



Chapter 15

Public Distribution System

Introduction

Poverty alleviation and eradication of hunger are two vital objectives of rural development programmes in India. Amongst various programmes of poverty alleviation and hunger mitigation, the public distribution system (PDS) is one. PDS aims at eradication of rural poverty and inequality by providing justice to the poor (Pattanaik, 1997). It was clubbed with the minimum needs programme (MNP) in the Seventh Five Year Plan. With a network of about 4,51,000 fair price shops (FPS) for the distribution of commodities worth over Rs. 150 billion to about 180 million households throughout the country, the PDS in India is perhaps the largest distribution network of its type in the world (Meenakshisundaram, 2001). PDS, over the years, has become an important instrument of the governments' policy of ensuring availability of foodgrains to the public and providing enhancing food security to the poor. This is also true for Himachal Pradesh.

Need and Importance of PDS in Himachal Pradesh

Agriculture is the mainstay of the people of Himachal Pradesh and 66.71 per cent of the population depends on it. In this hilly and mountainous state, 80 per cent of the landholdings belong to small and marginal farmers. Only one-fifth of the cultivable land is irrigated and the rest continues to depend heavily upon the monsoon. Therefore, achieving foodgrain productivity through planned target is an arduous task. The Ninth Five Year Plan document has rightly pointed out that "having realised the fact that we could not plan for foodgrain self-sufficiency, the future plans of the state concentrated more on (a) diversifying agriculture and (b) raising productivity levels in vegetables and fruit". Nearly 30 per cent of its population comprises the Scheduled

Castes and Scheduled Tribes. According to a household survey, 27.62 per cent of the families are living below the poverty line, which varies between the highest of 61.72 per cent in Chamba and lowest of 19.6 per cent in Una. The families identified to be living below the poverty line are 2,86,447 (Annual Administrative Report, 2001-02). From spatial situations, it can be inferred that PDS has or will have an important role in dealing with poverty, hunger and malnutrition in the state.

PDS Schemes in Himachal Pradesh

Various schemes of PDS launched in the state are:

Targeted Public Distribution System (TPDS)

This scheme was introduced in the State on 1 June 1997. Families were divided broadly into two categories such as: (i) Above the Poverty Line (APL) and (ii) Below the Poverty Line (BPL). The number of APL and BPL families in Himachal Pradesh on 01.03.2003 was 10,46,967 and 2,98,181 respectively. However, with the launching of the Antyodaya Anna Yojana, the number of BPL families has come down to 2,19,481.

Antyodaya Anna Yojana (AAY)

The AAY scheme was introduced in the State on 1 March 2001. The numerical ceiling of the poorest of the poor families to be covered under this scheme fixed by the Government of India was 78,700. Under this scheme, wheat and rice are being issued at the scale of 15 kg and 20 kg per family per month at the rate of Rs. 2 and Rs. 3 per kg respectively.

Annapurna Scheme (AS)

This scheme was introduced in the State on 1 April 2000. The numerical ceiling of the beneficiaries to be covered under this scheme set by the Government of

India in the state is 6373. Out of these, 5484 families have been identified to be benefited by the scheme. The beneficiaries are old, destitute, indigent citizens (65 years and above) who are eligible for old age pension under National Old Age Pension Scheme (NOAPS) but have been denied. Under this scheme, foodgrains are issued to them free of cost at the scale of 10 kg per beneficiary per month.

Other Schemes

Sampooran Gramin Rojgar Yojana

This *Yojana* has been operating in the state since 11 January 2002. Under this food-for-work programme, rice and wheat are supplied to the beneficiaries at the rate of Rs. 5 per kg per manday. The Food and Supplies department makes the foodgrains available to the FPS and the scheme is executed by the Rural Development, Department. It is implemented on the analogy of food-for-work programme.

Supply of Foodgrains for Welfare Schemes at Half the Economic Cost

Under this scheme, the Government of India has decided to provide foodgrains to the inmates in the tribal hostels at the rate of 15 kg per head per month at BPL rates. This facility will also be available to the inmates of tribal hostels being run by NGOs and sponsored by the Ministry of Tribal Affairs/State Governments. Under the Government of India's policy, these schemes are to be implemented by the Tribal

Development Department. The current position is that the Himachal Pradesh Government has circulated the instructions of the Government of India to all departments concerned for compliance.

