

Introduction and Issues of Public Distribution System - 1

The State of Karnataka is the 6th largest State in India. 62% of income of the State is derived from Agriculture. Karnataka is the 9th largest State population-wise and comprises of 30 districts.

It was found that the State of Karnataka has tried to implement computerization model on pilot basis in different parts of the State to make PDS effective and transparent. The state also started the unit system instead of family norms for distribution of specific food articles.

The following are some of features in brief of PDS in Karnataka.

PUBLIC DISTRIBUTION SYSTEM:

The objectives of the Public Distribution System are :

- To protect the low income groups by guaranteeing them supply of certain minimum quantities of food grains at affordable price.
- Ensuring equitable distribution.
- Controlling the price rise of Essential Commodities in the open market.

Government of India allots rice, wheat, sugar and kerosene to Government of Karnataka every month. The allotment is based on the number of ration cards.

Essential Commodities are distributed through Fair Price Shops to ensure that the basic food requirement of the population is met on the one hand and food security to the poor on the other. Food grains are issued to the poor and vulnerable sections of the society at affordable prices.

Above Poverty Line Category (APL):

No PDS food grains are given to the people belonging to APL category in Karnataka. As per the Government policy food grains will be distributed to the APL ration card holders after meeting the requirement of BPL and Extra BPL (EBPL).

Extra BPL (EBPL): There are about 47.08 excess BPL cards in the state of Karnataka, against the limit fixed by the Central Government i.e. 31.29 lakhs. Karnataka Government has classified these excess cards under the new category called Extra BPL (EBPL). They are getting the same benefits as BPL beneficiaries. At present there are 78.37 lakh BPL card holders in the State

In order to meet the needs of the increased number of families under BPL & EBPL category, the State Govt. has stopped the distribution of the food grains to APL ration card holders. The State utilizes the allocated APL quota to feed EBPL category

Unit System :- Instead of the family norms system for distribution of the food grains, Karnataka Govt. has adopted the 'unit system'. Member of the family above the age of 10 years is treated as one unit. 4 kg. of food grains is supplied per person (per unit). Monthly maximum food grains entitled for one family per month is pegged at 25 kg. There is strong demand that this restriction of allocation may be increased to 35 kg. It is as per the directions of the Central Government and also in accordance with the Hon'ble Supreme Court Orders. To avail the food grains, photo of the members of the family is mandatory.

Temporary card scheme for BPL :- Under the scheme any person who applies for BPL card in a NEMMADI Centre will be given a temporary card without verification. The verification is done afterwards.

Commission of Retailers:- The Commission on sale of food grains to the retailers is Rs.29 per quintal for rice and Rs.23 per quintal for wheat. In the rural areas the transportation cost is not to be borne by the FPS dealers as the State Govt. provides food grains free of transportation charges to the FPS dealers

License to the Retail distributors:- Under Clause 3 of the Karnataka Essential Commodities (PDS) Control Order 1992, the authorized authority has the power to issue authorization to any person to be authorized dealer or to run FPS in specific areas. The authorized authority shall call for applications by publication of Public Notice after giving a minimum period of 30 days and put the same on the notice board of the respective office. There are certain Rules and Regulations to be followed while granting license by the authorized authority. The District Collector has been designated as the authorized authority for this purpose. The Karnataka Essential Commodities (PDS) Control Order, 1992 provides for the eligibility and the priorities etc. for granting the license which are to be followed by the authority.

Viability of FPSs:- FPSs are the final link in the PDS system. In Karnataka, there are 20,372 FPSs out of which 200 are managed by KFCSC, 8896 by Cooperatives and 11,276 are managed by the individual licensees. All these FPSs are bound to follow the PDS Control Order, 2001 as amended in 2004 and circulars issued by Department of Food & Public Distribution, Government of India and the Karnataka Essential Commodities (PDS) Control Order, 1992 and the other circular etc. issued by the Government of Karnataka.

