

TARGETED PUBLIC DISTRIBUTION SYSTEM IN INDIA: AN OVERVIEW

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Abstract:-



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This paper focuses on an Overview of Public Distribution System in India, and study the evolution of targeted Public distribution system in India. The Public Distribution System is one of the largest food subsidy programme in India, and perhaps in the world. It reaches out to nearly 10.5 crore households in the country and provides subsidized food grains through a network of Fair Price Shops (FPS). But, this PDS is criticized on a wide front for its failure to serve the population to BPL, for its perceived urban bias, hence the government of India was launched the targeted public distribution system (TPDS) in 1997, with focus on poor, and this Plays an important role in India providing food grains to below the poverty line families (BPL) through the Fair Price Shops at affordable prices. There are about 4.99 lakh Fair Price Shops (FPS) across India. The targeted PDS is an important instrument of policy aimed the reducing poverty through the mechanism of delivering minimum requirements of food grains (ex : wheat and rice) at highly subsidized prices to the population of below the poverty line.

Keywords:

Evolution of PDS, TPDS, essential commodities, consumer affairs, FCI.

1.INTRODUCTION

Public Distribution System (PDS) is an Indian food security system, established by the government of India under Ministry of Consumer Affairs, Food and Public Distribution, and managed jointly with state governments in India. The Public Distribution System is the largest food subsidy programme in India, and perhaps in the world. It reaches out to nearly 10.5 crore households in the country and provides subsidized food grains through a network of Fair Price Shops (FPS). PDS is criticized on a wide front for its failure to serve the population to BPL, for its perceived urban bias, hence the government of India was launched the targeted public distribution system (TPDS) in 1997, with focus on poor, and it Plays an important role in India. providing food grains to below the poverty line families (BPL), through the Fair Price Shops at affordable prices. The targeted PDS is an important instrument of policy aimed the reducing poverty through the mechanism of delivering minimum requirements of food grains (ex: wheat and rice), at highly subsidized prices to the population who below the poverty line. Under the Targeted Public Distribution System (TPDS), Government allocates food grains (rice and wheat) 35 kg, Per family per month at the rate of Rs/-3 per kg of rice and Rs/-2 per kg of wheat to States/ UTs for 6.52 crore accepted number of Below Poverty Line (BPL) families, which includes about 2.43 crore Antyodaya Anna Yojana (AAY) families for distribution at subsidized prices there are about 4.99 lakh Fair Price Shops (FPS) across India.

2.OBJECTIVES OF THE STUDY:

- 1.To know the an overview of Public Distribution system (PDS) in India.
- 2.To study the evolution of Targeted Public Distribution system (TPDS) in India.
- 3.To take review of the studies so for on PDS in India.

3.METHODOLOGY OF THE STUDY:

This study is based on secondary data. The secondary data is collected through reputed journals, books, internet, periodicals, government reports, working papers, Dept. of food and public Distribution and FCI, etc.

4. REVIEWS OF PDS:

Dr. P. Channakrishan : (2012) : In his article entitled “Evolution of PDS in India” he opines that PDS as a system of management of scarcity and for distribution of food grains to poor at affordable prices and the scheme PDS, which consumes around one percent of the country’s gross domestic product (GDP) and covers up to 25% of the poor households has had limited success as only 41 percent of food grains released by the Government reach their target.

Bhat G.M. and Bhat Arshad Hussain (2012): the study was focussed on the efficiency of the PDS in Kashmir and found that there is a lot of misappropriation of supplies in system. The Kashmir is a region which has a comparative advantage for cash crops production and dependent on imports mainly for food. Under the targeted PDS the centre had identified 24% of the population as being BPL and the allotments to the State had been reduced from the time of universal PDS, and there Ration Shop owners would get less profit and had more incentive to sell their Goods in the black market.

