

Public Distribution Among Tribal Households in Karnataka and Telangana

Jayan T.

Institute of Economic Growth, Delhi.

Email: jayannagaroor@gmail.com

Abstract

National Food Security Act was notified on 10th September 2013. The Act provides for the coverage of up to 75 per cent of the rural population and 50 per cent of the urban population for distributing subsidized food grains under Targeted Public Distribution System. The eligible persons will be entitled to receive 5 kgs of food grains per person per month at subsidized prices of `3/2/1 per kg for rice/wheat/coarse grains. The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 kgs of food grains per household per month. This study enquires the performance of PDS under National Food Security Act among the tribal households in the Khammam district of Telangana and Raichur district of Karnataka. The tribal priority and Antyodaya (poorest of the poor) households obtained around the entire quantity of entitled food grains. Leakages and diversions of PDS food grains declined substantially following the implementation of National Food Security Act. The food grain consumption of beneficiary households increased substantially following the off take of PDS food grains.

Introduction

Although the food grain production and procurement for PDS were sufficient for eliminating hunger from the country, Indian PDS had to undergo vast overhaul for ensuring food security among the poor and poorest of the poor living in the rural areas of the backward districts. National Food Security Act was notified on 10th September 2013. The Act provides for the coverage of up to 75 per cent of the rural population and 50 per cent of the urban population for distributing subsidized food grains under Targeted Public Distribution System. The eligible persons will be entitled to receive 5 kgs of food grains per person per month at subsidized prices of `3/2/1 per kg for rice/wheat/coarse grains. The existing *Antyodaya Anna Yojana* (AAY) households, which constitute the poorest of the poor, will continue to receive 35 kgs of food grains per household per month. This study enquires the performance of PDS under National Food Security Act

among the tribal households in the Khammam district of Telangana and Raichur district of Karnataka.

Public Distribution System in India continues to be a panacea for ensuring essential food grains at affordable prices to the poor and the vulnerable sections of the population who spend a bulk of consumption expenditure on purchasing food grains. Apart from that, it stabilizes open market prices of food grains and ensures reasonable remunerative prices to the farmers. The 68th National Sample Survey data collected in 2011-12 reaffirms the wide inequality between the rural poor and the urban upper classes of expenditure. The lowest 10 percent of the rural population in the country is estimated to have spent only rupees 16.78 per capita per day whereas the corresponding figure among half of the rural population is 35 rupees. In urban India, the lowest 10 per cent of the population spent on an average 23.41 rupees per capita per day.

Stability of food grain prices is the biggest challenge and active government intervention is needed in this regard. Food grain production in the country is mainly concentrated in the States of Punjab, Andhra Pradesh, Haryana and Uttar Pradesh. Public Distribution System ensures movement of food grains from surplus areas to deficit areas and minimizes the variation in the food grain prices across the country. A study conducted by Bhattacharya (1991) found that a 10 percent increase in food grain prices in the current year would increase rural poverty by 10.6 percent in the next year, while a 10 percent increase in food grain output in the current year would reduce rural poverty by only 6.2 percent in the succeeding year (Bhattacharya *et al.*, 1991).

During the last decade, open market prices of food grains, particularly of rice, rose at an unprecedented level whereas the central issue prices of rice and wheat remained unchanged. It thereby contributed substantial price and income benefits to the poor and the economically vulnerable sections of the population. Huge release of food grains through fair price shops during price rise will depress the open market prices.

Public Distribution ensures the sustainability of food grain production in the country by guaranteeing reasonable prices to the farmers. The Government through Food Corporation of India purchases food grains during bumper harvest at pre-announced Minimum Support Prices for averting disasters in the food grain economy of the country.

