

Targeted Public Distribution System in Odisha : Challenges of Implementation of National Food Security Act,2013 through TPDS

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Abstract

The present article tries to describe the present provision of social administration of distribution of food to ensure food security to targeted group consisting of poor households and under-privileged section of the society in Odisha. It discusses the administrative provisions of the past and also the introduction of modern technology to achieve efficiency in recent years. The various challenges faced by the administration of targeted public distribution are analysed to achieve the goals set by National Food Security Act, 2013. Data have been collected from various sources of secondary data such as Statistical Abstract of Odisha, Planning Commission Report, State Civil Supplies Corporation Limited and other govt reports. In order to know the challenges of implementation of NFSA, 2013, interviews were conducted through unstructured questionnaire to the officers of Civil Supplies Department. The State of Odisha has implemented National Food Security Act, 2013 with its true spirit of addressing the need of food for needy and make the supply of food grains a right in 14 districts of the State since November 2015 and in rest 16-districts from December 2015. The major challenges are the proper identification of beneficiaries, inadequate infrastructure for storage of food grains and also transit loss in railway transportation. Difficulty also arises at assuring the quality of paddy procured due to lack of awareness on the part of farmer regarding handling paddy and inadequate scientific storage at the retail point.

Keywords: Food Corporation of India, NFSA, 2013, Targeted Public Distribution System.

Introduction

Despite the spread of globalization, there is still a need for social welfare administration, particularly for the protection of poor rural consumers. One of the most important dimensions of social welfare administration is effective implementation of social legislation which aims at framing social policy for the welfare of the unprivileged sections of the society. An efficient implementation of social policy needs skillful administration of different organizations involved in it. The National Food Security Act, 2013 seeks to make the right to food a legal entitlement by providing subsidized food grains to nearly two-thirds of the population. The Act relies on the existing Targeted Public Distribution System mechanism to deliver these entitlements

Understanding the present functioning of the system which involves important phases such as procurement, storage, transportation and distribution needs an analysis to find out the challenges of the existing governance. After globalization, there has been large-scale structural change in the Indian Economy as well as Odisha. Efficient administration of TPDS in achieving food security demands analysis of issues involved in its administration and challenges of implementation of Food Security Act. With this background a humble attempt has been made to understand the present state of implementation of NFSA, 2013 and the challenges of its governance.

Review of Literature

A review of the literature relating to the various dimensions of PDS such as efficiency in management of PDS, historical development of PDS, and satisfaction analysis of the beneficiaries under PDS, its role in food security, etc has been attempted here. Gupta & Singh (2016) have tried to

provide insights into the challenges faced by the Public Distribution System and various management related issues faced by the system. Insufficient quantity, poor quality of food, lack of government initiation at various stages of operation including taking feedback from the consumers for finding out areas of improvement, inappropriate infrastructure, lack of support from the govt official to another official are pointed out to be major bottlenecks of the system. The authors have undertaken a structured survey to collect data from the beneficiaries of three villages in Gautam Budha Nagar district of Uttar Pradesh. How the Public Distribution System has failed to protect the interests of the poor due to corruption in the governance at micro level and the role of Consumer Clubs in strengthening PDS and its implications, thereby a need for revamping have been discussed by Kumar, B & Mohanty, B (2012). The presence of high-level of corruption are attributed to are appointment of dealer on political lines and absence of the provision of margin to the dealers. Absence of financial support to the consumer clubs has been responsible for the failure of consumer clubs to educate the rural poor in achieving food security. Thampi (2017) in her article "Impact of PDS in India" has used the data set of 2011-11 of India Human Development Survey (IHDS) to study the impact of PDS on anthropometric indicators of the children between the age 7-19 age group at the state level and the second objective is to find out whether there is a potential to catch-2018 up growth i.e., the nutritional deficiencies of the early age of a child can be compensated later with the change in environment and diet. The author observed that the PDS has had an impact on the longer-term nutritional indicator in states where it has been functioning well for several years and has short-term indicator in certain reviving states. The indexes of dietary diversity were also higher in beneficiary households as compared to non-beneficiary households in most of the functioning and reviving states. Abha Gupta and Deepak K Mishra (2018) presents evidence of improved accessibility, utilization and impact of PDS in UP using data from the 68th Round of the National Sample Survey Office (NSSO) Consumer Expenditure Survey (CES) and primary data collected from six villages of western UP. The main findings show that the accessibility to PDS rationing is higher among lower socioeconomic groups and regions, which also have a higher share of PDS commodities in their food consumption and calorie intake in comparison to the non-poor categories. PDS has also made a positive and significant contribution towards ensuring food security among poor families. However, entitlements for the non-poor have been gradually phased out as the majority of them do not purchase food items and consider their entitlement for "kerosene only." With high levels of corruption and lower income margins, ration dealers siphon off a part of the PDS quota for sale in the open market or charge higher prices to cover their losses.