Wholesale Distribution:- In the wholesale distribution of PDS food grains in the State of Karnataka, the following agencies are involved (1) Food Corporation of India, (2) Karnataka Food & Civil Supplies Corporation (KFCSC), (3) Taluk Agriculture Produce Co-operative Marketing Society (TAPCMS). The KFCSC transacts 65% of business for lifting food grains from FCI, the rest is being shared by TAPCMS. The whole sale godowns are managed by KFCSC and TAPCMS. There are 267 godowns which are known as wholesale godowns in the entire State of Karnataka out of which 165 wholesale godowns are under the KFCSC and 102 are under the control of TAPCMS

Transportation - Transportation of food grains for the FPS is done in two phases. The first phase relates to lifting of food grains from FCI godowns to Taluk godowns. The expenditure on this phase is borne by the Government of Karnataka based on the fixed rates. The second phase relates to transportation of food grains from Taluk godowns to FPSs. There is a provision of door step delivery from wholesale godowns to the rural FPSs. The entire cost of transportation is borne by the State Govt. For selection of transporters a uniform tendering procedure is adopted. One transport contract is appointed for transportation of food grains from FCI godowns to Taluk wholesale godowns and another transporter is engaged for transporting food grains from whole sale godowns to rural FPS.

Vigilance Committees:- There is a provision of vigilance Committee in the PDS Control Order and the regulations of the State of Karnataka . Administration claims that Vigilance Committees have been constituted for all FPSs to over- see the functioning of PDS. The said Committee sits on every first and third Saturday of the month to review all issues relating to the food security, especially PDS.

Identification of BPL beneficiaries:- In the State of Karnataka, at present the family with the income of less than Rs.17,000/- in the urban areas and Rs.12,000/- in the rural areas per annum is the criteria of categorization as BPL family.

Entities involved in the supply of food grains to consumers: Various entities are involved in the process of distribution of food grains. Their role and functions are :

The Food Corporation of India ('FCI')- The FCI was set up under the Food Corporations Act, 1964, inter alia for the purpose of distribution of food grains throughout the country under the Public Distribution System. The FCI is responsible for making food grains available to the State Governments in terms of the allocations fixed by the Central Government.

The Karnataka Food and Civil Supplies Corporation Limited: The Karnataka Food and Civil Supplies Corporation is a government of Karnataka undertaking established under the companies Act on 7.9.1973 with the primary objective of procurement, lifting and distributing food grains under the Public Distribution System and also implementing other government schemes.

Taluk Agricultural Produce Cooperative Marketing Societies (TAPCMS): The marketing sector is a two tier system. At the state level the Karnataka State Cooperative Marketing Federation is functioning as the Apex Institution and Taluk Agricultural Produce Co-operative Marketing Societies (TAPCMS) at the Taluk levels are functioning as primary cooperatives. All the Taluks in the states are covered by these primary marketing cooperatives. The TAPCMS undertakes procurement of food grains on behalf of the Government and the Karnataka food and civil supplies corporation by opening purchase points at village level. They are also entrusted with the vital activity of rural distribution system.

Fair Price Shops('FPS'):The Fair Price Shops are the final link in the chain of distribution of food grains to the consumers. The State of Karnataka is divided into 30 districts and there are 20372 fair price shops out of which 200 are managed by the KFSC, 8896 by the cooperatives and 11276 are managed by the individuals.

Lack of promptness in functioning; a major issue of PDS

Duties and Obligations of a Fair Price Shop Licensee:

The duties and responsibilities of the fair price shop owners are also provided in the PDS Control Order, 2001.

Ø The essential commodities must be sold as per the entitlement of ration card holders and at the retail issue prices fixed by the concerned State Government.

Ø Each FPS will display the following information on a notice board which is to be put up at a prominent place in the Shop on a daily basis:-

- List of BPL and Antyodaya beneficiaries,
- Entitlement of essential commodities,
- Scale of issue,
- Retail issue prices,
- Timings of opening and closing of the fair price shop,
- Stock of essential commodities received during the month,
- Opening and closing stock of essential commodities and
- The authority for redressal of grievances/lodging complaints with respect to quality and quantity of essential commodities under the Public Distribution System.

Ø A FPS owner is required to maintain records of ration card holders (APL, BPL and Antyodaya), stock register, issue or sale register.