The State Wise Hunger Index discloses the extreme fact that not a single State in the country is less than the hunger index of 9.9 and almost all States have serious to acute situation of hunger. Even the States of Punjab and Kerala have the hunger index of

13.63 and 17.63 respectively implying extreme hunger situation. The situation in Madhya Pradesh is very pathetic. The hunger status of industrially better performing States of Tamil Nadu, Maharashtra, Karnataka and Gujarat measured by Hunger Index is worse than that of Assam, a poor industrially performing State. Similarly, the performance of UP, West Bengal and Rajasthan are better than that of Gujarat, Maharashtra and Karnataka. The hunger situation in most advanced industrial State of Gujarat is worse than that of Orissa, with highest incidence of poverty. This corroborates the fact that inclusive growth and target oriented policies to ensure food security are urgently needed to wipe out hunger and poverty from the country as economic growth alone cannot do so.

PDS evolved as a measure of distributing food grains in the urban scarcity areas from the critical food shortages of 1960s. It significantly contributed to contain the undue rise in prices of food grains and to ensuring access to food grains to the urban consumers. Following the effects of Green revolution, PDS was extended to tribal and poverty-ridden areas in 1970s and 1980s. As part of geographic targeting, Revamped Public Distribution System was launched in June 1992 in 1775 blocks across the country.

OBJECTIVES

- To examine the performance of Public Distribution in providing food security among the tribal households.
- To measure the leakage and diversion of PDS (Public Distribution System) food grains among tribal households.
- To examine the extent of dependence of tribal households on NFSA/PDS for meeting food grain consumption.
- To examine the impact of NFSA/PDS on the food grain consumption of beneficiary households.
- To examine the reasons for not buying available entitled quantity of PDS food grains.
- Overall performance of the working of Public Distribution System including quality of food grains and viability of fair price shops.

HYPOTHESES

- All tribal priority and Antyodaya (poorest of the poor) households obtained the entire quantity of entitled food grains.
- Leakages and diversions of PDS food grains declined substantially following the implementation of National Food Security Act.

- The food grain consumption of beneficiary households increased substantially following the off take of PDS food grains.

Methodology and Sample Design

To study the performance of PDS under National Food Security Act among tribal households, Khammam district of Telangana and Raichur district of Karnataka were selected. Around one –fourth households in these two districts belong to scheduled tribe category. Five blocks having different population size was selected from five administrative regions of each district for collecting the data. The study has selected four villages from each block. The block wise information with regard to the number of sample households in Khammam district has been given in tables 1 and 3. The State Government also provides food grains under its own food security scheme in both the study districts. Therefore, the coverage of scheme in the districts is cent per cent. The study selected around 10 per cent of sample households from Antyodaya beneficiaries. The sample households in each village was selected from the list of beneficiaries maintained by Fair Price Shops and Civil Supplies Department following the circular systematic sampling. At least 8 fair price shops from each district was also covered for the collection of data. Thus, the study covers 749 tribal households and 16 fair price shops. The selected blocks in Khammam districts are Kusumanchi ,Chinthakani, Bonakal, Madhira and Konijerla. The following blocks Lingsugur, Devadurga, Manvi, Sindhnur and Raichur were selected in Raichur district of Karnataka.

Table1 Block wise selection of sample households in Khammam district.

Blocks	Villages	No. of ST Households for the survey in each village
Kusumanchi	Kusumanchi	16
	Chegomma	12
	Palair	19
	Naikanigudem	17
Chinthakani	Nagula Vancha	30
	Basvapuram	11
	Nagili Konda	19
	Pandillapalle	10
Bonakal	Mustikuntla	22
	Ravinoothala	18
	Laxmipuram	13
	Kalakota	10

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Madhira	Madupalle	24
	Dendukuru	20
	Matoor	17
	Rayapatnam	13
Konijerla	Gubbagurthy	19
	Gopathi	16
	Konijerla	19
	Tanikella	20
		345

Table 2. Block wise selection of sample households in Raichur district.

