

PUBLIC DISTRIBUTION SYSTEM IN TELANGANA

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INTRODUCTION:

The Public Distribution System works on a National scale and its main objective is to make goods available to consumers, especially those belonging to the disadvantaged sections of society at fair prices. The PDS provides basic food items (Rice, Wheat, Sugar, Kerosene etc.) to the rural and urban ration cardholders at fixed prices through a network of Fair Price Shops in India. The disadvantaged section of the population depends to a large extent on the Fair Price Shops.

To attract the mass public in the elections, the Congress Government reduced the ration price of rice from Rs.5-25 to Rs.2-00 a kg on April 7, 2008. Again Congress party came to the power and continued this till November 2011. Then the Government has reduced the ration price of rice from Rs.2.00 to Rs.1.00 per kg and the quantity distributed per head was 4 kgs per month subject to a ceiling of 20 kgs per card from November 2011. The government has launched two ambitious food security programmes since 16-01-2013 in the form of “Mana Biyyam” to provide quality rice for just Re. 1 per kg through ration shops for over 2.26 crore white ration card holders. Similarly, the government has launched prestigious Programme “Amma Hastham” to provide 9 essential commodities in a packet for just Rs.185 on the occasion of ‘Ugadi’ for over 2.26 crore white card holders in April 2013.

Huge subsidy was incurred in the operation of the Public Distribution System in the State. The subsidy incurred by the Government of Andhra Pradesh in the year 2005-06 was Rs. 550 Crores. The Government of Andhra Pradesh has launched the Rs. 2/- a kg. rice supply scheme on April 7, 2008 and the subsidy burden increased to Rs. 2000 Crores per annum. While “Mana Biyyam” scheme has been imposing a subsidy burden of Rs. 9,600/- crore per annum and Rs. 660/- crore burden per year on “Amma Hastham” on the state exchequer. In the year 2015-16, the subsidy burden on food to the Government of India is Rs.1.24 lakh crore and to the Telangana state is about Rs.2200 crore.

The state of Telangana was formed on June 2, 2014. The birth of Telangana as the 29th state of the Indian Republic and it was the end of a prolonged struggle of six decades by the people of Telangana to carve out a separate political and cultural identity for themselves.

The Government of Telangana has been implementing the National Food Security Act (NFSA) from 1-1-2015. Enactment of NFSA is a paradigm shift and changed the food security scenario in the state. In order to provide Food Security and adequate nutrition to the poor families in the state the Government has enhanced the quantum of subsidized rice supply. An eligible family will receive 6 kgs per person per month at the rate of Re.1 per kg, without any limit on the number of members in the family, with effect from 1st January, 2015.

The eligibility limit of the BPL families (priority house holds) has been enhanced from family annual income of Rs.60, 000/- to Rs.1.50 lakhs in rural areas and Rs.75, 000/- to Rs.2.00 lakhs in urban areas. The land ceiling has also been increased to 3.5 acres of wet land and 7.5 acres of dry land.

Earlier, a family (household) , having white ration card was entitled for rice at 4 kg per person subject to a maximum of 20 kgs . At present, every person gets 6 kg and at this rate all the members in the family get rice . These holds i.e, the BPL families or priority households were given Food Security Cards (FSC). Now the white ration card is replaced by Food Security

Card (FSC). The blue card i.e, Antyodaya Anna Yojana (AAY) card is issued to the poorest of the poor household (i.e, A household is unable to get two square meals a day on sustained basis through out the year)

The Antyodaya Anna Yojana (AAY) families get 35 kgs rice per family per month at Rs.1 per kg. The Pink card is issued to the non-poor household. At present pink card holders are not entitled for PDS items.