Sarvpriya Yojana

The Government of India, under the Sarvpriya Yojana, has proposed to supply essential items such as pulses, salt, tea, toilet soap, detergent cakes, exercise books, mustard oil and toothpaste through the network of FPS under the TPDS. The Government of Himachal Pradesh has issued the necessary instructions to all concerned departments as well as to the field functionaries. However, it is learned that these items are already being distributed through the FPS.

Additional Allocation of Foodgrains for Distribution at BPL Rates in Drought-Affected Areas

Under this scheme, the Government of India has allotted rice and wheat to Himachal Pradesh at BPL rates at the scale of 20 kg of foodgrains per family per month. This is in addition to the foodgrains available to BPL families at the scale of 35 kg per family per month at BPL rates under the TPDS.

Status of FPS and Ration Cards

As far as fair price shops are concerned, 3895 such shops have been operating in the state till 2002, of which 3280, 279 and 336 were operating in the rural, urban and far-off areas (Table 15.1) constituting 84.21

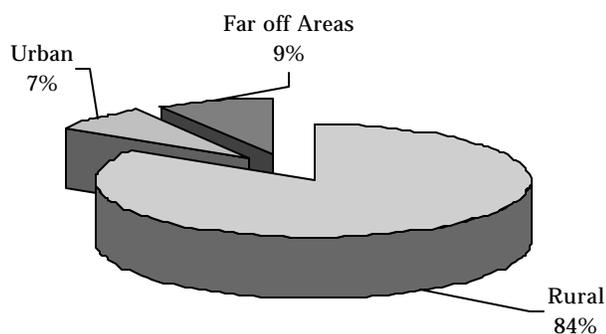
TABLE 15.1

Fair Price Shops in Rural/Urban Areas as on 31.03.2003

District	Fair Price Shops (Number)				Percentage			
	Urban	Rural	Far Flung	Total	Urban	Rural	Far Flung	Total
Bilaspur	8	177	0	185	4.32	95.68	0.00	100.00
Chamba	19	283	74	376	5.05	75.27	19.68	100.00
Hamirpur	29	249	7	285	10.18	87.37	2.46	100.00
Kangra	42	821	5	868	4.84	94.59	0.58	100.00
Kinnaur	0	0	56	56	0.00	0.00	100.00	100.00
Kullu	20	274	67	361	5.54	75.90	18.56	100.00
Lahaul & Spiti	0	0	65	65	0.00	0.00	100.00	100.00
Mandi	34	502	67	603	5.64	83.25	11.11	100.00
Shimla	60	361	5	426	14.08	84.74	1.17	100.00
Sirmaur	19	269	0	288	6.60	93.40	0.00	100.00
Solan	38	227	2	267	14.23	85.02	0.75	100.00
Una	32	231	0	263	12.17	87.83	0.00	100.00
Total	301	3394	348	4043	7.44	83.95	8.61	100.00

Source: Food and Supplies Department, Government of Himachal Pradesh.

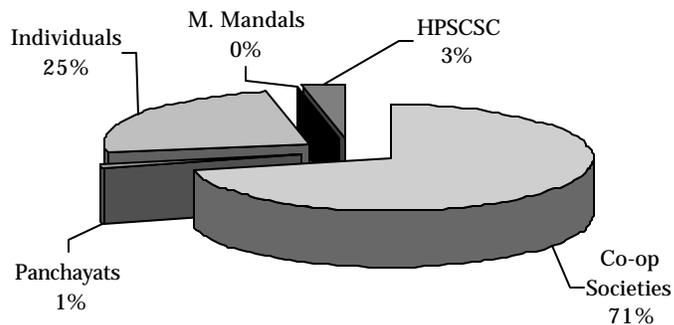
FIGURE 15.1
Status of Fair Price Shop



per cent, 7.16 per cent and 8.63 per cent in their respective areas. As far as the concentration of FPS in the rural areas is concerned, 95.83 per cent (the highest) are operating in Bilaspur district. Solan district accounts for the highest number of fair price shops in the urban areas (14.73%), which is higher than Shimla district's 11.79 per cent.

