



GOVERNMENT OF KERALA

**SPEECH OF
MINISTER FOR FOOD & CIVIL SUPPLIES
GOVERNMENT OF KERALA**

SHRI. ANOOP J.
ON
30th SEPTEMBER, 2011
AT NEW DELHI

IN
THE MEETING OF
THE MINISTERS OF STATES / UTs
ON IMPLEMENTATION OF

NATIONAL FOOD SECURITY ACT 2013

SPEECH OF ADVOCATE ANOOP JACOB, HON'BLE MINISTER FOR FOOD AND CIVIL SUPPLIES, CONSUMER AFFAIRS AND REGISTRATION, GOVERNMENT OF KERALA ON THE OCCASION OF THE MEETING OF THE MINISTERS OF STATES/ UNION TERRITORIES TO DISCUSS ISSUES RELATING TO IMPLEMENTATION OF NATIONAL FOOD SECURITY ACT, 2013

Respected Prof. K V Thomas, Hon'ble Union Minister of State (Independent Charge) for Food, Public Distribution and Consumer Affairs, Government of India, Hon'ble Ministers in charge of Food and Civil Supplies Portfolio in the States, Secretary, Food and Public Distribution and Consumer Affairs, Government of India, Senior officers from the Government of India and State Governments and Union Territories,

I would like to commence with a congratulatory mention to the Hon'ble Union Minister of State (Independent charge) for Food, Public Distribution and Consumer Affairs, Government of India for having successfully piloted a path breaking legislation for the entire nation to provide for food and nutritional security. The National Food Security Act, 2013 (Act No 20 of 2013) shall be mentioned as a progressive and emphatic legislation whereby the Union Government has underlined its commitment to ensuring access to adequate quantity of food at affordable prices to people to live a life with dignity and to have a guarantee to assert a right to receive due allocation of food grain.

The State of Kerala has only recently emerged from the festival of Onam. Being one of Kerala's most important festivals of prosperity and celebration, where all residents of the State of Kerala irrespective of caste, creed or religion join in the gaiety and festive mood of colour, joy and deep rooted secular

traditions, I take this opportunity to extend my greetings of Onam to this august gathering.

With specific reference to the State of Kerala, I may be permitted to raise certain specific concerns and also highlight critical aspects which need to be factored for to ensure the successful and effective implementation of the National Food Security Act, 2013 in Kerala.

Firstly, in terms of main changes in the Act as compared to NFSO 2013 in Section 3(1) of the National Food Security Act 2013, a new provision has been included which substantiates that "if annual allocation of foodgrains to any State under the Act is less than the average annual offtake of foodgrains for the last three years under normal TPDS, the same shall be protected at prices as may be determined by the Central Govt and the State shall be allocated foodgrains as specified in Schedule IV.". With reference to the State Of Kerala, in Schedule IV, the annual allotment to Kerala is specified as 14.25 lakh MT whereas the average offtake of food grains for the last three years from 2010-11 to 2012-13 was 16.01 lakh MT, which implies a shortage of 1.76 lakh MT of foodgrains annually. As Kerala has all along been allowed universal rationing there is an imperative need for the Centre to ensure that at least for the first three years of transition, population outside the purview of the Priority household are provided with food grains under the Public Distribution System for which at least minimum additional foodgrains to the extent of 1.76 Lakh metric tons should be provided at the present APL rates of Rs 8.30 per Kg for rice and Rs 6.10 per Kg for wheat.

May I take this opportunity to place on record the Government of Kerala's resolve that, since entitlements under the Targeted Public Distribution System are at a much higher scale than that has been assured under the NFSA, 2013, for instance, for every BPL household under the TPDS as on date 35 Kgs

of food grains per month is allowed at Re 1/-, and the lowest strata among the APL category are assured 10 Kgs of Rice and 2 Kgs of wheat at Rs 2/- per kg, it is the State Government's commitment to ensure that there is no dilution in the entitlement already provisioned for.

Hence, after the identification of priority households the 179.077 lakh population excluded from the coverage of the National Food Security Act, 2013 have essentially to be continued to be covered under the Universal Rationing till a period of at least three years for which the Government of India shall allot additional quantity of at least 2.57 lakh at APL rates.

