



Role of Public Distribution System in Andhra Pradesh an Analysis

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ABSTRACT

Public Distribution System in India has been one of the most crucial elements in food policy and food security system in the country. Public Distribution System in has close links with food security for the vulnerable segment of population. It is so because Public Distribution System is considered as a principal instrument in the hands of the government for providing safety net to the poor and the downtrodden. Public Distribution System is the largest distribution network of its kind in the world. It emerged out as rationing measure in the backdrop of Bengal famine as well as a war-time measure during Second World War.

The Government of India in an effort to ensure fair supply of food items to all citizens of India instituted Fair Price Shops (FPS) under Public Distribution System (PDS). Essential commodities such as Rice, Wheat, Sugar, Kerosene, etc., are supplied to the targeted underprivileged sections as per the eligibility and at fixed by the Government of India. In spite of the best efforts by Government officials at various levels, there are a few bottlenecks and inconveniences to the targeted citizens in availing the services provided. Over the years, Public Distribution System has expanded enormously as poverty alleviation and food security measure to become a permanent feature of Indian Economy.

The Andhra Pradesh state incorporated various modifications from time to time to make its implementation more relevant for the masses and to increase its effectiveness. This paper analyzes that whether Public Distribution System is able to achieve its objective of providing food security to the people. The present paper discusses a brief review of welfare schemes and also makes a study of existing Public Distribution System in Andhra Pradesh. An attempt has been made in this study to ascertain the problems prevailing in Public Distribution System and to recommend suggestions to make Public Distribution System is more effective.

Keywords--- Food Security, Fair Price Shops (FPS), Public Distribution System (PDS), Rationing

I. INTRODUCTION

Andhra Pradesh is one of the states pursuing a vigorous Public Distribution policy. Among the states, Public Distribution Systems that have tried Public Distribution Systems to cover rural areas are Kerala, Tamil Nadu and Andhra Pradesh. Of these states, Kerala is always deficit, while Tamil Nadu is marginally deficit in years due a bad rainfall. While Andhra Pradesh on the other hand, is a surplus state, encompassing large surplus as well as deficit tracts within its area. It is the government's primary duty to look that all its people should live with maximum quality. The Public Distribution System initially visualizes in terms of checking inflation and protecting vulnerable section from the vagaries of the market mechanism. PDS is an organizational asset of considerable significance improving the nutritional status of poorer groups touching the one of the antipoverty programmes, PDS has a direct bearing on their success. The concept of minimum needs coupled with enlarging scope of PDS, serves to underline its dynamic character: As we move from the regions of primary poverty to a happier position, the system can be used to concretize the quest for "quality of life" as it may be defined from time to time in politico-administrative terms.

II. REVIEW OF LITERATURE

¹Dr. K.K. Tripathy and K.C. Mishra (2011) estimated that though India is one of the largest producers of the food in the world, yet nearly 300 million people struggle for meeting two square meals a day and 21 percent of the national population (230 million) are malnourished. This indicates the issues of accessibility to adequate and nutritive food to the poor.

²According to Dev. (2007) poverty declined during pre-post reform period is due to effective

distribution system function, while that of growth rate of staple food grain prices remain low and inflation is also low. These are the things attributed to reduction of poverty in Andhra Pradesh. On one hand some policy measures to improve agriculture growth, macro policy on industrial and rural non-farm sectors in the post period had adverse impact on poverty reduction. On the other hand, it is believed that, it is due to social welfare programmes, such as focus on providing food and nutritional security, PDS and ICDS which helped in poverty reduction.

³Sharma (2007) observed that the lower quality of PDS wheat is evidenced of inefficiencies in the operation of the public sector. The appearance of quality differential at the retail outlet is due to inefficiencies in the marketing chain, such as bad purchase decision, lack of care in storage and handling and indifferent service at the ration shops. Another disturbing feature of PDS in India is the ground reality that a large portion of the subsidized food grains and other essential commodities meant for distribution do not reach the beneficiaries and find their way to the market. The difference between the open market price and subsidized prices of these commodities under PDS determine the attraction of the leakages. If calculation is made between the figures of stocks lifted and actually sold to the consumers, there shall be a discrepancy, which could be said to be equal to leakages in the system. It is estimated that a little over one-third of the food grains, supplied to PDS do not reach the actual users of the PDS- it leaks out of the programme. While some part of these may be genuine losses incurred in storage and transport, a major part is diverted to open market.

