

Public Distribution System (PDS) in India

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Introduction

India is an agricultural country. It is also a country with a large amount of natural and human resources. At the same time, it is a country full of geographical diversity. According to the 2011 census, the population of India is 121 crores. This amount is equal to 17 percent of the world's population. At the same time, the geographical area is 329 D.L. is a hectare. This amount is equal to 2.4 percent of the world. This means that more population is dependent on less land. As a result, increasing population affects the economic development and per capita income of the country. If the per capita income is low, the purchasing power of the people is low. As a result, poverty increases. According to the World Report, 1.3 billion people live in poverty in the world. 36 percent of them live in India.¹ According to the Tendulkar Committee report, India had a total poverty rate of 21.9 percent in 2011-12. 25.7 percent of them were in rural areas while 13.7 percent were in urban areas. The same figure was 37.2 percent in India in 2004-05. 41.8 percent of them were in rural areas. While 25.7 percent were in urban areas.²

Concept of Public Distribution System

“Public distribution system is a system that provides essential commodities and food grains to maximum number of people through cheap grain shops. That is, in other words, the system through which essential or important goods are distributed according to the government controlled price is called public distribution system. ³

Public distribution system in India came into existence in rudimentary form in the background of food supply created after the Second World War. In the public distribution system, essential commodities are supplied through cheap grain shops. The objective behind this system is to make these goods available in certain quantities at a fixed price and to create an alternative for people to purchase the goods from private traders. Sugar, wheat, rice, kerosene, edible oil, pulses etc. are supplied at subsidized rates through public distribution system. In September 2001, the Government has also given legal status to Public Distribution System in an Ordinance. ⁴

1.3 Objectives of Public Distribution System

- To protect the interests of the farmers by procuring food grains at a minimum base price and encouraging them to produce.
- Keeping the price level stable – If the supply of food grains increases during the season, prices fall and the producer incurs losses. And when the supply decreases during the off-season, the prices go up. This leads to loss of customers. For this, the public distribution system does the work of keeping the prices stable.
- To provide essential goods in specified quantities at fixed prices for the welfare of consumers. E.g. Food grains, sugar, kerosene, edible oil, pulses etc.
- Keeping the open market price of food grains in check.
- Enhancing social welfare.
- To protect consumers from rising prices during periods of food shortage. To achieve food security to the focus group.⁵

1.3.1 Production and procurement of food grains in India

Table no. 1.1 - Production and Purchase of Wheat and Rice in India (Million Tones)

Sr. No.	Year	Total production	Production			Purches	
			Wheat	Rice	Total	Wheat+ Rice	Ratio of Total production (%)
1	2012-13	257.12	85.61	106.41	192.02	57.61	30.00
2	2013-14	265.5	87.84	106.84	194.48	57.96	29.80
3	2014-15	252.2	102.68	107.32	210.00	61.15	29.12
4	2015-16	251.54	112.02	119.01	231.03	74.86	30.93
5	2016-17	275.11	114.36	116.69	230.05	76.25	33.14
6	2017-18	285.83	119.68	124.65	244.33	79.54	32.55
7	2018-19	285.17	120.01	125.2	245.03	80.02	32.66
8	2019-20	287.65	123.2	125.7	248.90	81.35	32.68
9	2020-21	298.4	124.5	127.12	251.62	82.55	32.81
10	2021-22	315.6	225.33	129.02	354.35	85.27	24.06

Source: Department of Agriculture and Cooperation, Government of India

Table No. 1.1 shows the total production of wheat and rice in India and open market procurement by Public Distribution System in India for various periods from 2012-13 to 2021-22. This table shows that in 2012-13 India's total production was 257.12 million tons while the total production of wheat and rice was 192.02 million tones. In 2012-13, the PDS procured a total of 57.61 million tons of wheat and rice. Its proportion to total production is 30.00%. India's total food grain production shows an increase from 2012-13 to 2017-18. At the same time, there is an increase in the total production of wheat and rice from 2012-13 to 2017-18. Total food grain production in India was 285.83 million tons in 2017-18. Whereas the total production of wheat and rice was 244.33 million tones and the ratio of wheat and rice procurement to total production was 32.55%. Overall year-on-year growth in India's total food grain production as well as increase in production and purchase of wheat and rice can be seen.

