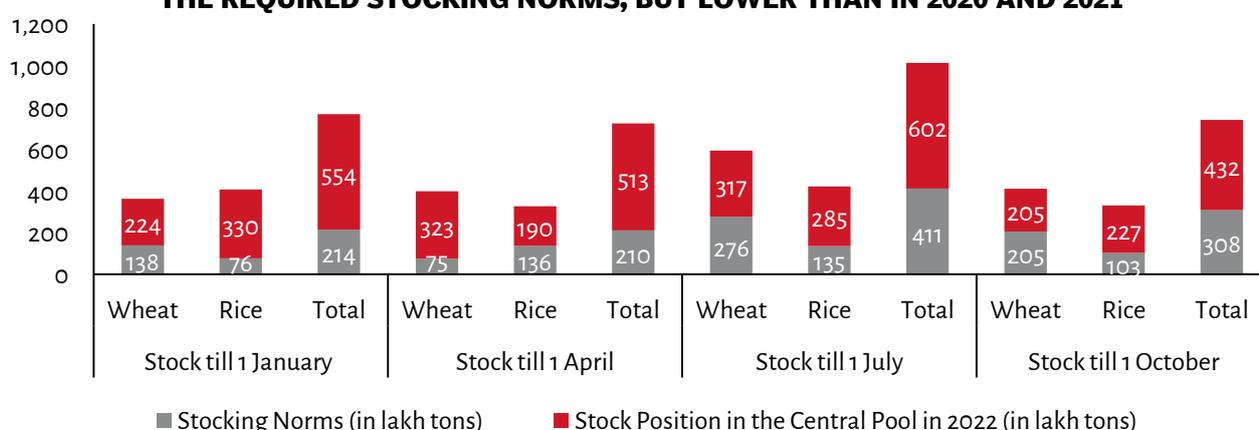


Source: Borrowings from different sources by FCI for FY 2014-15 to FY 2022-23. Available online at: <https://fci.gov.in/finances.php?view=113>. Last accessed on 1 January 2023.

STOCKING AND STORAGE OF FOODGRAINS

- As per Gol guidelines, FCI is to maintain a certain amount of foodgrain stock in the Central Pool to meet operational requirements of TPDS and other welfare schemes, plus food security stocks, in case of any shortfall in procurement.
- Over the years, the stock of foodgrains available in the Central Pool has been increasing and is significantly higher than the stocking norms. In 2021, for instance, quarterly stocks available were more than twice the required stocking norms. This figure generally decreased in 2022, but stocks continued to remain considerably higher than the required norms.

IN 2022, TOTAL STOCK OF FOODGRAINS IN CENTRAL POOL WAS HIGHER THAN THE REQUIRED STOCKING NORMS, BUT LOWER THAN IN 2020 AND 2021



Source: (1) Month-wise stock in Central Pool of rice, wheat and coarse grains from Food Grain Bulletin, Department of Food and Public Distribution. Available online at: <https://dfpd.gov.in/food-grain-bulletin.htm>. (2) Stocking Norms from Food Corporation of India. Available online at: <https://fci.gov.in/stocks.php?view=18>. Last accessed on 23 December 2022.

PROCUREMENT

- There are two main types of procurement of foodgrains: the Centralised Procurement System (CPS) and the Decentralised Procurement System (DCP).
 - **CPS:** Under the CPS, FCI is responsible for procurement, storage, transportation, and bulk allocations of foodgrains to the state governments. The operational responsibility, such as allocations within the state or UT, identification of eligible families, issuance of ration cards, and supervision of FPS, rests with each individual state government.
 - **DCP:** Under the DCP, state governments undertake direct purchase of foodgrains, and are also responsible for storage and distribution under NFSA and other welfare schemes. Excess stocks procured by the states are returned to FCI in the Central Pool, and the cost incurred on these excess stocks are reimbursed by FCI to state governments as per Gol costs sheets. Gol assumes the responsibility for the entire expenditure incurred during the procurement operations as per the pre-approved costing.
- At present, 18 states and UTs are procuring foodgrains under the DCP system. These are: Andaman and Nicobar Islands, Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Jharkhand (6 districts), Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan (9 districts), Tamil Nadu, Telangana, Tripura, Uttarakhand, and West Bengal. The remaining states and UTs procure under CPS.

PROVISIONS UNDER NFSA

- NFSA legally entitles 75 per cent of the rural and 50 per cent of the urban population to receive subsidised foodgrains under TPDS.
- There are two categories of people receiving subsidised grains: a) Antyodaya Anna Yojana (AAY) which constitutes poorest of the poor and are entitled to 35 kg of foodgrains per family per month, and b) Priority HouseHolds (PHH) identified by states, who are entitled to 5 kg per person, per month.
- Under NFSA, foodgrains are to be made available at a subsidised rate of ₹3 per kg for rice, ₹2 per kg for wheat, and ₹1 per kg for coarse grains to all AAY households and PHH.
- In December 2022, the GoI announced its decision to distribute foodgrains free-of-cost to all citizens eligible under NFSA for a period of one year, starting from 1 January 2023. This new integrated scheme, also called PMGKAY, will subsume the two current Food Subsidy schemes: a) Food Subsidy to FCI for NFSA (CPS), and b) Food Subsidy for DCP for the states, dealing with procurement, allocation, and delivery of free foodgrains to the states under NFSA.