C.Sivakkolundu and P.Loganathan (2013) studied in the article of “Public Distribution System and Food Security”. The targeted public distribution system each poor family is entitled to 10 kg of food grains per month (20 kg W,e,f, April 2002) at special subsidized prices. This is likely to benefit about 6 crore families and there are some problems like low quality food grains, world bank report (June 2000) states that half of food grains in FCI is at least two years old and 30% of food grains is 2 to 4 years old and some grains as 16 years old, and poor do not have cash to buy 20 kg at a time and often they are not permitted to buy in instalments.

Chandanshiv M M, Dr.S S Narwade (2013-14) evaluated in the article “An Evaluation of PDS in Maharastra – A Case Study in Beed District. There the various commodities that are supplied through PDS are rice, wheat, sugar, edible oil, pulses and kerosene. Majority of the households (68 per cent) under survey said that wheat, rice and kerosene supply is regular but the supply of sugar, edible oil and pulses happened to be irregular. More than half of the beneficiaries (54 percent) are not satisfied with the quality of the food

grains supplied through PDS.

Dr. B. S. Sawant, Rahul J. Jadhav.(2013) “Public Distribution System of Essential Commodities as a Social Security (A Study of Satara District Maharashtra)”. In this article the Public Distribution System (PDS) has a poor record of reaching the poor and needy. In the satara district the supply of food grains at PDS is not very good. The satisfaction level in Javali taluka is good i.e. 40%. But overall in the district only 24.09 % respondents say supply of food grains sold at PDS is smooth. Only 37.27 Percent respondents says that the quality of the commodities supplied by the shop is good, it can be inferred that only 11% respondents are satisfied over the weightage of goods purchased at PDS.

4. AN OVERVIEW OF PDS IN INDIA:

The Public Distribution System (PDS) has existed in India since the Second World War, and was established for ensuring food security. This is done by not only ensuring adequacy in supply of food grains, but also by distributing to people at affordable prices. The main proclaimed task of the PDS is to provide food security to poor households with a nature of more than 4.99 lakh Fair Price Shops (FPS) across India. The public distribution system in India is perhaps the largest distribution machinery of its type in the world. PDS is said to distribute each year commodities worth more than Rs. 15,000 corer to about 10.5 corer families. The PDS had substantially contributed to the containment of rise in food grains prices and ensured access of food to urban consumers. As the national agricultural production had grown in after month of Green Revolution the outreach of PDS was extended to tribal blocks and areas of high incidence of poverty in the 1970s and 1980s. Despite its expansion, the PDS has been subject to various problems such as mismanagement lead to increase in operational cost, the scheme has an urban bias and neglected the rural areas, and below poverty line (BPL) households have not been properly covered owing to leakages through corruption. Illegal sales, creation of false cards and the use of facilities by better off households.

PDS was a general entitlement scheme for all consumers without any specific target till 1992. Revamped Public distribution System (RPDS), was launched in June 1992 in 1775 blocks throughout the country with a view to strengthen and streamline the PDS as well as to improve its reach in the far- flung, hilly, remote and in accessible areas where a substantial section of the poor live. The PDS included area approach for ensuring effective reach of the Commodities their delivery by State Government at the door step of fair price shops (FPS) in the identified areas. These areas specific programmes such as the Drought prone areas programme (DPAP), Integrated Tribal Development Project (ITDP), Desert Development Programme (DDP) and Certain Designated Hill Areas (DHA), identified in consultation with State Governments for Special focus with respect to improvement of the PDS infrastructure. Food grains for distribution in these areas issued to the states at 50 paisa below the Central issue price. The scale of issues was up to 20 Kg per card.

4.1. Public distribution shop: A public distribution shop also known as Fair Price Shop (FPS), part of India's Public Distribution System established by Government of India, is a kind of shop in India which is used to distribute rations at a subsidized price to the poor. As of date there are about 4.99 lakh Fair Price Shops (FPS) across India.

5. EVOLUTION OF TPDS IN INDIA:

The PDS will become criticized on a wide front for its failure to serve the population to BPL, for its perceived urban bias, hence the government of India, was launched the Targeted public distribution system (TPDS) in June 1997, with the focus on "poor in all areas" and TPDS involves issue of 10 Kg of food grains per family per month for the population Below Poverty Line (BPL), at specially subsidized prices. The TPDS requires the states to Formulate and implement foolproof arrangements for identification of poor for Effective delivery of food grains to Fair Price Shops (FPSs). Its distribution in a transparent and accountable manner at the FPS level.

