

PUBLIC DISTRIBUTION AND FOOD SECURITY: A CASE STUDY IN NELLORE DISTRICT OF ANDHRA PRADESH

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ABSTRACT

The Researcher hopes to study and examine mainly the assessment of impact of Public Distribution and Food Security in Nellore district of Andhra Pradesh. The study was conducted on the 352 households of 10 villages from 5 mandals Nellore District of Andhra Pradesh. The study attempts to high light such as the socio economic conditions of sample PDS beneficiaries, functioning of PDS, the benefits derived from PDS in relation to food security and suggestions to improve the working of PDS. A well-structured schedule was canvassed among village households and interview method was adapted to record their responses relating to the impact of public distribution and food security. After analysis of the result, it is found that there is strong relationship between socio economic conditions of sample PDS beneficiaries. It is also observed that there exists significant difference in the distribution of commodities to sample PDS beneficiaries.

Key words: Public Distribution, Food Security, Fair Price Shops and BPL.

INTRODUCTION:

The food is a fundamental basic need and should be treated as a universal human right. The food also has significant implications for the potential economic and social development. The people without secure access to food are unlikely to progress economically or to contribute indirectly to the welfare of other populations through economic trade, cultural exchange or social interaction. The food security requires ensuring that food grains are physically and economically accessible to households. The economic accessibility depends upon the purchasing power of the people, which is primarily affected by two factors, the price of food grains and the income of the people. Regarding malnutrition, despite the huge subsidy and the large scale of PDS intervention, the food security of many vulnerable households is still marginal or insufficient. Distribution to the states has not been proportionate to the number of poor people in each state and within the states has shown that the available supplies have not gravitated in favour of the poor. Ration

cards are issued only to those households who have proper registered residential addresses. This means that many of the poor who are homeless are left out. The Public Distribution System has remained limited mostly to urban areas, for a considerable period of planning, while the coverage of rural areas was very insufficient. While more than 75 per cent of the fair price shops are in rural areas, the level of their effectiveness in actual supply of essential commodities, particularly in rural, backward, remote and inaccessible areas was very limited.

Definition of Food Security:

The food security is defined that, the State in which all persons obtain a nutritionally adequate and culturally acceptable diet at all times. All people, especially the most vulnerable, have dignified and unthreatened access to the quality and quantity of culturally appropriate food that will fully support their physical, emotional and health; means that all people in the community have access to good nutritious food at all times.

The World Food Summit-1996 opined that the food security means there should be enough food for all people and they have purchasing power to access the food available, and that the food available is culturally acceptable.

Food and Agricultural Organization (FAO) defines, the food security as, when all people, at all times, have physical and economic, healthy access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.

Status of Food Security in India:

India is one of the few countries, which has experimented with a broad spectrum of programmes for improving food security. Despite a significant reduction in the incidence of poverty, chronic food in security persists amongst large proportion of India's population. The food security is one of the most persistent problems in India. Despite the Green Revolution and several decades of food market interventions, there are still millions of people in India whose daily intake of calories is in-sufficient. The presume for the sake of argument that those who consume less than 1900 calories are hungry, then the number of hungry increasing from the 1970 to the 1990 even though staple food production has reached record levels. The beginning of the 1970, it was believed that the problem was of slow economic growth and that, if adequate food was produced, the market forces would operate in such a way that the poor would be able to obtain food. The food subsidy is incurred by the Governments to help the vulnerable sections of society maintain a certain level of nutritional intake. The wide network of fair price shops established a over the country, the Government also tries to protect the consumers from the high open market prices. The food subsidy assumes a critical role in a food deficit situation, particularly in those areas where poverty is widespread and purchasing power is low.

The hunger and malnutrition are the basic forms of human deprivation in the society/ country. The India is the second highest population country in the World after China. In India One-third population lives below the poverty line and the India is one-third of the world poor people. The India is the fourth largest economy in the world, which ranks 130 out of 189 in the World Human Development Index. According World Bank estimates (2025) data, the India has 456 million people (41.6 per cent) living below the Poverty line of \$1.25 (PPP) per day. The details of trends in poverty rate in India are depicted in Table-1.

