

ROLE OF PUBLIC DISTRIBUTION SYSTEM IN PROVIDING FOOD SECURITY IN INDIA

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Abstract:

One of the most pressing challenges in India is Food security remains, given its vast population, regional disparities, and socio-economic inequalities. The Public Distribution System (PDS) plays a pivotal role in ensuring access to essential food grains at subsidized prices, thereby acting as a key instrument of the government's food security policy. This research paper analyses the role, effectiveness, and challenges of the PDS in achieving food security in India. It explores the historical evolution of the PDS, its operational framework, and the impact of reforms such as the Targeted Public Distribution System (TPDS) and the National Food Security Act (NFSA), 2013. The study also assesses the efficiency of the system in reaching vulnerable populations, minimizing leakages, and promoting nutritional security. The findings underscore the need for technological interventions, better monitoring mechanisms, and enhanced policy coordination to strengthen the PDS and ensure equitable food access for all citizens

Keywords: Public Distribution System, Food Security, Targeted PDS, National Food Security Act, India, Subsidy, Governance

1.Introduction

Food security, as defined by the World Food Summit (WFS) and the Food and Agricultural Organization, 'exists when all people at all times have physical and economic access to sufficient, safe and nutritious food that meets their dietary and food preferences for an active life¹'. Food security is also linked with a host of other factors, such as, socio-economic development, human rights and the environment.

The per capita availability of food grains is a good indicator of food security. According to Planning Commission of India, a person needs a minimum of a daily caloric intake of 2400 in rural areas and 2100 in urban areas. The per capita food grains availability has steadily increased from 394.9 grams per day in 1951 to 444.0 grams in 2009 i.e. by 12 percent only. Mere improvement in the per capita availability of food grains will not ensure improvements in per capita consumption of food grains. In short, while per capita availability of good grains in India is increasing, but per capita consumption of food grains is declining.

A family considered to be food secure when its members do not line in hunger or fear of starvation. There is direct relationship between food consumption and levels of poverty in India, thousands of people go to bed without food every day night. The income levels of families govern the access to food affordability. Food distribution system is not satisfactorily functioning. The families are poor within adequate income cannot escape food crises.

The International Food Policy Research Institute (IFPRI) classified the status of hunger into five categories – low, moderate, serious, alarming and extremely alarming. India falls in the category of alarming. According to the study conducted by National Institute of Nutrition, the minimum per capita food grain required for an adult is 182.2 kg/year whereas in India, the availability is

only 173.6 kg/year and so far as the protein requirement is concerned, the daily intake should be 50 mg but the situation seems to remain stagnant, the per capita daily intake is only 10 mg.

Hence, in spite of surplus food grains, India has facing another socio-economic problem, food insecurity besides poverty, unemployment etc. The existence of this problem is not merely confirmed in the rural areas but also extended to urban region. This has put serious distress among the Dalits, women and children. Food security has a direct effect on health, nutrition, and overall productivity of weaker sections of society. In this regard the Government of India has adopted multi-sectored, multipronged strategy to combat these problems and to improve the nutritional status of the population. The following are the some of the schemes implementing by the governments.

2.Public Distribution System (PDS)

Public distribution system (PDS) is started by the Government of India under Ministry of Consumer Affairs, Food, and Public Distribution and managed jointly with state governments in India, it distributes subsidized food and non-food items to India's poor.

Evolution of public distribution of grains in India had its origin in the 'rationing' system introduced by the British during the World War - II. In view of the fact that the rationing system and its successor, the public distribution system (PDS) has played an important role in attaining higher levels of the household food security and completely eliminating the threats of famines from the face of the country, it will be in the fitness of things that its evolution, working and efficacy are examined in some details.