In Kinnaur and Lahaul-Spiti districts all fair price shops are in far-off areas. This indicates that the PDS in Himachal Pradesh has paid adequate attention to the needs of the rural and far-off areas where the vulnerable sections are largely concentrated. The number has increased and in March, 2003, the number was 4043. As far as the ownership of these shops is concerned, of the 4043 shops, 2855 (70.62%), 47 (1.16%), 129 (3.19%), 1008 (24.93%) and 4 (0.10%) are being run by

FIGURE 15.2
Categories of Ownership of F.P.S.



co-operative societies, *panchayats*, Himachal Pradesh State Civil Supply Corporation (HPSCSC), individuals and *Mahila Mandals* respectively (Table 15.2).

There are 13,50,529 ration card holders in the state, of whom 2,19,481 are BPL card holders, 78,700 are AAY card holders and the rest 10,52,348 are APL card holders (Table 15.3). Moreover, 5484 (0.41 per cent) families have been identified under the Annapurna Yojana. It is estimated that the number of ration cards per fair price shop in Himachal Pradesh is 323 (as on May 1998).

The role of community participation is vital for the effective functioning of PDS. However, the meagre percentage of 1.18 shops being run by *panchayats*, clearly indicates that their role in PDS has not been effectively promoted. Women who largely manage the foodgrains

TABLE 15.2
District-wise Ownership of Fair Price Shops as on 30.11.2003

District	Number					Total	Percentage					Total
	Co-op	Panchayat	Mahila Mandal	HPSCSC	Private Individual		Co-op	Panchayat	Mahila Mandal	HPSCSC	Private Individual	
Bilaspur	149	1	0	5	30	185	85.54	0.54	0.00	2.70	16.22	100.00
Chamba	233	21	0	16	106	376	61.97	5.59	0.00	4.26	28.19	100.00
Hamirpur	251	3	0	4	27	285	88.07	1.05	0.00	1.40	9.47	100.00
Kangra	664	2	2	16	184	868	76.50	0.23	0.23	1.84	21.20	100.00
Kinnaur	51	0	0	1	4	56	91.07	0.00	0.00	1.79	7.14	100.00
Kullu	186	9	0	2	164	361	51.52	2.49	0.00	0.55	45.43	100.00
Lahaul & Spiti	59	0	0	4	2	65	90.77	0.00	0.00	6.15	3.08	100.00
Mandi	446	0	0	15	142	603	73.96	0.00	0.00	2.49	23.55	100.00
Shimla	266	1	0	51	108	426	62.44	0.23	0.00	11.97	25.35	100.00
Sirmaur	166	0	0	6	116	288	57.64	0.00	0.00	2.08	40.28	100.00
Solan	171	9	2	7	78	267	64.04	3.37	0.75	2.62	29.21	100.00
Una	213	1	0	2	47	263	80.99	0.38	0.00	0.76	17.87	100.00
Total	2855	47	4	129	1008	4043	70.62	1.16	0.10	3.19	24.93	100.00

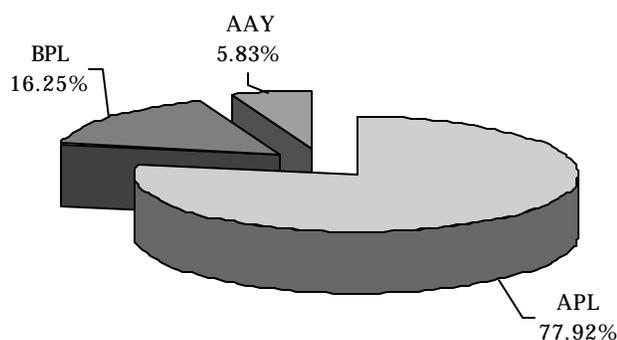
Source: Food and Supplies Department, Government of Himachal Pradesh.

