

Demand for Grants 2022-23 Analysis

Food and Public Distribution

The Ministry of Consumer Affairs, Food and Public Distribution has two Departments: (i) Food and Public Distribution, and (ii) Consumer Affairs. Allocation to the Ministry accounts for 6% of the budget of the central government in 2022-23.¹

Department of Consumer Affairs is responsible for spreading awareness among consumers about their rights, protecting their interests, implementing standards, and preventing black marketing.² In 2022-23, the Department has been allocated Rs 1,725 crore, a 30% decrease over the revised estimate of 2021-22.³

Department of Food and Public Distribution is responsible for ensuring food security through procurement, storage, and distribution of food grains, and for regulating the sugar sector.⁴ In 2022-23, the Department has been allocated Rs 2,15,960 crore (99% of the Ministry's allocation).⁵ This is a decrease of 28% as compared to the revised estimate of 2021-22.

Table 1: Allocation to the Ministry (in Rs crore)

Department	2020-21 Actuals	2021-22 Revised	2022-23 Budgeted	% change in 2022-23 BE over 2021-22 RE
Food & Public Distribution	5,55,432	3,02,000	2,15,960	-28%
Consumer Affairs	11,365	2,454	1,725	-30%
Total	5,66,797	3,04,454	2,17,684	-28%

Sources: Expenditure Budget, Union Budget 2022-23; PRS.

This note examines the allocation to the Department of Food and Public Distribution. It also discusses the broad issues in the sector and key observations and recommendations made in this regard.

Overview of Finances

Food subsidy is the largest expenditure by the Department of Food and Public Distribution. 96% of the Department's allocation in 2022-23 is towards food subsidy (see Table 7 in the Annexure for more details). The subsidy is provided to the Food Corporation of India (FCI) and states for procuring food grains from farmers at government notified prices and selling them at lower subsidised prices (known as Central Issue Prices), under the National Food Security Act, 2013. The Act mandates coverage of 75% of the population in rural areas and 50% in urban areas, and covers 81 crore persons.^{6,7}

The subsidy also covers the storage cost incurred by FCI in maintaining buffer stocks in order to ensure food security in the country. Table 2 shows the expenditure on food subsidy during 2012-23.

Table 2: Expenditure on food subsidy (Rs crore)

Year	Allocation	Expenditure	% utilisation
2012-13	75,000	85,000	113%
2013-14	90,000	92,000	102%
2014-15	1,15,000	1,17,671	102%
2015-16	1,24,419	1,39,419	112%
2016-17	1,34,835	1,10,173	82%
2017-18	1,45,339	1,00,282	69%
2018-19	1,69,323	1,01,327	60%
2019-20	1,84,220	1,08,688	59%
2020-21	1,15,570	5,41,330	468%
2021-22	2,42,836	2,86,469#	118%
2022-23	2,06,831*	-	-

Note: *Budget estimate; #Revised estimate.

Sources: Expenditure Budget, Union Budgets (various years); PRS.

The central government provides food subsidy to FCI as reimbursement of the loss it incurs in its procurement, storage, and distribution operations. During the period 2016-20, although the Department used to receive sufficient allocation for payment to FCI, due to budget cuts made during the year, the actual amount paid to FCI was much lower. The Comptroller and Auditor General (CAG) of India (2019) observed that when the food subsidy budget is not sufficient to clear FCI's dues, such dues are carried over to the next year.⁸ Due to such carryovers every year, payment due to FCI for food subsidy increased from Rs 81,303 crore at the end of 2016-17 to Rs 2,43,779 crore at the end of 2019-20.⁹

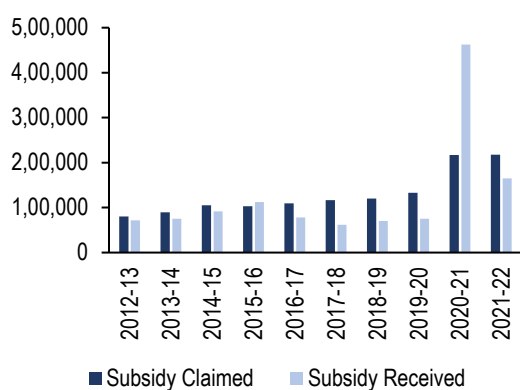
The Department was allocated Rs 1,84,220 crore for food subsidy in 2019-20. However, only 59% of the allocation was utilised as the food subsidy provided to FCI decreased from Rs 1,51,000 crore (budget estimate) to Rs 75,000 crore. As directed by the Ministry of Finance, the Department deferred the payment of food subsidy due to FCI, resulting in an underspending of Rs 76,000 crore.¹⁰

