UPSC Civil Services Examination

UPSC Notes GS-III [Economics]

Topic: Public Distribution System (PDS) and Targeted Public Distribution System (TPDS)

The Public Distribution System (PDS) which evolved as a system of management for food and distribution of food grains was re-launched as Targeted Public Distribution System (TPDS) in June 1997. This programme is controlled by the Ministry of Consumer Affairs, Government of India. TPDS emphasizes on the implementation and identification of the poor for proper arrangement and delivery of food grains. Therefore, the Targeted Public Distribution System (TPDS) under the Government of India plays the same role as the PDS but adds a special focus on the people below the poverty line.

Public Distribution System in India

The Public Distribution System in India is operated jointly by the Central Government and the State Government of India. The responsibilities include:

- Allocations of commodities such as rice, wheat, kerosene and sugar to the States and Union Territories.
- Issue of Ration Cards for the people below the poverty line.
- Identification of families living below the poverty line.
- Management of food scarcity and distribution of food grains.

Evolution of the Public Distribution System

PDS is a food security system dealing with the proper distribution of food grains across the country. It ensures that the entire population of India receives sufficient essential commodities on time and at affordable prices. The procurement, storage, transport and allocation of food grains to the State Governments are managed by the Food Corporation of India (FCI).
1. PDS was introduced during the time of World War II. It was before the year 1960 that the distribution through PDS was dependant on imports of food grains.

2. The Public Distribution System was then expanded in the 1960s for the purpose of food shortages and distribution.

3. The Food Corporation of India and the Commission of Agricultural Costs and Prices were also set up by the government of India to improve domestic procurement and storage of food grains.

4. It was during the 1970s when PDS evolved as a universal scheme for the distribution of food.

5. PDS remained as a general entitlement scheme till the year 1992 without any specific target.

6. In June 1992, the Revamped Public Distribution System (RPDS) was launched to strengthen and improve the conditions of the people below the poverty line in several remote and inaccessible areas.

What is the Targeted Public Distribution System (TPDS)?

The Targeted Public Distribution System (TPDS) came into operation on June 1997 under the Government of India with a focus on the poor. Under the operations of TPDS, the beneficiaries were divided into two categories:

1. Households below the poverty line (BPL)
2. Households above the poverty line (APL)

The TPDS process involves four processes:

1. **Procurement of food grains**

   The central government procures the food grains from the farmers at Minimum Support Price (MSP). The MSP is set by the Commission for Agricultural Costs and Prices (CACP) which is generally higher than the market price. Procurement is either centralised or decentralised. In centralised procurement, the food grains are bought directly by the Food Corporation of India (FCI) from the farmers. Whereas, in decentralised procurement, 10 states/UTs procure food grains for the central pool on behalf of the FCI.

2. **Storage of food grains**: Food grains are stored in godowns and silos as per FCI norms.
3. **Allocation of food grains:** After allocating the food grains from the central pool to the state governments at a uniform Central Issue Price (CIP), the Government of India is responsible for the identification of the poor families, issuing of Ration Cards and overseeing the functioning of the Fair Price Shops.

4. **Transportation of food grains:** Transportation of food grains is done by both the centre and the states. Interstate transport is done by the centre through the FCI.

**Antyodaya Anna Yojana (AAY)**

Launched in December 2000, the Antyodaya Anna Yojana (AAY) emphasizes the identification of the poorest of the poor families amongst the BPL families covered under TPDS. They also aim at distributing food grains at a highly subsidized rate (Rs.2/kg for wheat and Rs.3/kg for rice). The identification and issuing of distinctive Ration Cards for the Antyodaya families is the responsibility of the concerned State Governments. The present monthly allocation of foodgrains under AAY as on 31.12.2012 is around 8.51 lakh tones per month.

**Annapurna Scheme (APS)**

The Annapurna Scheme was announced by the Finance Minister in his Budget Speech for the year 1999-2000. This scheme was introduced to provide food security to the senior citizens who were not covered under the TPDS and had no income of their own. The scheme is a part of the National Social Assistance Programme (NSAP) that began on 15th August 1995.

According to the reports of 2014-2015, the number of beneficiaries reported under Annapurna was 928333 with an increase of 147538 as compared to 2013-14. In percentage terms, the growth was 18.9% during the period.
Drawbacks of PDS in India

It has been found that the identification of beneficiaries through the Targeted Public Distribution System may lead to several inclusion and exclusion errors. It has also been reported that the beneficiaries those are not eligible for the scheme are getting undue benefits in spite of those entitled under the TPDS.

1. According to an estimation in 2009, it has been found that nearly 61% error of exclusion and 25% inclusion of beneficiaries occurs during the process.
2. One of the major issues faced by PDS is the leakage of food grains during transportation to and from ration shops into the open market.
3. Lack of adequate covered storage for food grains is a major cause for concern.
4. During 2002-2008, it was found that the water table went down by 33 cm per year due to cultivation of rice in north-west India.
5. States such as Punjab and Haryana are facing high procurement issues are under environmental stress leading to groundwater depletion, deteriorating soil and water conditions from overuse of fertilisers.