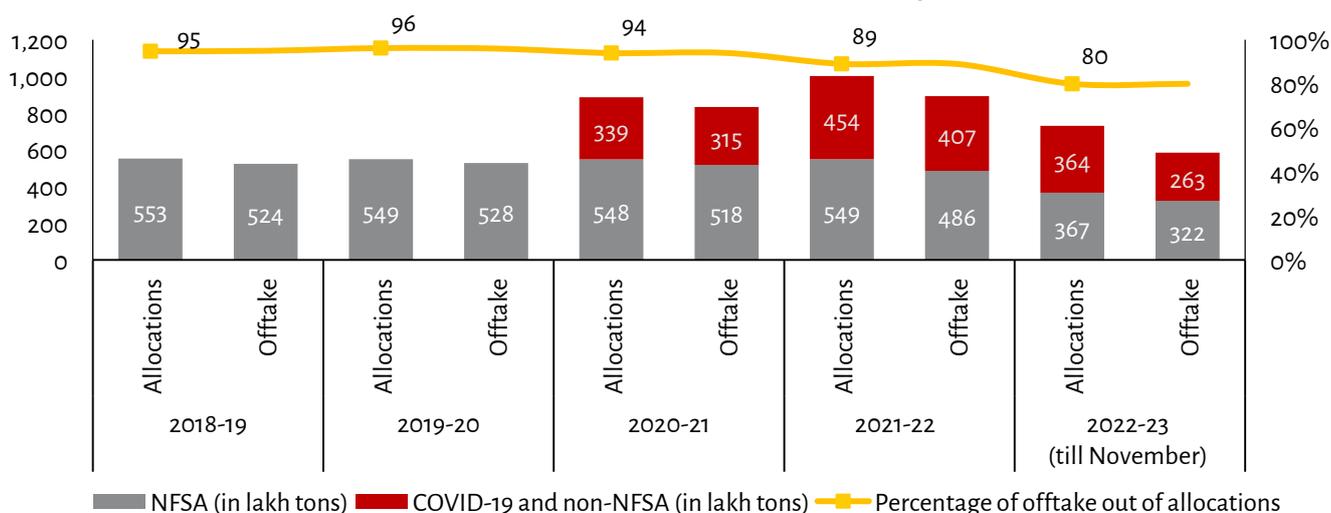
PMGKAY

- On 26 March 2020, due to the COVID-19 pandemic, GoI announced the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), providing 5 kg of rice or wheat to eligible people free-of-cost. This was in addition to the regular quota of foodgrains given under NFSA.
- PMGKAY was in operation for a total of 28 months; after initially being implemented for a period of three months from April 2020 to June 2020 (PMGKAY-I), the scheme was later extended till November 2020 (PMGKAY-II). In FY 2021-22, the scheme was restarted for a two-month duration in May 2021 (PMGKAY-III) and continued for a five-month period till November 2021 (PMGKAY-IV). Its fifth phase ran from December 2021 to March 2022. In FY 2022-23, PMGKAY-VI was implemented for 6 months from April to September 2022, and a final seventh phase of the scheme was announced from October to December 2022.

Allocations and Offtake of foodgrains

- On average, the total foodgrain allocation for NFSA has been 550 lakh tons between FY 2017-18 and FY 2021-22. Allocations, however, have increased significantly since FY 2020-21 due to additional foodgrains being allocated as part of the COVID-19 relief measures.
- For FY 2021-22, 549 lakh tons of foodgrains were allocated to NFSA and 454 lakh tons for PMGKAY and non-NFSA, making a total record high of 1,002 lakh tons of foodgrains, 83 per cent more than FY 2019-20, the year preceding the COVID-19 pandemic.
- Not all allocations, however, were lifted. Since FY 2017-18, although the percentage of foodgrain lifted has consistently been above 80 per cent, it has also been decreasing across the years. In FY 2021-22, while the total quantum offtake of foodgrains increased significantly, as a share of total allocations it was only 89 per cent. Similarly, for FY 2021-22 till November, 585 lakh tons of foodgrains had been lifted, which was 80 per cent of the total allocation.

