

Ration Vyawastha par Hamla Karna Band Karo Sabko Sasta Anaj dena Shuru Karo

The well established system of making available subsidised food under the Public Distribution System (PDS), procurement at Minimum Support Price (MSP) to the farmers and storage of grains by the Food Corporation of India (FCI), stabilisation of food prices through this procurement and distribution mechanism and provision of minimum foodgrain security to households are all under threat today.

The Government of India wants to dismantle and finish the PDS and leave the people to fend for themselves in the market. Such a move must be resisted by all. The following are some of the ways in which the PDS is being weakened:

1. **Targeting and the APL-BPL division:** The destruction of the PDS began in 1997 when the World Bank conditionalities of reducing the fiscal deficit resulted in the universal PDS being reduced to targeted PDS. The beneficiaries were divided into Above Poverty Line (APL) and Below Poverty Line (BPL) and a multi-pricing multi-entitlement system put in place. This can be seen as the first step towards dismantling the PDS.

In the last twenty years, people have been divided into artificial categories of BPL and APL for eligibility for food subsidy and other welfare programmes. This targeting has been based on externally set poverty ratios of the Planning Commission and a variety of methodologies for the actual identification of BPL. As a result we see huge exclusion errors where up to fifty per cent of the poor are left out from the BPL lists.

Further, when targeting was introduced, the prices that APL households had to pay for PDS foodgrains were so high (almost same as market prices) that there was hardly any offtake by the APL households in most States. This low offtake was then used as an excuse to reduce the allocation under APL for states, so much so that now when the market prices are much higher and APL households are interested in buying PDS grain, there is very little available for them.

By removing the APL from the PDS, influential people's stake was removed from the PDS. The government gave the rationale that the middle class does not need the PDS, only the poor need it. Current protests against the PDS are much less compared to when the PDS was universal. Further, the marginalisation of the APL reduced their stake in the system. When a large number of people are included in the PDS, then there is a greater chance of public pressure. Any system that is targeted only for the poor tends to be poorly monitored and this is exactly what we have experienced in the last decade.

2. **Drastic reduction in the food entitlement:** The earlier entitlement of 10kg per person was reduced to 10kg per card in 1997. It has since been increased to 20kg in 1999, 25kg in 2001 and 35kg by 2002, irrespective of family size. So even now the entitlement per household is less than what it was before the introduction of TPDS in 1997. In this manner the PDS has been eroded step by step.
3. **Replacing Grain with Flour:** In many parts of the country today, there is a move towards replacing provision of wheat through the PDS with providing flour. Flour has a lower shelf life and is less popular with the people, adding a new set of problems to the PDS.
4. **Exports rather than distribution:** With a bumper Rabi crop of wheat and a record harvest of 241 million metric tonnes of foodgrains this year, there are now more than 65 million metric tonnes of food stocks in the FCI Godowns. Instead of using this opportunity to distribute grain to a larger section of people through the PDS, the Government is taking a decision to export it. With current low international prices, exports can only be at lower than BPL prices and will most probably be used as fodder in other countries, as was seen in the past. It is a shame if this happens, given the high levels of hunger and malnutrition in the country. We must strongly reject any decision to use government stocks for exports.
5. **The threat of cash transfers:** Now corruption in PDS is being cited as the reason for shutting it down and replacing it with cash transfers. This essentially means that households will get some money in their accounts in lieu of rations or a food coupon or stamp which they will take to the shop to buy their rations. However, even in this system the problems of identification and leakages will remain. With the banking infrastructure being so poor, many people may not get their cash to buy their food. Cash would also get spent on non-food items which would increase food insecurity. The consumers will buy food grains from the open market where they will have no control over the prices. It is very important for the government to intervene in the market to ensure that poor people get affordable food. In such a situation the food prices will not have any stability. Food inflation will be higher.
6. **Impact on Production:** Weakening of the PDS and introduction of cash transfers in place of PDS will not just affect the household food security but also affect the production, procurement and storage systems. Those affected the most will be the farmers as the government will not procure grain as it will not need to run the PDS shops. The farmers will not get their MSP which is currently their biggest incentive to grow cereals. Farmers will also be left to the market to sell their grains, which they may have to do at low prices. FCI godowns will not be required and the FCI in the long run will be left as a completely skeletal system. This will lead to the end of the nation's food security.

While the PDS is being attacked in so many ways, providing subsidised food to the people and procuring grain from farmers at MSP has also become a political and electoral issue in many states, as a result of wide-ranging support from the people to policies related to expanding and strengthening the PDS. Several State Governments like Tamil Nadu, Andhra Pradesh, Chhattisgarh, Orissa, Himachal Pradesh and Kerala have all taken major initiatives to ensure that PDS grain reaches the poor. A recent study of the PDS in nine States across the country showed that there has been a tremendous improvement in the PDS in most states and that it plays an important role in ensuring food security of the household. Many of the States have also carried out reforms of the PDS and have tried to plug leakages and make the system more transparent. These reforms are working with leakages in the PDS moving towards a small percentage.

In this context, we must join forces to resist all attempts to destroy the PDS. The need of the hour is to strengthen the PDS through universalisation and reforms to ensure minimum leakages and efficient distribution. This has to be coupled with expanded and decentralised procurement. ***Lack of funds cannot be an excuse when the Government is foregoing revenue worth Rs. 5 lakh crores a year by giving tax breaks to industrialists but is not willing to spend even 1/5th of that amount to ensure the country's food security.***

For strengthening the PDS we demand:

- **A universal PDS with a per unit entitlement of 14 kgs of grain for adults and 7 kgs grain per child.**
- The multiplicity of cards and pricing must be dropped and a single pricing system of Rs. 2 per kg for grain be introduced.
- Nutritious (coarse) grains should also be provided as part of the PDS wherever it is consumed in the country.
- Pulses, oil and sugar should also be introduced in the food system.
- Reforms in PDS should be introduced based on experience of states such as Tamil Nadu and Chhattisgarh.

We also demand that the Government must incentivise food production, procure grains from all states and decentralise procurement and storage. Apart from wheat and rice, coarse grains and pulses should also be procured by the government.

Paisa nahi anaj chahiye

Dal, tel, chini, kerosene chahiye

Anaj Do! Awaaz Do!