Another relevant aspect raised by Kerala earlier with the Union Government had been the arrangements proposed in Section 5 1 (a) for morning meal for children or take home ration only for age group six months to six years. The NFSA, 2013 mandates among others, morning snack for children aged 1 to 3 and suggests establishment of centralized kitchen for cooking meals. In this regard the Government of Kerala is of the considered opinion that morning snack should be extended to all children up to the age of fourteen and financial assistance thereof to be provided for by the Central Government. As regards the Centralized Kitchens, given the situation in Kerala, we are already having a functional decentralized mechanism in each educational institution and the cost overruns for Centralized Kitchen, transportation and at the same time ensuring quality of cooked food do not appear feasible.

Secondly, regarding the action points for the implementation of the NFSA, 2013 with reference to the **evolving of criterion for inclusion/exclusion** and its notification, the numerical ceiling in terms of the state-wise percentage coverage of population to be covered under the Targetted Public Distribution

System under National Food Security Act, 2013 has been indicated and for Kerala it includes 52.63 % of the Rural population and 39.50 % of the Urban population of the Census 2011 figures. In effect, given the present universal rationing under the Public Distribution System in Kerala for the implementation of the NFS Act, 2013 Kerala would have to identify two types of beneficiaries: (a) Priority households including AAY category, who actually come under the NFS Act, 2013 and (b) those who are excluded from the coverage of the Act and who have in other ways to be continued to be provided with food grains under the Public Distribution System. Having stated concerns regarding the uncovered population earlier, I would like to focus on the very strong Local Self Government Institutions in the State of Kerala. For evolving the criterion for the Priority households under the NFS Act, 2013 the State Govt. would have to undertake to conduct intensive campaign for identifying these groups with the help of the line departments like Civil Supplies, Local Self Govt and Social Justice. The criteria can be fixed only after detailed discussions. The identification of beneficiaries shall however be completed within 10 to 12 months. The process of identification of beneficiaries can be done by a fresh survey based on pre fixed criterion strictly and thorough social audit so as to avoid any anomaly at the identification stage itself and the same can be accomplished within 365 working days of the notification of the NFS Act, 2013.

The criterion for identification of the Priority Households is presently being finalized through a consultative process by the State Government and based on the same it is proposed to conduct an effective survey and identification exercise thereof of the actual beneficiaries. Also, the involvement of local authorities as envisaged in implementation of the Act under Section 25 and 26

shall positively be ensured with their critical role in the finalization of the priority households.

Thirdly, on the aspect of **fresh ration cards** to provide for per unit allocation as per Section 3 of the NFSA, 2013 and to ensure women empowerment on lines of Section 13, of the NFSA, 2013, in Kerala the entire data base of ration cards is digitized under the Electronic- Ration Card Management System (E-RCMS). The State Government after finalization of the criterion for selecting priority households will undertake the issue of new priority household cards in conformity with the National Food Security Act, 2013 to the female member of the Household. Simultaneously, under the End to End computerization project, all ration cards shall be seeded with AADHAR and ration issue shall be linked to biometric validation. Although the Government of India has assured support under the Component I of the End to End computerization, which to a large extent shall cover the costs for the AADHAR seeding only, the cost towards the survey and the identification of the Priority household needs to be provisioned for by the Government of India as an onetime expenditure since it shall involve a comprehensive Information, Education and Communication module, engagement of surveyors and identification based on a matrix of criterion for inclusion as priority household. Separately, at present, the foodgrains are allocated to a family instead of individuals. But as per NFS Act, foodgrains are allocated to each individual other than AAY category. The average number of members in BPL families is 4.9 and the proposed entitlement per member is 5 Kg. The average allotment per priority household cumulatively works out to approximately 24.5 Kg of foodgrains, while the present entitlement to BPL family is 35 Kg. But in the case of AAY families, the present system will be continued. Further, at present most of the ration cards are owned by the male member of family. As per

Section 13 of NFS Act, the eldest woman who is not less than eighteen years of age shall be the head of the family. Most of the ration cards will have to be reprinted if women centric ration cards come into effect but that shall not be any impediment as the renewal of the present ration cards is due and the same can be subsumed under this activity of issue of fresh priority cards under the NFSA, 2013.