TABLE 15.3
District-wise Ration Card Status as on 30.11.2003

District	Number				Percentage of Ration Cards			
	APL	BPL	AAY	Total	APL	BPL	AAY	Total
Bilaspur	62099	13676	4791	80566	77.08	16.97	5.95	100.00
Chamba	44222	35100	12959	92281	47.92	38.04	14.04	100.00
Hamirpur	82718	15746	5539	104003	79.53	15.14	5.33	100.00
Kangra	244078	48012	17583	309673	78.82	15.50	5.68	100.00
Kinnaur	16847	2105	791	19743	85.33	10.66	4.01	100.00
Kullu	71811	8641	3137	83589	85.91	10.34	3.75	100.00
Lahaul & Spiti	5231	1773	672	7676	68.15	23.10	8.75	100.00
Mandi	176191	31824	11550	219565	80.25	14.49	5.26	100.00
Shimla	119987	23678	8730	152395	78.73	15.54	5.73	100.00
Sirmaur	64826	11420	3775	80021	81.01	14.27	4.72	100.00
Solan	79266	14032	4933	98231	80.69	14.28	5.02	100.00
Una	85072	13474	4240	102786	82.77	13.11	4.13	100.00
Total	1052348	219481	78700	1350529	77.92	16.25	5.83	100.00

Source: Food & Civil Supplies Department, Govt. of H.P.

FIGURE 15.3
Categories of Ration Cards



of the households can effectively manage the PDS. But only three fair price shops are owned by *Mahila Mandals*. Under the *Mahila Mandal Protochahlan Yojana*, the ownership of more and more fair price shops need to be given to Mahila Mandals. As *Mahila Mandals* are functioning effectively in Kangra district, more *Mahila Mandals* in that district need to be given ownership of fair price shops.

The highest percentage of APL card holders is in Kullu district (85.91%) and the lowest in Chamba district (47.92%). On the other hand, BPL card holders are 38.04 per cent in Chamba district and the lowest number (10.34%) is in Kullu district. Unlike BPL families, the highest number of AAY card holders are in Chamba district and the lowest in Kullu district (3.75%). This implies that Himachal Pradesh has a greater percentage of vulnerable sections in Chamba as compared to other districts.

Allocation, Lifting, Distribution and Diversion of Foodgrains

The allocation, lifting and distribution of foodgrains in 2001-02 and 2002-03 show that the lifting of wheat and rice from the allocated amount for APL families has gone down from 17.23 per cent to 6.47 per cent and wheat alone has gone down from 6.20 per cent to 5.20 per cent. But the lifting of wheat for BPL families has increased from 44.42 per cent to 45.11 per cent and rice from 38.84 per cent to 57.66 per cent. The lifting of rice and wheat for other categories such as AAY, *Annapurna*, food-for-work, etc., is high as compared to the former two categories. This indicates that the PDS caters to the needs of vulnerable groups. Lifting from the central pool shows that there is genuine dependence on PDS by the vulnerable sections.

Diversion of wheat from PDS to the free market in Himachal Pradesh is 47 per cent (TECS, 1998), which is three times that of Andhra Pradesh (Table 15.5). Diversion of wheat in Himachal Pradesh may be largely done from APL families pool who rarely use their ration cards to purchase wheat largely because of their home production, the poor quality of the wheat supplied through PDS and narrow differences between the PDS price and the free market price. As compared to wheat, there is less diversion of rice and sugar, 18 per cent and eight per cent respectively. Home production is the main reason for less dependence on PDS rice, which leads to diversion. The diversion of sugar is the lowest, mainly because of higher percentage of the use of ration cards by APL families for purchasing sugar from fair price shops.

TABLE 15.4
Status of Allocation, Lifting and Distribution of Wheat & Rice (2001-02 & 2002-03)

Commodities	Categories of Schemes	2001 - 2002			2002 - 2003		
		Allocation	*Lifting	**Distribution	Allocation	Lifting*	Distribution**
Wheat	APL	38400	6615 (17.23)	9041 (136.67)	125268	8110 (6.47)	7593 (93.63)
	BPL	44280	19668 (44.42)	19672 (100.0)	53482	24125 (45.11)	25131 (104.04)
	AAY	9444	9341 (98.91)	9400 (100.63)	12323	13113 (106.41)	13045 (99.48)
	Annapurna	589	473 (80.31)	466 (98.58)	—	99	76 (76.77)
	Food for work	-	-	-	—	-	148
	Drought Relief	30000	11097 (36.99)	7470 (67.32)	—	18903	22530 (119.19)
	SGRY	2970	NA	NA	13788	6486 (47.04)	3511 (54.13)
Rice	APL	62760	3894 (6.20)	4116 (105.71)	204982	10667 (5.20)	13830 (129.65)
	BPL	54705	21248 (38.84)	22671 (106.70)	80234	46259 (57.66)	43455 (93.94)
	AAY	14172	13645 (96.28)	13570 (99.45)	16949	18865 (111.30)	17628 (93.94)
	Annapurna	559	456 (81.57)	456 (100.0)	762.3	744 (97.60)	464 (62.37)
	Food for work	11549	11549 (100.0)	11401 (98.72)	—	—	148
	Drought Relief	119250	80080 (67.15)	80080 (100.0)	—	36670	36670 (100.0)
	SGRY	3300	NA	NA	—	—	—

