

An Assessment of Public Distribution System

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Abstract

Public Distribution System (PDS) is one of the major components of social security in India as well as Karnataka. Indian food security system, established by the Government of India under Ministry of Consumer Affairs, Food and Public Distribution is to distribute subsidized food and non-food items to India's poor. This scheme was first launched in February 1944, during the Second World War and was launched in the current form in June 1947. Major commodities distributed include staple food grains, such as wheat, rice, sugar and kerosene, through a network of fair price shops (also known as ration shops) established in several states across the country. Food Corporation of India, a government-owned corporation procures and maintains the PDS.

A public distribution shop, also known as fair price shop (FPS), is a part of India's public system established by Government of India which distributes rations at a subsidized price to the poor. Locally these are known as 'ration shops' and chiefly sell wheat, rice and sugar at a price lower than the market price called Issue Price. Other essential commodities may also be sold. To buy items one must have a "Ration Card". These shops are operated throughout the country by joint assistance of central and state government. The items from these shops are much cheaper but are of average quality. Ration shops are now present in most localities, villages towns and cities. India has 4,78,000 shops constituting the largest distribution network in the world.

The central and state governments shared the responsibility of regulating the PDS. While the central government is responsible for procurement, storage, transportation, and bulk allocation of food grains, State governments hold the responsibility for distributing the same to the consumers through the established network of Fair Price Shops (FPSs). State governments are also responsible for

operational responsibilities including allocation and identification of families below poverty line, issue of ration cards, supervision and monitoring the functioning of FPSs (Fair Price Shops) [clarification needed]. Under PDS scheme, each family below the poverty line is eligible for 35 kg of rice or wheat every month, while a household above the poverty line is entitled to 15 kg of food grain on a monthly basis.

History of Public Distribution System

1. The first government intervention in the PDS in India started in 1940 during the interwar period.
2. The PDS network expanded in 1970s and 1980s, after the Green Revolution.
3. Till 1992, PDS was a general entitlement scheme for all consumers without any specific target.
4. But in 1992, PDS became RPDS (Revamped PDS) focusing the poor families, especially in the far flung, hilly, remote and inaccessible areas.
5. In 1997 RPDS became TPDS (Targeted PDS) which established Fair Price Shops for the distribution of food grains at subsidized rates.

Importance of PDS

1. In India, 28% of population is poor, PDS is an effective mechanism to support them with basic necessity of food & nutrition.
2. It has helped in stabilizing food prices and making food available to consumers at affordable prices.
3. It has helped in avoiding hunger and famine by supplying food from surplus regions of the country to deficient regions.
4. The system of minimum support price and procurement has contributed to increase in food grain production.
5. Food grains are directly purchased from farmers, assuring farmers with a greater price.

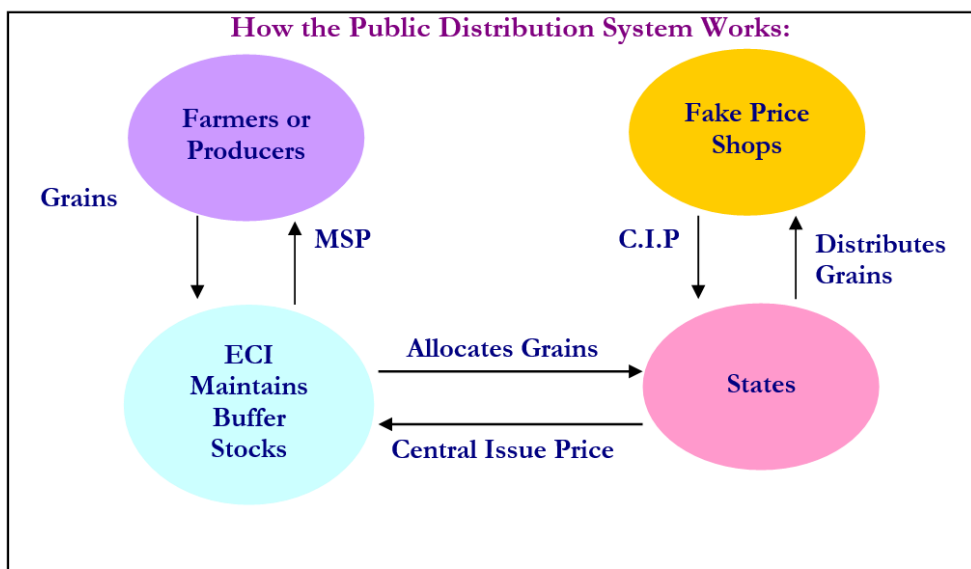
Table 1
Procurement and Distribution of Wheat and Rice during different Time periods