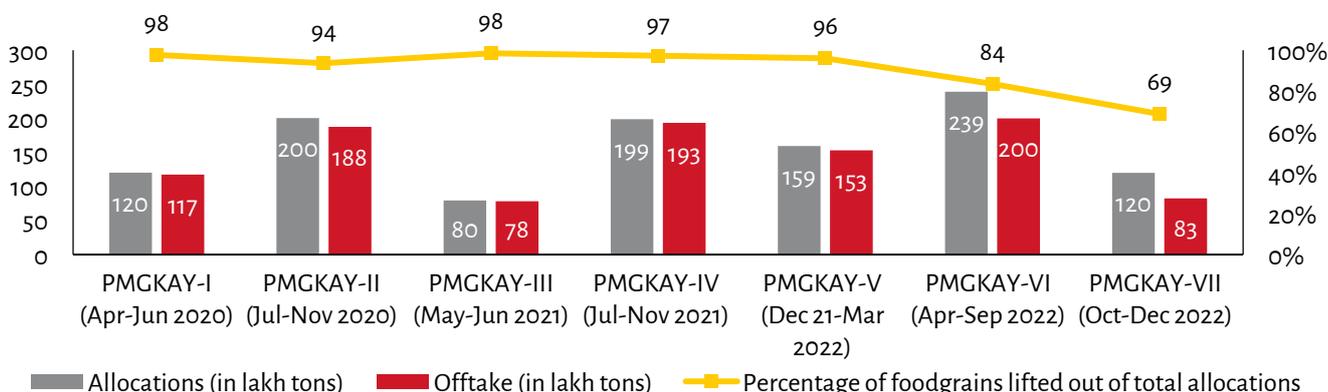
TOTAL FOODGRAIN ALLOCATIONS REACHED A RECORD HIGH OF 1,002 LAKH TONS IN 2021-22



Source: Allocation and Offtake of Foodgrains from Food Grain Bulletin, Department of Food and Public Distribution. Available online at: <https://dfpd.gov.in/food-grain-bulletin.htm>. Last accessed on 23 December 2022.

- Looking at the phase-wise trends specifically for PMGKAY, there are some differences in the proportion of foodgrains lifted. The phases implemented during the peak of the COVID-19 pandemic, namely PMGKAY-I (April to June 2020) and PMGKAY-III (May-June 2021) saw the highest proportion (98 per cent) of grains lifted out of total allocations. On the other hand, it was marginally lower for other phases in FY 2020-21 and FY 2021-22.
- Percentage of offtake has been considerably lower in Phase-VI at 84 per cent. For Phase-VII, as on 22 December 2022, 8 days before the scheme ended, only 69 per cent of total allocations had been lifted.
- In terms of quantum of grains, despite differences in total allocations, per month allocation for all phases remained between 39 to 41 lakh tons, averaging around 39.9 lakh tons for the seven phases.

PERCENTAGE OF FOODGRAINS LIFTED OUT OF TOTAL ALLOCATIONS WAS LOWER FOR PMGKAY-VI COMPARED TO PREVIOUS PHASES

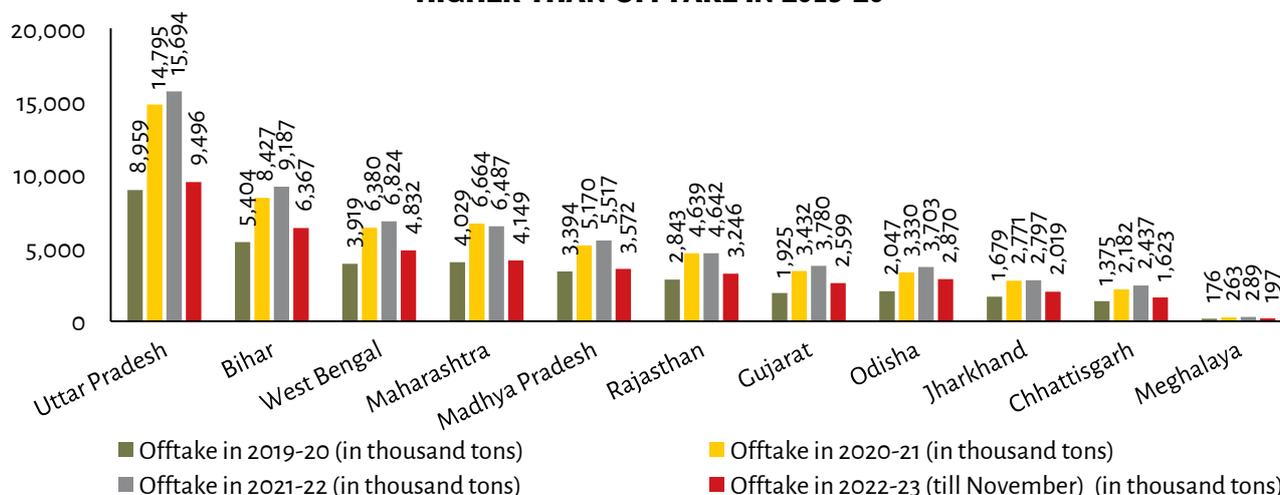


Source: (1) Allocation and lifting of foodgrains under PMGKAY-V from Food Corporation of India. Available online at: https://fci.gov.in/app/webroot/upload/sales/PMGKAY-%20V_1.pdf. (2) Allocation and lifting of foodgrains under PMGKAY-VI from Food Grain Bulletin, Department of Food and Public Distribution. Available online at: <https://dfpd.gov.in/writereaddata/Portal/Magazine/FoodgrainBulletinforSeptember2022.pdf>. (3) Allocation and lifting of foodgrains under PMGKAY-VII from Food Corporation of India. Available online at: <https://fci.gov.in/app/webroot/upload/sales/PMGKAY%20VII.pdf>. Last accessed on 26 December 2022.

Note: Offtake figures for PMGKAY-VII as on 22 December 2022.

- While there were differences across states in the total quantum of foodgrains lifted, most states and UTs had seen a significant increase in offtake since FY 2020-21. Similar to the national trend, allocations and offtake of foodgrains reached its peak in FY 2021-22, with 11 states seeing an increase of more than 70 per cent in foodgrains lifted as compared to FY 2019-20.
- In FY 2022-23, till November, most states had already lifted more foodgrains than in previous years, from FY 2017-18 to FY 2019-20. However, this was lower than the offtake seen in FY 2021-22 for the same time period.
- The states with the highest offtake in FY 2022-23, till November 2022, were Uttar Pradesh (9,496 thousand tons), Bihar (6,367 thousand tons), and West Bengal (4,832 thousand tons).