Table-1
Poverty Rates in India estimated by NSS (National Sample Survey)

Years	Round	Poverty Rate (%)	Number of Poor (Million)
1977-78	32	51.3	328.9
1983-84	38	44.5	322.9
1987-88	43	38.9	307.1
1993-94	50	36.1	320.3
1990-00	55	26.1	-
2004-05	61	27.5	301.7
2009-10	66	29.8	354.7
2011-12	68	21.9	269.3

Source: NSS Data, Govt.of India, 2018.

Table -1 reveals that the poverty estimated in India, the poverty rate reduced from 51.3 per cent in 32nd round in 1977-78 to 21.9 per cent in 68th round in 2011-12, the number of poor people also reduced in the effect of poverty eradication programmes in India.

Public Distribution System

The PDS is a whole or part of the distribution system in principle controlled by public authorities on behalf of the general public or specific group of thereof. In India, PDS is a retailing system supervised and guided by the State. The PDS is an important mechanism to provide essential commodities to the needy at subsidized prices. The PDS is a very influential system that is based on the principle of distributive social justice. The main objectives of PDS are:

- ❖ The maintaining price stability;
- ❖ The raising the welfare of the poor (by providing access to basic foods at reasonable prices to the vulnerable population);
- ❖ The rationing during situations of scarcity; and
- ❖ the keeping a check on private trade.

In 2018, there were a total of 5,34,456 lakh fair-price shops in the country. The private agents and co-operatives ran these shops, and a few were State-owned. There were a total of 2326.31 lakh families with ration cards in the country and on average, one fair price shop served 454 ration cards. The state-wise estimated number of families and ration cards issued by respective State Governments in India is shown in the following Table-2.

Table-2
Number of Families and Ration Cards issued in India
(figures in Lakhs)

States /UTs	No.of Families				Ration Cards Issued by States/UTs			
	APL	BPL	AAAY	Total	APL	BPL	AAAY	Total
Andhra Pradesh	117.58	25.05	15.58	158.21	67.85	137.21	15.58	220.64
Arunachal Pradesh	1.43	0.61	0.38	2.42	2.68	0.61	0.38	3.67
Assam	26.57	11.32	7.04	44.93	34.67	12.02	7.02	53.71
Bihar	53.56	40.22	25.01	118.79	52.21	56.64	15.02	123.84
Chhattisgarh	25.36	11.56	7.19	44.11	25.94	11.98	7.19	45.11
Delhi	23.73	2.52	1.57	27.82	21.97	3.84	0.56	26.37
Goa	2.72	0.31	0.18	3.21	3.14	0.13	0.15	3.42
Gujarat	66.37	13.07	8.13	87.57	83.05	26.99	8.11	118.15
Haryana	23.59	4.87	3.02	31.48	41.73	5.79	2.38	49.91
Himachal Pradesh	7.43	3.17	1.97	12.57	10.77	0.92	1.97	13.66
Jammu & Kashmir	10.66	4.54	2.82	18.02	10.95	5.13	2.23	18.31
Jharkhand	19.62	14.77	9.19	43.56	5.15	16.68	7.27	29.10
Karnataka	63.08	19.29	12.01	94.38	43.01	58.11	12.01	113.13
Kerala	45.56	9.58	5.96	61.11	46.52	14.53	5.96	67.02
M.P	55.78	25.43	15.82	97.03	82.27	36.41	15.64	134.32
Maharashtra	111.93	40.29	25.05	177.27	148.34	53.15	19.84	221.33
Manipur	2.41	1.02	0.64	4.07	2.41	1.16	0.51	4.08
Meghalaya	2.66	1.14	0.71	4.51	2.66	1.14	0.71	4.51
Mizoram	0.99	0.43	0.26	1.68	1.64	0.42	0.26	2.32
Nagaland	1.78	0.77	0.47	3.02	1.83	0.77	0.47	3.07
Odessa	34.93	20.34	12.64	67.91	36.45	35.13	12.63	84.21
Punjab	35.08	2.89	1.79	39.76	50.05	5.28	1.39	56.72
Rajasthan	64.36	14.99	9.32	88.67	105.81	15.44	9.01	130.26
Sikkim	0.62	0.27	0.16	1.05	0.71	0.26	0.17	1.14
Tamilnadu	90.19	29.98	18.65	138.82	48.49	149.67	18.65	216.81
Tripura	4.27	1.82	1.13	7.22	4.33	2.27	0.68	7.28
Uttara Pradesh	154.63	65.84	40.95	261.42	274.01	65.85	40.95	380.81
Uttaranchal	7.21	3.07	1.91	12.19	17.62	3.85	1.14	22.61
West Bengal	93.44	31.93	19.86	145.23	111.31	37.62	14.81	163.74
Andaman & Nicobar	0.53	0.17	0.11	0.81	0.75	0.12	0.04	0.91
Chandigarh	1.81	0.14	0.09	2.04	2.22	0.07	0.02	2.31
Dadra & Nagar Haveli	0.18	0.11	0.07	0.36	0.29	0.12	0.04	0.45
Daman & Diu	0.22	0.02	0.02	0.26	0.25	0.05	0.01	0.31
Lakshadweep	0.08	0.02	0.01	0.11	0.13	0.01	0.01	0.15
Pondicherry	1.41	0.52	0.32	2.25	1.74	0.86	0.32	2.92
India	1169.59	402.07	250.31	1803.86	1341.95	739.27	223.02	2326.31