Blocks	Villages	No. of ST Households for the survey in each village
Lingsugur	Komnur	21
	Lukkihal	11
	Lukkihal	21
	Nandihal	17
Devadurga	Gajaldinni	23
	Mundargi	22
	Ganajali	21
	Katmalli	20
Manvi	Yapala	19
	Bomsandoddi	18
	Donmardi	18
	Heera	20
Sindhur	Chikbhergi	24
	Kalmangi	20
	Jambunathana-halli	25
	Gandhinagar	21
Raichur	Mangigaddi	21
	Korvakhurd	22
	Yapaldinni	20
	Appandoddi	20
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REVIEW OF LITERATURE

The Planning Commission evaluation study (2005) covered 60 districts, 88 blocks, 16 towns, 176 village panchayats, 240 Fair Price Shops and 3600 households spread over 18 States to generate the relevant data base. Taking into account all the inefficiencies of PDS, it is found that Government of India spends Rs. 3.65 to transfer Re 1 to the poor. About 57% of subsidized grains did not reach the target group, of which a little over 36% is siphoned off the supply chain. Implementation of TPDS is plagued by large errors of exclusion and inclusion. A fresh BPL identification survey through independent agencies engaged in social science research is required to eliminate targeting errors. PDS is a less efficient mode of income transfer to the poor. The Economic costs of grains are higher than the market prices in most of the States. Only 23% of sample FPSs are viable. The rest survived on leakages and diversions of subsidized grains

The evaluation study of NCAER (2015) covered 6,734 beneficiary and 1,000 non-beneficiary households along with other stakeholders in six states; Assam, Bihar, Chhattisgarh, Uttar Pradesh, Karnataka and West Bengal. Three of the six states—Bihar, Chhattisgarh and Karnataka—switched to the NFSA while the field survey was being conducted. The remaining three states—Assam, Uttar Pradesh and West Bengal—were following the TPDS. Of the three states that implemented the NFSA, Bihar implemented the NFSA fully while the remaining two states adopted it partially and launched a food security programme under state Acts, namely, the Chhattisgarh Food Security Act (CGFSA) and the Anna Bhagya Yojna in Chhattisgarh and Karnataka, respectively. The study indicated that the proportion of total food grain off take from PDS in the rural parts of Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal are 56%, 38%, 60%, 65%, 53% and 37%, respectively, as against 35%, 5%, 41%, 16%, and 24% in Assam, Bihar, Karnataka, Uttar Pradesh and West Bengal, respectively, in 2004–05 (GOI, 2005). The average food grain off take was quite high in all the states under the study. However, a considerable proportion of households, except in Chhattisgarh, receive less than their full grain entitlement. The incidence of receiving less than the entitled quota is the highest for BPL cardholders in Assam. The mean quantity of the per capita purchase of rice from the PDS is the highest in Chhattisgarh and the lowest in West Bengal. The difference between the open market and PDS prices was one of the most important reasons for the high usage of the PDS among the poor. The effective income gain at the household level is higher in NFSA states than in non-NFSA ones. It was the highest in

Karnataka and Chhattisgarh at the household level since these states provide additional subsidy on top of the central subsidy for the food security scheme. The exclusion error was found to be the highest in Assam. Interestingly, Bihar also faces a high exclusion error even after using broader identification criteria to identify eligible beneficiaries for the NFSA. Chhattisgarh experiences the lowest exclusion error. The highest inclusion error is observed in West Bengal, while it is the lowest in Bihar. The leakage from the allocation for the BPL category in Assam, Uttar Pradesh and West Bengal ranged from 28% to 37%. Diversion of food grain was fairly low from allocations for AAY ration cardholders in these states.