FOR MOST STATES, OFFTAKE IN 2022-23 TILL NOVEMBER WAS ALREADY HIGHER THAN OFFTAKE IN 2019-20

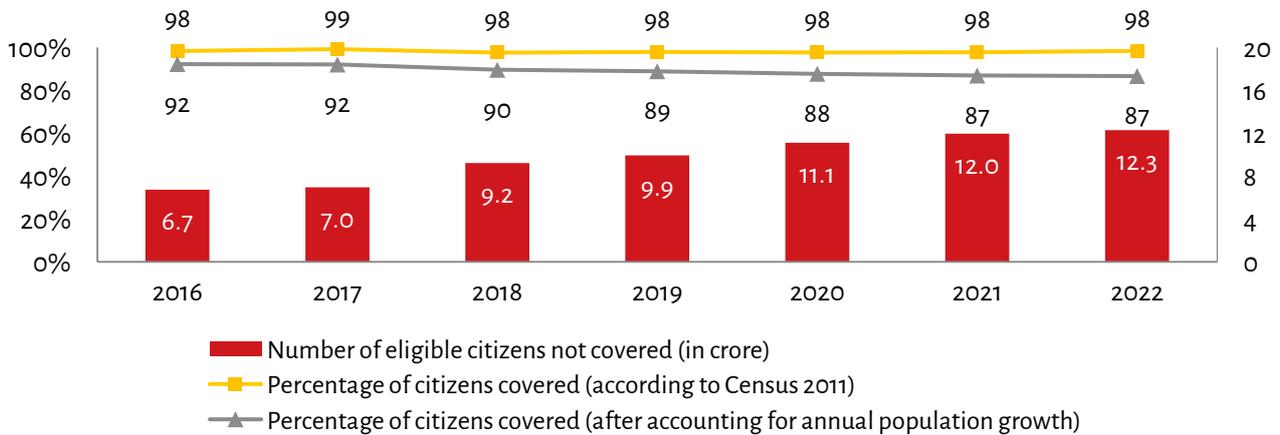


Source: Offtake of Foodgrains from Food Grain Bulletin, Department of Food and Public Distribution. Available online at: <https://dfpd.gov.in/food-grain-bulletin.htm>. Last accessed on 26 December 2022.

COVERAGE AND CITIZEN ELIGIBILITY

- Coverage under NFSA for state-wise rural and urban areas was determined by the erstwhile Planning Commission using the National Sample Survey (NSS) Household Consumption Survey data for 2011-12 and based on Census 2011 population estimates. While GoI determines the total state-wise number of people to be covered under the scheme, states are responsible for the identification of eligible households. As per Section 10 of the NFSA Act, states identify AAY households based on scheme guidelines while the remaining households are covered as PHH in accordance with states' own specific guidelines.
- Two-thirds or 67 per cent of India's population are legally mandated to be covered under NFSA. Using India's current projected population of 137.4 crore for 2022, NFSA would need to cover 92.3 crore citizens.
- However, since 2016, after the inclusion of all states and UTs in NFSA, the gap in the percentage of eligible citizens and actual citizens covered has been increasing. This is because the GoI does not update population figures and uses data from the Census 2011 to date. Thus, according to official DFPD data for 2022, 80 crore citizens were covered under NFSA as of November 2022, which accounts for 98 per cent of eligible households as per Census 2011.
- But considering population growth and projecting population, coverage falls to 87 per cent of the eligible population, lower than the 92 per cent coverage in 2016. Therefore, more than 12 crore eligible citizens are being excluded under the current coverage.

MORE THAN 12 CRORE ELIGIBLE CITIZENS LEFT OUT OF NFSA IN 2022

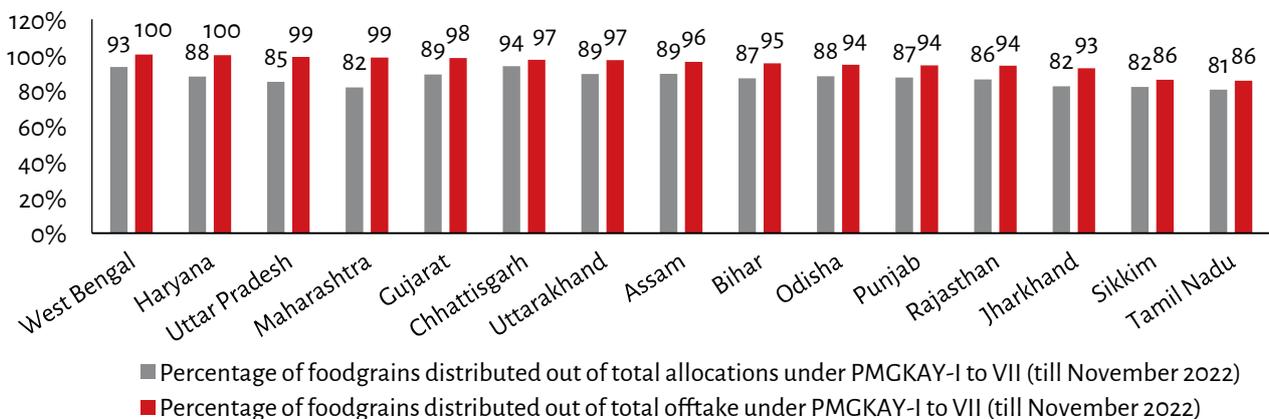


Source: (1) Number of persons/families covered under NFSA 2013 as on 30 November 2022 from Food Grain Bulletin, Department of Food and Public Distribution. Available online at: <https://dfpd.gov.in/food-grain-bulletin.htm>. (2) Projected Population 2021 as per Ministry of Health and Family Welfare (MoHFW). Available online at: https://nhm.gov.in/New_Updates_2018/Report_Population_Projection_2019.pdf. Last accessed on 26 December 2022.