Source: www.indiastat.com;

Table-2 reveals that, the highest number of ration cards were issued by the major States are Uttar Pradesh (380.79 lakh), Maharashtra (221.33 lakh), Andhra Pradesh (220.64 lakh), Tamil Nadu (216.8 lakh) and West Bengal (163.72 lakh) in India.

The Government Initiatives to Strengthen the PDS

The Government has taken different initiatives at times for the efficient and transparent functioning of PDS and to make PDS more targeted and focused to the needy section of the society. These following initiatives are: -

Antyodaya Anna Yojana

The Antyodaya Anna Yojana (AAY) was started in December 2000 by the Government of India, is a move towards making PDS focused at lowering hunger among the poorest section of the BPL population. The food grains would be offered them at a highly subsidized rate of Rs.2 per kg for wheat and Rs. 3 per kg. for rice. The distribution cost, including margin to dealers and retailers as well as the transportation cost would be

borne by the States/UTs. The entire food subsidy is being transferred to the beneficiaries under the scheme. Initially the scale of issue under the scheme was 25 kg of food grains per family per month that has been increased to 35 kg per family per month with effect from 1st April 2002.

Essential Commodities Act, 1955

The Essential Commodities Act has been enacted by the Central Government in 1955 to provide a legal framework to govern the production, procurement, price control and distribution of food grains and other essential commodities. The section-2 (a) of the Act lists the commodities considered as essential commodities. The section-3 of the Act confers powers on the Central Government to control production, supply and distribution etc. of the essential commodities. An order called Public Distribution System (Control) Order 2001 (Order) has been issued by Central Government and that has been amended in 2004.

Citizen's Charter

The State Governments issued the Citizens Charter in November 1997 for adoption. The Citizens Charter is an important landmark in the continuing efforts of the Government for ensuring the functioning of PDS in a more transparent and accountable manner. The intention behind this Charter is that it should be a model for the State Governments. This Charter contains essential information like entitlement of BPL families, procedure for issuance of ration cards, quality of food grains, information about fair price shops, inspection and checking, right to information, vigilance and public participation.

The Public Distribution System (Control) Order, 2001

In exercise of powers conferred by Section-3 of the Essential Commodities Act, 1955 the Central Government has been issued. The Public Distribution System (Control) Order, 2001 for maintaining supplies and securing availability and distribution of essential commodities under the Public Distribution System. The said Order has been amended in 2004. The Order mainly contains provisions with regard to the following issues are:

- ❖ The identification of families below the poverty line;
- ❖ The ration cards;
- ❖ The scale and issue price;
- ❖ The distribution of food grains;
- ❖ The licensing; and
- ❖ Monitoring.