Public Distribution System Network

As on 31 March 2016, there are 20,378 Fair Price Shops functioning in the state of Telangana. The total no. of BPL cards in circulation is about 7.9 lakhs. On an average, each shop is having 845 BPL cards in the twin cities. As against Government of India's norm of 1 Fair Price Shop for every 2000 persons, there is one shop for every 1781 persons in Telangana. 15 percent of the shops are reserved for Scheduled Castes, 6 percent for Scheduled Tribes, 25 percent for BC's, 3 percent for physically handicapped persons and 1 percent for war widows. From the allotment of Fair Price Shops, 30 percent is reserved for women.

Intensive Household Survey

(Samagra Kutumba Survey)

The Government has taken up Intensive Household Survey (Samagra Kutumba Survey), 2014 that was completed in a day i.e., on 19-08-2014 all through out the state .This was a unique exercise for data collection in the country. The objective was to have a single robust data base of all the households of the state, by which the Government of Telangana can build effective developmental programs to target the individual needs by identifying deserving beneficiaries.

The survey encompasses both rural and urban household data inclusive of data on family member's details, disability, chronic diseases, land and live stock details etc., 3,85,892 enumerators were engaged for this

Survey and the entire survey was done voluntarily. The district wise details of households are presented below.

Implementation of food security act in telangana:

The Government of Telangana has been implementing the NFSA from 01.01.2015. Enactment of NFSA is a paradigm shift and changed the food security scenario in the State.

Re. 1 a kg Rice Scheme: As rice is the staple food in Telangana, affordability of it is critical for food security in the state. Under NFSA, beneficiaries are supplied with 6 kgs rice per person without any ceiling on a number of members in the family at Re.1per kg is being provided from 1st January 2015. The AAY card holders will also get 35 kgs of rice per month per family at Re.1 per kg.

At present, the State Government is supplying rice at 6 kgs per unit 2.80 crore persons at Re.1 per kg as against the Government of India coverage of 1.91 crore persons at 5 kg per unit under NFSA, 2013. A quantity of 1.80 lakh MTs of rice being released per month under the scheme. The budget allocation of Rs.2,200 crores has been provided for rice subsidy scheme during 2015 – 16.

Red gram Dal:

1 kg of red gram dal is being supplied to Below Poverty line (BPL) families' subsidized rate. The government is providing a fixed subsidy of Rs. 50 per kg of red gram dal. From October 2015 to December 2015 1 kg packet of red gram dal is being sold at Rs.108.50 and the monthly off - take of dal during the third quarter are about 5,500 MTs.

As the price of Tur dal (red gram) witnessing unprecedented rise during recent times, Government issued instruction on 31.10.2015 to open special counters for sale of red gram dal at Rs.135/- per kg to the consumers. As on 21.12.2015, 162 special counters have been opened across the state and a quantity of 1,229 QTLs of red gram dal has been sold.

Free – Flow Iodized Salt:

One kg of iodized salt is being supplied to all BPL card holders at Rs.5/- per kg. The monthly off – take of iodized salt in the present quarter is about 1,200 MTs.

Kerosene:

The Government of India allotted 14,544 kilo Ltrs. Of kerosene oil to Telangana state and the same is being re – allocating to the districts to both LPG and Non – LPG connection holders. Per month allocation of kerosene to BPL families is as follows: 4 liters to the Non – LPG households in Municipal Corporation area, 2 liters to the Non – LPG household in municipalities and Mandal headquarters, 2 liters to Non – LPG in rural areas and 1 liter to households having LPG connection.

Deepam Scheme:

With a view to reducing dependence on the forest for firewood, improve their health status, remove drudgery due to conventional cooking, Government is subsidizing LPG cylinder and regulator to women belonging to the poor sections of the society duly paying the security deposit to oil companies. The Government made a budget provision of Rs.50 crores for Deepam Scheme in 2015 – 16 for allotment of 3,12,500 LPG connections. Further, the Oil Marketing companies would be covering up to 10 lakh additional BPL beneficiaries under Corporate Social Responsibility Scheme initiatives.