Distribution

- Distribution of foodgrains to eligible citizens is done through a network of Fair Price Shops (FPS) that are licensed to distribute foodgrains and essential commodities to all ration card holders under the TPDS.
- For PMGKAY, out of the total 1,119 lakh tons of foodgrains that were allocated for a period of 28 months, 969 lakh tons or 87 per cent were distributed.
- There exist state-wise variations. West Bengal and Haryana, which distributed all the foodgrains lifted under PMGKAY, also distributed 93 per cent and 88 per cent of foodgrains allocated under PMGKAY, respectively. Sikkim (86 per cent) and Tamil Nadu (86 per cent) were the only states with lower than 90 per cent distribution out of lifted foodgrains.

22 STATES AND UTs DISTRIBUTED OVER 95% OF THE TOTAL LIFTED FOODGRAINS UNDER PMGKAY-I TO VII TILL NOVEMBER 2022



Source: State-wise allocation, lifting and distribution of foodgrains under PMGKAY from Lok Sabha, Unstarred Question no. 1294. Available online at: <https://pqals.nic.in/annex/1710/AU1294.pdf>. Last accessed on 26 December 2022.

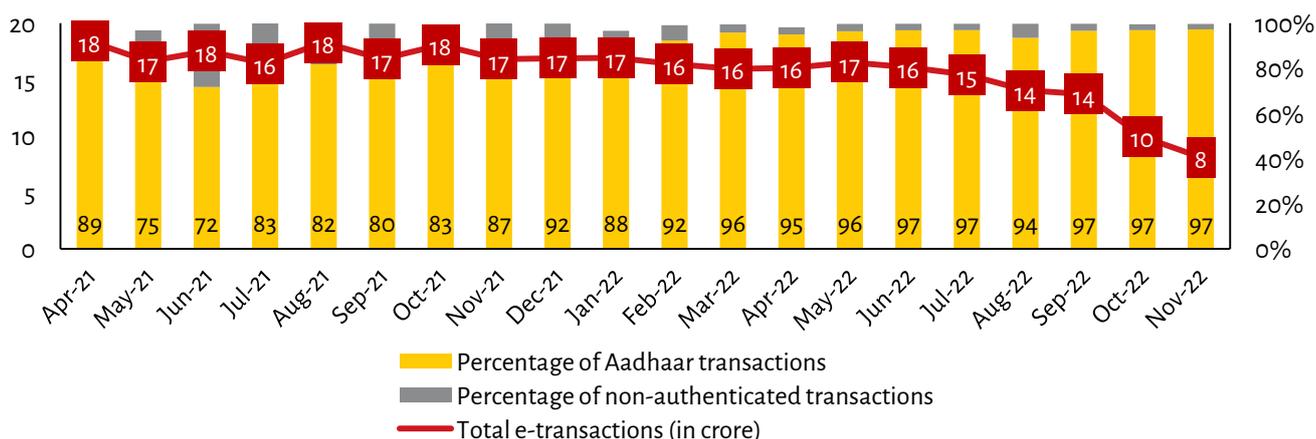
ONE NATION, ONE RATION CARD

- The 'One Nation, One Ration Card' (ONORC) scheme was launched in August 2019 to allow for nationwide portability of NFSA benefits. The scheme provides flexibility to migrant eligible citizens to lift foodgrains from any FPS of their choice in most parts of the country, by using their existing ration card with biometric authentication of identity on an electronic Point of Sale (ePoS) device. ONORC is currently being implemented in all 36 states and UTs, with Assam being the latest state to join in June 2022.
- For people to avail the scheme benefits, a copy of either their ration card or seeded Aadhaar card is required.
- As per a PIB bulletin, as of July 2022, out of the total 19.5 crore ration cards issued under NFSA, 99 per cent have already been seeded with Aadhaar of at least one member of the household.

ACCESS TO ONORC

- Given the difficulty in implementing Aadhaar-based biometric transactions at FPS that are located in shadow areas with limited or no data connectivity, the Standing Committee on Food, Consumer, and Public Distribution has advised states that genuine households should not be denied their entitled foodgrains on the ground of not possessing an Aadhaar number or due to any technical failure of ePoS device.
- In FY 2021-22, 205 crore electronic transactions (e-transactions) took place, of which 85 per cent were Aadhaar-seeded transactions. Throughout the year, the e-transactions were consistently in the range of 16 to 18 crore per month. However, the Aadhaar-seeded transactions took a small dip in June 2021.
- In FY 2022-23, as on 1 December 2022, 110 crore e-transactions took place, of which 96 per cent were Aadhaar-seeded transactions. In the latter part of the year, the number of e-transactions dropped substantially, reaching the lowest point in November 2022, with only 8 crore e-transactions being recorded. However, the number of Aadhaar-seeded transactions stayed consistently around 97 per cent.