Ø The FPS owner to furnish copies of specified documents such as the ration card register, stock register, sale register to the office of the Gram Panchayat or Nagar Palika or Vigilance Committee or any other body authorized by State Governments for the purpose.

Ø The FPS owner is obliged to display samples of foodgrains being supplied through the fair price shop.

Ø Production of books and records relating to the allotment and distribution of essential commodities to the inspecting agency and furnishing of such information as may be called for by the designated authority.

Ø Accounting of the actual distribution of essential commodities and the balance stock at the end of the month to the designated authority of the concerned State Government with a copy to the Gram Panchayat.

Ø The Fair Price Shop to be opened and closed as per the prescribed timings displayed on the notice board.

Ø Fair price shop owner shall not refuse to supply the essential commodities, lying in stock, to the ration card holders, as per their entitlement.

Ø The fair price shop owner shall not retain ration cards after the supply of the essential commodities.

Study of four districts, Koppal, Gadag, Dharwad & Tumkur:

“ondalla ondu dina ee ministrugalu kooda change aagtare, aadre ee societyyavaru endigu badlagalla Sir”

(Sir, Even the ministers, one or other day get replaced over the period of time, but not these people of society) says Balaji, a resident of Gangavathi, expressing his anguish over the functioning of local Fair Price Shop.

Yes, there is never ending list of complaints starts coming out from the consumers of the state of Karnataka, especially BPL card holders. Grievances of the people start from the timing of the FPS to the Open Market sales. It includes weighing of the products entitled, excess rates, quality of product, attitude of the employees, service of the shop, transparency in transaction and so on.

Timings:

Though the Government rules & regulations instruct all the FPS to be open during the six days week from 8 am to 12 pm and 4 pm to 8 pm, no FPS in this region pays heed to the Government's instruction.

Irony is that consumers themselves have forgotten that there is something called 'timings' for these FPSs. People are accustomed for these 'timeless' practices. For them availability of rice and other produces are enough and important. Consumers of Koppal town are bit lucky in this regard, since the Fair Price Shops do remain open often; though not all the days and in time.

Nobody knows when the FPSs gets open, as it remains open only for 3-4 days in a month, they distribute the ration, once it's over (according to the owner) he closes the shop. This is the way of functioning of almost all the Fair Price Shops across this region. Those who failed to collect their share in this duration they miss the ration for that particular month. Where does the ration of these people go??

People of Rural Gadag are lucky enough to get the information about the opening of the FPS by the announcement carried out by the FPS owners by means of drumming

In all other places of these districts of Koppal, Gadag and Tumkur, traditional inter personal communication of people passes the information about the opening of FPSs. As the result several households miss the ration for the month. Adding insult to the injury there is no carry over system in these FPSs. Those who are out of station on those days or those who couldn't turn up to FPS due to some reason do not get their share next month. Few of FPS owners do entertain alternate household to collect the ration on behalf, but most of them deny it saying different reasons.

Most of the people are not aware of the timing itself. They are bothered about the entitlements only. Once they learn that FPS is open, they free themselves from the work, if it is not possible to get the leave, then they make their school going children to bunk the classes and send them to stand in the long queue for share of food grains.

Irony is that, some FPSs have painted the operational timings on the wall. If someone follows it, locked doors will welcome him with a mockery that's all.

So, there is no parameter for the timings of FPS. The will of owners is the only criteria.

As per the Government's rules, duties and obligations of a Fair Price Shop Licensee under Para 5(vii) requires, the Fair Price Shop to be opened and closed as per the prescribed timings displayed on the notice board.

According to a owner of FPS in Koppal, "We cannot follow the timings prescribed by the administration since we do not get laborer for such odd timings. "

"What is the use if we keep shop opened without having the stock? Whenever we get the stock from the warehouse, we open our shops" says a Fair Price Shop Owner from Koppal.

"I don't have the electricity connection in the shop, I can't keep it open after evening, so I adjust it in day time itself" another shop owner says. "Even if I keep the shop open in early morning hour, nobody turns up" he adds.