It was really the generation of World War's own compulsions that forced the then British Government to introduce the first structured public distribution of cereals in India through the rationing system-sale of a fixed quantity of ration (rice or wheat) to entitled families (ration card holders) in specified cities/towns. The system was started in 1939 in Bombay and subsequently extended to other cities and towns. By the end of 1943, 13 cities had been brought under the coverage of rationing and by 1946, as many as 771 cities/towns were covered. Some rural areas, suffering from chronic shortage were also covered. The Department of Food under the Government of India was created in 1942, which helped in food matters getting the serious attention of the government. When the War ended, India, like many other countries, decided to abolish the rationing system. This was in 1943. However, on attaining Independence, India was forced to reintroduce it in 1950 in the face of renewed inflationary pressures in the economy immediately after independence.

Public distribution of food grains was retained as a deliberate social policy by India, when it embarked on the path of a planned economic development in 1951. It was, in fact, an important component of the policy of growth with justice. In the first five-year plan, the system, which was essentially urban based till then was extended to all such rural areas which suffered from chronic food shortages. It was also decided to have two variations of the system, Statutory Rationing Areas, where food grains availability was supposed to be only through the Ration Shops and Non-Statutory Rationing Areas, where such shops would only supplement the open market availability.

It is stated that public distribution system in India is an organised system where the state ensures the distribution of essential commodities at reasonable prices to all sections of the people in general and economically weaker sections in particular. The main aim of the PDS is to meet the basic needs of the vulnerable sections of the community who cannot afford to depend

upon market forces to obtain their supplies. The government policy regarding public distribution of essential commodities is guided by the following objectives:

1. To stabilise food prices and prices of other key essential items.
2. To bring reduction in the year-to-year fluctuations in the overall availability and per capita availability of food grains.
3. To effect steady supply of other essential commodities at fair prices to protect the real purchasing power of the consumers, especially of those belonging to poorer sections of the society.
4. To make an effective supplementation to the government's programmes for
5. alleviation of poverty and reduction of malnutrition.
6. To have equitable distribution of basic essential commodities between different income groups, different regions and areas, thereby fulfilling the time, place and function utilities
7. To promote a strong consumer protection movement.
8. The achievement of the above-mentioned objectives involves a number of activities which are collectively called the essential constituents of a public distribution system.

3.Constituents

The following are some of the essential constituents of a public distribution system.

The first essential is to collect sufficient quantities of food grains, commensurate with the commitments and coverage, if not all by internal procurement, then by imports to the extent necessary. The whole rationale of running the public distribution system is to make stocks available at prices, which is below the open market prices in most of the states.

Closely related is the need for the creation of a buffer stock-so that production and demand for food grains in a year can be balanced out. Furthermore, in a situation of serious shortages, the public distribution system alone is neither an effective instrument for controlling the prices nor for curbing the malfunctioning of the open market system.

Establishment of adequate storage capacity at procurement and distribution centres for operational as well as buffer stocks is another essential feature of a successful public distribution system.

Another important aspect concerns the laying down of grain specifications and its quality control at various stages of procurement, storage and distribution and the prescription of a drill for the preservation of stocks in a healthy condition at various stages of storage and movement, starting with the farmer at the mandi level and ending with the fair price shop holder. It may be mentioned that, at best, it is fair average quality (FAQ) and does not wait for consumer preference. For this the affluent people can and do turn to the open market where a higher price has to be paid for the grain of one's choice.

Last but not the least is the most important essential constituent; that is, the determination of issue prices of grain passing through the public distribution system. The issue price is linked with(a) the procurement price fixed by the central government in consultation with the state government, on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) before the marketing season commences, (b) the handling costs of the public agency, like the Food Corporation of India, including the cost of maintaining buffer stock, and (c) the social objectives of the government of the day, the state of the country's economy and prices and the budgetary position at the centre- to determine the question of subsidising the issue price; that is fixing the issue price at a level lower, than its economic cost.

As it is clear from the above, the economic cost consists of (a) procurement price, (b) procurement incidentals and (c) distribution cost. The issue prices fixed by the government must bear a certain relationship with the open market prices. It will be important to mention here that if the issue prices are fixed too high, with reference to open market prices, the public distribution system may be rendered superfluous, causing discomfort to the lower strata of society. If the issue prices are fixed too low, there may be a big demand pressure on the system for which stocks may not be adequate. Thus, the problem of fixing issue prices on a reasonable, workable and rational basis is a ticklish one.