In the meanwhile, the government provided loans to FCI from the National Small Savings Fund (NSSF) to meet its operational requirements. NSSF loans worth Rs 2,54,600 crore were outstanding with FCI at the end of 2019-20.¹¹ In her 2021-22 budget speech, the Finance Minister announced that the government will discontinue the NSSF loans given to FCI and accordingly make budget provisions in 2020-21 and 2021-22.¹² Following this announcement, the total expenditure on food subsidy increased to Rs 5,41,330 crore in 2020-21, an increase of 398% over the expenditure in 2019-20. Out of this the food subsidy given to FCI was

Rs 4,62,789 crore in 2020-21. According to the revised estimate for 2021-22, there are estimated to be no NSSF loans outstanding with respect to FCI.¹³

Note that in 2021-22, FCI has claimed Rs 2,17,460 crore as food subsidy which is 95% of the food subsidy bill for the entire year. Against this, in the revised estimate of 2021-22, the central government has provided Rs 2,10,929 crore which is lesser than the subsidy claimed by FCI. In 2022-23, the central government has allocated Rs 2,06,831 crore for food subsidy out of which Rs 1,45,920 (71%) crore is for providing food subsidy to FCI.

Figure 1: Food subsidy claimed vs subsidy received by FCI (in Rs crore)



Note: Data for 2021-22 is up to January 31, 2022.

Sources: Report of Comptroller and Auditor General of India on Compliance of the Fiscal Responsibility and Budget Management Act, 2003 (2018); Food Corporation of India; PRS.

Since April 2020, the government has been implementing the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) in phases. Under the programme, which was announced in March 2020, the government has been allocating additional 5 kg of wheat or rice to 80 crore people free of cost under the National Food Security Act, 2013.¹⁴ This is over and above the monthly entitlements under the National Food Security Act. In the first and second phases of the scheme, the government allocated one kg of pulses and chana respectively to the beneficiaries.¹⁵ The fifth phase of the scheme, which was approved by the Cabinet in November 2021, will run from December 2021 till March 2022.¹⁶ The government is expected to incur an expenditure of nearly Rs 2.6 lakh crore under the five phases of the scheme.¹⁶ The fifth phase alone is estimated to entail an additional food subsidy bill of Rs 53,345 crore.

Components of food subsidy

Expenditure on food subsidy can be classified under the following three heads (break-up in Table 3):

- **Subsidy to FCI:** The Food Corporation of India (FCI) receives subsidy for procuring food grains from farmers at government notified prices and selling them at lower subsidised prices. It also receives subsidy for the storage cost incurred in maintaining buffer stocks.

- **Subsidy to states:** Under the decentralised procurement scheme, states may choose to undertake the operations of procurement, storage, and distribution on behalf of FCI. In such cases, states are provided with subsidy. Currently, 17 states undertake procurement of rice and wheat.
- **Sugar subsidy:** Sugar subsidy is provided for giving one kg of sugar per month at subsidised rates to families covered under the Antyodaya Anna Yojana (i.e., poorest of the poor families).

In 2022-23, subsidies to FCI and states form 71% and 29% of the allocation for food subsidy, respectively.

Table 3: Break-up of food subsidy (in Rs crore)

Subsidy	2020-21 Actuals	2021-22 Revised	2022-23 Budgeted	% change in 2022-23 BE over 2021-22 RE
Subsidy to FCI	4,62,789	2,10,929	1,45,920	-31%
Subsidy to states (decentralised procurement)	78,338	75,290	60,561	-20%
Sugar subsidy	203	250	350	40%
Total	5,41,330	2,86,469	2,06,831	-28%

Sources: Expenditure Budget, Union Budget 2022-23; PRS.

Issues in the Sector

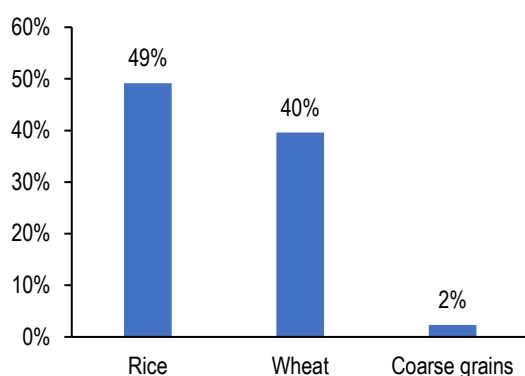
FCI and state agencies procure food grains from farmers at the government notified Minimum Support Prices (MSPs). These food grains are provided to the economically weaker sections at subsidised prices through fair price shops under the Public Distribution System (PDS). The central and state governments provide subsidised food grains to beneficiaries under the National Food Security Act, 2013 as well as under certain other welfare schemes such as the Mid-Day Meal scheme. In this section, we examine some issues relating to the: (i) factors increasing food subsidy bill, (ii) procurement and storage of food grains, and (iii) sugarcane dues to farmers.

