



ORIGINAL RESEARCH PAPER

Agricultural Economics

A STUDY ON STATUS OF PUBLIC DISTRIBUTION SYSTEM IN TAMIL NADU

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ABSTRACT

Public distribution system has been an important welfare programme of government aimed to ensure food security in India ever since independence. PDS had been striving hard to provide subsidized essential commodities to the poor and needy of the country. Tamil Nadu has been implementing universal public distribution system to ensure food security for all its citizens. This paper tries to analyze the present status of Public Distribution System in Tamil Nadu. PDS had been under the wrath for many decades for the level of corruption, bogus purchases and leakage the system has. Reformation of the system was the need of the time. This paper also tries to evaluate the recent reforms introduced by the government of Tamil Nadu to make the functioning of PDS efficient.

INTRODUCTION

India, since independence, has been facing the issues concerning food security. Major part of India lacks sufficient earning and purchasing power to meet even the basic food requirements. To tackle this problem of food security, Indian government provides essential commodities to the country's vulnerable population. For supplying food grains at reasonable prices, the government has initiated an food support system, which later came to be known as 'Public Distribution System' which aims to secure food prices and allocate the food grains to consumers with low income at household level.

Public Distribution System In Tamil Nadu

Tamil Nadu has been implementing universal public distribution system to ensure food security for all its citizens. Adequate availability of food grains at affordable rates and ensuring easy access to public distribution system outlets by establishing them in close proximity to habitations are the key parameters on which the system of public distribution has been built. Civil supplies and consumer protection department headed by the commissioner at the state level has been playing an important role in the formulation and implementation of Public distribution system related policies in the state. Unlike Union government policy of Targeted Public Distribution System (TPDS), Tamil Nadu has adopted Universal Public Distribution System (UPDS) which assures food security to all the citizens of the state. Tamil Nadu has followed UPDS for past 40 years, extending the umbrella of food security to all categories of people without discrimination of income or social status. Tamil Nadu was never in favor of rigid targeting as they feared of exclusion of deserving BPL families and inclusion of non deserving APL families. To avoid the problem of free loading and black marketing if PDS services are accessible to non deserving category, Tamil Nadu has kept its universal character of PDS intact.

Table 1: Type Of Smart Family Card And Its Provisions In Tamil Nadu-2021

Sl no	Type of smart card	Commodities entitled	No. of Family cards
1.	Priority Household (PHH)	All the commodities including rice	93,23,734
2.	Priority Household-Antyodaya Anna Yojana (PHH- AAY)	All commodities including 35 kg of rice	18,63,077
3.	Non-Priority Household (NPHH)	All commodities including rice	97,53,532

4.	Non-Priority Household- Sugar (NPHH-S)	Sugar option cards- All commodities except rice	3,84,476
5.	Non- Priority Household-No Commodity	No Commodities	55,293
Total Smart Family Cards			2,13,80,112

Source: Food and Consumer Protection, Policy Note 2021-22, Government of Tamil Nadu

All the essential commodities are supplied to the family card holders using smart family cards. All the smart cards are issued on the basis of Aadhar card enrollment of card holders. According to National Food Security Act, States public distribution system has categorized Smart family card into five types as shown in the table 1 along with commodities entitled by each type and their numbers in circulation as on 2021.

Commodities Distributed Through Public Distribution System In Tamil Nadu

Rice, Wheat, Sugar and Kerosene are the essential commodities being distributed to the family card holders under the Public Distribution System. Tur dal and palmolein oil are distributed under special Public Distribution System. Table 2 shows the scale of supply and issue price of these commodities through PDS.

Table 2 : Scale Of Supply And Issue Price Of Commodities Through PDS.

Sl.No	Name of the commodity	Issue Price (Kilo/Litre)	Scale of Supply
1	Rice	Free of cost	All the rice card holders are eligible for 5 kg of rice per person and AAY cardholders can draw 35 kg of rice per card
2.	Wheat	Free of cost	10 kg per card per month in Chennai and District headquarters and 5 kg per card per month in other areas.

3.	Sugar	Rs 13.50 per Kg for AAY cards and Rs 25 per Kg for all other cards	500 grams per head and a maximum of 2 kgs per month per card. For, sugar card holders, 500 grams per head plus additional 3 -5 kg per month
4.	Kerosene	Rs 15 to 16 per liter	3- 15 liters per family card based on LPG connection and Place of residence
5.	Tur Dal	Rs 30 per kg	1 kg per card
6.	Palmolein oil	Rs 25 per liter	1 liter per card

Source: Food and Consumer Protection, Policy Note 2021-22, Government of Tamil Nadu

The Fair price shops sell special PDS commodities like Tur Dal and Palmolein at subsidized rates offered by Tamil Nadu government. Commodities like Ooty tea, Amma salt are also sold at reasonable rate through these fair price shops.

Reforms Adopted In Pubic Distribution System In Tamil Nadu

Government of Tamil Nadu has been taking various reforms for efficient functioning of PDS in the state.

Through End to End Computerization scheme, Tamil Nadu Public distribution System has been fully computerized. The Sale transactions at Fair price shops have been completely automated. The movement and availability of food grains at various points of supply is monitored on real time basis. Such measures have brought transparency and reduced corruption at grass root level. Supply of commodities to the household has been done using smart cards. As a part of computerization of PDS, smart family cards are being issued to those families that have linked aadhar numbers to their cards.