4. Functioning of Public Distribution System

The central and state governments share responsibilities to provide food grains to the identified recipients. The centre procures food grains from farmers at a minimum support price (MSP) and sells it to states at central issue prices. It is responsible for transporting the grains to godowns in each state. States hold the responsibility of transporting food grains from these godowns to each fair price shop (ration shop), where the beneficiary buys the food grains at the lower central issue price. Many states further subsidise the price of food grains before selling it to recipients. The Food Corporation of India (FCI) is the nodal agency at the centre that is responsible for transporting food grains to the state godowns.

State governments also issue 'ration cards' to their residents (at one time on a nominally universal basis, but more recently on a 'targeted' basis), and determine the quantities to which consumers are entitled. These differ from one commodity to the next. The prices are determined by state governments. Under Public Distribution System scheme, each family below the poverty line is eligible for 35 kg of rice or wheat every month, while a household above the poverty line is entitled to 15 kg of food grain on a monthly basis.

The Central Government take responsibility for procurement, storage, transportation, and bulk allocation of food grains. State Governments hold the responsibility for distributing the same to the consumers through the established network of Fair Price Shops (FPSs). State governments are also responsible for operational responsibilities such as Allocation and Identification of families below poverty line, Issue of ration cards, Supervision and Monitoring the functioning of Fair Price Shops.

5. Procurement of Food Grains:

The food grains offered to recipients under TPDS are procured from agrarians at MSP. The MSP is the price at which the FCI purchases the crop directly from farmers; typically the MSP is higher than the market price. This is intended to provide price support to farmers and incentivise production. It is done by the central government. They procure the food materials from the Food Corporation of India and the State Agencies at Minimum Prices which include wheat, rice, kerosene and sugar. Other essential commodities like iodized salt, Palm oil, candles, Ghee and cloth etc. have also been purchased.

Currently procurement is performed in two ways:

1. Centralised procurement: Centralised procurement is done by the FCI, where FCI purchases crops directly from farmers.
2. Decentralised procurement: Decentralised procurement is a central scheme under which 10 states/Union Territories (UTs) procure food grains for the central pool at MSP on behalf of FCI.

6. Identification of poor and needy:

The Centre and State governments identify eligible BPL households through the following detailed process³.

Table – 1 Identification process of BPL households

Authority	Role	Details
National sample survey organization	Conduct sample survey of consumer expenditure every five year	Consumer expenditure is the expenditure of household on some basic goods and services. The expenditure on this basket of goods is the basis of poverty line
Planning commission	Estimates state wise poverty such as number of people below the poverty line	Uses NSSO household expenditure data
Central government	Allocates food grains to each states based on state wise poverty estimates of planning commission and population projections of the register general of India as March 2000	The number of BPL families has been calculated using 1993-94 poverty estimates by Planning commission. This number has not been revised despite the release of new poverty estimates by the planning commission in 2004-2005 2011-2012
Ministry of rural development	Comes out with criteria for inclusion and exclusion from BPL list as part of its BPL census	Criteria for classification of BPL families, as per BPL census 2002, include parameters like size of land holding clothing owned, food security means of livelihood
State government	Identify eligible households	Based on above criteria

The government does not identify APL households; therefore, any household above the poverty line is eligible to apply for a ration card. The centre allocates food grains to states for APL families in addition to BPL families. Nevertheless, this allocation is based on availability of food grains in the central stocks and the average quantity of food grains bought by states from the centre over the last three years. Hence, the allocation to a state increases if its offtake increases over the previous years.