Note: * Figures in parenthesis show percentages to total allocation.

** Figures in parenthesis show percentages to total lifting.

TABLE 15.5
Average Offtake Per BPL Household and
Diversion of PDS Commodities

States	Offtake (kg)* per BPL Households	Estimated Diversion**		
		Wheat	Rice	Sugar
Rajasthan	1.0	31	36	17
Haryana	1.1	53	44	28
Punjab	4.9	69	40	6
Himachal Pradesh	23.3	47	18	8
Bihar	42.4	44	64	47
Uttar Pradesh	54.0	46	49	36
Gujarat	75.4	23	21	18
Maharashtra	76.7	26	30	22
West Bengal	85.2	40	34	24
Madhya Pradesh	90.8	20	24	32
Karnataka	210.4	30	18	19
Assam	226.3	61	64	52
Tamil Nadu	253.9	24	33	28
Andhra Pradesh	262.4	15	19	16
Orissa	302.6	39	54	28
Kerala	315.9	28	23	25

Source: *M.D. Asthana and Pedro Medrano (Ed.) Towards Hunger Free India, Agenda and Imperatives, Monohar, 2001, P.486

**Total Economic Consultancy Service (TECs) 'Study to Ascertain the Extent of Diversion of PDS Commodities, study undertaken on behalf of the Ministry of Food & Consumer Affairs, (GoI), New Delhi, February, 1998.

Field Survey

A study of utilisation of PDS and consumer satisfaction with it was conducted in three villages and one urban colony of Shimla (March 2003) by the Centre for Research in Rural and Industrial Development (CRRID). These are Kapaur, Sandholi and Joron villages of Kinnaur, Solan and Sirmaur districts respectively and Krishna Nagar locality of urban Shimla. 150 households comprising 6 Antodaya families, 3 BPL families and 141 APL families were covered.

FIGURE 15.4
Diversion of Wheat

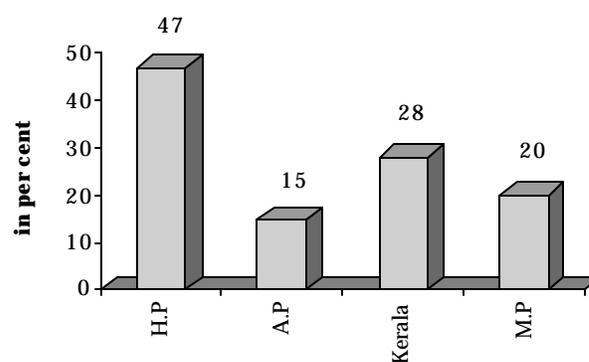


TABLE 15.6
Commodity-wise Users and Non-users

Commodity	Urban		Rural		Far-off Areas		Total	
	User	Non-user	User	Non-user	User	Non-user	User	Non-user
Sugar	37 (90.24)	4 (9.76)	48 (60.76)	31 (39.24)	25 (83.33)	5 (16.67)	110 (73.33)	40 (26.67)
Wheat	12 (29.27)	29 (70.73)	4 (5.06)	75 (94.94)	10 (33.33)	20 (66.67)	26 (17.33)	124 (82.67)
Rice	20 (48.78)	21 (51.22)	6 (7.59)	73 (92.41)	21 (70.00)	9 (30.00)	47 (31.33)	103 (68.67)
Kerosene Oil	—	41 (100)	24 (30.38)	55 (69.62)	4 (13.33)	26 (86.67)	28 (18.67)	122 (81.33)

Note: Figures in parenthesis show percentages to total users and non-users in respective categories.