Initiatives to Strengthen the Public Distribution System in the State

The government of Telangana is initiated a number of measures to strengthen the Public Distribution System by way of removing bogus beneficiaries from the list of beneficiaries, automation etc.

- **Aadhaar Seeding:** The list of beneficiaries of Food Security Cards has been seeded with Aadhar numbers. The seeding of Aadhaar through e – PDS resulted in a removal of about 21 lakhs bogus/duplicate beneficiaries (non-existing/dead/migrated persons) from the beneficiaries list, saving Rs.31.27 crore per month for the state's exchequer.
- **Fair Price Shop Automation with ePoS devices:** The ePoS (electronic Point of Sale) devices work with Aadhaar card based biometry, where in the biometric (finger prints of the members of the ration card) will be captured at the time of draw. Ration will be delivered to them only when the biometric finger prints are matched. Thus, ePoS implementation will not only provide ration to the genuine beneficiaries but also results in saving subsidy burden on Government by way of removing bogus draws. At present automation ePoS devices are being implemented in 1545 Fair Price Shops in GHMC area on pilot basis.
- **End-to-end Computerization of Targeted Public Distribution System:** National Informatics Centre (NIC) has developed "ePDS" software 'End to End Computerization' of TPDS which helps the Civil Supplies Department in allocating essential commodities, digitize the ration card data, seeding the ration card database with Aadhaar so as to eliminate bogus or ineligible persons and also to carry out mutations received from the beneficiaries through Mee Seva. ePoS also has a provision for making available the reports in public domain bringing more transparency in the system.
- **Grievance Redressal Mechanism:** As per the NFSA, 2013, a dedicated grievances redressal cell is set up to for receiving complaints and queries from the public and being forwarded to the concerned officers for redressal.

Targeted Public Distribution System

The Public Distribution System in India has been criticised for being universal in nature and the benefits of Government subsidies being enjoyed by unintended section of the population. To improve the targeting efficiency of the Public Distribution System, the Government of India in June 1997, introduced a new Scheme namely Targeted Public Distribution System. Under the Scheme, the rice / wheat requirement of below poverty line families was released by Central Government at the half the central issue price. A margin of 0.50 rupees per kg was allowed to the State Government to meet transport and other incidental expenses. The lower retail issue price, it was hoped to improve the purchases by the BPL families from

Fair Price Shop. It was also hoped that off-take of rice/wheat by some of the backward states would improve and correct the existing imbalances in the distribution.

Antyodaya Anna Yojana

Antyodaya Anna Yojana was launched on 25th December 2000 to provide food security to the poorest of the poor. It is estimated that 5% of our population (i.e. 5 crore persons or 1 crore families) are unable to get two square meals a day on sustained basis through out the year. Their purchasing power is so low that they are not in a position to buy the ration from PDS even at BPL rates. AAY is intended to ensure food security to such families. They have been given(AAY) blue cards to receive the ration.

Under AAY Scheme, the Central Government issues wheat at @ Rs.2/- per kg. and rice at Rs.3/- per kg. In view of the adjunct poverty of the target group, the State Government as per to the suggestion of Central Government have maintained the end retail price at the rates supplied by the Central Government. Initially beneficiary family was entitled 25 kgs. of rice per month and later on, it was enhanced to 35 kgs.

Annapurna Scheme

The National Old Age Pension Scheme (NAOAPS) launched in 1995 seeks to provide pension at the rate of Rs. 75/- per month to 68.81 lakh destitute aged 65 years and above in a phased manner. As the coverage of the Scheme is incomplete, Annapurna Scheme was started to provide food security to those senior citizens who, though eligible have remained uncovered under the National Old Age Pension Scheme.

As identification of beneficiaries is left to the local authorities and Gram Sabha with certain guidelines, which include (1) the beneficiary must be above 65 years of age. (2) the beneficiary should have little or no regular sources of income or financial assistances from family members. (3) the beneficiary should not be in receipt of old age pension or any other pension.