Fourthly, regarding **ensuring Door step delivery** under Section 24 (2) of the NFSA, 2013, it shall necessitate major effort on part of the State Government as presently, in Kerala the transportation of the foods grains from the FCI depots to the Wholesale stock points and further issue for retail distribution is entirely reliant on the authorized licensees at the wholesale and retail level. In the light of Section 22 (4) (d) it would be necessary for Government of India to provide substantial assistance to the State Government for ensuring door step delivery. It is proposed to implement Door Step Delivery of foodgrains to the FPS along with End to end computerization of PDS. The Kerala State Civil Supplies Corporation Limited (Supplyco) will be the implementing agency and a project report on the door to door delivery is already on the anvil. The estimated cost is approximately Rs 250 crores which shall be a recurrent cost every year. Given the fact that intermediate godown storage space is to be created in Kerala, labour costs being perhaps the highest in the entire nation and the present handling commissions to the Retail dealers being one of the highest in the entire nation, a structured financial package from the Government of India is necessitated that covers the cost towards the door to door delivery of the food grains in the State of Kerala for a period of at least the next five years till the creation of adequate interim storage space and streamlining of the arrangement and logistics for the Door step delivery where after a contributory pattern of sharing could be thought of. As on date, in the

very preliminary stages of conception, the Door step delivery is conceived to cover the lifting of foodgrain from FCI go-down, storage at the existing wholesale outlets owned by private licensees which are to be phased out with the newly constructed intermediate go-downs and there after door step delivery and unloading of foodgrain into the Authorized retail dealer's outlet. The State Government shall ensure that the best technology practices like GPS based vehicle tracking and proper scientific fleet management with logistic management and supply chain management logistics shall be put in place to ensure a least cost solution for the Door to Door delivery in the State of Kerala.

Fifthly, regarding Setting up of Grievance Redressal Machinery at District and State levels at present, the Civil Supplies Department has State level officers such as Commissioner and Director who are IAS cadre officers and in district level, District Supply Officers are deployed. These officers can be for the interim designated as grievance redressal officers. However, subsequently, simultaneously with the inception of the Door to Door delivery and the End to End computerization there shall be the establishment of a Statutory Kerala State Food Commission as per the provisions of the National Food Security Act, 2013

Sixthly, on aspects relating to the computerisation of the Targeted Public Distribution System, the State of Kerala is attempting to undertake the End to End computerization on priority and the Government of India may kindly comprehend that three major events are being attempted at one time, firstly, implementation of the National Food Security Act, 2013 with identification of the priority household and exclusion of specific section of population; secondly, creation of interim storage space and door to door delivery and thirdly, the end to end computerization project of the Public Distribution

System. The Government of Kerala is of the view that while protecting the existing allocation of the present TPDS as on date, the End to End computerization is implemented on a fast track mode within the next 24 months, the creation of the interim go-down space is to be undertaken within the next 36 months and the door to door delivery is commenced at the earliest alongside the implementation of the End to End computerization. It is pertinent to note that the implementation of such substantial changes in any well institutionalized system with vested interest is fraught with risks of resistance and derailment or dilution from the originally proposed stance. This would necessitate a massive push to implement the projects based on ideal standards requiring that the resources for implementation of the changes are provisioned for and the implementation machinery geared up accordingly for which the State Government requests the Government of India to consider an appropriate financial package covering all aspects.

Seventhly, on the critical requirement of **creation of scientific storage capacity** at various levels as per Section 24 (5) of the NFSA, 2013 the State Govt. already identified locations for constructing godowns and the land acquisition process has been initiated. A state wide grid of scientific storage capacity that shall provision for ability to buffer at least a quarter's allocation of food grain after release from the Food Corporation of India Depots has been envisaged and a detailed project report for the same for all multiple sites is under preparation. This critical requirement of scientific storage in Kerala is sought to be met with the latest technology pre-fabricated and standard go-downs with emphasis on mechanisation and prospective scale up for facilities such as sorting, grading and repackaging if necessitated at a later stage. The responsibility of translating the entire grid of interim storage space has been endorsed to the

Kerala State Civil Supplies Corporation Limited (Supply Co) under suitable guidelines formulated by the State Government.