Three main objectives of the study were:

- To analyse the use of ration cards by ration card-holders for purchasing rations from fair price shops.
- To assess the satisfaction and reaction of ration card holders towards the quality, supply and prices of foodgrains available in fair price shops; and
- To collect information regarding the prices of commodities available in fair price shops and compare these with the local free market prices.

It was found that 83 per cent of the ration card holders, mostly APL families, were not using the ration cards for the purchase of rice. The use of ration cards for the purpose of sugar and kerosene was 73 per cent and a meagre 18.67 per cent respectively. One of the important findings was that 95 per cent and 92 per cent of the ration card holders belonging to the rural areas had not used their cards for the last one year for the purchase of wheat or rice. This was largely because of the handiness of home grown rice and wheat, the poor quality of foodgrains available in fair price shops and the narrow difference between the PDS price and the free market

price. However, the percentage of non-users in the urban and far-off areas is lower than that of the rural areas. The percentages of non-users of ration cards for rice are 96.62, 85.71, 51.28, 66.67 among the Backward Castes, General Castes, Scheduled Castes and Scheduled Tribes respectively (Table 15.7). The Scheduled Castes are the highest utilisers of ration cards for rice. This implies that PDS fulfils the need of the vulnerable sections of society and the poorer sections depend on PDS.

FIGURE 15.5
Status of Non-users of Ration Cards

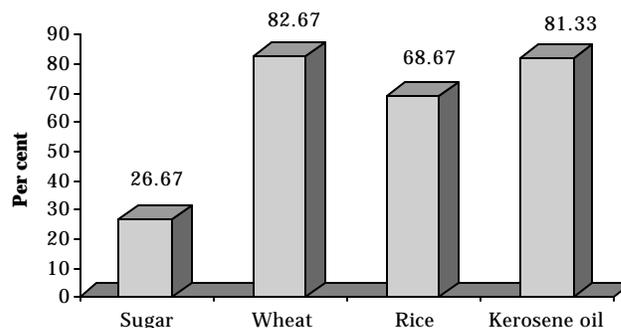


TABLE 15.7

Caste and Item-wise, User and Non-user of Ration Cards

Particular	General		BCs		SCs		STs		Other's		Total	
	User	Non-user	User	Non-user	User	Non-user	User	Non-user	User	Non-user	User	Non-user
Sugar	5 (35.71)	9 (64.29)	45 (69.23)	20 (30.77)	33 (84.62)	6 (15.38)	25 (83.33)	5 (16.67)	2 (100.0)	—	110 (73.33)	40 (26.67)
Wheat	2 (14.29)	12 (85.71)	2 (3.08)	63 (96.92)	10 (25.64)	29 (74.36)	10 (33.33)	20 (66.67)	2 (100.0)	—	26 (17.33)	124 (82.67)
Rice	1 (7.14)	13 (92.86)	4 (6.15)	61 (93.85)	19 (48.72)	20 (51.28)	21 (70.00)	9 (30.00)	2 (100.0)	—	47 (31.33)	103 (68.67)
Kerosene oil	—	14 (100.0)	22 (33.35)	43 (66.15)	—	39 (100.0)	4 (13.33)	26 (86.67)	2 (100.0)	—	28 (18.67)	122 (81.33)

Note: Figures in parenthesis show percentages to total users and non-user in respective categories.

TABLE 15.8
Occupation-wise User and Non-user of Ration Cards and Items

Particular	Cultivator		Labour		Service		Domestic Work		Business		Other's (Retd & old age)	
	User	Non-user	User	Non-user	User	Non-user	User	Non-user	User	Non-user	User	Non-user
Sugar	34 (75.56)	11 (24.44)	22 (78.57)	6 (21.43)	39 (81.25)	9 (18.75)	3 (75.00)	1 (25.00)	4 (26.67)	11 (73.33)	8 (80.00)	2 (20.00)
Wheat	4 (8.89)	41 (91.11)	10 (35.71)	18 (64.29)	9 (18.75)	39 (81.25)	1 (25.00)	3 (75.00)	1 (6.67)	14 (93.33)	1 (10.00)	9 (90.00)
Rice	10 (22.22)	35 (77.78)	13 (46.43)	15 (53.57)	18 (37.5)	30 (62.5)	2 (50.00)	2 (50.00)	2 (13.33)	13 (86.67)	2 (20.00)	8 (80.00)
Kerosene Oil	11 (24.44)	34 (75.56)	5 (17.86)	23 (82.14)	4 (8.33)	44 (91.67)	—	4 (100.00)	7 (46.67)	8 (53.33)	1 (100.00)	9 (90.00)