Involvement of Panchayati Raj Institutions

The Minister of Consumer Affairs, Food and Public Distribution addressed a letter on January 13, 2000 to all Chief Ministers and Administrators of UTs, calling for active participation by Panchayati Raj Institutions in PDS with the objective of revamping and strengthening the PDS and to ensure that the intended benefit reach the poor. The PRIs can play their part in the following areas are:

- ❖ The display of stock position and list of BPL beneficiaries at FPS;

- ❖ The formation of FPS Committee to inspect the FPS records;
- ❖ The keep an eye on functioning of FPS;
- ❖ The checking of ration cards and the records occasionally for its genuineness;
- ❖ The redress of grievances; and
- ❖ The customers right to information regarding Fair Price Shops (FPSs), entitlement, price etc.

Singh remarked that the essential condition for the success of PDS is there should not be leakage and that can allow the movement and commodity from controlled markets to the free markets. He suggested that the system could work well only when there was a vigilant and organized consumer interest and honest, efficient and effective administrative machinery.

Swaminathan has made an assessment of public distribution system in India, with a special focus on the changes that took place with the introduction of programmes of structural adjustment. The study shows with the help of The NSS survey data for 1986-87 that only 2 per cent of the population of Bihar made purchases of cereals from fair price shops in comparison to 98 per cent in Kerala.

Devasahayam studied whether the public distribution system has been successful in ensuring food security and alleviating poverty in India. The study states that the greatest achievement of PDS was that it has prevented more famines in India.

Jha and Srinivasan examined the costs and benefits linked with the operation of PDS and tried to identify the inefficiencies in the system. The study suggests that the geographical targeting involving the universal coverage of only those areas that have concentration of poverty can be an effective way of reaching out to more of the poor for a given amount of resources.

Majumder has examined that there was no significant price gap found in case of wheat and in case of rice, sugar and kerosene it was only minor. The study shows that most of the people were against the confinement of PDS to rice and wheat only.

NEED AND SIGNIFICANCE OF THE STUDY

The Public Distribution System (PDS) is an important mechanism to meet the basic needs of the people who cannot afford to depend upon the market forces alone to obtain essential commodities. Moreover, the system places a heavy burden in the form of subsidies on the public exchequer of both Central and State Government as heavy expenditure is made on this. Hence, it is essential that the system needs to work efficiently. However, there have been several grievances about the system. Some of these complaints are associated to the policy issues like population coverage, commodity coverage, extent of subsidy, etc. and many others are associated to implementation issues like non- accessibility of commodities, underweight, fake cards, inferior quality, etc. A number of research studies have been conducted on the public distribution system and food security in India. The justification for taking Andhra Pradesh State as a case is that there are few studies relating to the PDS in Andhra Pradesh State. There has not been any recent study carried out at micro level in the State. Therefore, the present study is a sincere effort in this direction.

Scope of the Study

The PDS plays an important role in alleviating the problems of the rural poor in India. More than 85 per cent of the people are availing the service of PDS. After the implementation of the new economic policy in India, PDS are redesigned as revamped PDS and at present, it targets only at the poorest of the poor. This approach has the double advantage of helping the needy while reducing the cost of subsidy to the Government. However, the scheme has to meet with several operational hurdles as those who had enjoyed the benefit for quite long a time, would not easily give up. The study attempts to highlight such as the socio-economic conditions of sample PDS beneficiaries, functioning of PDS, the benefits derived from PDS in relation to food security and suggestions to improve the working of PDS. The findings of the present study will be useful to academics, policy makers, planners, Government officials in their operative fields.

Objectives of the study:

The study is carried out in Nellore district of Andhra Pradesh with the following specific objectives are:

- To study the socio-economic conditions of sample PDS beneficiaries availing ration under PDS;
- To examine the impact of PDS on poor households;
- To study the effective functioning of fair price shops of sample beneficiaries;
- To study the benefits derived from PDS in relation to food security;

Hypotheses

- The effective functioning of Fair Price Shops in Nellore district is insignificant;

LIMITATIONS OF THE STUDY:

- ❖ The study is confined only 5 mandals of Nellore District of Andhra Pradesh.
- ❖ The study is restricted to 352 sample beneficiaries only.
- ❖ The study is limited to the PDS beneficiaries of 10 villages only.