The "Targeted" means that the focus is really poor and vulnerable sections of society. TPDS Plays an important role in India, in providing of food grains to below the poverty line families (BPL), through the Fair Price Shops, at affordable prices. The scheme when introduced was intended to benefit about 60 million poor families for whom a quantity of about 7.2 million tonnes of food grains was earmarked annually. The total number of BPL households so determined was 59.63 million in 1993-94 as per planning commission estimate. identification of the poor under the scheme is done by the states as per state wise poverty estimates of the planning commission from 1993-94 based on the methodology of the 'expert Group on estimation of proportion and number of poor chaired by late Prof. Lakdawala the allocation of

food grains to the states/UTs was made on the basis of average consumption in the past 10 years at the time of introduction of TPDS.

The Government of India increased the allocation to BPL families from 10 Kg to 20 Kg of food grains per family per month at 50% of the economic cost and allocation to APL families at economic cost w.e.f. 01.04.2000, The allocation of APL families was retained at the same level at the time of introduction of TPDS, but the central issue policies (CIP) for APL were fixed at 100% of economic cost from that date. So that the entire consumer subsidy could be directed to the benefit of the BPL Population. However the CPIs fixed in July and December, 2000 for BPL and AAY respectively and in July 2002 for APL, have not been revised since then even though procurement costs have gone up considerably. In the TPDS, the states were requested to issue of food grains at difference of not more than 50 paisa per kg over and above the central issue price for BPL families. Flexibility to state /UTs has been given in the matter of fixing the retail issue policies by removing the restriction of 50 paisa per kg over and above the, CIP for distribution of food grains. Under the Targeted Public Distribution System (TPDS), Government allocates food grains (rice and wheat) at the rate of 35 kg. per family per month to States/ UTs for 6.52 crore accepted number of Below Poverty Line (BPL)families, which includes about 2.43 crore Antyodaya Anna Yojana (AAY) families, for distribution at subsidized prices through Fair Price Shops (FPSs).

Allocation of food grains to about 11.52 crore Above Poverty Line (APL) families are also made depending upon the availability of food grains in the Central pool and the past off take. Presently, the allocation of food grains to APL families ranges between 15 and 35 kg per family per month.

5.1 IDENTIFICATION OF BPL FAMILIES UNDER TPDS:

Guidelines for implementing the TPDS were issued in which the State Government had been advised to identify the BPL families and include the really poor and vulnerable sections of the society such as landless agricultural labourers, marginal farmers, rural artisans/ craftsman such as potters, weavers, black-smith, carpenters etc., in the rural areas and slum dwellers and persons earning their livelihood on daily basis in the informal sector like potters, rickshaw-pullers, cart-pullers fruit and flower sellers on the pavement etc. In Urban areas. The Gram Panchyats are involved in the identification of BPL households. As per planning commission estimate. (2004-05). The number of families The number of BPL families has been increased w.e.f. 1.12.2000 by shifting the base to the population projections of the register General of India as on 01.03.2000 instead of the earlier population projection of 1995. With this increase the total number of BPL families in the country is 652.03 lakh as against 596.23 lakh families originally estimated when TPDS was introduced in June 1997.

5.2 CENTRAL ISSUE PRICE (CIP):

TABLE No.01: The present Central issue Price (CIP) of food grains being supplied under TPDS is as under:
(Figure in Rs. Per kg.)

Commodity	APL	BPL	AAY
Rice	8.30	5.65	3.00
Wheat	6.10	4.15	2.00

(Sources: Department food & public distribution)

Table no 01, shows that the present central issue price of rice and wheat for APL, BPL and AAY Card wise. For APL Card holders get Rs. 8.30 per kg of rice, and wheat is Rs.6.10 per kg. For BPL Card holders get Rs. 5.65 per kg of rice and Rs. 4.15 per kg of wheat. And for AAY Card holders get Rs. 3.00 per kg of rice and Rs. 2.00 per kg of wheat.