Minimum support price and farm production

Minimum support price is the assured price announced by the central government at which food grains are procured from the farmers by central and state governments along with their agencies.⁶ This procurement is done for the central pool from which allocations are made under PDS and also kept as reserves. MSPs are announced each year for 23 crops. However, procurement is limited to a few crops such as rice, wheat, pulses, and coarse grains. Figure 2 shows that 49% of the rice produced in 2020-21 was procured by the government while the figure for wheat was 40%. Under the National Food Security Act, the central and state governments have to undertake necessary reforms in targeted PDS.⁶ One of those reforms is to diversify the commodities

distributed under PDS.⁶

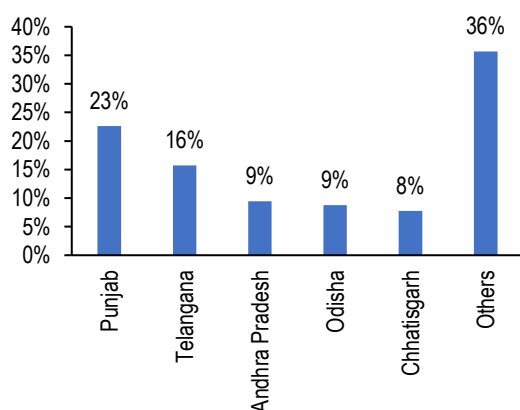
Figure 2: Procurement of major crops produced in crop year 2020-21



Note: Wheat produced in 2020-21 was procured in 2021-22. Sources: Department of Food and Public Distribution; PRS.

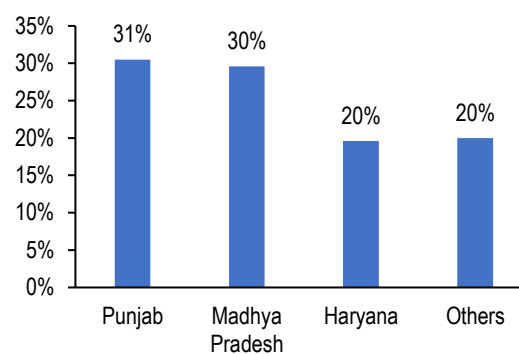
The Economic Survey of 2019-20 noted that the government procures around 40-50% of the total market surplus of rice and wheat.¹⁷ MSP was designed to be indicative prices for farmers at the start of the sowing season and act as an insurance in times of fall in prices. The Survey pointed out that the increasing trend in MSPs gives a signal to farmers to opt for the crops that have an assured procurement system.¹⁷ This also shows that market prices do not offer remunerative options for farmers and MSPs act as maximum prices that farmers can realise.¹⁷ This puts pressure on the water table as these crops (especially paddy and sugarcane) are water-intensive.¹⁸ Also, the bulk of MSP procurement is geographically concentrated in a few states. As shown in Figure 3, in 2020-21, 64% of the rice procured was from five states. However, the contribution of these states in the total production of rice in the same year was only 36%. Similarly, 80% of the wheat procured in 2021-22 was from the three states of Punjab, Madhya Pradesh and Haryana. Taken together these states contributed to only 43% of the total wheat production in 2020-21. Note that the National Food Security Act provides for geographical diversification of procurement operations.⁶

Figure 3: Rice procurement in 2020-21



Sources: Department of Food and Public Distribution; PRS.

Figure 4: Wheat procurement in 2021-22



Note: Wheat procured in 2021-22 is for crop produced in 2020-21.

Sources: Department of Food and Public Distribution; PRS.

Revision of central issue price (CIP)

Under the National Food Security Act, 2013, food grains are allocated to the beneficiaries at the CIP. These prices have not changed since July 1, 2002.¹⁹

Table 4: Central Issue Price (in Rs per kg)

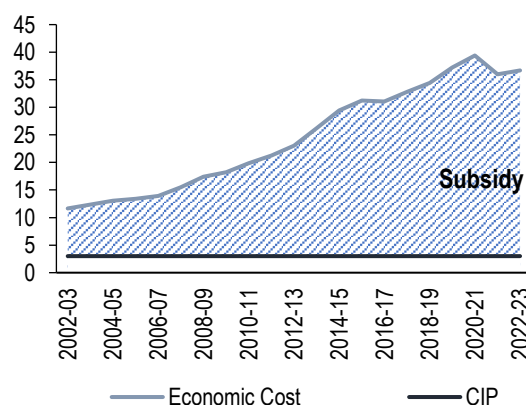
Food grain	AAY	BPL	APL
Rice	3.00	5.65	8.30
Wheat	2.00	4.15	6.10

Note: AAY – Antyodaya Anna Yojana, BPL – Below Poverty Line, APL – Above Poverty Line.