With this background of literature, the present article makes an attempt to describe and analyse the challenges of PDS system in Odisha in

achieving the targets of National Food Security Act, 2013 and also discuss the introduction of technology in governance in achieving greater efficiency.

Objectives of the Study

The objectives of the study are as follows:

1. To examine the administrative mechanism of Targeted Public Distribution System to achieve the goals NFSA, 2013 in Odisha
2. To explore and examine the major issues and challenges of Public Distribution System in the context of Odisha

Research Methodology

The study is descriptive and analytical in nature. Data have been collected from both primary and secondary sources. The sources of secondary data are Statistical Abstract of Odisha, Planning Commission Report, Annual Activities Report, 2014-2015 published by Food Supplies & Consumer Welfare Department, Government Odisha, State Civil Supplies Corporation Limited and other govt reports. In order to know the challenges of implementation of NFSA, 2013, interviews were conducted through unstructured questionnaire to the officers of Odisha State Civil Supplies Corporation Limited. In order to know about the procurement, storage and distribution system, guidelines on Decentralised Procurement System and Departmental Storage System published by Food Supplies & Consumer Welfare Department, Government Odisha, State Civil Supplies Corporation Limited have been referred. Both descriptive and analytical design have been adopted to interpret the data

Public Distribution System in Odisha

Among all the welfare programmes, the place of public distribution system is very much unique towards directly benefiting the poor by providing food security. Orissa has been struggling against the natural calamities like flood, drought and cyclones. The economy of the people is affected severely by these natural calamities. With this situation, the people are very much vulnerable towards food security. Twenty one percent of the population is deprived of three times meal in a day, while about twenty percent people are suffering from malnutrition out of sufficient calories of food intake. This is the overall situation of the state from the food security point of view. But this situation is something different in KBK and other tribal districts. The natural resources in these districts are decreasing day by day due to deforestation and extraction of mineral ores. People are losing their traditional occupations leading to large-scale unemployment and low income. People in large numbers are migrating to other states in the country in search of jobs. With this vulnerability, public distribution system has a great relevance towards food security, especially to poor and marginalized sections addressing to the incidence of poverty. Distribution of food grains through PDS, particularly rice at Rs.1 per Kg to the BPL population is one of the most popular scheme of the Government having both political and popular support.

Administration of Targeted Public Distribution in Odisha

The central and state governments share responsibilities in order to provide food grains to the identified beneficiaries. 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 go downs in each state. States bear the responsibility of transporting food grains from these go downs to each fair price shop (ration shop), where the beneficiary buys the food grains at the lower central issue price. Many states further subsidize the price of food grains before selling it to beneficiaries. The Food Corporation of India (FCI) is the nodal agency at the centre that is responsible for transporting food grains to the state godowns. Specifically, FCI is responsible for: (i) procuring grains at the MSP from farmers, (ii) maintaining operational and buffer stocks of grains to ensure food security, (iii) allocating grains to states, (iv) distributing and transporting grains to the state depots, and (v) selling the grains to states at the central issue price to be eventually passed on to the beneficiaries. This was the provision when there was centralized procurement provision. Now, the procurement process has been decentralized in Odisha

Procurement

Before 2003, procurement system was centralized, done by Food Corporation of India. Paddy were collected from millers who were purchasing directly from farmers at MSP (Minimum Support Price), having been monitored by FCI (Food Corporation of India). Fixing of amount for PDS purpose was determined by FCI at Levy rate. The reason behind decentralized procurement is increasing production of paddy and insufficient storage facility of FCI. Odisha has become a Decentralised Procurement State since 2003-04 which means the State is procuring paddy from the farmers through its agencies and mills it and uses the resultant custom milled rice for PDS and delivers the surplus rice to Food Corporation of India for other welfare schemes or evacuation to rice deficits states in the central pool. The State has become self sufficient to meet its requirement under PDS and other welfare schemes.

