



A Review

The revival of public distribution system (PDS) in India

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Paper History :
Received : 06.08.2012;
Accepted : 03.02.2013

ABSTRACT : The main objectives of the food management are procurement of foodgrains from farmers at remunerative prices, distribution of foodgrains to consumers, particularly the vulnerable sections of society at affordable prices and maintenance of food buffers for foods security and price stability. Many studies have questioned the working of PDS in India. There are evidences of black marketing, leakages, low offtake, benefits to non-poor of foodgrains from PDS. The recent works on PDS in India has found the revival of PDS. The present research paper tried to study the problems involved in the working of the TPDS. It is also an attempt to find out the reasons behind the revival of PDS in India in recent period. Many problems in PDS like leakages and benefits to non-poor have originated due to the exclusion of households from this system. So, if this system is made universal, as it is possible as shown by Bannerjee (2011), it would work efficiently. If Government procure other commodities like millets, coarse cereals, pulses and edible oils (some states are procuring) the universalisation of PDS can be reality. This would help to give not only food security but also nutritional security to the poor. These crops will get financial support as they are grown on rainfed agriculture. Also for the benefits to reach the poor, the list of the BPL should be updated and the cards should be allotted to those people. Operating PDS through village Panchayats with computerization of food stock management, use of GPRS and IT can be a solution for the better working of the PDS as compared to private owners.

KEY WORDS : Revival, PDS, Food management

HOW TO CITE THIS PAPER : Narwade, S.S. (2013). The revival of public distribution system (PDS) in India, *Internat. Res. J. agric. Eco. & Stat.*, 4 (1) : 101-103.

The number of malnourished is greatest in one of the developing economies like India. The National Commission for Enterprises in Unorganized Sector (NCEUS) 2007 report says that 77 per cent of India's population lives on consumption level of Rs. 20 a day. The National Advisory Council (NAC) 2011 proposed to expand coverage of PDS to 75 per cent. But the expert committee to study National Advisory Council (NAC) proposal suggested reduction in coverage from 75 per cent to 46 per cent. This suggestion was based upon the high cost and ability to increase procurement of grains for universal PDS.

The PDS was continued in India after independence as a welfare measure. The green revolution during 1960s led to considerable increase in production of wheat and rice crops in India. There was pressure from the farmer's lobby to increase procurement of these crops to prevent fall in their prices. The role of PDS has changed from price stabilizer to antipoverty programme during 1990s. During 1997 Targeted PDS was introduced to provide foodgrains to people below poverty line.

Over the period of time, the procurement of wheat and rice has considerably increased but the offtake of them failed to increase in the same proportion. This led to increase in buffer stock of wheat and rice and the increase in food subsidy. The same foodgrains are supplied to poor people at subsidized rates, but with huge losses to government.

On the other hand, if procurement is not done of these foodgrains, the fall in prices of these commodities may help poor people the most. Poor people will get foodgrains at lower prices. Procurement of wheat and rice has helped only big farmers of Punjab, Haryana and Andhra Pradesh (Shankar, 2002). Food Corporation of India has no capacity to store procured foodgrains, so it has exported it at low prices in the international market. As a result food subsidy had considerably increased in India. Any step to increase the issue price of wheat and rice has led to shortfall in offtake of wheat and rice from PDS.

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