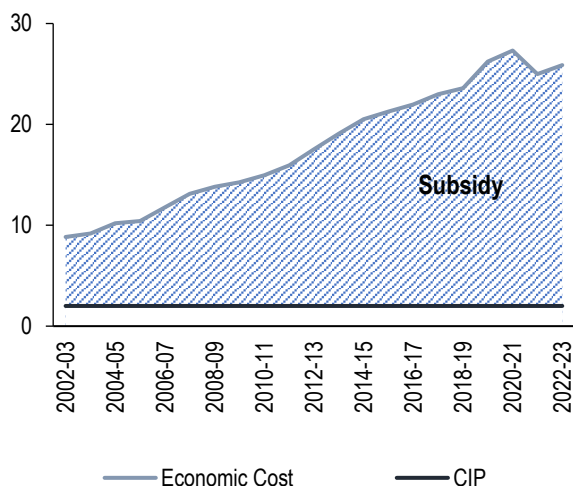
Sources: FCI; PRS.

Food subsidy has three elements: (i) consumer subsidy, (ii) cost of maintaining buffer stock, and (iii) subsidy on coarse grains, regularisation of FCI's operational losses and other non-plan allocation to states.²⁰ Consumer subsidy is the difference between the economic cost and CIP. Economic cost includes cost of procurement, acquisition, and distribution. In 2002-03, from when the CIP has been effective, the economic cost of rice was Rs 11.7 per kg and for wheat it was Rs 8.8 per kg.²⁰ In 2022-23, the economic cost of rice and wheat is estimated to increase to Rs 36.7 per kg and Rs 25.9 per kg respectively.²⁰ Due to non-revision of CIP to reflect the increase in economic cost of food grains distributed under PDS, the food subsidy bill has increased over the years.

Figure 5: Subsidy on a kg of rice (in Rs)



Sources: FCI; PRS.

Figure 6: Subsidy on a kg of wheat (in Rs)

Sources: FCI; PRS.

The Standing Committee on Food, Consumer Affairs and Public Distribution (2017) noted that the food subsidy bill has increased due to increase in MSP of wheat and rice with respect to the CIP, increased off take of food grains under targeted PDS, and implementation of national Food Security Act, 2013 in all states/UTs.²¹ The 15th Finance Commission observed that the increase in economic cost of food grains will need to be partially offset by increasing CIP of subsidised food grains.²² The Economic Survey 2020-21 noted that the central government's food subsidy bill is becoming unmanageably large.²³ The Survey said that while it is difficult to reduce the economic cost of food management, there is a need to consider revising CIP to reduce food subsidy bill.²³

Delivery of food subsidy

Leakages in PDS: Leakages refer to food grains not reaching the intended beneficiaries. Note that recent data on leakage is not publicly available. The latest available data is for 2011. According to the 2011 data, leakages in PDS were estimated to be 46.7%.^{24,25}

Leakages may be of three types: (i) pilferage or damage during transportation of food grains, (ii) diversion to non-beneficiaries at fair price shops through issue of ghost cards, and (iii) exclusion of people entitled to food grains but who are not on the beneficiary list.^{26,27} Studies have shown that targeting mechanisms such as TPDS are prone to large exclusion and inclusion errors.²⁸

Exclusion errors occur when entitled beneficiaries do not get food grains. It refers to the percentage of poor households that are entitled to but do not have PDS cards. Exclusion errors had declined from 55% in 2004-05 to 41% in 2011-12.²⁹

Inclusion errors occur when those who are ineligible get undue benefits. Inclusion errors had increased from 29% in 2004-05 to 37% in 2011-12.²⁹

For eliminating leakages, states/UTs have been

suggested two, options: (i) direct cash transfer and (ii) automation of fair price shops (FPSs).³⁰ The direct cash transfer scheme is being implemented in Chandigarh and Puducherry from September 2015 and in part of Dadra and Nagar Haveli from March 2016.³⁰ Direct cash transfers give the option to beneficiaries to buy the food grains of their choice and diversify consumption based on dietary preferences. However, beneficiaries may have to face higher costs in accessing the cash transfer due to factors such as distance and higher waiting time for cash withdrawal.³⁰ There have also been certain reports of inadequate availability of food grain in the open market.

The High-Level Committee on Restructuring of FCI (2015) had suggested that switching to DBT for food subsidy would reduce the food subsidy bill of the government by more than Rs 30,000 crore annually.²⁴ It suggested that cash transfers can be indexed with the overall price level to protect the amount of real income transfers.