Using a sample of 793 households in the district of Koraput in Odisha, Mihia Chatterjee (2014) reviewed the performance of the PDS and highlighted three important points: first, distribution of food grains, specifically rice, through the PDS underwent vast improvements in the past five years; second, while the PDS was fairly inclusive in the district, households excluded were massively deprived, supporting the need for an expansion of coverage; and third, access to grains was fundamentally important in a region where the primary source of livelihood was a combination of subsistence agriculture and casual labour, and where child under-nutrition was rampant. The PDS in Koraput functioned well in many areas: rice was supplied regularly, available items were utilised by PDS users, and satisfaction with the scheme was widespread. On average, nearly all households – approximately 97% of cardholders in the district – received their entitlement of rice in the three months preceding the survey. The median quantity of rice drawn, as per both recall and card observation – 25 kg for the APL and the BPL, and 35 kg for the Antyodaya – aligned with entitled quantities. Another major drawback of the system was that “exclusion error” in the district was substantial, and a large section of deserving households currently did not have PDS access.

Jean Dreze and Reetika Khera (2015) examined recent developments of PDS based on a survey of 1,000 rural households in four districts of Bihar. The survey questionnaire consisted of questions such as whether the respondent (normally, an adult woman) had a new ration card, how much rice or wheat had been purchased from the PDS each month during the preceding three months, and how the respondent felt about the quality of PDS grain. Priority cardholders were asked how much rice and wheat they had actually purchased from the PDS during the two months preceding the survey. On average, they had purchased 20 kg as against the average household entitlements of 27.5 kg. Very

often, they charged an extra rupee. People's perceptions of the quality of PDS grain were generally positive. The faulty BPL list, with its high exclusion errors, has been replaced with a more logical, transparent and reliable list of eligible households clearly linked to the SECC. Leakages in the PDS have declined. The distribution of PDS rations was also more regular, and the quality of rice and wheat had improved.

Identification of BPL Households under NFSA

The estimation of poverty in the country was done by the erstwhile Planning Commission on the basis of a large sample survey of Consumer Expenditure carried out by the National Sample Survey Organization (NSSO). The Ministry of Rural Development, Government of India conducts the Below Poverty Line (BPL) Census with the objective of identifying the BPL households in the rural areas.

The Telangana State Government follows the below given criteria for the identification of households for the distribution of food grains under National Food Security Act. The annual family income ceiling for issue of Food Security Cards is 1.50 Lakh Rupees in rural areas and 2.00 Lakh rupees in urban areas. The land ceiling limit is 3.50 acres and below for wet land and 7.5 acres and below for dry land. The mere possession of land shall not alone be the criteria for deciding the eligibility for Food Security Cards. The income on the land prescribed above shall also be taken into consideration. If the income from the land is less than the income ceiling prescribed above, the family shall be entitled to food security cards.

The Karnataka State used its own exclusion criteria for identifying the BPL households under National Food Security Act. They are:

- i. All families with member paying income tax
- ii. Government employees of all groups
- iii. Permanent employees of public sector Undertakings/Boards/Corporations
- iv. Employees of NGOs
- v. Permanent employees of cooperative societies
- vi. Professional groups: Doctors, Hospital Employees, Advocates, Chartered Accountants
- vii. All businessmen except those selling goods on cycle or pushcart or on foot path and those selling only vegetables and those selling in petty shops
- viii. Those in possession of 3-hectare dry land or wet land
- ix. Families in possession of vehicles (two-wheeler, three-wheeler, car etc)

exceeding 100cc and fuel driven (except those having an auto rickshaw, self-driven and without any other source of income)

- x. Aided/unaided school and college employees except employees of unaided Kannada schools
- xi. Registered contractors, APMC traders/commission agents/dealers in seeds and fertilizers and other dealers
- xii. Those earning income by renting out house or shops or buildings
- xiii. Families paying average monthly electricity bill of more than 450 rupees
- xiv. Those working in multinational companies, firms or industries