5.3 Stock of food grains in India, Under Targeted PDS:

The current level of stock of food grains is adequate to meet the requirement of grains as per the existing level of allocations under Targeted Public Distribution System (TPDS), the India's Food Minister K.V.Thomas. said in a written reply in the Lok Sabha in..27 Feb 2013, The stock of food grains (rice and wheat) in India's central pool as on February 1, 2013, was 661.93 lakhs tonnes comprising 353.84 lakh tons of rice and 308.09 lakh tonnes of wheat,

5.4 Allotment and Lifting of food grains in India, Under TPDS:

Table No. 02. The scheme targeted public distribution system (TPDS) is effective all over the country, the allotment / lifting of wheat and rice under TPDS (APL, BPL,AAY.) from central pool during the last five years are as under.

TPDS			(Figures in million tonnes)						
Years	WHEAT			RICE			TOTAL		
	Allotment	Lifting	%	Allotment	Lifting	%	Allotment	Lifting	%
2008-09	14.5	12.6	87	23.7	22.0	93	38.2	34.6	91
2009-10	21.3	19.0	89	24.1	23.3	97	45.4	42.3	93
2010-11	22.3	19.4	87	28.4	26.3	93	50.7	45.7	90
2011-12	26.0	21.0	81	32.3	29.1	90	58.7	50.1	86
2012-13	25.8	21.9	84	31.6	29.5	93	57.4	51.4	89

(Source :www.fciweb.nic.in)

Table no 02, represents that the year wise allotment and lifting of wheat and rice in lakh tonnes with percentage, and total allotment, total, lifting, and total percentage, of wheat and rice Under, Targeted Public Distribution system from central pool. During the year of 2006-07 allotment of wheat is 14.5, lifting is 12.6. lakh tonnes and percentage of allotment lifting of wheat is 87. And allotment, lifting, and percentage of rice in the same year is 23.7, 22.0, lakh tonnes and percentage of allotment lifting of rice is 93. The total allotment total lifting and total percentage of wheat, and rice is in the same year 38.2, 34.6 ,91 .allotment and lifting of wheat and rice is increased in lakh tonnes compare to year of 2012-13. Allotment lifting of wheat is 25.8, & 21.9, lakh tonnes and percentage of allotment lifting of wheat is 84. And allotment, lifting of rice is respectively in the same year is 31.6, 29.5, lakh tonnes and percentage of allotment, lifting is 93. The total allotment, total lifting and total percentage, of wheat, Rice is in the same year is 57.7, 51.4, lakh tonnes and percentage is 89.

5.5 ANTYODAYAANNA YOJANA SCHEME (AAY):

National sample survey exercise points towards the fact that about 5% of the total population in the country sleeps without two square meals a day. This section of the population can be called 'hungry', in order to make TPDS more focused and targeted towards this category of population. The government of India launched the scheme called "Antyodaya Anna Yojana" with effect from 25.12.2000. AAY is a step in the direction of making of TPDS aim reducing hunger among the poorest segments of the BPL population.

The main objective of this scheme is to ensure food security to the poorest of the poor. Originally at the time of introduction of 'AAY' scheme, each beneficiary was given 25 kg of rice per month at the rate of Rs. 3/- per kg. This has been increased to 35 kg of rice per card per month at the rate of Rs. 3/- per kg.

through fair Price Shop from November 2006 onwards, and a announced in the union Budget 2005-06 the AAY has been expanded to cover another 50 lakhs BPL households thus increasing its coverage to 2.5 crore households (i.e. 38% of BPL), As on 30.04.2009 and 242.75 lakh AAY families have been covered by the State/UTs under this scheme.

6. CONCLUSION:

By knowing all the above details we come to know that how the evolution of TPDS has taken place in the country, by distributing food grains to the poor people of the country. And It reaches out to nearly 10.5 crore households in the country and provides subsidized food grains through a network of Fair Price Shops (FPS). As well as it is one of the food security scheme which helps providing food grains to below the poverty line families (BPL) at affordable prices.

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