Eighthly, reference has been made in the agenda points of issue **relating to poor status of vigilance committee at various levels and suggestions for revamping them** and making them more effective. May I be permitted to submit that in Kerala, Vigilance committees have been functioning in all levels- State, District, Taluk, Municipal/ Panchayat levels. They are functioning effectively.

As a part of the implementation of the NFSA, 2013 there is proposed to be an intensive IEC component for the general public and a structured training for the members of the Vigilance committee with a mandatory meeting schedule. The training inputs and the charter of duties assigned to the Vigilance Committee shall also include the mandatory number of meetings and also, the incorporation of extensive social audit.

Ninthly, Opening of new Fair Price Shops wherever required. In Kerala, the ration shops are located in such manner that normally a ration card holder need not have to travel more than 2 kilometres to reach an authorized retail outlet. This position holds good for the entire State and remote hilly and difficult terrain are also covered by mobile outlets from the Kerala Civil Supplies Corporation Ltd which supplements the Targeted Public Distribution System and hence there is no need for opening new FPS. However, under the End to End computerization project of the Public Distribution System through the Kerala State Civil Supplies Corporation Limited, (Supply Co) the Government intends to establish model Fair price shops which shall have ideal storage space and shall be a demonstration model in terms of effective retail arrangement under the Public Distribution System in all respects like customer

friendly interface, amenities of quality grain, total transparency and quick and efficient services. These model fair prices shops are intended to be established in each Assembly Segment of the State. Further, under the End to End computerization project since there shall be portability for the ration cards with independence of choosing any retail outlet under the Public Distribution System for claiming the ration entitlement, the poor service and poor quality problems shall be sorted out by sheer competitiveness among the retail outlets to attract ration card holders. This shall be further strengthened by using commission models that are linked to number of ration card transactions in a particular retail outlet.

Tenthly, as regards **Number of beneficiaries, in terms of number of persons, covered under AAY ration cards** there are 5.958 lakh AAY ration cards and 27.57 lakh members covered by AAY cards.

Eleventh, **Identification of beneficiaries for distribution of sugar and kerosene under PDS as under NFS Act there would be no BPL category** sugar would need to be distributed to all priority households. The present allotment of quantity eligible for reimbursement claim subsequent to removal of levy sugar has to be enhanced accordingly. The present allotment is 4103 MT. This allotment has to be enhanced to 6192 MT per month. The scale of issue shall be the same at 400 gms per head. Regarding Kerosene allocation, there are two major problems. (a) Reduction in the Kerosene allocation for the last five years has been substantial from allotment of 2,77,968 KL to 1,25,196 KL. Although it is admitted that the LPG consumer base and the coverage of Electrified houses in Kerala has increased the drastic scaling down of the quantity of allocation has seriously undermined the scale of issue as per ration card strength. Separately, the State of Kerala had expressed willingness to

implement the DTCK, 2012 scheme where in the direct cash benefit transfer shall be implemented, this needs to be taken up with the Government of India in the Ministry of Petroleum and Natural Gas and sanctioned for implementation as this will also ensure additional resources for the implementation of the End to End computerization of the Public Distribution System as the dispensing mechanism from the Point of Sale machine shall be one and the same as for the food grains under the public distribution system. (b) Allocation of White Kerosene is necessitated on a license basis for the purposes of Fishery sector and other industrial uses. For this an effective package is to be provided for the state of Kerala by the Ministry of Petroleum and Natural Gas and the Ministry of Food and Public Distribution may exercise their good offices to ensure the State of Kerala gets its rightful due.

I thank Prof. Thomas, Honourable Minister and all others present in this august gathering for having given me this opportunity to present matters pertaining to the NFSA, 2013 and for their kind attention.

JAI HIND



GOVERNMENT OF KERALA

FOOD AND AGRICULTURE DEPARTMENT