The Act provides for the coverage of up to 75 per cent of the rural population and 50 per cent of the urban population for distributing subsidized food grains under Targeted Public Distribution System. The eligible persons will be entitled to receive 5 kgs of food grains per person per month at subsidized prices of `3/2/1 per kg for rice/wheat/coarse grains. The existing *Antyodaya Anna Yojana* (AAY) households, which constitute the poorest of the poor, will continue to receive 35 kgs of food grains per household per month. End-to-end Computerization of TPDS has been taken up by the Department of Food and Public Distribution with a view to address challenges such as leakages and diversion of food grains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal, etc. To eliminate leakages, the Department has suggested two models to States/ UTs under Direct Benefit Transfer Scheme i.e. Direct Cash Transfer and Automation of Fair Price Shops (FPSs). Cash Transfer of Food Subsidy Rules, 2015 have been notified in August, 2015. Direct Cash Transfer scheme has already been started on pilot basis in UTs of Chandigarh and Puducherry from the month of September, 2015. Fair Price Shop (FPS) automation involves issuance of food grains to beneficiary after his successful authentication at the FPS using Point of Sale (PoS) device/ mobile terminal. So far, more than 1,77,391 FPSs are automated across the country. The States/UTs are expected to automate entire 5.42 lakh FPSs by soon. Sustained efforts have resulted in significant reforms in TPDS making it more transparent, leak proof and better targeting of food subsidy. The major significant reforms have been given in the parentheses (Digitization of ration cards 100 per cent, Aadhaar seeding of ration cards 71.96 per cent, On line allocation of food grains has been started in 29 States/ UTs, Supply chain computerized in 19 States/UTs, Toll free numbers/ online grievance redressal system implemented in 36 States/UTs, Direct Cast Transfer in PDS launched in

3 UTs).

The present study enquires in the context of end to end computerization of PDS and the automation of fair price shops with the extension of coverage and entitlement, the extent to which the entitled food grains and subsidy reached the poor and poorest of the poor households under the NFSA and how much of the entitled food grains did not reach the beneficiary households. The study is of paramount significance as it contributes valuable findings on the impact of National Food Security Act in ensuring food security among the tribal households in the backward districts. It measures the extent to which subsidized food grains reached the Below Poverty Line households. The study will give an account on the extent of leakages and diversions of food grains meant for distribution to Antyodaya and Priority households.

Table 3. Primary Occupation of Sample Households

Occupation	Khammam	Raichur
Cultivation	6.4	0.3
Casual Agricultural Labour	84.0	97.4
Self-employed	4.3	1.9
Skilled wage Labourer	1.5	0.0
Small scale business	3.8	0.4
Total	100	100

Source: Primary survey

Table 4: Total income of Households from all sources in a month

Rupees	Khammam	Raichur
Below 1000.00	3.2	1.3
1001.00 - 2000.00	15.8	21.5
2001.00 - 3000.00	32.6	58.2
3001.00 - 4000.00	26.3	7.6
4001.00 - 5000.00	15.8	7.6
5001.00 - 6000.00	4.2	3.8
Above 6000	2.1	
Total	100.0	100.0

Source: Primary survey

In Raichur district, 80 per cent of the sample tribal households had a monthly income of Rupees 3,000. The corresponding figure among the tribal households in Khammam district was 50 per cent. The primary occupation of 90 per cent of sample households was casual agricultural labour. The monthly income of households from all sources was very low in the study areas with more than half of sample households reporting it below 3000 Rupees per month.

4.2 Off take of PDS Food grains

The scale of issue of food grains in Khammam and Raichur districts are given below. Under the National Food Security Act, the food grains are being issued on per capita basis to Below Poverty Line Priority households. It is 6 kg of rice and one kg of wheat in Khammam district. In Raichur district, the PDS entitlement is up to 20 kg of rice and 3 kg of wheat in a month to Below Poverty Line priority households. In Khammam district, the Antyodaya or poorest of the poor households were entitled to 35 kg of rice. The corresponding entitlement in Raichur district is 29 kg of rice and 6 kg of wheat in a month.