THE PERCENTAGE OF AADHAR-SEEDED TRANSACTIONS INCREASED OVER THE COURSE OF 2021-22 AND 2022-23

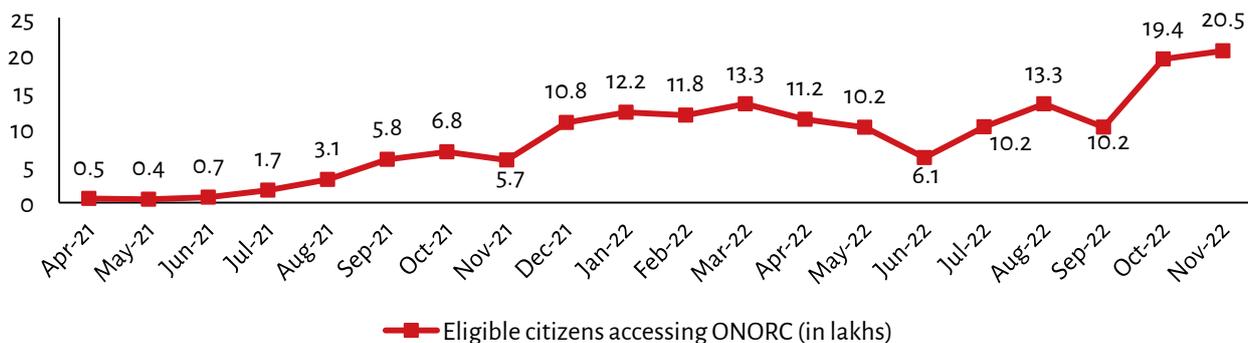


Source: Integrated Management of Public Distribution System, Automated (ePoS-based) Distribution Dashboard. Available online at: <https://www.impds.nic.in/sale/>. Last accessed on 1 December 2022.

- In FY 2021-22, ONORC was accessed by 73 lakh eligible citizens. There was consistent growth in the number of people accessing ONORC till October 2021. However, November 2021 saw a dip with only 5.7 lakh eligible citizens accessing ONORC. Consequently, in November 2021, the total number of transactions excluding PMGKY was only 1.3 lakh. In FY 2021-22, the total number of transactions under ONORC (16.5 lakh) were only 0.08 per cent of the total e-transactions.

- In FY 2022-23, till December 2022, ONORC was accessed by 101 lakh eligible citizens, a significant increase from the previous financial year. June 2022 saw a huge dip in the eligible citizens, with only 6.1 lakh eligible citizens accessing ONORC. Consequently, in June 2022, the total transactions excluding PMGKY were 1.3 lakh only. In FY 2022-23, the total number of transactions under ONORC (22.5 lakh) was 0.2 per cent of the total e-transactions for the financial year.

ONORC WAS ACCESSED BY 174 LAKH ELIGIBLE CITIZENS FROM APRIL 2021 TO DECEMBER 2022

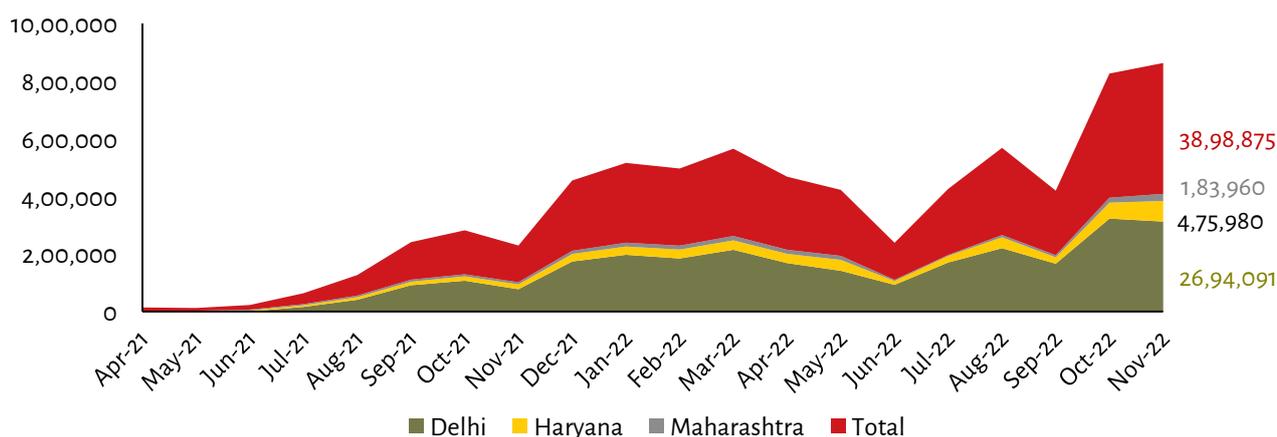


Source: Integrated Management of Public Distribution System, Automated (ePoS-based) Distribution Dashboard. Available online at: <https://www.impds.nic.in/sale/>. Last accessed on 1 December 2022.