Methodology of the Study

The study is focused mainly on the assessment of impact of public distribution and food security in Nellore District of Andhra Pradesh. A multi stage stratified random technique was adopted for the present study. There are five revenue divisions in Nellore district. From these five revenue divisions five mandals were selected randomly in the first stage. In the second stage, from each mandal, two villages were selected. Finally, from each village sample beneficiaries were selected randomly at 10 per cent. Therefore, the total sample comes to 352. A well-structured schedule was canvassed among village households and interview method was adopted to record their responses relating to the impact of public distribution and food security in Nellore District of Andhra Pradesh.

SAMPLE:

Table 3
Sample Size of Households in Nellore District of Andhra Pradesh

S.No	Division	Mandal	Villages	Total households	Per cent	Sample households
1	Atmakur	Vinjamur	Chintalapalem	192	10	19
			Tammidapadu	381	10	38
2	Gudur	Sydapuram	Krishnareddipalli	142	10	14
			vemulachedu	225	10	23
3	Kavali	Jaladanki	Annavaram	880	10	88
			Kesavaram	570	10	57
4	Naidupeta	Tada	Pudi	374	10	37
			Vendulurupadu	248	10	25
5	Nellore	Podalakur	Bathulapalli	217	10	22
			Duggunta	289	10	29
Total				3518	10	352

Source : District Hand Book, Nellore, 2018.

Hypothesis-1: The effective functioning of fair price shops is insignificant.

The PDS system is to function in a good way but due to some problems it is not able to do so. The respondents' opinions about how will the fair price shops should function are exhibited in Table No. 4.

Table: 4
Respondents' suggestions for effective functioning of fair price shops

S.No	Ways	Total respondents	Percentage
1	Functioning Regularly	78	22
2	Supply the Entitled Quota of Ration items	98	28
3	Display the Availability of Ration Commodities Everyday	42	12
4	Correct Weight must be Ensured	134	38
TOTAL		352	100

Source : Computed from primary data

The above table reveals that 22 percent of the respondents feel that the ration shops should function regularly, 28 percent, supply of entitled quota of ration should be effected, display the availability of ration items every day by 12 per cent and correct weight must be ensured by 38 percent. It is inferred that supply of PDS commodities in correct weight would pave the way for the effective functioning of PDS in Nellore district.

FINDINGS:

- The stock level of both the food grains - wheat and rice shows a positive growth trend during the study period (2008-09 to 2017-18).
- The allocation and off-take level of wheat under PDS shows a medium level of performance. During the study period, (2008 -09 to 2017-18), the off-take and allocation level of wheat was not satisfactory, compared with the allocation and off-take level of rice under PDS in India.
- In Nellore district, in the case of rice, 16 kgs of rice was distributed to each card holder in the year 2008 – 09 and it was enhanced to 20 kgs in 2017-18. The supply of 3 kgs of sugar per card in 2008 –09 had been changed to 1 kg of sugar supplied to option card holders in lieu of rice in 2017-18. In 2008 – 09, the wheat supply per card was 3 kgs in district head quarters and 5 kgs per card in other places.
- There is a positive growth in the stock of essential commodities in Nellore district during the study period from 2008 -2009 to 2017 -18. Due to the population growth the increased, number of card holders and the rising level of PDS beneficiaries have influenced the stock position of the essential commodities under PDS in the study area.

CONCLUSION:

While concluding, it is suggested that good governance, community ownership of PDS and good pricing would go a long way in promoting the efficiency of PDS in Tamil Nadu. Emphasis must be given both to quality and quantity of food grains, catered through PDS. Raising the purchasing power of the poorest of the poor through income and employment generation and streamlining of PDS, would arrest hunger deaths and ensure food security to all. The PDS in Nellore district in supplying the essential commodities like rice, sugar, wheat and kerosene must be available to all eligible card holders through fair price shops in order to provide food security to BPL, AAY and APL ration card holders.

Suggestions:

- The collector should make weekly review of the bottle necks faced and the actual off-take, especially BPL off-take from the shops.
- The fair price shops should need to be within the village and delivery of commodities should be fixed dates and timings.
- Government should supply better quality commodities at reasonable price after identifying local needs.
- In order to remove all the malpractices and for the improvement of PDS, fair procedure and policy reforms should be encouraged.
- The state government should continue its vigil and control over hoarding, black marketing and speculation through “ consumer protection cell”.

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