The High-Level Committee had also recommended the introduction of biometric authentication and Aadhaar to address leakages in PDS.²⁴ In February 2017, the Ministry made it mandatory for beneficiaries under the National Food Security Act, 2013 to use Aadhaar as proof of identification for receiving food grains.³¹ Note that non-linking of Aadhaar with ration cards is not a ground for cancellation of ration cards.³² The deadline for applying for Aadhaar enrolment in order to avail subsidised food grains or cash transfer of food subsidy, has been extended to March 31, 2022.³³ As on December 9, 2020, 91% of the ration cards have been seeded with Aadhaar. States and UTs have deleted 4.28 crore bogus ration cards during 2014-2021.³² This is due to measures such as the use of information technology reforms, digitisation of ration cards data, de-duplication process, permanent migration, and identification of ineligible/duplicate ration cards.

Note that beneficiaries may face issues with Aadhaar authentication while availing PDS benefits. According to the data submitted by UIDAI to the Supreme Court in Justice K. S. Puttaswamy vs Union of India, the Aadhaar authentication failure rate (across all purposes) was 8.5% for iris scans and 6% for fingerprints.³⁴ In its judgement, the Court held that services cannot be denied to beneficiaries due to Aadhaar authentication failure.³⁴

In addition to implementing cash transfers, automation of FPSs is done by installing electronic point of sale devices (ePoS). This helps in transparent distribution of food grains after unique identification of beneficiaries.³⁰ In addition to this, ePoS devices also upload the electronic records of sale transactions to centralised servers in states/UTs.³⁰ At all India level, as of December 2020, 92% of FPSs have been automated.

Table 5: States where complete FPS automation is pending

State/UT	Total FPS	Operational ePoS	% FPS Automation
Andaman and Nicobar	464	445	96%
Arunachal Pradesh	1,943	683	35%
Assam	38,237	0	0%
Chhattisgarh	12,304	12,004	98%
Delhi	2,018	0	0%
Karnataka	19,935	19,762	99%
Manipur	2,333	2,307	99%
Meghalaya	4,709	3,930	83%
Mizoram	1,241	1,233	99%
Sikkim	1,362	1,352	99%
Uttarakhand	9,908	7,634	77%

Note: Data as on December 9, 2020.

Sources: 12th Report, Standing Committee on Food, Consumer Affairs and Public Distribution (2020-21); PRS.

One Nation One Ration Card (ONORC): From April 2018, the Department has been implementing the Integrated Management of Public Distribution System scheme.³⁵ The scheme aims to provide nation-wide portability of ration cards through ONORC.³⁵ It allows all beneficiaries under the National Food Security Act, 2013 to collect their entitled food grains from any FPS in the country. As of August 2021, the scheme has been implemented in 34 states/UTs with 24 crore portability transactions carried out between April 1, 2020 and September 30, 2021.³⁶ Note that between August 2019 and November 2020, out of 18.98 crore portability transactions, only 22,087 transactions were for inter-state portability while the rest were for intra-state portability.³⁰ This could be due to: (i) restrictions by states on biometric authentication of beneficiaries due to COVID-19 and (ii) lack of awareness among beneficiaries.³⁰

Procurement of Food Grains

The Department of Food and Public Distribution is the nodal department for making policies with regard to procurement, movement, scientific research, storage, distribution, and sale of food grains. FCI and other state agencies procure wheat and paddy at MSP.³⁷ Coarse grains are procured by state government agencies for the central pool as per the direction of the central government.³⁷

There are two broad procurement systems: (i) centralised procurement and (ii) decentralised procurement.³⁸ Under the centralised procurement system, food grains are procured either directly by the FCI or by state government agencies. The food grains procured by state agencies are handed over to FCI for storage, distribution, or transportation. Under decentralised procurement, state government/agencies procure, store, and distribute rice/wheat/coarse grains within the state. The excess stocks of rice and wheat are handed over to FCI in the central pool. 15 states procure rice and

eight states procure wheat under decentralised procurement. Presently, FCI plays only a supporting role in procurement of food grains and direct procurement by FCI is less than 5%. All operations are conducted by state agencies.

Table 6: Procurement of rice and wheat for central pool (in lakh metric tonnes)

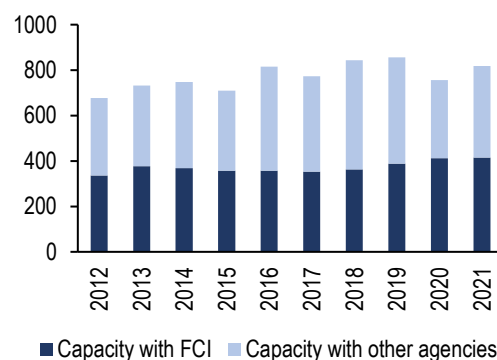
Year	Rice	Wheat
2015-16	342.18	280.88
2016-17	381.06	229.61
2017-18	381.74	308.24
2018-19	443.99	357.95
2019-20	518.26	341.32
2020-21	601.85	389.92
2021-22*	452.26	433.44

Note: *Data for rice procurement for 2021-22 is up to February 10, 2022.