INTERSTATE TRANSACTIONS

- Three states accounted for 86 per cent of all inter-state transactions incurred between April 2021 and December 2022, namely Delhi (69 per cent), followed by Haryana (12 per cent), and Maharashtra (5 per cent).

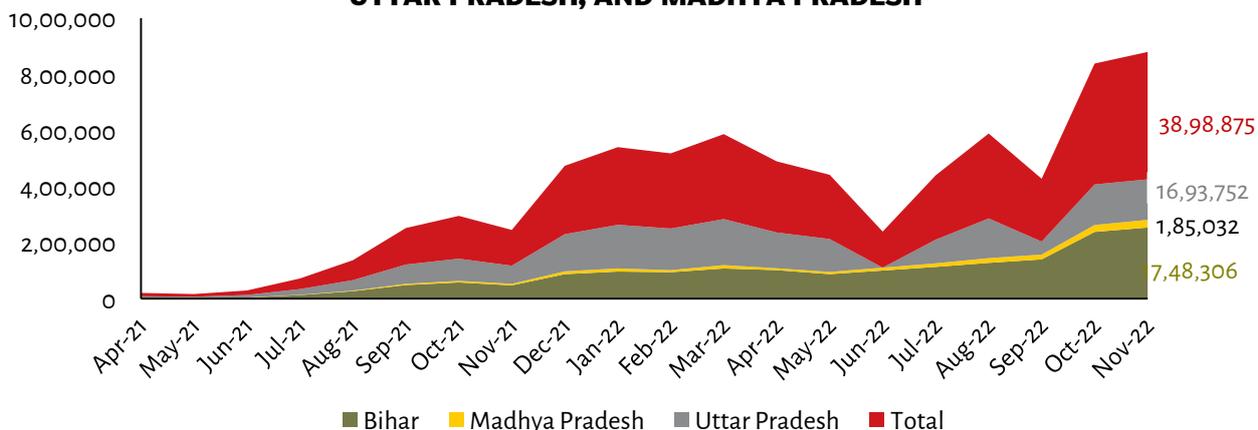
86% OF TRANSACTIONS WERE DONE IN DELHI, HARYANA, AND MAHARASHTRA



Source: Integrated Management of Public Distribution System, Automated (ePoS-based) Distribution Dashboard. Available online at: <https://www.impds.nic.in/sale/>. Last accessed on 1 December 2022.

- In terms of origin state, 93 per cent of all inter-state transactions in ONORC were from households belonging to 3 states, namely Bihar (45 per cent), Uttar Pradesh (43 per cent), and Madhya Pradesh (5 per cent).

THE ORIGIN STATE OF 93% OF ONORC TRANSACTIONS WERE BIHAR, UTTAR PRADESH, AND MADHYA PRADESH



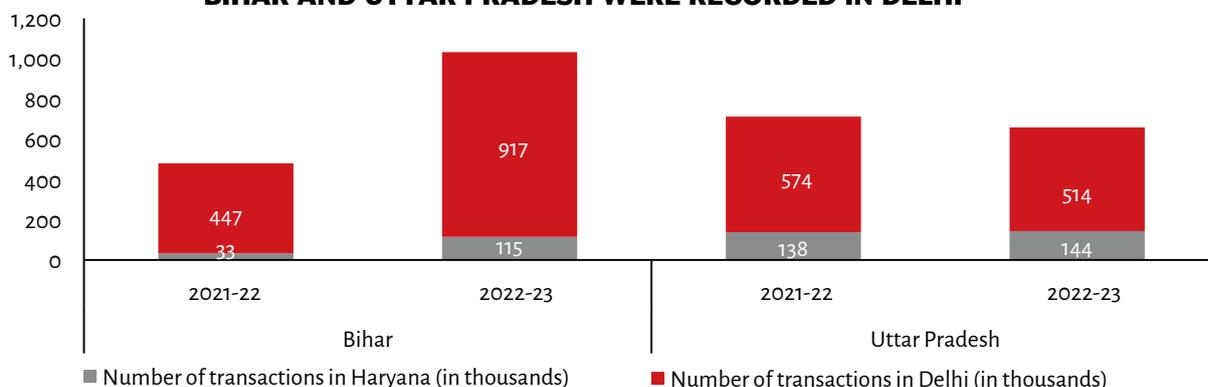
Source: Integrated Management of Public Distribution System, Automated (ePoS-based) Distribution Dashboard. Available online at: <https://www.impds.nic.in/sale/>. Last accessed on 1 December 2022.

- The reasons for the dips in the number of total ONORC transactions in November 2021 and June 2022 were due to the fall in the interstate transactions between Delhi-Bihar and Delhi-Uttar Pradesh. In November 2021, the interstate transactions between Bihar and Delhi fell by 29 per cent and between Uttar Pradesh and Delhi by 28 per cent. On the other hand, in June 2022, there were no interstate transactions recorded from households in Uttar Pradesh.
- From April 2021 to December 2022, 90 per cent of all transactions from households in Bihar, 87 per cent of all transactions from households in Uttar Pradesh, and 81 per cent of all transactions from households in Madhya Pradesh were in Delhi, Haryana and Maharashtra.