But according to the District in-charge official of Koppal, "We do keep monitoring functioning of FPSs. If we find defaulter, we take the action. We are ready to act on the complaints by the consumers, but nobody complaints."

"The commission we get from this not sufficient for our livelihood, we need to engage ourselves in others business too" says a shop owner from Gadag.

"If I keep shop open till 8 pm, people keep coming to shop till 9, sometimes till 10 pm, some people request and some people harass us to serve them" says Sachin of Koppal.

But nobody has the satisfactory answer to "why not all the days?"

'Lost balances' behind the loss of PDS credibility; a matter of concern

The Lost Balance:

“The quantity we get is always less than required, they do not weigh properly, and there is shortage of at least 1-2 kgs” says Mr. Sherif, a resident of Koppal

Consumers belonging to Below Poverty Line are accustomed to under-weighing practices. An old man belonging to Tumkur town says that “Sir, it’s common, we do not bother about that, we get it, which is more than sufficient”

Whether it is rice, wheat or kerosene oil, nothing is weighed or measured properly. According to a concerned gentleman, the instruments what FPS owners have, itself are faulty. And some say that they deliberately weigh less, and they deliberately drop the grains down while weighing. “In the situation, where there is a long queue and shortage of time, people doesn’t say anything to the person who pretends as busy in weighing” says a customer.

“It’s a common practice here, we can’t say anything since they don’t pay heed to what we say and behave arrogantly” says Parashuram of Kushtagi.

Daval and Mallamma both residents of Gangavathi are not satisfied with the weighing. “We cannot expect the right quantity; they neglect us when we complaint” they said.

There is only conclusion public has about weighing issue is that the Owners of these FPSs are involved in open market sale; they save grains here and sell it there.

In addition, they retain un-collected (due to various reasons –especially timings & working days) grains and stock it for themselves.

But the owners of these Fair Price Shops have different versions on weighing.

Old stock weighs less-

“The stock we receive from the warehouses are of old time. The rice stocked in levy of 2007 is being supplied to us now. Obviously in this duration, the 50 Kg bag loses its weight after rice gets powdered. We are bound to give the customers a bit less quantity, or else we can’t run the shop” an owner (didn’t want to be named) of FPS in Koppal clarifies.

“While getting the stock from warehouses we get in terms of the counting of bags, not the weights” he adds.

“Several organizations and local politicians approach us to provide the rice and other commodities for their organizational or some social or religious celebration. It is difficult to deny them, since they have ‘power’. We are bound to adjust the loss by some other means” says another Fair Price Shop Owner.

Adding another reason to his claim, “Laborers involved in transportation do not handle the bags properly, bags get opened in such cases and grains get thrown, they stitch as it is and proceed. In such cases we have to adjust.”

“No we do not indulge in such practices, weighing machines of outsider shops itself remains faulty, where people get their commodities weighed. Anyway what is the need for people to get it weighed outside?” a shop owner from Gadag asks.

“How can it be possible? We weigh the produce before the customers itself. We undergo regular inspection from the department.” he adds.

“To avoid such claims, let government replace all the traditional weighing instruments with the electronic one, but should not asks us FPSs owners to get their own, we are not capable of that” grieves Lingaiah of FPS from Gadag.

On asking the issue related to weighing, Mr. Ashok Bhimanna, District In Charge of Food & Civil Supplies, said “We are very much particular about that, concerned authorities regularly holds the inspection, and there is no meaning in the allegations.”

But, who is right and who is not, it is sure that balance is lost.

Lack of information; a primary hurdle for consumers

Quality of produce:

Quality is the only aspect which consumers did not complaint much about. It doesn't mean that there are no complaints, but generally people are satisfied with the quality.

Chinnamma, Antyodaya Card holder from Tumkur says, "Rice is of not good quality, we find considerable quantity of paddy in the rice"

"Most of the time we get rice that is nothing but pieces of rice" says Raghavendra of Tumkur.

But to contrary, "There is nothing to worry about the quality, but rarely do I come across the poor quality of rice" says a Dawood Sharif of Koppal town.

Gangadhar, resident of NR Colony of Tumkur too expresses his satisfaction over the quality.

Owners' of Fair Price Shops do express their helplessness in this regard.