7. Issue of ration cards to poor people

A Ration Card is a file issued under an order or authority of the State Government, as per the Public Distribution System, for the purchase of essential commodities from Fair Price Shops. State Governments issue unique Ration Cards to Above Poverty Line, Below Poverty Line and Antyodaya families and conduct periodical review and checking of Ration Cards. An Indian citizen may get the application form for making a new Consumer (Ration) Card from any Circle Office. Person will require some documents to get ration card such as a photograph of the head of the family attested by a gazetted officer/MLA/MP/Municipal Councillor, proof of residence and the Surrender/ Deletion Certificate of the previous Ration Card, if there was any. In case, if person is not able to provide proof of his/her residence, the Circle FSO conducts spot inquiries by recording the statements of two independent witnesses in the neighbourhood.

The standard prescribed time schedule for the preparation of a Ration Card is generally 15 days. However, the procedure and time limit may vary. In case, Ration card holders lost their card or it is stolen or burnt, they can also obtain a duplicate ration card if the same could not be traced out within one month after its loss by submitting applications, duly endorsed by the Fair

Price Depot dealer, to the Deputy Director of the Tahsildar, as the case may be, by enclosing a passport size photograph of the applicant and a duplicate card will normally be issued within a week. If card holder has transferable job, within the district, the card could be transferred to the new place and if the place of residence happens to be outside the district, the card-holder will be issued a Surrender Certificate after surrendering it to the office so as to enable him/her to obtain a new ration card at the new place.

8. Storage

Besides the food grains requirement for immediate distribution under targeted public distribution system, the central government maintains minimum buffer reserves of food stocks for emergencies. The food grains procured for targeted public distribution system and other contingencies are maintained and stored as the central pool stock. Food Corporation of India is the main government agency delegated with the storage of food grains in the central pool. According to the storage rules of the Food Corporation of India, food grains are normally stored in covered godowns, silos, and in the open, referred to as Covered and Plinth (CAP). However, FCI's own storage capacity has been inadequate to accommodate the central pool stock of food grains. Consequently, Food Corporation of India hires space from various agencies such as the central and state warehousing corporations, state government agencies and private parties.

9. Allocation of food grains to states

The central government allocates food grains from the central pool to the state governments for distribution to BPL, AAY and APL families. Allocation for BPL and AAY families is performed on the basis of the number of identified households. Conversely, allocation for APL families is made on the basis of:

1. The availability of food grains stocks in the central pool.
2. The past off take (lifting) of food grains by a state from the central pool.

Given the food grains stocks in FCI, the centre has the discretion to allocate more grains to states on an ad-hoc basis. Earlier, ad-hoc allocations have been provided in the disaster of floods, droughts, and festivals.

10. Transportation of food grains to all Fair price shops

In India, food grains and other items are normally transported through Roadways and Railways. Choice of transport depends on volume of food grain. Through roadways, food grains are transported that are distributed at short distances. Railways deliver food items with high speed and suitable over long distances. This means of transportation have large carrying capacity and can carry bulky goods.

11. Fair price shop (Ration Shops)

Fair Price Shops (FPS) are called at ration shops in general way. In these centres, the consumer gets a Ration Card on the basis of which he is given food grains. The state government has given license to the Ration Shops to sell the food grains at comparatively lower price.

12. Consumer

Consumers are the people who buy the food grains from the Fair Price Shops at Minimum Market Price. They are availed to purchase food grains only if they own a ration card.

13. Logistic management of public distribution system

Recently Aadhaar (unique national identity card) can also be used in public distribution system to simplify a number of processes. The most frequent consumers belong to the BPL category which includes Marginal Farmers, Pottery, and Craftsmen. Numerous reforms have been suggested to make the targeted public distribution system more effective. Major reforms

include using information technology and leveraging Aadhaar to improve identification of beneficiaries.