⁴Yesudian (2007) suggested to improve the quality of PDS products are proper grading and standardization of ration commodities must be ensured so that quality services can be provided to consumers, minimize the presence of sand and pebbles in flour and rice, packed and labeled products should be provided to consumers, dealer must be provided with sufficient infrastructure facilities so that they can provide better quality services to consumers, periodical inspection of records maintained by FPS dealers must be conducted by the competent authorities and those who violate rules and regulations must be penalized and debarred from continuing as a FPS dealers.

III. OBJECTIVES

The following objectives for study are given below.

1. To make a study of existing Public Distribution System in Andhra Pradesh.
2. To observe the role of Public Distribution System for ensuring food security in AP.
3. To examine the brief review of welfare programmes introduced in Andhra Pradesh.

4. To find out the drawbacks in the system and make suggestions to PDS more effective.

IV. METHODOLOGY

This study has been conducted on the basis of secondary data. The secondary data has been compiled from the Planning Commission, various journals, books, internet sources and other published papers etc.

V. PUBLIC DISTRIBUTION SYSTEM IN ANDHRA PRADESH

India's public distribution system (PDS) is perhaps the largest of its kind anywhere in the World. The Public distribution system is among the most important food security programmes of government of India. In fact, the PDS in the country to facilitates the supply of food grains to the poor at a subsidized price. The targeted public distribution system was introduced in the state of Andhra Pradesh and elsewhere in the country in 1997 with a view to eliminate hunger. The PDS supplies essential commodities like rice, kerosene, sugar, palmolein oil, wheat to the poor at subsidized prices. The Telugu Desam was introduced cheap rice at Rs.2 per Kg in the state. The fair price shops are the major outlets under public distribution system. The number of fair price shops are functioning in the state are shown in table-1.

Table: 1 Fair Price Shops in AP as on 1st August 2017

Sr. No.	District Name	No. of FPS	Total No. of FPS Dealers
1	Srikakulam	2079	2000
2	Vijayanagaram	1400	1283
3	Visakhapatnam Rural	1612	1572
4	Visakhapatnam Urban	493	487
5	East Godavari	2698	2507
6	West Godavari	22002	2141
7	Krishna	2212	2112
8	Guntur	2725	2514
9	Prakasam	2141	1661
10	Nellore	1896	1792
11	Chittoor	2852	2550
12	Cuddapah	1737	1330
13	Anantapur	2970	2787
14	Kurnool	2414	2208
	Total	29431	26950

Source: Civil Supplies Dept. AP – Gollapudi

Table -1 show that district wise number of total fair price shops and fair price shops dealers. Table -1 reveals the fact that total number of fair price shops and fair price shops dealers has been increasing in few districts. The total number of fair price shops and fair price shops dealers in AP are 29,431 and 26,950 respectively in 2017. Among the districts, West Godavari having highest number of fair price shops which accounts for 22,002, Anantapur with 2,970 followed by Chittoor with 2,852 fair price shops. Lowest number of fair price shops found in Visakhapatnam Urban with 493, Vijayanagaram with 1400 followed by Visakhapatnam Rural with 1,612.

Among the districts Anantapur, Guntur and East Godavari districts stood in first three places with regard to fair price shop dealers with 2,787, 2,514 and 2,507 respectively. Visakhapatnam Urban, Vijayanagaram and Cuddapah having lowest number of fair price shop dealers with 487, 1,283 and 1,330 respectively in 2017.

VI. RATIONALIZATION FAIR PRICE SHOPS

Rationalization of existing F.P. Shops has been done to ensure effective functioning of PDS, and enable card holders have easy access to fair price shops without having to travel long distances.

- **Rural areas:** 400 to 450 BPL and 50 Pink ration cards are attached to each F.P. shop in rural area.
- **Urban Areas:** 500 to 550 BPL and 250 Pink ration cards are attached to each F.P. shop in urban areas.
- **Municipal Corporations:** 600 to 650 BPL and 250 Pink ration cards are attached to each F.P. shop in Municipal Corporations.