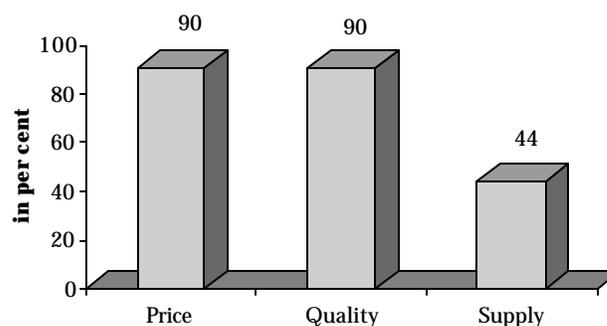
Note: Figures in parenthesis show percentages to total users and non-user in respective categories.

As far as occupation-wise users and non-users of the ration cards for wheat is concerned, the percentages are 91.11 for cultivators, 64.29 for labourers, 81.25 for services classes, 75.0 for domestic workers and 93.33 for business classes. Here again the labourers are the biggest users of ration cards for wheat. PDS provides food security to labourers, either marginal or landless. For rice, the percentages of users are lower in the case of cultivators and business classes (Table 15.8).

90 per cent of the families opined that they were not satisfied with the quality and prices of the foodgrains supplied through fair price shops. As compared to this, 56 per cent of the ration-card holders complained about irregular supply of rations at the fair price shops (Table 15.9). 100 per cent of the ration-card holders in the far-off areas were not satisfied with the quality of the rations. Moreover, the villagers of Joron in Sirmaur district also complained of corruption in these shops and lack of information regarding the date and time of the supply of rations.

One of the important findings as shown in Table 15.10 is that the prices of wheat at the fair price shops in the far-off areas (Kinnaur) meant for BPL families is

FIGURE 15.6
Consumers not Satisfied Q.S.P.



higher (Rs 5.40) than those in other rural areas. Similarly, for APL families both wheat and rice prices are higher in the far-off areas as compared to other areas. This is mainly because of the cost of transportation. Therefore, most of the consumers belonging to the far-off areas are not satisfied with the prices of foodgrains. Quality being already a constraint, the high price of the foodgrains dissuades the consumer from going to the fair price shops. Ironically, the price variation in wheat for APL families in the far-off areas of Kinnaur district is only 20 paise.

TABLE 15.9
Ration Card Holders Satisfied or Not Satisfied with Price, Quality and Supply

Particular	Urban		Rural		Far-off Areas		Total	
	Satisfied	Non-Satisfied	Satisfied	Non-Satisfied	Satisfied	Non-Satisfied	Satisfied	Non-Satisfied
Price	6 (14.64)	35 (85.36)	7 (8.86)	72 (91.14)	2 (6.67)	28 (93.33)	15 (10.0)	135 (90.0)
Quality	4 (9.75)	37 (90.25)	11 (13.93)	68 (86.07)	0 (0.00)	30 (100)	15 (10.0)	135 (90.0)
Supply	41 (100)	0 (0.00)	35 (44.30)	44 (55.70)	8 (26.67)	22 (73.33)	84 (56.0)	66 (44.0)

Note: Percentages to total satisfied and not-satisfied in respective categories.