1.3.2 Food grain Volume and Prices in India

Table no. 1.2 - Quantity and price of food grains in India

Tpe of Raion Card	Cereal	Rate Per Quintal			Retail Price (kg)	Quantity of food grains per month (kg)
		Center Selling Rate (Per/Q)	Warehouse rae (Per/ Q)	Stores Margin		
Antyodaya	Wheat	200	150	50	2	35
	Rice	300	250	50	3	
B.P.L.	Wheat	415	450	50	5	35
	Rice	565	550	50	6	
A.P.L.	Wheat	610	670	50	7.2	15
	Rice	830	910	50	9.6	

Source: Department of Food and Public Distribution, Government of India 2017-18

Table no. 1.2 shows the quantity of food grains in India and its prices. It shows the central selling price, out-of-warehouse rate, shopkeeper's margin/commission and retail selling price of food grains according to the type of ration card. 2 for Antyodaya ration card Rs. 3 per kg of wheat and

Rs. At the retail rate per kg of rice, it is seen that 35 kg of food grains are supplied per beneficiary per month. Also Rs.5 for below poverty line (yellow) ration card. Wheat per kg and 6 Rs. A total of 35 kg of food grains (wheat+rice) is distributed per month per card holder at the retail rate of rice per kg. Similarly, wheat at the rate of Rs.7.20 per kg and Rs.9.60 per kg for poverty line (orange) ration card. A total of 15 kg of food grains is distributed per cardholder per month at the retail rate of rice per kg. Central selling price for wheat and rice for Antyodaya ration is Rs.200 per quintal and Rs.300 per quintal respectively. are per quintal. Also, for the below poverty line (yellow) ration card, the central selling price for wheat and rice is Rs.415 respectively. 565 per sq. and Rs. per sq. are At the same time, the central selling price for wheat and rice for poverty line rations is Rs. 610 respectively. Per.Quin. and 830 Rs. Per.Quin. are Also, according to the different types of ration card, different Excise duty is charged. And Rs.50 for each ration card. Per.Quin. The rate shows that the margin of the shop doors.

Overall, the above table shows that different rates are charged for wheat and rice depending on the type of ration card.

1.3.3 Food availability and population in India

Table no. 1.3 - Food Production, Population and Food Availability in India

Year	Food Production (M.T)	Population (Crore)	Food Availability	
			Per Person Per Year (KG)	Per Person Per Year (G)
1950-51	50.82	36.1	114.1	394.1
1960-61	82.02	43.9	171.1	468.7
1970-71	108.42	57.8	171.1	468.8
1980-81	129.59	68.9	166.6	454.4
1990-91	176.39	84.4	186.2	450.1
2000-01	196.81	102.7	151.9	143.2
2010-11	244.78	121	162.1	473.9

Source: www.dacnet.nic.in

Table no. 1.3 shows the production of food grains in India, population of India and availability of food per capita per year and per capita per day. It provides decade wise details from 1950-51 to 2010-11. In the year 1950-51, 50.82 million tonnes of food grains were produced when India had a population of 36.01 crores and per capita availability of food grains was 11.1 kg per year. In 1960-61, the foodgrain production in India was 82.02 million tonnes. And the population of India was 43.9 crore. And per capita food availability per year was 171.1 kg. Increasingly, in 1990-91, the foodgrain production was 176.39 million tonnes, with a population of 84.4 crore and per capita food availability of 186.02 kg per annum. India had a population of 102.7 crore during the year 1990-91 to 2000-01 with a production of 196.81 million tonnes of food grains. At that time, per capita food availability decreased to 151.9 kg per year. And increased in 2010-11. In 2010-11, the foodgrain production was 244.49 million tonnes and India had a population of 121 crore. At that time the availability of food grains was 162.1 kg per capita per annum. Overall, there is an increase in food grain production from 1950-51 to 2010-11. It is also seen that the per capita availability of food grains has decreased.

1.3.4 Storage capacity of food grains in India

Table no. 1.4 - Storage Capacity of Food Grains in India (Lakh MT)

Year	Food Corporation of India	Other Agencies	Total
2012	336.04 (%49.61)	341.35 (%50.39)	677.39 (100)
2013	377.35 (%51.58)	354.28 (%48.42)	731.63 (100)
2014	368.90 (%49.31)	379.18 (50.69)	748.08 (100)
2015	356.63 (%50.28)	352.59 (%49.72)	709.22 (100)
2016	357.05 (%43.92)	456.95 (%56.8)	814.84 (100)
2017	352.71 (%45.63)	420.22 (%54.37)	772.93 (100)
2018	362.50 (%43.00)	480.53 (%57.00)	843.03 (100)
2019	388.65 (%45.42)	467.03 (%54.58)	855.68 (100)
2020	412.03 (%54.51)	343.91 (45.49)%	755.94 (100)
2021	414.70 (%50.70)	403.26 (%49.30)	817.96 (100)
Total	3727.40	3999.30	7726.70
Percentage	%48.24	%51.76	100.00

Source: Food Corporation of India, Government of India (2021)

Table no. Figure 1.5 shows year-wise details of storage capacity of food grains in India for various periods (2012 to 2020). Of the total storage capacity of food grains in India, the capacity of Food Corporation of India is 47.95% (3312.70 lakh MT) while the storage capacity through other organizations is 52.05% (3596.04). It means that the storage capacity of Food Corporation of India is less as compared to other organizations.

But overall, the above table shows that there is no significant increase in storage capacity from 2012 to 2020.