The following are the number of category wise ration cards for which allotment issued in November, 2017 are shown in table -2

Table :2 Category wise Ration Cards as on November 2017

Sr. No.	Type of Ration Cards	Status	Percentage
1	White Ration Cards	1,33,01,564	93.48
2	Antyodaya Anna Yojana Cards	9,15,943	6.48
3	Annapurna Cards	11,797	0.08
Total No. of BPL Cards		1,42,29,304	100

Source: Status notes – Nov.2017 – Civil Supplies Dept. Gollapudi

Table-2 show that category wise ration cards as on November 2017. The total number of BPL cards in AP was 1, 42, 29,304. Out of which 1, 33, 01,564 are white

ration cards which is nearly 93.48 percent. Antyodaya Anna Yojana cards are 9, 15,943 which accounts for 6.43 percent and 11,797 are Annapurna cards which is 0.08 percent of the total number of BPL cards.

VII. ROLE OF PUBLIC DISTRIBUTION SYSTEM AND FOOD SECURITY

It is now well recognized fact that the availability of food grains is not a sufficient condition to ensure food security to the poor but the necessary condition is that the poor should have sufficient means to purchase food. Hence, PDS subsidized food grain supply to poor, is very important in providing food security. In this context, we want to see how far functioning of PDS is effective, in providing food security to poor household.

Through PDS, food grains such as rice and wheat are supplied at a subsidized price; on an average each household will be receiving 25 kgs of rice. Present section analyses access to PDS in the state of Andhra Pradesh, which is one of the main interventions of state to ensure food security with subsidized lending to poor sections of the society.

The center allocates food grains to states on the basis of the identified BPL population, the availability of food grains stocks, and the quantity of food grains lifted by states for distribution under TPDS. Table -3 indicates the statement showing procurement of paddy, allotment and distribution of rice under public distribution system.

Table-3 Statement showing Procurement of Paddy, Allotment and Distribution of Rice under PDS

Year	Procurement of Paddy (in MTs)	Allotment (in MTs)	Total quantity of Rice Distributed (in MTs)
2012 -13	68,87,998	39,50,734	39,22,274
2013 -14	76,90,267	40,58,447	39,41,548
2014 -15	94,78,969	10,20,068	10,12,901 (Up to June 2014)
		17,52,818	16,35,221 (From July, 2014 onwards)
2015 -16	64,71,447	25,50,857	23,67,419
2016 -17	55,57,778	26,55,183	22,69,426

Source: Civil Supplies Dept. AP – Gollapudi

The total procurement of paddy during 2012 -13 to 2014 -15 shows an appreciable variation over 2015 -17. Procurement of paddy was recorded at 68, 87,998 MT, during 2012 -13 was increased by 94, 78,969 MT in 2014-15. Procurement of paddy during 2012-13 to 2014 -15 was

much higher due to larger production and sharp increase in the procurement prices. During 2016 -17 the procurement of paddy was decreased by 55, 57,778 MT as against 64, 71,447 MT in 2015 -16.

The allotment and distribution of rice under different schemes – BPL, AAY, Annapurna in all the three schemes the total allotment was quite less from 2012 -13 to 2014 -15 since the distribution was meant for all 23 districts of combined AP. The total quantity of rice distributed among all the 23 districts of combined AP are more or less same from 2012 -13 to 2014 -15 with minor variations. Similarly, from 2014 -17 the allotment of rice was higher than the distribution in 13 districts of AP. From the above analysis we can say that the PDS in AP not that effective with regard to distribution to ensure distributional equity.

VIII. WELFARE SCHEMES IN AP

Andhra Pradesh state is one among the states advanced in the PDS and as introduced a number of innovative novel schemes towards achieving efficiency efficacy of PDS.

Subsidy Rice Scheme: Government of Andhra Pradesh has given top most priority to supply of rice at subsidized rate to below poverty line families through Targeted Public Distribution System line (TPDS). Since 1-11-2011, rice is being supplied at Rs. 1 per Kg. to all white cardholders and AAY cardholders. It is an important constituent of the strategy for the up-liftment of below poverty line (BPL) population. The endeavor of the Government is to implement TPDS effectively, efficiently and transparently for the best advantage of beneficiaries.

