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PMGKAY extended

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What's in News?

- The Union Cabinet has announced an extension of the **Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)** by **three months** from its stipulated deadline of September 30.
- The extension will be from October to December, 2022.

Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY):

- Launched in March 2020, the PMGKAY provides free **5kg of food grains per person per month** to about 80 crore beneficiaries under the National Food Security Act (NFSA).
- The free ration scheme was introduced to reduce the hardship of the beneficiaries during the lockdown period which was imposed due to the then raging coronavirus.
- This was **over and above the general allocation under the NFSA**.
- It was a part of **Atmanirbhar Bharat Abhiyan**.
- The program is **operated by the Department of Food and Public Distribution under the Ministry of Consumer Affairs, Food and Public Distribution**.

Eligibility:

- Families belonging to the **Below Poverty Line - Antyodaya Anna Yojana (AAY) and Priority Households (PHH)** categories will be eligible for the scheme.
- **PHH are to be identified by State Governments/Union Territory Administrations** as per criteria evolved by them.
- AAY families are to be identified by States/UTs as per the criteria prescribed by the Central Government

News Highlights:

- The PMGKAY scheme will cost the government an additional Rs 80,000 crore till the end of the month, putting the government's estimated expenditure at Rs 2.5 lakh crore for this financial year.
- Around 80 crore people are expected to benefit from this.
- The benefit of free ration can be availed through portability by any migrant labour or beneficiary under **One Nation One Ration Card (ONORC) plan** from nearly 5 lakh ration shops across the country.

Challenges for the Scheme:

- It's **very expensive to sustain and increases** the need for an abundant supply of cheap grains.
- This year, India has had to **restrict exports of wheat and rice** after erratic weather hurt harvest, adding to pressure on food prices, and rattling global agricultural markets.
- It adds pressure on a **budget deficit** and could pose a risk to the government's target to further narrow the **fiscal deficit** to 6.4% of gross domestic product in the fiscal year ending March 2023 from 6.9% previously and a record 9.2% in the first year of the pandemic.
- Continuation of this scheme could lead to **depleted food grains stocks** by next year.

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