Table-2 Technology based reforms in Targeted Public Distribution System in several states of India

Type of reforms	Benefits of reform	States implement reforms
Delegation of ration cards	Allows for online entry and verification of beneficiary data -Online store of monthly entitlement of beneficiary, number of dependants, off take of food grains by beneficiary from FPS.	Andhra Pradesh, Chhattisgarh, Tamil Nadu, Madhya Pradesh, Karnataka, Gujarat.
Computerized allocation to FPS	Computerized allocation to FPS, declaration of stock balance, web based truck challans. -Allow for quick and efficient tracking of transaction.	Chhattisgarh, Delhi, Madhya Pradesh, Tamil Nadu
Issue of smart card in place of ration card	-Secure electronic devise to store beneficiary data -Stores data such as name, address, biometrics, BP/APL category and monthly entitlement of beneficiary and family members. -Prevents counterfeiting.	Haryana, Andhra Pradesh, Orissa.
Use of GPS technology	Use of global positioning technology to track movement of trucks carrying food grains from state depots to FPS.	Chhattisgarh, Tamil Nadu
SMS based monitoring	Allow monitoring by citizens so they can register their mobile numbers and send/ receive SMS alerts during dispatch and arrival of TPDS commodities.	Chhattisgarh, Uttar Pradesh, Tamil Nadu
Use of web based citizen's portal	Publicizes grievances redressal machinery such as toll free number for call centres to register complaints or suggestions	Chhattisgarh

14. Significance of the Public Distribution System (PDS)

- Poverty Alleviation and Social Welfare:** Provides subsidised food to low-income groups, ensuring basic nutrition. E.g. **80.1 crore** NFSA beneficiaries receive benefits via **5.45 lakh Fair Price Shops** across India (as of 30th June 2023).
- Food Security and Price Stabilization:** Ensures **affordable access** to essential food items and stabilises prices. E.g. ₹3/kg for rice, ₹2/kg for wheat during inflation.
- Farmer Support and Stable Income:** MSP procurement **ensures stable market prices** for farmers. E.g. Punjab and Haryana benefit from MSP for wheat and rice.
- Crisis Mitigation and Emergency Relief:** Acts as a **safety net** during food shortages or crises. E.g. PDS provided food during COVID-19 Pandemic.
- Nutritional Support:** Helps prevent malnutrition, especially for children and pregnant women. E.g. Tamil Nadu distributes subsidised pulses and oil for better nutrition.
- Regional Equity and Redistribution:** Redistributes food **from surplus to deficit regions**, promoting food equity. Eg. Food grains from Punjab are sent to Northeast India.

15. Issues With the Public Distribution System (PDS)

- Leakages and Diversions:** A study highlights **28% leakage** in India's Public Distribution System (PDS), leading to an annual loss of **₹69,108 crore**. E.g. 28% of allocated grains fail to reach intended beneficiaries.
- Targeting Errors:** **Inclusion** of non-poor households and **exclusion** of eligible ones. E.g. Wealthier families in urban areas access subsidised grains for the poor.

3. **Supply Chain Inefficiencies:** Challenges in storage, transportation, and timely delivery of food grains. E.g. **delays** in distributing food grains to remote areas lead to **shortages**.
4. **Monocropping:** Over-reliance on rice and wheat, **limiting crop diversity**. E.g. Lack of variety in food grains impacts [agricultural sustainability](#).
5. **Rising Subsidy Costs:** Substantial increase in subsidy burden over the years. E.g. From ₹21,200 crores in 2002-03 to **₹2 lakh crores** in 2024-25.
6. **Urban Bias:** Limited effectiveness in reaching remote rural areas **due to infrastructure gaps**. E.g. Urban areas have more consistent access to subsidised food grains compared to rural regions.

16.Steps Taken to Improve Public Distribution System (PDS)

1. **Digitisation:** Digitisation of ration cards and GPS-based tracking to **ensure efficiency** in the supply chain.
2. **One Nation One Ration Card (ONORC):** Enables **portability of benefits** across states, ensuring that beneficiaries can access subsidised food grains regardless of their location.
3. **Social Audits:** Community participation through social audits enhances transparency and accountability.
4. **Technology Integration:** Use of **e-POS devices** for real-time monitoring of PDS operations.
5. **Promotion of Nutri-Cereals:** Encouraging the inclusion of [millets](#) and other nutritious grains to diversify food intake and improve health outcomes.