Monthly Scale of issue of food grains in Khammam district of Telangana

BPL (Priority HH) - Up to 6 kg rice per unit

1 kg of wheat per unit

AAY - 35 kg of rice

Monthly Scale of issue of food grains in Raichur district of Karnataka.

BPL (Priority HH) - Up to 20 kg rice

3 kg of wheat

AAY - 29 kg of rice and 6 kg of wheat

Around 98 per cent of tribal households obtained ration cards in the study areas of both the districts. Around 100 per cent of the sample priority and AAY cardholders lifted grain from the PDS. The Antyodaya and Priority households in Khammam district obtained 35 kg and 22 kg of food grains in a month respectively from PDS whereas it was 33 kg and 25 kg respectively in Raichur district. This figure was calculated from the average of three months' off take of PDS food grains. The Below Poverty Line priority households in Khammam district met 53 per cent of their food grain requirements from public distribution system. The corresponding figure among the Antodaya or poorest of the poor households was 83 percent. Similarly, 58 per cent and 80 per cent of tribal

households in Raichur district met the food grain needs from public distribution system.

Table 5 Household Purchase of food grain from PDS and open market in Khammam (average of three months)

<u>PDS</u>			<u>Open Market</u>	
Blocks	<u>Rice</u>	<u>Wheat</u>	<u>Rice</u>	<u>Wheat</u>
<u>BPL</u>				
Kusumanchi	<u>19.00</u>	<u>1.60</u>	<u>18.54</u>	<u>1.09</u>
Chinthakani	<u>21.40</u>	<u>1.43</u>	<u>19.87</u>	<u>1.96</u>
Bonakal	<u>19.45</u>	<u>1.26</u>	<u>15.79</u>	<u>2.56</u>
Madhira	<u>21.32</u>	<u>2.00</u>	<u>16.87</u>	<u>1.23</u>
Konijerla	<u>20.32</u>	<u>1.78</u>	<u>16.23</u>	<u>2.00</u>
Average	20.30	1.60	17.46	1.75
<u>AAY</u>				
Kusumanchi	<u>33.67</u>	<u>1.23</u>	<u>8.20</u>	<u>0.60</u>
Chinthakani	<u>34.90</u>	<u>2.12</u>	<u>5.38</u>	<u>0.38</u>
Bonakal	<u>33.10</u>	<u>1.87</u>	<u>4.50</u>	<u>1.23</u>
Madhira	<u>34.02</u>	<u>1.29</u>	<u>8.14</u>	<u>0.29</u>
Konijerla	<u>33.97</u>	<u>1.00</u>	<u>6.76</u>	<u>0.23</u>
Average	33.90	1.5	6.60	0.55

Source; Primary Survey

Table 6. Household Purchase of food grains from PDS and open market in Raichur(average of three months)

<u>PDS</u>			<u>Open Market</u>	
Blocks	<u>Rice</u>	<u>Wheat</u>	<u>Rice</u>	<u>Wheat</u>
<u>BPL</u>				
Lingsugur	<u>21.10</u>	<u>4.66</u>	<u>15.59</u>	<u>1.09</u>
Devadurga	<u>19.30</u>	<u>3.43</u>	<u>16.76</u>	<u>1.96</u>
Manvi	<u>20.98</u>	<u>4.26</u>	<u>17.65</u>	<u>2.06</u>
Sindhnur	<u>22.65</u>	<u>4.12</u>	<u>14.54</u>	<u>1.23</u>
Raichur	<u>21.00</u>	<u>4.98</u>	<u>16.98</u>	<u>2.15</u>
Average	21.00	4.29	16.30	1.70
<u>AAY</u>				
Lingsugur	<u>29.00</u>	<u>4.19</u>	<u>3.43</u>	<u>5.65</u>
Devadurga	<u>27.85</u>	<u>5.54</u>	<u>2.12</u>	<u>4.98</u>
Manvi	<u>28.43</u>	<u>4.75</u>	<u>2.98</u>	<u>7.89</u>
Sindhnur	<u>28.86</u>	<u>4.43</u>	<u>1.87</u>	<u>5.98</u>
Raichur	<u>27.98</u>	<u>4.12</u>	<u>2.77</u>	<u>6.02</u>
Average	28.42	4.61	2.63	6.10