This system has enabled:

- Digitization of family cards database
- Computerization of supply chain management
- Setting up of transparency portal
- Setting up of effective grievance redressal mechanisms
- Online allocation of commodities for PDS
- Real time monitoring of movement of commodities at godowns and fair price shops
- Public can apply online for new family cards
- Cardholders can view the availability of commodities
- Transaction details are sent through SMS

Point of sale (POS) device has been provided at each PDS outlet to capture every transaction in supply chain from stock entry in godowns to distribution to cardholders. Every transaction is monitored through web based portal on real time basis. By 2020, around 96 per cent of such transactions are carried out through biometric mode.

With the Integrated Management of Public Distribution System (IM-PDS), government has made efforts to extent the cover and availability of PDS to all the citizen of the country irrespective of their origin. One Nation One Ration card Scheme (ONORC) has been implemented in Tamil Nadu from 2020. This enables the card holder to buy their entitlement from anywhere in India using biometric aadhar authentication. State has also implemented intra state portability service for card holders of Tamil Nadu to avail their commodities from any ration shops with in Tamil Nadu without changing their address.

One of the most remarkable initiatives of Tamil Nadu PDS is

that no private agency or individual is allowed to operate Fair Price Shop in the state. Fair Price shops are run by Co-operative societies, Tamil Nadu Civil supplies Corporation, Women Self Help Groups in the state. The cooperatives play a vital role in effective implementation of PDS in Tamil Nadu. Majority of the fair Price Shops are still run by Co-operative societies. 33,068 fair price shops are run by cooperatives out of which 23,503 are full time and 9,565 part time shops. This accounts to 95.09 per cent of 34,773 total Fair Price shops in the state. (Cooperation, Food and Consumer Protection Department, Policy Note 2021-22, GOTN) Other than 33,068 fair price shops run by cooperative societies, 249 kerosene bunks are also run by them for distributing kerosene to the card holders.

One of the major hindrances for the universal reach of PDS services is accessibility of PDS shops to remote hilly areas and geographically isolated areas. Tribal population always lags behind while utilizing the services of PDS. This dampens the inclusive nature of the scheme. Even the distance between the residence and the PDS outlet has been reported by many studies as a major cause of non-availing of PDS commodities by households. In response to this, Tamil Nadu has introduced 'Mobile Fair Price Shops' which are functioning in many tribal and inaccessible areas. Identifying such areas and launching mobile fair shops are under the discretion of District Collectors. In the Nilgiris district of Tamil Nadu alone 31 mobile fair price shops are serving the tribal population with PDS essential commodities. Not only tribal areas, mobile fair shops are even functioning in remote rural and urban area where the PDS shops are far from the card holders' residence.

At times, fair price shops do incur certain amount of loss for which Government has been releasing subsidy to compensate the loss incurred by them. As Fair price shops are run by the cooperative societies with a service motive, to meet out the operational expenses, subsidy is being provided by the government for any kind of operational loss. According to Cooperation, Food and Consumer Protection Department, Policy Note 2021-22, Government of Tamil Nadu, a sum of 400 crore has been sanctioned as subsidy for such operational loss of PDS.

The self reliant state policy with protectionist view of policy, other than the essential commodities, sale of other commodities are also done through PDS at subsidized rate. Tamil Nadu reform policy aimed at extenuating problems of tea growers in ooty, tea from small tea growers are purchased and sold through PDS. Fair price shop run by cooperative societies, sell Ooty tea bought from The Tamil Nadu Small Tea Growers Industrial Cooperative Tea Factories Federation Ltd (INDCOSERVE). During the time period of 2020-21, 616 MT of Ooty tea has been sold through PDS. And Iodized salt is also been sold through fair price shops which has been procured through Tamil Nadu Salt Corporation. This has health care motive as well as iodized salt will reduce the Iodine deficiency among the public. 5,168 MT of Salt has been sold through PDS during 2021.

Another efficient practice which was reformed for complete and no wastage policy of Tamil Nadu was to sell the empty gunnies. Earlier, empty gunnies were collected in all the fair price shops functioning under cooperatives were initially sold through the 'District empty gunny bags sales committee'. But with this practice most of the empty gunnies were unsold. After the current reform, empty gunnies were collected from all the fair price shops are pooled at the head quarters of concerned cooperative societies in each region. The details of empty gunnies were uploaded to Metal Scrap Trade Corporation (MSTC) website and through these portal empty gunnies are sold. This reform brought a greater amount of transparency in PDS byproduct transactions too. By 2021, 26, 01, 05,132 empty gunnies have been sold through the e-auction platform.

CONCLUSION

Public Distribution System the biggest food security welfare initiatives of the country withstands the test of time. Tamil Nadu has adopted Universal Public Distribution System (UPDS) which assures food security to all the citizens of the state. With efficient categorization of smart family card to proper inclusion and exclusion of commodities distributed through PDS Tamil Nadu is on the path of a well established PDS network. Various reforms like end to end computerization, monitoring transactions through web based portal, implementation of One Nation One Ration card Scheme (ONORC) and intra state portability schemes, handing over the FPS responsibility to cooperative societies, better accessibility through mobile fair price shops, inclusion of sale of other commodities, selling empty gunnies through the e-auction platform Tamil Nadu is in the path of efficient functioning of PDS. Thus it can be concluded that with the timely intervention and state appropriate reforms PDS in Tamil Nadu can be seen narrating a success story.

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