1.4.7 Cheap Grain Shop in Maharashtra

Table no. 1.5 - Number of Cheap Grain Shops in Maharashtra

.Sr. No	Year	No of Faire Price Shop	Percentage
1	13-2012	51667	9.98
2	14-2013	50339	9.72
3	15-2014	51193	9.89
4	16-2015	51910	10.03
5	17-2016	51204	9.98
6	18-2017	51276	9.91
7	19-2018	52423	10.13

8	20-2019	52513	10.14
9	21-2020	52557	10.15
10	22-2021	52557	10.15
Total		517636	100

Source: Financial Survey of Maharashtra 2012-13 to 2021-22

Table No. 1.8 shows the number of cheap grain shops year-wise. The total number of cheap grain shops in Maharashtra was 51667 in 2012-13. In 2013-14, there was a slight decline in the number of cheap grain shops to 50339. Thereafter, the number of ration food shops increased steadily from 2014-15 to 52557 in 2021-22. Except for 2013-14, it shows a steady increase. This shows that the ration grain shops show less and more increase.

1.5.9 Wheat and rice supplied through cheap grain shops

Table no. 1.5- Wheat and rice supplied through cheap grain shops in Maharashtra (MT)

.Sr.No	Year	Foodgrain				Total
		Rice	Percentage	What	Percentage	
1	13-2012	16.54	42.77	22.13	57.23	38.67
2	14-2013	17.60	46.24	20.46	53.76	38.06
3	15-2014	20.50	44.42	25.65	55.58	46.15
4	16-2015	21.46	46.07	25.09	53.96	46.52
5	17-2016	20.15	43.59	26.08	56.41	46.23
6	18-2017	20.14	44.03	25.6	55.97	45.74
7	19-2018	20.15	43.81	25.84	56.19	45.99
8	20-2019	20.14	43.92	25.72	56.08	45.86
9	21-2020	20.14	43.86	25.78	56.14	45.92
10	22-2021	20.14	43.89	25.75	56.11	45.89
Total		196.93	44.25	248.1	55.76	445.03

Source: Financial Survey of Maharashtra 2012-13 to 2021-22

Table No. 1.10 shows the quantity of wheat and rice supplied through cheap grain shops in Maharashtra. In 2012-13, a total of 38.67 lakh metric tonnes was supplied through cheap grain shops. In 2021-22, a total of 45.89 lakh metric tonnes of wheat and rice were distributed through cheap grain shops. We see a steady increase in it from 201-13 to 2021-22.

1.8 Functions of Public Distribution System

1. Coordination and control

At the central level food grains are supplied through the Food Corporation. In all entities from central level to beneficiaries viz. Corporations, cheap grain shops, family organizations etc. Coordination and control between them is done through public distribution system.

2. Buying food grains and other items

Public distribution system plays an important role in providing food security to needy and poor people. Food Corporation of India purchases food grains to overcome drought and reduce malnutrition by establishing branches at various locations in the country. Also State Trading Corporation, Cooperative Sugar Industry, Indian Oil Corporation, Bharat Petroleum etc. Other goods are procured and supplied through the organization.

3. Distribution of ration cards by classifying the beneficiaries

Ration cards are distributed to the beneficiaries by classifying them according to income groups. Income limit is fixed by applying appropriate criteria to ensure adequate availability of food grains for the economically weaker sections. Accordingly, the public distribution system has to do the work of distributing yellow, orange and white ration cards.

4. Arranging transportation

The public distribution system has to do the work of bringing the purchased food grains and other goods to the godown as well as conveying the cheap food grains from the godown to the shop.

5. Storage of food grains

The government buys agricultural produce from the farmers at base price. For that, it is necessary to store it properly. Food Corporation of India, Central Warehousing Corporation, and State Warehousing Corporation etc. Food grains are stored through

6. Delivery of goods

The economically weaker sections of the society are distributed essential commodities like wheat, rice, sugar, kerosene, pulses etc. through public distribution system. Includes items.

7. Achieving food security

The public distribution system provides sufficient, nutritious food to the people of the country for a healthy life.

8. Controlling the price

The public distribution system has to do the work of controlling the rising food prices. The poor are protected from this price hike.

9. Reducing economic inequality

The gap between rich and poor is increasing in the country. Public distribution system works to reduce economic disparity by providing foodgrains to poor people at very low cost or free of cost.

10. Encouraging employment generation

The public distribution system is doing the job of encouraging employment generation by giving foodgrains to the laborers in the country.

11. Social and economic development

Commodities and food grains are supplied to poor people at low cost through public distribution system. Hence financial balance is achieved between them. Also, due to the contact with human affairs through distribution, social balance is achieved among each other.

Thus the functions are carried out through the public distribution system.

1.14 Summary

India's public distribution system is the world's largest networked distribution system to address food needs of the poor. It is playing an important role in reducing poverty and malnutrition in rural and urban areas. At the same time, public distribution system is important for establishing food security, raising the standard of living, creating employment and making the country efficient in terms of economic development. The government has implemented various initiatives to strengthen and make the public distribution system transparent so that food grains are supplied to the grassroots.

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