Source; Primary Survey

PDS and Income Transfer

The amount of income transfer depends upon PDS issue price, open market price and the quantity of concerned item being purchased from fair price shops. It is measured by multiplying the quantity of purchased from PDS with the difference between open market and PDS prices. Therefore, it is defined as

$$IT = (PM - PR) Q^{PDS}$$

Here, IT = Income transfer

PM = Open market price

PR= PDS issue price

Q^{PDS} = Quantity purchased from PDS

An income subsidy of rupees 480.00 and of Rupees 844.00 reached the priority and Antyodaya tribal households in a month in Khammam district respectively. The corresponding figures in Raichur district were Rupees 548.00 and Rupees 775.00. The priority and Antyodaya tribal households in rural areas benefited substantially from ration subsidy.

Table 7. Income Transfer to PDS beneficiaries

Districts	BPL/PHH(Rupees)			Antyodaya Households(Rupees)		
	Rice	Wheat	Total	Rice	Wheat	Total
Khammam	447.20	32.2	479.40	813.60	30.00	843.60
Raichur	462.00	85.80	547.80	682.08	92.2	774.28

Source; Primary Survey

PDS and Consumption effect

The food grain consumption of tribal priority households rose by around 20 kg and 22 kg in a month in Khammam and Raichur districts respectively. The corresponding figures among the Antyodaya or poorest of the poor tribal households in the districts were 34 kg and 31.50 kg.

Table 8. Consumption effect of PDS among the Tribal Households

Districts	BPL/PHH(Kg)			Antyodaya Households(Kg)		
	Rice	Wheat	Total	Rice	Wheat	Total
Khammam	18.00	1.46	19.46	32.50	1.36	33.86
Raichur	18.48	3.90	22.38	27.28	4.19	31.47

Source; Primary Survey

Assessment of PDS by beneficiaries

Table: 9 Perception on Public Distribution System among rural households

	Quantity of Food grains received through PDS, %	Quantity of Food grains received through PDS, %
Very dissatisfied	00	13.20
Dissatisfied	15.50	2.30
Neutral	1.70	3.40
Satisfied	81.60	81.10
Very satisfied	1.10	00.0
Total	100	100

Source; Primary Survey

Table 10. Overall assessment of PDS

	Satisfied with the overall functioning of FPS	Satisfied with the grievance redressal mechanism
Very dissatisfied	20.10	49.40
Dissatisfied	14.90	20.70
Neutral	17.20	12.06
Satisfied	37.90	13.20
Very satisfied	9.80	4.00
Total	100	100

Table 11: Importance of PDS to cover family needs

	Khammam	Raichur
Not at all important	0.60	0.00
Somewhat important	00.0	0.00
Neutral	6.90	1.45
Important	18.40	14.23
Very important	74.10	83.32
Total	100	100

Source: Primary survey

Around 80 per cent of sample households in both the study districts were satisfied with the quality and quantity of food grains. Around 38 per cent of sample households were satisfied with the overall functioning of the fair price shops. Around 70 per cent of the sample households were dissatisfied with the grievance redressal mechanism. More than

three-fourth of the beneficiaries in both the districts expressed that PDS was important to meet the food grain consumption.

Grain is sold under the PDS at highly subsidised prices so that poor people can buy the required amount from ration shops at prices that are lower than market rates. The prices of rice and wheat are Rs.3 and Rs 2 per kg, respectively, under the NFSA. The issue price of rice and wheat was Re1/kg in the study areas.