The agencies engaged in paddy procurement in Odisha are Odisha State Civil Supplies Corporation Limited (OSCSC). National Agricultural Co-operative Marketing Federation (NAFED), Odisha State Co-operative Marketing Federation (MARKFED) and Tribal Development Co-operative Corporation of Odisha Ltd (TDCC) are doing the bulk of the procurement operations. The role of Levy, i.e., direct procurements by Millers in the paddy procurement operation has been reducing and has been less than one percent in past three years. Similarly, FCI's participation in direct procurement has been reducing over years and was less than one per cent in the Kharif Marketing season 2013-14.

Primary Agricultural Credit Societies, Women Self Help Groups and Pani Panchayat have been engaged in paddy procurement at Panchayat and Village Level. That apart, procurement is being done

at Market Yards across the States where the state agencies other than OSCSC (Odisha State Civil Supplies Corporation Limited) are procuring directly from farmers.

Storage Operation

The State Government in accordance with the recommendations of Justice Wadha Committee appointed by Supreme court has introduced departmental Storage System combined with doorstep delivery of stuffs with effect from 1st April, 2012 and is being operated by the OSCSC. Under this operation, Corporation is operating Rice Receiving Centre-cum-Departmental Storage Centre (RCC-cum-DSC) with its own staff for, receipt & issue of rice and wheat. At present 238 RRC-cum-DSC are in operation. Under the system, the departmental storage system of OSCSC has been made the centre of activity. It receives stocks from different sources, manages the stock scientifically, and does proper inventory management and issue stocks to FPS for onward distribution to consumers.

Distribution

The objective of Food and Procurement Policy of Government of Odisha is to ensure timely availability of rice for PDS across the State through efficient utilization of available storage go downs and effective movement of stocks. In 2014, there are 262 Depots of OSCSC Ltd. (either owned or hired) functioning in the State. These depots are designated Rice Receiving Centre-cum-Departmental Storage Centre whose staff are not only responsible for receipt and storage but also for issue of rice and wheat. Fair Price Shops of Blocks and Urban Local Bodies have been tagged to the RRC-cum-DSCs depending upon the capacity of the depot, monthly allotment of food grains required for the concerned block/ULB and the distance in between the depot and Block/ULB.

Implementation of National food Security Act, 2013 in Odisha

In order to address the need of food for needy and supply of food grains a right, NFSA has been enacted by Government of India. The same has been made effective from 5th July 2013. The Act encompasses a life cycle approach and aims to combine existing schemes like TDPS, MDM and ICDS and includes a new scheme similar to Mamata wherein a pregnant lady would be entitled to get Rs 6000/- under unfair conditions. The Act envisages that, the eldest women of the household of 18 years and above is to be the Head of the Household and the ration card would be issued in her name. That also has a grievance redressal mechanism under which there would be State Food Commission with District Grievance Officers in Districts to address the grievances of the beneficiaries. Under the Act the State Govt. have freedom to continue or formulate food or nutrition based plan /scheme providing for benefits higher than the benefits provided under the Act from its own resources. Central Government has fixed the ceiling for coverage of Urban and rural Population in Odisha as follows: 82.17% of rural population and 55.77% of urban population.

In exercise of the powers conferred by Sub Section (1) of Section 10 of National Food Security

Act(NFSA), 2013, GOI Odisha have approved eight exclusion criteria and five auto-inclusion criteria for identification of Priority households and AAY households to be covered under TPDS under the Act. The five auto inclusion criteria are 1) Households without shelter 2) Household with destitute who is living on alms, all households of Primitive Tribal

Groups 4) households having a widow pension under Central Govt. or State Govt. Scheme 5) Household having a person with disabilities of 40% or more

This ceiling translates to 78% of the total population of the State. The eligible TPDS beneficiaries coverage under NFSA 2013 is given in this table.

Table-1.1

	Population as per 2011 census	% of coverage		No of Person/ Families Covered	
		Rural	Urban	AAY Families	Priority Individuals
Odisha	4,19,47,358	82.17	55.77	12,64,500	2,62,98,668
India	121,01,93,422	75	50	2,49,99,800	68,83,73,733

*Assuming an average of five members per family.

Source: Annual Activities Report, 2014-15, Food Supplies & Consumer Welfare Department, Govt. of Odisha, pp-14

To achieve the objective of Food security in Odisha an amount of twenty lakh tons food grains are required, whereas total procurement is 34 lakh tons in 2015 in the State. NFS Act-2013 has been implemented in 14-districts of the State from Nov. 2015 and in rest 16 districts from December 2015.

As on April, 2017, 2,85,63,421 have been provided with subsidized food i.e., rice and wheat @ of 5 kg per month per person at the rate of Rs1 and 10,48,977 families have covered under AAY which provides 35kg rice per month @ Rs 1 per kg. And 62,385 families are covered under Annapurna Yojana which provides 10 Kg rice free of cost.