"We deliver what we get from the administration" says Sachin, manager of FPS from Koppal.

"Out of hundred bags, 2-3 bags contain under quality rice" he adds.

"How can we expect good rice from the very older bags" asks a FPS owner from Gangavathi.

"Earlier produces used to come in good gunny bags, now it comes in thin plastic bag, in which the produces are very much vulnerable to moisture and bugs" says Lingaiah of Gadag Town.

Admitting the loopholes in the quality, Mr. Ashok, District Administrator of Food & Civil Supplies says "Though the rice is of good quality, i.e. IR64 grade A, because of weather variations, warehousing conditions and transportation, there are very chances of the rice being loosing the quality"

Display Boards:

"What is that?" asks Mallamma of Koppal Town. Perhaps this could be the answer of almost all consumers across the region. No Fair Price Shop in this region has complete set of display boards, which is mandatory as per Government guidelines. At the most they display either ration card statistic or rate or timing. But, Government Guidelines instructs all FPSs to display the following information on a notice board which is to be put up at a prominent place in the Shop on a daily basis:

- (i) List of BPL and Antyodaya beneficiaries,
- (ii) Entitlement of essential commodities,

- (iii) Scale of issue,
- (iv) Retail issue prices,
- (v) Timings of opening and closing of the fair price shop,
- (vi) Stock of essential commodities received during the month,
- (vii) Opening and closing stock of essential commodities and
- (viii) The authority for redressal of grievances/lodging complaints with respect to quality and quantity of essential commodities under the Public Distribution System.

Only the Fair Price Shops run by TAPMC have equipped themselves with the Notice boards for that purpose, but only for the name sake. Neither there is updated information nor the daily maintenance.

Shortage of supply and excess fairs worries the consumers

Short Supply:

‘Many a times we get only 800 gms of sugar, on asking the reason, he says the supply from the governments itself is short’ says Shivananda Madivala of Kalghatagi Taluk.

“Sugar quantity varies from time to time, some time we get full 1 kg and some time less than that” says Khatoonbi of Dharwad.

According to an observer, “as they are used to weigh down less in terms of kgs itself, 200 gms is not a big deal for them”

But, according to government and officials of the Food & Civil supplies Department, Government provides the complete entitlements to the ration shops without fail, on the basis of the data we have. If such things exist, let the people complaint it.

Excess fair:

Many of the consumers in this region are not aware of the rates. They are only able to say the total amount they paid for their entitlements. On investigating many consumers and many individual Fair Price Owners, it is learnt that many of them (especially urban) FPS charge more than prescribed rate. Some charge excess rate for rice by 25 paise per kg, and some charge sugar for excess rate of Rs.1 or 2 per kg. In some places a kg of sugar costs up to Rs.15/16 against Rs.13.5, which Govt has fixed.

“We charge Rs. 3.25 for kg rice, or else we cannot run the shop. The commission what we get is not enough” says a FPS owner from Gangavati.

“We need to pay the bank loan, rent and local transportation and laborers; which have become very expensive, and the Govt is not ready to hike the commission” he adds.

“Earlier we used to get the produce in the jute bag; we used to sell it; now we get the plastic bags which don’t have the market. Some people adjust those shortages by charging bit extra” says a Shop owner hailing from Gadag.

Most of the BPL card holders are poor and illiterate; they cannot do the calculate the rates properly. And those who are Rich-BPL card holders, they do not bother about the ‘little’ excess fair. Since the FPS owners generally belong to influential category of the society, nobody can dare to speak.

Samples:

It is obligatory for FPS owners to display the samples of produce at the shop. Very few owners practice this especially FPSs owned by TAPMC. According to many customers samples are only for 'show' cause. In sample it looks good but in real it doesn't, they opine.

Customers are so accustomed to such practices of FPS owners, since they have realized that samples are of no worth.

But, FPS owners have different version, " Generally, the produce say rice will be good while opening the bag, but at the bottom it will be not same; customers insists for the same what is being displayed, how can we serve the same for everybody" asks a owner from the Koppal.