Sources: FCI; PRS.

The Standing Committee on Food, Consumer Affairs, and Public Distribution (2021) noted that after 23 years of its inception, decentralised procurement is not carried out in all states.³⁵ Decentralised procurement has increased the efficiency of PDS by making it possible to supply food grains suited to local tastes.³⁵ The Committee expected the central government to take steps for motivating the remaining states to adopt the scheme. This will help lower the cost of distribution. It recommended the Department/FCI to take steps to create necessary infrastructure in coordination with state governments.³⁵

Storage Capacity

Figure 7: Storage capacity for central pool stocks (in lakh metric tonnes)

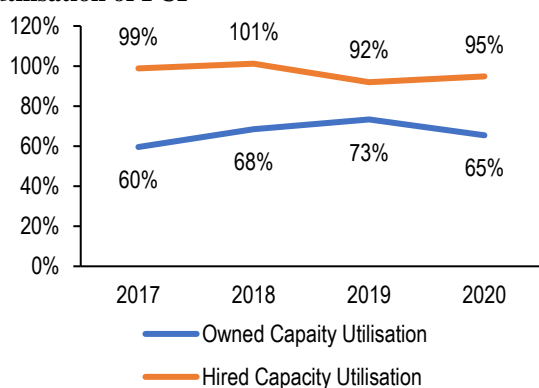
Note: Data as on April 1 of each year.

Sources: FCI; PRS.

The Department also has the responsibility to ensure availability of storage capacities in various states. In 2022-23, the central government has allocated Rs 33 crore for creation of storage capacity through FCI and state governments.⁵ FCI has its own network of storage infrastructure. It also hires additional storage facilities from state warehousing corporations and Central Warehousing Corporation.³⁵ The existing storage facilities are primarily conventional godowns where food grains are stacked in bags.³⁵ During peak procurement

periods, FCI also uses cover and plinth (CAP) facilities for short-term storage of food grains.³⁵ As on April 1, 2021, FCI had storage capacity of 415 lakh metric tonnes.³⁹

Figure 8: Hired and owned storage capacity utilisation of FCI



Note: Data as on June 1 of every year. Data for covered and CAP storage.

Sources: Standing Committee on Food, Consumer Affairs and Public Distribution; PRS.

The Standing Committee (2021) noted that the utilisation of hired storage capacity is much higher than the storage capacity owned by FCI.³⁵ This is despite internal audit, audit by Comptroller and Auditor (CAG) of India, and review of capacity utilisation. The Committee recommended that godowns should be hired only when it is absolutely necessary.³⁵ It recommended that FCI should utilise its own storage capacity to the maximum to save funds spent on renting storage space.³⁵

The Standing Committee (2021) was informed that storage capacity is hired only when there is absolute necessity for it.³⁵ This is the reason that hired capacity is utilised fully. Also, once constructed, owned capacity cannot be shifted to a different location due to change in procurement pattern or change in offtake of food grains.³⁵

The Standing Committee noted that during 2020-21, FCI could not achieve physical and financial targets for construction of godowns.³⁵ For instance, the physical targets for construction of godowns in north-eastern states was 30,020 metric tonnes. However, as on January 31, 2021, no construction had taken place. Similarly, for states other than north-eastern states, the target was 6,220 metric tonnes. But, again, no construction took place. The Committee observed that the Department/FCI should make efforts to expedite completion of ongoing godown construction projects.³⁵ FCI faces problems in the construction of godowns in the north eastern regions due to: (i) difficult terrain, (ii) land acquisition restrictions, (iii) law and order situation, and (iv) inclement weather.³⁵ The Committee recommended that the Department should take up the matter with the states/UTs to solve the problem of storage. It also recommended creating mini godowns in different parts of states/UTs.³⁵

Sugarcane

The Department is also responsible for formulation of policies and regulations for the sugar sector. This includes fixing the Fair and Remunerative Price (FRP) of sugarcane which is payable to farmers by sugar factories, training in sugar technology, and regulation of supply of free sale sugar. As of November 26, 2021, Rs 4,940 crore are pending in dues to sugar farmers for the sugar seasons (October-September) of 2018-19, 2019-20, and 2020-21.⁴⁰

Sugarcane dues: The sugar sector has been facing certain issues related to profitability and liquidity in the last few years.⁴¹ Depressed sugar prices have often led to sugar mills unable to pay the entire compensation to farmers for buying sugarcane. Certain state governments fix their own State Advised Price at levels higher than the FRP announced by the central government. This causes further strain on the financial health of the sugar mills.⁴¹ A Task Force on Sugarcane and Sugar Industry (2020) recommended that sugarcane prices must be linked to sugar prices.⁴¹ Increases in FRP should be kept moderate and state announcing SAP should bear the additional costs associated with it.⁴¹

The Task Force recommended a staggered payment mechanism for sugarcane so that the entire dues to the farmers are cleared within two months. The central government also fixes the minimum selling price for white/refined sugar. This was increased from Rs 29 per kg to Rs 31 per kg with effect from February 14, 2019.⁴² The task force had recommended increasing the minimum selling price of sugar to Rs 33 per kg with it being reviewed six months after notification.⁴¹ This would aid sugar mills to cover their cost of production and maintenance costs.