Year	Procurement Wheat & Rice	Imports	Distribution of Rice and Wheat PDS	EGP	Stocks on 1 st July, 86 onwards (in Lakh Tonnes)
2013 - 2014	179.99	-	187.3	0.92	197.81
2014 - 2015	252.13	5.45	147.47	2.65	241.63
2015 - 2016	253.293	-	146.07	7.609	255.903
2016 - 2017	264.387	-51.85	140.86	9.441	275.637
2017 - 2018	269.934	-70.95	138.255	10.357	285.504
2018 - 2019	275.481	-	135.65	11.273	295.371
2019 - 2020	281.028	-	133.045	12.189	305.238
2020 - 2021	286.575	-90.05	130.44	13.105	315.105
2021 - 2022	292.122	-109.15	127.835	14.021	324.972

Source: Bulletins of the Ministry of Food, 301, May 2022

Note: 1.10 lakhs = 1 million.

- Imports shown in 2020-21 & 2022-23 are balance quantities received from out of contracts entered into previous years.
- EGP: Employment Generation Programmed.



The public distribution system of India is not without its defects. With coverage of around 40 million below- poverty-line families, a review discovered the following limitations and disturbances:

1. Deceitful dealers replace good supplies received from the Food Corporation of India (FCI) with inferior stock and sell FCI stock in the black market.
2. Illicit fair price shop owners have been found to create large number of bogus cards to sell food grains in the open market.
3. Many FPS dealers' resort to malpractice, illegal diversions of commodities, holding and black marketing due to the minimum salary received by them.
4. Numerous malpractices make safe and nutritious food inaccessible and unaffordable to many poor thus resulting in their food insecurity.
5. Identification of households to be denoted status and distribution to granted PDS services has been highly irregular and diverse in various states. The recent development of Aadhar UIDAI cards has taken up the challenge of solving the problem of identification and distribution of PDs services along with Direct Cash Transfers.
6. Regional allocation and cover age of FPS are unsatisfactory and the core objective of price stabilization of essential commodities has not met.
7. There are no set criteria as to which families are above or below the poverty line. This non-ambiguity gives massive scope for corruption and fallouts in PDS systems because some who are meant to benefit are not able to.

Remedial Measures suggested are as follows

1. Personnel-in-charge of the department should be chosen locally.
2. Margin of profit should be increased for honest business; in which case the market system is more apt anyway.
3. F.C.I. and other prominent agencies should provide quality food grains for distribution, which is a tall order for an agency that has no real incentive to do so.
4. Frequent checks & raids should be conducted to eliminate bogus and duplicate cards, which is again an added expenditure and not foolproof.
5. The Civil Supplies Corporation should open more fair price shops in rural areas.
6. The fair price dealers seldom display rate chart and quantity available in the block-boards in front of the shop. This should be enforced.

II. CONCLUSION

The Public Distribution System in the nation expedites the supply of food grains and delivery of necessary merchandises to poor people through a network of Fair Price Shops at a subsidized price on a regular basis. The much-needed reforms in PDS are moving in the right direction and one can hope that the inefficiency in the system would be removed sooner to ensure the food security of millions of people in our country. In addition to this, the states have to come forward and play a greater role in the implementation of the PDS to make it successful.

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