Some owners have displayed the produces for the name sake, they do not change the sample as and when desired. It remains for the long period, while he has to get the samples from each and every bag he opens.

Receipts:

Interestingly, maximum customers are not given the receipts for the purchases made at the Fair Price Shop. Most of the FPSs give the receipts while making payment, but the assistant retains it while delivering the produces. Even if one is able to get the receipts, nobody could read it.

According to some activists who are working on PDS, all these kind of practices are to cover up their corrupt practices like excess charging and to make up short supplies. What they write on the receipts, weather the quantity or rate, will be perfect and according to Government norms.

Service:

As mentioned earlier, the customers are at receiving end. They are bound to accept what has been given from the FPS owners. Neither they can question nor can argue. Most of the FPSs belong to the people who are politically affiliated, or who has the inherited power and status in the society. There is arrogance, rudeness and lack of sense of service among them, and they do discriminate the customers on the basis of caste, economy and status.

BPL Fraud - Another side of PDS story

People's attitude:

There is other part of the whole story. Customers too are not clean by their practices. They possess unauthorized BPL cards even if they do not deserve. Considerable families do have more than one card which is against the law. Well off customers sell the rice/ wheat/oil to the open market for higher rate after purchasing from FPS. According to some concerned people, availability of rice for Rs.3 has made many people more lethargic towards hard working. There are several complaints from the FPS owners of being harassed by the people for allegations of caste biasness.

State Govt's courtesy:

In order to provide the food grains and to avoid the wrath of EBPL card holders, the State of Karnataka buys the food grains from the Central Govt. at APL prices and then sells the same to the EBPL card holders at BPL rates. The entire subsidy in this process is borne by the State of Karnataka. It is understood that the Central Government has taken exception to this scheme and in fact threatened to reduce the allocation to the State.

Identification of BPL people:

The identification process of BPL has created the chaos in social order. Those who are rich have got the BPL cards, deserved poor people have got APL card and some people like Hanumavva who has not seen the gas cylinder regulator ever in her life, has got Akshaya Anila card. As the result deserved poor people do not get the food grains and kerosene oil under the PDS scheme.

There are rich people who by mistakenly and deliberately have got BPL cards do enjoy the privilege of BPL card schemes. There are several households in each FPS jurisdiction, who have more than one ration card.

Temporary ration cards:

This scheme was introduced by the Govt of Karnataka to cover up the blunders done during the computerization process. This scheme has led to more chaos in the issuance of ration card.

Disparity between Urban & Rural FPSs:

Unlike FPSs of rural area, the FPS owners of urban areas have to bear the cost of transportation from wholesale point to their shops as they have to make their own arrangements of transportation of the food grains up to their shop. Thus the transportation cost is to be borne by them.

All the urban FPS owners feel that such discrimination should not be there between rural and urban FPSs. They too demand the transportation charges from the state government. This is in consonance with the PDS Control Order that the State Government will ensure door step supply of food grains to the beneficiaries.

Density of FPSs:

As per existing system the license of the retail shop can be given with minimum of 300 cards in rural areas and minimum of 500 cards in urban areas. But there is no upper limit for the cards. As a result, some shops have up to 800-1000 cards. There is also the need to have the FPSs on the distance basis; as the people of rural area have to travel for the long distances to collect their share of food grains.

Transportation Mafia:

According to the vigilant citizens and the activists engaged for betterment of PDS, existing transportation system is one of the prime phases of corruption in PDS system and is generally controlled by mafia. There is no such effective system to monitor the movements of the vehicles which transport the food grains; where do they go, where do they unload the materials; it is very difficult to supervise. Mere few officials from the department of Food & Civil Supplies can't monitor it. Tamil Nadu Government has set good example of GPS controlled transportation system where the each and every movement of every vehicle transporting food grains are being monitored.

Vigilance Committee:

Majority of the customers are unaware of existence of such committee at their FPS. According to the Government guidelines, the name of Vigilance Committee Members has to be displayed at the notice board of FPS, which itself is missing at the almost all the FPSs in this region. According to civil rights' activists, In case of vigilance committee is functional, all the members do remain loyal to the owners of FPS, and there is a unholy nexus between them