Major issues of Targeted Public Distribution System in Odisha and the steps taken by the government to handle it

Identification of Beneficiaries: One of the major challenges of Public Distribution System was proper identification of beneficiaries. The number of poor not having ration cards was 29.3% which is the second highest state in India after Madhya Pradesh. The state government is the first state which has adopted a dynamic process of identification by setting his own criteria with the notification of Exclusion and auto-inclusion criteria since July 2014. A State Level Task Force for the implementation of NFSA was constituted under the Chairpersonship of the Development Commissioner. The problem of ghost card and double card is quite rampant in Odisha. Ghost cards are cards whose owners cannot be verified. Double card problem in PDS means one beneficiary having more than one card. Under the dynamic process of identification, the list of beneficiaries are getting updated regularly with the inclusion of new beneficiaries and exclusion of those beneficiaries who have gone above poverty line.

In order to implement NFSA, 2013, there has been a creation of a applicant data base received from the eligible families and creation of an integrated database of citizens by mapping secondary Govt. database related to the exclusion criteria with National Population Registrar by using Master Data Management (MDM). A comparison is drawn between applicant database with the integrated database. Based on the results of match draft priority list, suspect lists related to exclusion and inclusion criteria are generated. Physical verification of suspect list of beneficiaries in field is to be done by Govt officials. Ration card data management system has been introduced to ensure that the Ration card database is

updated regularly. The present dynamic process of identification will help in proper selection of beneficiaries.

Another issue of PDS of Odisha is lack of adequate infrastructure for storage of food grains. The State government, in accordance with the recommendations of Justice Wadhwa Committee has introduced Departmental Storage System. The system is a replacement of Private storage system and is being operated by OSCSC. Under the system Departmental Storage Centre (DSC). It receives stocks from different sources, manages its stocks scientifically, and does proper inventory management and issues stocks to Fair Price Shops for onward distribution to consumers. As on 31st July 2014, there are 262 depots (either owned or hired) functioning in the State which have been earmarked as Departmental Storage Centers (DSCs) and are also called as Rice Receiving Centres-cum-DSC. Such number of depots are falling short of requirement for scientific storage. The government is going to implement Private Entrepreneur Guarantee Scheme under which there will be joint custody, maintenance and preservation of food grains.

Another important issue is regarding transit loss in railway transportation of food grains due to lack of infrastructural facility at railway side and manhandling of food grains.

Difficulty in assuring quality in paddy procured due to lack of awareness on the part of farmer regarding handling paddy. Because of manual handling at retail-point, there has been lot of shortcomings such as fake beneficiary. There has been no scientific storage at the retail point. Now 70% retail FPS are now managed by Gram Panchayat through Gram sevakas, now designated as Panchayat Executive Officer.

Major effort taken up by the govt of odisha is end to end computerization on TPDS under various components. i) Digitisation of Ration Cards or beneficiary data base ii) Supply Chain management System iii) Tracking transaction of PDS items at FPS which otherwise called FPS automation iv) Lastly, transparency portal and Grievance Redressal Mechanism.

Conclusion

The State of Odisha has implemented National Food Security Act, 2013 with its true spirit of addressing the need of food for needy and make the supply of food grains a right in 14 districts of the State

since November 2015 and in rest 16-districts from December 2015. One of the major changes is the proper identification of beneficiaries. Inadequate infrastructure for storage of food grains is a major challenge faced by the PDS as well as transit loss in railway transportation. Difficulty also arises at assuring quality in paddy procured due to lack of awareness on the part of farmer regarding handling paddy. Because of manual handling at retail-point, there has been lot of short-comings such as fake beneficiary. There has been no scientific storage at the retail point. Major effort taken up by the govt of odisha is end to end computerization on TPDS under various components. i) Digitisation of Ration Cards or beneficiary data base ii) Supply Chain management System iii) Tracking transaction of PDS items at FPS which otherwise called FPS automation iv) Lastly, transparency portal and Grievance Redressal Mechanism.

Definitely, with increasing technological interventions in the supply –chain management of PDS, there will be greater transparency in the system and food security will be achieved. Central Government has fixed the ceiling for coverage of Urban and rural Population in Odisha as follows: 82.17% of rural population and 55.77% of urban population which is attainable with the integrated efforts of State Government organizations and local grass root level agencies for efficient collection, procurement, storage and distribution.

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