TABLE 15.10
FPS and Free Market Rates of Commodities in Different Districts

Sr. No	Item	Place	Rate Per Kg			Quantity per Member/ Ration Card			Market Rate
			Antodaya	BPL	APL	Antodaya	BPL	APL	
1.	Wheat	Shimla	—	—	7.89***	-	-	12 Kg	9.50
		Kinnaur	2.00	5.40	7.30	12 Kg	12 Kg	12 Kg	7.50
		Solan	2.00	5.30	5.70	15 Kg	20 Kg	12 Kg	7.00
		Sirmaur	2.00	5.25	6.00	15 Kg	20 Kg	12 Kg	7.00
2.	Rice	Shimla	—	—	9.50	-	-	15 Kg	11.00
		Kinnaur	3.00	7.00	10.00	12 Kg	12 Kg	12 Kg	12.00
		Solan	3.00	7.00	7.00	20 Kg	40 Kg	15 Kg	10.00
		Sirmaur	3.00	7.00	7.00	20 Kg	40 Kg	15 Kg	10.00
3.	Kerosene Oil	Shimla	—	—	—	—	—	—	13.00
		Kinnaur	9.44	9.44	9.44	10 Lt.	10 Lt.	10 Lt.	13.50
		Solan	9.40	9.40	9.40	5 Lt.	5 Lt.	5 Lt.	12.00
		Sirmaur	9.64	9.64	9.64	10 Lt.	10 Lt.	10 Lt.	12.00
4.	Sugar	Shimla	—	—	13.50	—	—	1 Kg	14.00
		Kinnaur	13.50	13.50	13.50	700 Gm.	700 Gm.	700 Gm.	15.00
		Solan	13.50	13.50	13.50	500 Gm.	500 Gm.	500 Gm.	14.00
		Sirmaur	13.50	13.50	13.50	1 Kg.	1 Kg.	1 Kg.	14.00

Note: * Figures in parenthesis show percentages to total allocation.

** Figures in parenthesis show percentages to total lifting.

*** Rate of per kg atta.

Findings/Observations

- People desire that the quality of foodgrains needs to be improved.
- The percentage users of ration cards for foodgrains among the APL families is seasonal.
- APL families in the rural and urban areas are largely utilising their ration cards for the purchase of sugar.
- Discrepancy in the opinion of the APL families regarding their lower utilisation of ration cards for purchase of foodgrains and the utilisation status as given by ration-depot holder create apprehensions about the diversion and leakages of foodgrains to the free market.

Suggestions

The following suggestions will be helpful in effective functioning of the PDS for the alleviation of poverty, hunger and malnutrition in the state.

- Three types of cards for different categories of consumers may be prepared for effective identification not only for PDS but also for other security net benefits— yellow for *Antodaya* families; blue for BPL families and white for APL

families. It would also be helpful in the prudent allocation of foodgrains quotas to the depot holders and check diversion of foodgrains.

- Inter-state visits of Food and Civil Supplies authorities and fair price shop-owners, preferably to Andhra Pradesh and Kerala, should be organised. The lessons learned from the visits and their few good features can be adopted in Himachal Pradesh.
- A monitoring mechanism through the effective involvement of not only *panchayat* members but also other sections of society, such as members of youth clubs, self-help groups and *Mahila Mandals*, need to be evolved. This would prevent exclusion of genuine beneficiaries; help in proper functioning of the fair price shops; streamlining of PDS and controlling of diversion of foodgrains to the free market.
- Himachal Pradesh has an efficient SHG (Self-Help Group) scheme operating in the state. SHGs with good savings should be provided with an opportunity to run fair price shops. It will fulfill the objective of economic empowerment of women and fortify their role in poverty alleviation.

- The fair price shops need to be within the village. If it is not possible, it can open an extension counter with fixed dates and timing. Ward or cluster delivery system may be tried.
- Kerosene, sugar and other essential items need to be supplied at subsidised rates to *Antodaya* and BPL families.
- The QQP (Quantity, Quality and Price) management is important for an effective public distribution system. The government should evolve a mechanism to deal with this aspect.
- Political commitment, administrative ingenuity, fairness in the selection of fair price shops owner and effective participation of panchayati raj institutions and society and gender role are *sine-qua-non* for the effective functioning of PDS.
- As many APL households are occasionally using their ration cards for the purchase of food grains, this facility may either be withdrawn or made available seasonally to them to check possible leakage and diversion of foodgrains to the free market.
- Studies of the efficacy of fair price shops run by different organisations and individuals need to be conducted and the system found comparatively effective need to be proliferated in the state.
- Careful attention needs to be paid to 'E' mistakes (exclusion of deserving persons) and 'I' mistakes (inclusion of non-deserving persons) while selecting beneficiaries of BPL, AYY and *Annapurna* schemes, particularly the latter two.
- Last but not the least, the PDS in Himachal Pradesh is well catering to the needs of the poorest of the poor, despite of some short comings.

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