The major reasons for dissatisfaction with the quality of food grains supplied at FPSs included the presence of foreign particles, broken grain, insect-infested grain and bad taste across all villages. A significant proportion of respondents in two districts said that the variety of food grains, especially rice, distributed through the PDS was significantly different from the rice sold in the open market. All respondents indicated that the quality of food grains available in the PDS was somewhat inferior to that available in the open market

The proportion of respondents aware of the existence of a grievance redressal mechanism was low in all villages. Although beneficiaries vaguely know that they have a right to complain, they do not know whom to complain. Field observations confirmed that the majority of the cardholders are not aware of how to lodge a complaint.

On the question of working days of fair price shops, 83 per cent of households in Khammam district and 92 per cent of households in Raichur district expressed that it was adequate. More than 80 per cent of fair price shops were working for more than five hours in a day in both the districts. Around 78 per cent of sample households in Khammam district and 87 per cent of households in Raichur district were aware of opening and closing times of fair price shops. At least 74 per cent of fair price shops in Khammam district and 81 per cent of fair price shops in Raichur district had the display boards providing information on the availability of PDS food grains. Around 62 per cent of FPS in Khammam and 72 per cent of FPS in Raichur district displayed the boards respectively on PDS food grains. Three-fourth of sample households was satisfied with the timings of distribution of food grains at fair price shops. Around 43 per cent of tribal households in Khammam district and 35 per cent of tribal households in Raichur district had the access to fair price shops within one KM.

Table 12 Perception on quality of food grains

	Khammam	Raichur
Reasons for dissatisfaction with quality of PDS food grains		
Presence of foreign particles	13.45	14.23
Rotten	11.23	9.76
Broken grains	24.48	21.23
Insect- infested supply	19.36	14.65
Colour is not good	7.87	12.32
Taste is not good	14.65	16.67
Foul smell	5.34	8.90
High moisture content	3.62	2.24
Sample of food grains to be distributed displayed at FPS	48.78	54.23
Quality of food grains distributed is the same as sample displayed	53.67	44.98
Local variety of grains different from PDS variety	87.24	53.89
Prefer local market variety over PDS variety	17.64	24.87

Source: Primary survey

Around 98 per cent of tribal households obtained ration cards in the study areas of both the districts. The Antyodaya and Priority households in Khammam district obtained 35 kg and 22 kg of food grains respectively from PDS whereas it was 33 kg and 25 kg respectively in Raichur district in a month. The Below Poverty Line priority households in Khammam district met 53 per cent of their food grain requirements from public distribution system. The corresponding figure among the Antodaya or poorest of the poor households was 83 per cent. Similarly, 58 per cent of priority households and 80 per cent of Antyodaya households in Raichur district met the food grain needs from public distribution system.

An income subsidy of rupees 480.00 and of Rupees 844.00 reached the priority and Antyodaya tribal households in Khammam district on an average in a month respectively. The corresponding figures in Raichur district were Rupees 548.00 and Rupees 775.00. The priority (BPL) and Antyodaya tribal households benefited substantially from ration subsidy.

The food grain consumption of tribal priority households rose by around 20 kg and 22 kg in Khammam and Raichur districts on an average in a month respectively. The

corresponding figures among the Antyodaya or poorest of the poor tribal households in the districts were 34 kg and 31.50 kg.

Around 80 per cent of sample households in both the study districts were satisfied with the quality and quantity of food grains. Around 38 per cent of sample households were satisfied with the overall functioning of the fair price shops. Around 70 per cent of the sample households were dissatisfied with the grievance redressal mechanism. More than three-fourth of the beneficiaries in both the districts expressed that PDS was important to meet the food grain consumption.

The analysis of the data shows that all the hypotheses were proved. The tribal priority and Antyodaya (poorest of the poor) households obtained around the entire quantity of entitled food grains. Leakages and diversions of PDS food grains declined substantially following the implementation of National Food Security Act. The food grain consumption of beneficiary households increased substantially following the off take of PDS food grains.

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