The central government has taken measures to divert excess sugarcane/sugar for production of ethanol.⁴³ Note that in every sugar season, the production of sugar is around 320-330 lakh metric tonne as against the domestic consumption of 260 lakh metric tonne.⁴³ This subdues the price of sugar in the domestic market leading to loss for sugar mills. In the last three sugar seasons, about Rs 22,000 was generated by sugar mills/distilleries from sale of ethanol to oil marketing companies.⁴³ In sugar season 2021-22, 35 lakh metric tonne of excess sugar is likely to be diverted for producing ethanol as compared to around 24 lakh metric tonne in 2020-21.⁴³

Sugar Development Fund (SDF): SDF was established in 1982 and grants loans to sugar mills for schemes such as modernisation and expansion of sugar factory, and cane development.⁴⁴ The task force recommended to levy a cess on sugar at Rs 50 per quintal for three years.⁴¹ This would add about Rs 4,500 crore to the fund which can act as a comfort for banks lending to sugar mills for paying dues to farmers and improving technologies.

Annexure

Table 7: Allocation to major heads of expenditure under the Department in 2022-23 (Rs crore)

	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	2022-23 Budgeted	% change in 2022-23 BE over 2021-22 RE
Food subsidy	5,41,330	2,42,836	2,86,469	2,06,831	-28%
Subsidy to Food Corporation of India (FCI)	4,62,789	2,02,616	2,10,929	1,45,920	-31%
Subsidy to states (decentralised procurement)	78,338	40,000	75,290	60,561	-20%
Sugar subsidy payable under PDS	203	220	250	350	40%
Assistance to state agencies for intra-state movement of food grains and for margin of fair price shops' dealers	6,483	4,000	6,000	-	-100%
Investment in equity capital of FCI	1,000	2,500	2,500	1,900	-24%
Scheme for defraying expenditure on transport and marketing of sugar exports, including handling and processing	301	2,000	3,503	-	-100%
Scheme for assistance to sugar mills for 2019-20 season	3,900	1,000	2,150	-	-100%
Scheme for creation and maintenance of buffer stock of sugar	600	650	765	-	-100%
Financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity	150	300	160	300	88%
Schemes for development of sugar industries	175	187	143	85	-41%
Scheme for extending soft loan to sugar mills	418	-	-	-	-
Department	5,55,432	2,53,974	3,02,000	2,15,960	-28%

Sources: Demand no. 15, Department of Food and Public Distribution, Expenditure Budget, Union Budget 2022-23; PRS.

Table 8: Procurement, offtake, and stocks of food grains (in million tonnes)

Year	Procurement			Offtake			% Offtake	Stocks		
	Rice	Wheat	Total	Rice	Wheat	Total		Rice	Wheat	Total
2004-05	24.7	16.8	41.5	23.2	18.3	41.5	100%	13.3	4.1	18.0
2005-06	27.6	14.8	42.4	25.1	17.2	42.3	100%	13.7	2.0	16.6
2006-07	25.1	9.2	34.3	25.1	11.7	36.8	107%	13.2	4.7	17.9
2007-08	28.7	11.1	39.8	25.2	12.2	37.4	94%	13.8	5.8	19.8
2008-09	34.1	22.7	56.8	24.6	14.9	39.5	70%	21.6	13.4	35.6
2009-10	32.0	25.4	57.4	27.4	22.4	49.8	87%	26.7	16.1	43.3
2010-11	34.2	22.5	56.7	29.9	23.1	53.0	93%	28.8	15.4	44.3
2011-12	35.0	28.3	63.3	32.1	24.3	56.4	89%	33.4	20.0	53.4
2012-13	34.0	38.2	72.2	32.6	33.2	65.8	91%	35.5	24.2	59.8
2013-14	31.9	25.1	57.0	29.2	30.6	59.8	105%	30.6	17.8	49.5
2014-15	31.6	28.0	59.6	30.7	25.2	55.9	94%	23.8	17.2	41.3
2015-16	34.1	28.1	62.2	31.8	31.8	63.6	102%	28.8	14.5	43.6
2016-17	36.5	23.6	60.1	32.8	29.1	61.9	103%	29.8	8.1	38.1
2017-18	37.6	30.6	68.2	35.0	25.3	60.3	88%	30.0	13.2	43.3
2018-19	42.7	35.0	77.7	34.4	31.5	65.9	85%	37.7	34.9	72.7
2019-20	46.1	34.1	80.2	35.0	27.2	62.2	78%	49.2	24.7	74.0
2020-21	58.2	39.0	97.2	56.3	36.8	93.1	96%	49.9	27.3	78.0

Sources: Database on Indian Economy, Reserve Bank of India, as of February 7, 2022; PRS.