STATE DISPARITIES

- Looking deeper into transactions conducted by households from Bihar under ONORC, Delhi accounted for 76 per cent transactions in FY 2021-22, which increased to 79 per cent (9,17,479) in FY 2022-23. For transactions in Haryana from households in Bihar, a similar rise was recorded from 6 per cent in FY 2021-22 to 10 per cent in FY 2022-23 till December 2022.

MORE THAN 90% OF ALL INTERSTATE TRANSACTIONS FROM HOUSEHOLDS IN BIHAR AND UTTAR PRADESH WERE RECORDED IN DELHI



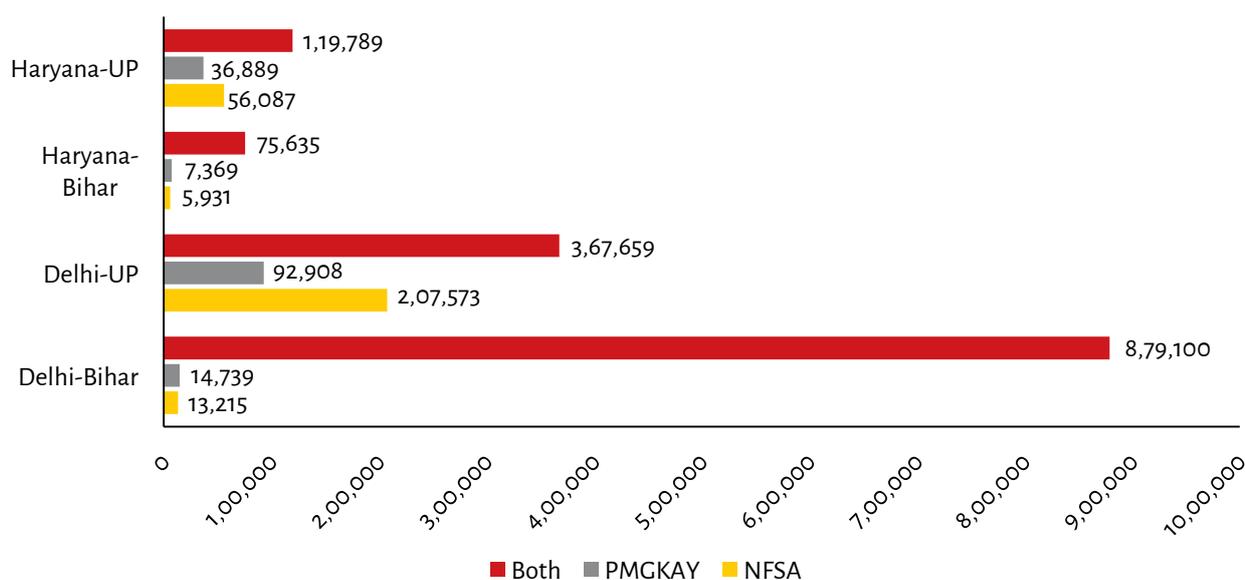
Source: Integrated Management of Public Distribution System, Automated (ePoS-based) Distribution Dashboard. Available online at: <https://www.impds.nic.in/sale/>. Last accessed on 1 December 2022.

- Similarly, a closer look at transactions conducted by households from Uttar Pradesh showed that in FY 2021-22, Delhi accounted for 65 percent transactions (5,73,658), falling to 64 per cent (5,14,389) till December 2022. However, there was a rise in transactions in Haryana from households in Uttar Pradesh, from 16 per cent in FY 2021-22 to 18 per cent in FY 2022-23 till December 2022.

UNIQUE TRANSACTIONS

- Ration card holders can access NFSA and PMGKAY together at once or at multiple times in a month. If a ration card was used only once in a month to get grain offtake from NFSA, or PMGKAY, or both, the transaction is considered to be unique.
- From FY 2021-22 to FY 2022-23 till December 2022, 66 per cent of the total transactions between Bihar and Delhi were unique, and 60 per cent of the total transactions between Bihar and Haryana were unique. Similarly, 60 per cent of the total transactions between Uttar Pradesh and Delhi were unique, and 76 per cent of the total transactions between Uttar Pradesh and Haryana were unique.
- Nearly all unique transactions (97 per cent) between Bihar-Delhi were done to get grain offtake from both NFSA and PMGKAY at once. On the other hand, only 55 per cent of the unique transactions between Uttar Pradesh- Delhi were done to get grain offtake from both NFSA and PMGKAY at once.
- A similar situation was seen for Bihar-Haryana and Uttar Pradesh-Haryana. Most of the unique transactions (85 per cent) from Bihar were to access both PMGKAY and NFSA at once, whereas only 56 per cent of the households from Uttar Pradesh accessed both PMGKAY and NFSA at once.
- Thus, while households accessing only NFSA or PMGKAY in a month formed a small proportion of transactions between Bihar-Delhi (3 per cent) and Bihar-Haryana (15), for households from Uttar Pradesh, accessing only NFSA or PMGKAY in a month, accounted for 45 per cent of the unique transactions in Delhi and 44 per cent of the unique transactions in Haryana.

MOST UNIQUE INTERSTATE TRANSACTIONS BETWEEN SELECTED STATES WERE DONE FOR BOTH PMGKAY AND NFSA, FROM 2021-22 TO 2022-23 TILL DECEMBER 2022



Source: Integrated Management of Public Distribution System. Available online at: <https://impds.nic.in/portal>. Last accessed on 31 December 2022