At the State-level, the Civil Supplies Department and at district-level, the Collector is responsible for the implementation of the Scheme. The Telangana State Civil Supplies Corporation(TSCSC) Limited lifts the quota from FCI godown on payment at FCI Economic Cost and transports it to the MLS points. At the second stage, the material is transported along with regular PDS material and is delivered at doorsteps of FPS.

HOUSEHOLDS AND POPULATION IN TELANGANA

There are 10 districts in Telangana state. They are viz. Adilabad, Hyderabad, Karimnagar, Khammam, Mahbubnagar, Medak, Nalgonda, Nizamabad, Ranga Reddy and Warangal districts. Total number of Households as on 19-8-2014 is 101.83 lakh with a population of 363.03 lakhs.(Table – 2) Ranga Reddy district has more number of households (16.56 lakhs) as well as more population (61.37 lakh) while Nizamabad district has less no. of households (6.97 lakhs) as well as less population (24.67 lakhs). Ranga Reddy district encircles the city and district of Hyderabad and the city of Hyderabad also serves as the administrative center of the district. Most of the people migrated from rural areas and outside the state to the city of Hyderabad. Due to this the population is high in Ranga Reddy district the average number of persons per household is 3.56 in the state and more (4.43) in Mahbubnagar district while the corresponding figure is less in Khammam district. It shows that joint family system transformed in to nuclear family system.

Table – 1**Total Number of Households and population by District in Telangana**

(as on 19-8-2014)

Sl. No.	District	Total No. of Households(in lakhs)	Total Population(in lakhs)	Average No. of Persons per Household
1.	Adilabad	8.17	28.25	3.46
2.	Hyderabad	9.77	37.94	3.88
3.	Karimnagar	12.02	38.38	3.19
4.	Khammam	8.31	26.23	3.16
5.	Mahbubnagar	9.67	42.84	4.43
6.	Medak	8.52	30.93	3.63
7.	Nalogonda	11.03	35.95	3.26
8.	Nizamabad	6.97	24.67	3.54
9.	Ranga Reddy	16.56	61.37	3.70
10.	Warangal	10.91	36.47	3.34
11.	Total	101.83	363.03	3.56

Source: Socio Economic Outlook 2015, Government of Telangana.

FOOD SECURITY CARDS

The government of Telangana issued Food Security Cards to all priority groups and all eligible BPL households with an objective to provide subsidized food grains and other essential commodities to the eligible households. As on 29 April 2016, 83.38 lakh households are found eligible for (white cards) Food Security Cards, 0.56 lakhs households are eligible for Antyodaya Anna Yojana (AAY) Cards and about 5000 beneficiaries are eligible for Annapurna cards. On the whole, over 89 lakh BPL households are eligible for Food Security Cards (Table – 2). District wise distribution of Food Security Cards reveals that highest number of cards were issued in Ranga Reddy district (about 11.4 lakh). Least number of cards were issued in Nizamabad (about 6.3lakh) followed by Khammam (about 7.3 lakh).

Table – 2**District wise White, AAY and Annapurna Ration Cards (as on 29 April 2016).**

Sl. No.	District	White Cards	AAY cards	Annapurna cards	Total
1.	Adilabad	689104	52019	528	741651
2.	Hyderabad	743478	42286	397	786161
3.	Karimnagar	1025951	67332	667	1093950
4.	Khammam	677122	46642	8	723772
5.	Mahbubnagar	978365	70353	601	1049319
6.	Medak	734470	54351	249	789070
7.	Nalgonda	925524	61639	130	987293
8.	Nizamabad	587664	38902	2096	628662
9.	Ranga Reddy	1063110	76529	175	1139814
10.	Warangal	913735	58486	141	972362
11.	Total	8338523	568539	4992	8912054

Source: CRO, Hyderabad.