Amma Hastam Scheme: Government of Andhra Pradesh launched a scheme called “Amma Hastam” from 11- 04 -2013. Under this scheme nine Essential Commodities Viz. 1-liter Palmolive Oil 1 Kg Red gram dhal, ½ Kg Sugar, 1 Kg Wheat, 1 Kg whole meal Atta, Chilly 250 Grams Powder, ½ Kg Tamarind, 100 Grams Turmeric Powder and 1 Kg iodized Salt are being supplied in packed form at Rs. 185/- The main objective of the scheme is to provide relief to BPL families from price rise and to ensure supply of unadulterated quality and correctly weighed commodities in a packed form. The cardholders can get benefit of Rs. 107/- per month against the present open market price of Rs. 292/ for the essential commodities. In fact, it is a boon to the poor families who afford at concessional rates.

Social Welfare Institutions (SWI) and Social Welfare Hostels (SWH): Central issue price of rice under SWI/SWH is Rs. 565/- per quintal. i.e. at BPL rate. The rice is being released to meet the requirement of all Hostels, Ashram Schools, and Residential Junior Colleges of ST, SC and BC categories and other institutions under the control of social welfare department. And also, to homes, hostels for Physically Handicapped, Residential

Schools for deaf and blind for boys and Girls, Handicapped children, State Home, Service Home, Children Home, Collegiate girls Hostels, Creech centers (to the children of Agriculture labour women) Balwadies, Regional Training Centers, Women Welfare Branches, Mobile Creches, Women and Child Welfare Centre and Vocational Training Centers, which are under control of Women Development and Child Welfare Departments. Rice is supplied at Rs. 400/- per Quintal, to the above institutions. The normal monthly allocation made by Government of India was 5772.260 MTs for Social Welfare Institutions as against the state requirement of 17474.992 MTs. of rice.

Mid-Day Meal Scheme: Government of India allotted a quantity of 1, 38,232 MTs, of rice under the MGNREG scheme at free of cost for primary and upper primary classes, to meet the requirements under cooked meal programme for the year 2012-13. Rice is being released to DWCRA women and Self-help groups and through Fair Price Shops as allotted by the district collectors. In respect of Hyderabad and Visakhapatnam Metropolitan Cities, rice is being released to Nandi Foundation, an NGO, directly, for supply of cooked meal to the schools. It has been decided by the Government, to release the rice stocks from MLS point to school point to Schools points avoiding F.P. shops point, to ensure proper quality and weighment. In respect of IX and X classes the state Government meets the expenditure of cost and transport and handling charges.

Antyodaya Anna Yojana Scheme (AAY): This scheme was launched in Andhra Pradesh February, 2001 for the poorest of the poor families in order to make TPDS more focused and targeted towards this category of people. AAY identified one crore poorest of the poor families from amongst the BPL families covered under TPDS and providing them food grains at a highly subsidized rate of Rs.2/ per Kg. for Wheat and Rs. 3/ per Kg for Rice. The scale of issue which was initially fixed at 25 Kg per family per month has been increased to 35 Kg per family per month with effect from April, 2002. This scheme was expanded in 2003-04 by adding another 50 lakh BPL households headed by widows, terminally ill persons, disabled persons or persons aged 60 years or more with no assured means of subsistence or societal support. At present 9.75 lakh AAY families are being supplied 35 Kg rice at Rs. 1 per Kg per family as against the target of 9.08 lakh AAY families. A quantity of 34,217 MTs of rice is being supplied under AAY scheme at Rs. 1 per Kg against the allotment of 31,798 MTs per month.

Annapurna Scheme: The Annapurna Scheme was announced by the Finance Minister in his budget speech for the year 1999 – 2000 to provide food security to those indigent senior citizens who are not covered under the TPDS and who have no income of their own. Through this scheme, it is intended to provide 10 kgs of good grains per month free of cost to all such persons who are eligible

for old age pension under the National Old Age Pension Scheme (NOAPS), but are not receiving it. The Gram Panchayat would identify, prepare and display a list of such persons after giving wide publicity to the scheme.

