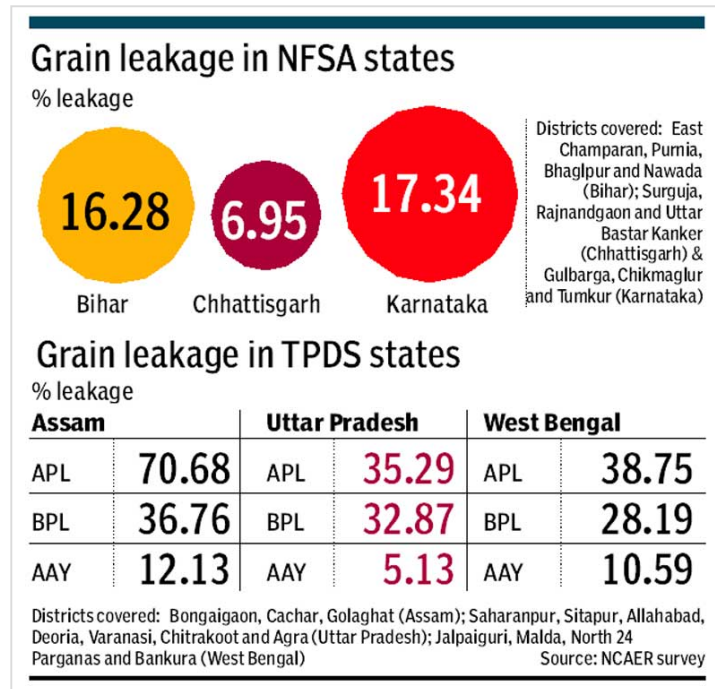


## NFSA vs TPDS: Former doing better in curbing pilferage



Leakages and diversion of subsidised food grains under the TPDS continue to be at unacceptable levels whereas the rollout of the National Food Security Act (NFSA) has led to comparatively better outcomes, going by an NCAER survey.

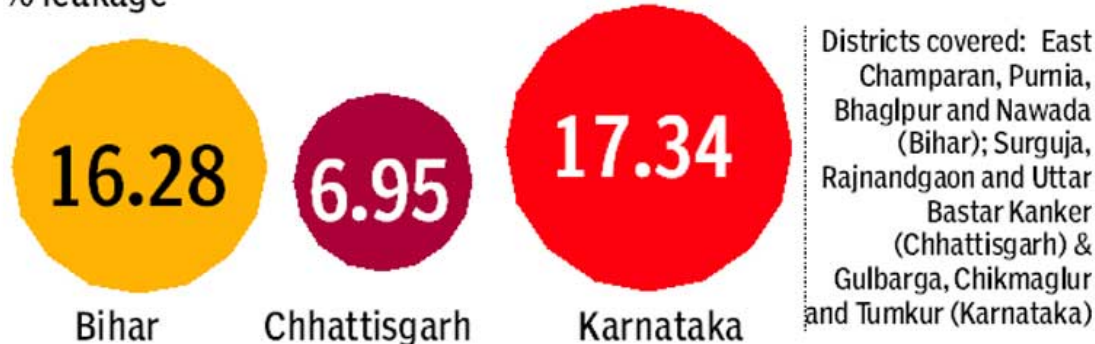
Although the National Council of Applied Economic Research’s draft report prepared after a survey covering 24 districts of six states — Assam, Bihar, Chhattisgarh, Uttar Pradesh, Karnataka and West Bengal — doesn’t arrive at such definitive conclusions, it is clear from the data gathered that the extent of leakages is lower in the states (districts) where NFSA has been implemented.

Of course, in case of Chhattisgarh, the TPDS itself had led to big improvements. But the increased efficiency in reaching the beneficiaries achieved in Bihar may have underscored the NFSA’s utility. It may, however, be noted that the NFSA coverage is higher than that under TPDS.

NCAER, which prepared the evaluation report of TPDS on behalf of the ministry of consumer affairs and public distribution, has attributed the persistence of higher levels of pilferage to factors such as inappropriate identification of below poverty line (BPL) families and the huge cost of misidentification along with inefficiencies in the supply chain that contribute to the high cost of delivery in most states. “The supply chain of the PDS is riddled with malpractice at different levels including the administrative level,” the NCAER said.

## Grain leakage in NFSA states

% leakage



## Grain leakage in TPDS states

% leakage

Assam		Uttar Pradesh		West Bengal	
APL	70.68	APL	35.29	APL	38.75
BPL	36.76	BPL	32.87	BPL	28.19
AAY	12.13	AAY	5.13	AAY	10.59

Districts covered: Bongaigaon, Cachar, Golaghat (Assam); Saharanpur, Sitapur, Allahabad, Deoria, Varanasi, Chitrakoot and Agra (Uttar Pradesh); Jalpaiguri, Malda, North 24 Parganas and Bankura (West Bengal)

Source: NCAER survey

Out of six states evaluated by NCAER, Bihar, Chhattiagarh and Karnataka have already commenced implementation of NFSA, under which around 64% of the country's population are legally entitled to get highly subsidised food grain at five kg per head in a month. The rest of the states, which are implementing TPDS, provide subsidised food grain at 35 kg to each family monthly to BPL and Antodaya AnnaYojana (AAY) families. Besides, the states provide subsidised food grains to Above Poverty Line (APL) families as well. The TPDS coverage is around 45-50% of the population of the states concerned.

As per the report, Chhattisgarh has reported lowest food grain leakage rate of 6.95% amongst the six states covered for TPDS evaluation. Karnataka and Bihar, which have rolled out NFSA, have reported grain leakage of 17.34% and 16.28% respectively.

The study acknowledges that the huge difference between the open market and TPDS prices of rice and wheat, is one of the most important reasons for the high usage of the PDS amongst the poor families. However, the NCAER study states that eligible people do not always receive ration cards if they are not politically well-connected or are unwilling to pay a bribe.

In terms of number of bogus or ghost ration cards, Assam, Chhattisgarh and Karnataka have the lower numbers compared to Bihar and Uttar Pradesh. "Bihar had issued new ration cards in a hurry to implement NFSA within stipulated time frame resulting in incorrect identification of eligible households and Uttar Pradesh has the highest number of bogus cards in the system among the non-NFSA states," the study has noted.

For curbing food grain leakages, the NCAER report suggests distribution of 12 food coupons annually which beneficiaries would exchange every month while collecting their quota of food grains. It also recommended usage of electronic weighing machines in place of conventional ones for resolving the issue of beneficiaries receiving less than their entitlement of foodgrains under the TPDS

On the need for digitisation of ration cards, the report said that many of the states who claim completion of the process have not been completed as these cards are yet to be circulated to beneficiaries.