At present, the state Government of Telangana is supplying rice 6kgs per person per month at Re.1 per kg to the white card holders. AAY card holders are receiving rice 35 kgs per household per month at Re.1 per kg and Annapurna card holders are getting rice 10 kgs per beneficiary per month at free of cost. The details of Food Security card units and average number of persons per card is presented in Table – 3.

Table – 3**Total Number of White Cards and Number of Persons per Card in Telangana**

Sl. No.	District	White card(or) FSC	FSC units	Average No. of Persons per card
1.	Adilabad	689104	2203994	3.19
2.	Hyderabad	743478	2601424	3.49
3.	Karimnagar	1025951	2974139	2.89
4.	Khammam	677122	1934566	2.86
5.	Mahbubnagar	978365	3306510	3.38
6.	Medak	734470	2384369	3.25
7.	Nalgonda	925524	2753661	2.97
8.	Nizamabad	587664	2000655	3.40
9.	Ranga Reddy	1063110	3554645	3.34
10.	Warangal	913735	2761482	3.02
11.	Total	8338523	26475445	3.17

Source: CRO, Hyderabad.

The results reveal that on an average each white card has 3 to 4 persons in a family in the state. It is observed that a household covered with their dependent children and another household covered with old – age people. Due to this, the average size of the household is small and it is similar pattern in all the districts.

AVAILABILITY OF CEREALS FROM PDS

District wise distribution of AAY cards is presented in Table – 4. The data reveals that more number of cards were issued in Ranga Reddy district followed by Mahbubnagar and Karimnagar districts, least number of cards were issued in Nizamabad district followed by Hyderabad district. On the whole, total number of AAY cards are 56, 8539 covering with more than 15 lakhs persons. The average number of persons per card is about 3 and this pattern is almost similar in all the districts. Monthly per capita availability of cereals from PDS is 13 kgs in Telangana. Almost in all the districts the monthly per capita availability of cereals is similar except in Adilabad district, due to the average number of persons per card is slightly higher in Adilabad compared to other districts.

TABLE – 4

Per capita availability of cereals from PDS to AAY card holders in Telangana.

Sl. No.	District	AAY cards	AAY units	Average No. of persons per card	Per capita availability of cereals from PDS(in kgs)
1.	Adilabad	52019	163131	3.13	11.18
2.	Hyderabad	42286	100903	2.38	14.70
3.	Karimnagar	67332	177328	2.63	13.31
4.	Khammam	46642	125762	2.69	13.01
5.	Mahbubnagar	70353	188041	2.67	13.11
6.	Medak	54351	144950	2.67	13.11
7.	Nalgonda	61639	162369	2.63	13.31
8.	Nizamabad	38902	107275	2.75	12.73
9.	RangaReddy	76529	200723	2.62	13.36
10.	Warangal	58486	159257	2.72	12.87
11.	Total	568539	1529739	2.69	13.01

Source: CRO, Hyderabad.

The 68th NSSO Round on consumer expenditure provides data on state – wise Monthly Per capita consumer Expenditure (MPCE) and Monthly Per capita consumer Quantity (MPCQ) of households on Public Distribution System. Analysis of the unit – level data shows that the average MPCQ for rice consumed in Telangana state is 10.5 kg and for cereals it is 11.00 kgs(“Consumer Expenditure Survey 2011 – 12” of NSSO 68th Round). It is observed from the above table that the PDS is serving 100% requirement of AAY card holders with regard to the consumption of cereals.

COVERAGE OF POPULATION UNDER PDS

The coverage of population under PDS in Telangana is presented in Table – 5, The results show that about 77% of the population covered under PDS in Telangana. The PDS coverage is high in Nizamabad district while it is low in Ranga Reddy district followed by Hyderabad district. As per the National Food Security Act, upto 75% of the rural population and 50% of the urban population to be covered but in Telangana state the coverage of PDS is extremely good.