Table 9: Status of end-to-end computerisation of PDS operations

State/ UT	Digitisation of Ration Cards	Aadhaar Seeding with Ration Cards	Online Allocation of Food grains	Computerisation of Supply Chain
Andhra Pradesh	100%	100%	Implemented	Implemented
Arunachal Pradesh	100%	45%	-	-
Assam	100%	0%	Implemented	-
Bihar	100%	83%	Implemented	Implemented
Chhattisgarh	100%	100%	Implemented	Implemented
Goa	100%	100%	Implemented	Implemented
Gujarat	100%	98%	Implemented	Implemented
Haryana	100%	100%	Implemented	Implemented
Himachal Pradesh	100%	94%	Implemented	Implemented
Jharkhand	100%	97%	Implemented	Implemented
Karnataka	100%	100%	Implemented	Implemented
Kerala	100%	98%	Implemented	-
Madhya Pradesh	100%	92%	Implemented	Implemented
Maharashtra	100%	96%	Implemented	Implemented
Manipur	100%	31%	Partial	-
Meghalaya	100%	0%	-	-
Mizoram	100%	83%	Implemented	-
Nagaland	100%	57%	-	-
Odisha	100%	92%	Implemented	Implemented
Punjab	100%	98%	Implemented	-
Rajasthan	100%	96%	Implemented	-
Sikkim	100%	87%	Implemented	-
Tamil Nadu	100%	100%	Implemented	Implemented
Telangana	100%	100%	Implemented	Implemented
Tripura	100%	98%	Implemented	Implemented
Uttar Pradesh	100%	92%	Implemented	Implemented
Uttarakhand	100%	90%	Implemented	-
West Bengal	100%	63%	Implemented	Implemented
Andaman and Nicobar Islands	100%	100%	Implemented	Implemented
Chandigarh	100%	100%	Direct Benefit	Direct Benefit
Dadra and Nagar Haveli	100%	100%	Implemented	Implemented
Daman and Diu	100%	100%	Implemented	Implemented
Delhi	100%	100%	Implemented	Implemented
Jammu and Kashmir	100%	59%	-	-
Lakshadweep	100%	98%	-	NA
Puducherry	100%	100%	Direct Benefit	Direct Benefit
Total	100%	84%	30	21

Sources: Department of Food and Public Distribution; PRS.

Table 10: Minimum Support Prices for paddy and wheat during 2011-22 (in Rs/quintal)

Year	Paddy (common)	% increase over last year	Wheat	% increase over last year
2011-12	1,080	8.0%	1,285	14.7%
2012-13	1,250	15.7%	1,350	5.1%
2013-14	1,310	4.8%	1,400	3.7%
2014-15	1,360	3.8%	1,450	3.6%
2015-16	1,410	3.7%	1,525	5.2%
2016-17	1,470	4.3%	1,625	6.6%
2017-18	1,550	5.4%	1,735	6.8%
2018-19	1,750	12.9%	1,840	6.1%
2019-20	1,815	3.7%	1,925	4.6%
2020-21	1,868	2.9%	1,975	2.6%
2021-22	1,940	3.9%	2,015	2.0%

Sources: Commission for Agricultural Costs and Prices, Ministry of Agriculture and Farmers' Welfare; PRS.

Table 11: Sugarcane dues as of November 26, 2021 (Rs crore)

State	Arrears of 2018-19	Arrears of 2019-20	Arrears of 2020-21	Total Arrears
Andhra Pradesh	37	43	37	117
Bihar	50	39	4	93
Chhattisgarh	6	-	64	70
Goa	2	-	-	2
Gujarat	-	-	44	44
Haryana	-	-	63	63
Karnataka	9	5	-	14
Madhya Pradesh	2	-	1	3
Maharashtra	81	-	394	475
Odisha	-	-	-	0
Punjab	-	43	9	52
Tamil Nadu	73	-	25	98
Telangana	-	-	-	0
Uttar Pradesh	-	-	3,752	3752
Uttarakhand	105	-	52	157
Total	365	130	4,445	4,940

Sources: Lok Sabha Starred Question No. 466, December 1, 2021; PRS.

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