Wheat Based Nutrition Programme: The scheme is operated by the Women Development and Child Welfare (WD & CW) Department in all districts except Guntur, Prakasam, Kurnool, Anantapur, Hyderabad and Adilabad and popularly known as Integrated Child Development Scheme (ICDS) / Anganwadi Centers (AWCs).

IX. PROBLEMS OF PDS

The Public Distribution System of Andhra Pradesh is considered one of the successful systems. However, it has some of the drawbacks which call for corrective measures of the system is to be more purposeful. First, there is a strong care for making the system target group oriented. Originally, it was meant to cater to poorer people in the urban as well as the rural areas in fact the poor slum dwellers and the immigrants remain largely out-side the preview of the P.D.S. Secondly, the FPS are concentrated in urban areas, Thirdly, what the vulnerable groups prefer to consume E.g. Coarse grains are not supplied at the FPS. There are over 5 lakhs villages in the country, in addition to small and other towns where nearly 20-40 percent population is poor. Now three lakhs of FPS would mean that nearly half of the villages have no F.P.S.

It is evident that this is still an unfulfilled promise for a long time that there would be one FPS for every 2,000-rural population in a radius of 3 kms. The food grain supplies through P.D.S. are not even catering to 50 percent of the food needs of the poor.

- Irregular supply of ration items.
- Sometimes the ration items are sold in black market by the dealers in collusion with and authorities.
- Corruption at various levels of civil supplies department is rampant.
- Sometimes the dealers are not in a position to pay the money and lift the stocks due to inadequate credit facility.
- Transportation losses.
- Short of storage facility
- Demand of tips to godown keeper and transporters
- Short supply.
- Improper allotment of ration cards. It was found that some of the people who belong to creamy layer also have ration cards while on the other hand some people who actually deserved do not have the ration cards.
- Poor quality of goods.
- There were long queues.

- The shops were open at the discretion of the Dealer and the timings were also not properly maintained.
- Uncertainty of stock arrival at FPS.

X. SUGGESTIONS

Suggestions for the improvement of the public distribution system relating to the policy and operation are:

- Allotment of quota should be made on practical basis.
- The item covered by PDS should be increased.
- Cards should be issued to all needy people and stringent action should be taken against those people who own the cards even though they are well off.
- Good quality commodities should be supplied.
- Necessary measures should be taken that the F.P.S. should be open all round the month and the timings should be specified and implemented strictly.
- Credit facility should be provided to all poor dealers.
- Quantity should be more and timely distribution must be there.
- Storage facility at gram panchayat level should be provided.
- Steps should be taken to bring the gaps in structural and management dimension of functions of fair price shops.
- Necessary steps should be taken to create awareness among consumer about the working and organization of P.D.S.
- Stringent action should be taken against the officers and Dealers indulge in malpractice.

XI. CONCLUSION

Andhra Pradesh State is identified as the "Bejeweled Rice Bowl of India". In Andhra Pradesh, Agriculture plays a crucial role in its economy, with the largest segment of the population being dependent on agricultural sector for employment. Rapid and sustainable growth in agriculture has been identified not only as a key driver for economic development but also for achieving self-sufficiency and ensuring food security to the people. The Global Hunger Index reveals that nearly 50 percent of Worlds hungry live in India. The PDS has helped to reduce poverty and it improves food security of the poor. The targeted public distribution system aimed at providing essential commodities to the poor both in rural and urban areas at concessional rates. However, very often PDS is being criticized for in effectiveness and in efficiency in achieving its objectives, the government of Andhra Pradesh has been reducing the burden of subsidies on one hand and on the other it has drastically reduced the number

of white ration cards during 2013-14. A new study based on NSSO data, has estimated that 46.7 per cent or 25.9 million metric tonnes of the grain (rice and wheat released through the PDS, did not reach the intended beneficiaries in 2011-12. The study further reveals that Andhra Pradesh and Tamil Nadu are among the better performers with 11.1 percent and 12.2 percent leakages respectively. The Shanta Kumar Committee recommendations are completely against the implementation of TPDS and Food Security Act. It wants to reduce the coverage to 40 percent of the population as against 67 percent. The TPDS is no doubt an instrument which reduces poverty and ensures the food security to the millions of helpless poor.

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