TABLE - 5**Coverage of Population under PDS in Telangana**

Sl. No.	District	Persons covered under PDS (in lakhs)	Total Population (in lakhs)	% of Population covered under PDS
1.	Adilabad	23.67	28.25	83.78
2.	Hyderabad	27.02	37.94	71.21
3.	Karimnagar	31.52	38.38	82.12
4.	Khammam	20.60	26.23	78.53
5.	Mahbubnagar	34.95	42.84	81.58
6.	Medak	25.29	30.93	81.76
7.	Nalgonda	29.16	35.95	81.11
8.	Nizamabad	21.10	24.67	85.53
9.	Ranga Reddy	37.55	61.37	61.18
10.	Warangal	29.20	36.47	80.06
11.	Total	280.10	363.03	77.15

Note: 1. Population figures taken from Socio Economic Outlook 2015, Govt. of Telangana. 2. Persons covered under PDS as on 29 April 2016.

DISTRIBUTION OF FAIR PRICE SHOPS

Distribution of Fair Price Shops by District wise in Telangana state is presented in Table – 6. At present there are 20,378 Fair Price Shops are functioning in the state. Highest number of FP shops are in Karimnagar districts (2777) followed by Warangal district (2642). Least number of FP shops are in Hyderabad district (1075) followed by Khammam district (1261). Population per ratio is 1781 in Telangana state. The corresponding figure is high in Hyderabad district (3529) followed by Ranga Reddy district (2454) and low in Nizamabad district (1355). In Hyderabad and Ranga Reddy districts population is more but FP shops are less. Therefore, there is a need to increase the FP shops in these districts.

TABLE – 6**Distribution of Fair Price Shops by District in Telangana State.**

Sl. No.	District	No. of FP Shops	Population (in lakhs)	Population per shop ratio
1.	Adilabad	1671	28.25	1691
2.	Hyderabad	1075	37.94	3529
3.	Karimnagar	2777	38.38	1382
4.	Khammam	1261	26.23	2080
5.	Mahbubnagar	2346	42.84	1826
6.	Medak	2083	30.93	1485
7.	Nalgonda	2202	35.95	1632
8.	Nizamabad	1820	24.67	1355
9.	Ranga Reddy	2501	61.37	2454
10.	Warangal	2642	36.47	1380
11.	Total	20378	363.03	1781

Note: 1. Population figures taken from Socio Economic Outlook 2015, Govt. of Telangana. 2. Number of FP Shops as on 29 April 2016.

CONCLUSION:

- Both the poor households (white cardholders) and poorest of the poor households (AAY cardholders) heavily depend upon PDS to meet their requirement of rice and wheat. The white cardholders' dependency on open – market to meet their rice and wheat requirement is not small. Therefore, Government can increase the scale of such items distributed through PDS. Such additional quantity may be supplied at a price which covers the full cost to government. This practice may be resorted at least when open – market price suits up.
- At present the pink card has reduced to the status of identity card. Pink cardholders may be supplied some of the essential items at a price which covers full cost to the Government.
- Some of the poor households do not have white cards. At the same time some of the non –poor households have white cards. Therefore, Government should see that the genuine poor households should have white cards and non – poor households should not have white cards.
- Fair price Shops should have Automation with ePoS (electronic Point of Sale) devices. The ePoS devices work with Aadhar based biometry, where in the biometrics (finger prints of the members of the ration card) will be captured at the time of draw. Ration will be delivered to them only when the biometric finger prints are matched. Thus, ePoS implementation will not only provide ration to the genuine beneficiaries but also results in saving subsidy burden on Government by way of removing bogus draws.

5. Government should setup End – to – end computerization and automation in PDS. This will lead to transparency, minimal manual intervention and extremely robust monitoring at all levels. Awareness among the beneficiaries about the welfare schemes and transparency in the process will ensure almost a corruption free Public Distribution System.
6. The income to the FPS dealers by the way of commission for the selling of PDS items is insufficient to maintain their families. The scope for enhancing the margin may be examined.

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