

4.3 PUBLIC DISTRIBUTION SYSTEM

With a network of about 4.51 lakh Fair Price Shops (FPS) distributing commodities to about 18 crore households, the Indian Public Distribution System (PDS) is, perhaps, the largest distribution network of its type in the world. The system is designed to help both the producers and consumers of foodgrains by linking procurement to support prices and ensuring their distribution along with other essential commodities at affordable prices throughout the country. PDS, therefore, continues to be a major instrument of government's economic policy for enhancing food security for the poor.

2. A well targeted and properly functioning Public Distribution System is an important constituent of the strategy for poverty eradication. Food and nutrition security are crucial in our fight against other dimensions of poverty like infant mortality, maternal mortality, low birth weights and all other forms of deprivation. PDS, as it stood earlier, was widely criticised for its failure to serve the population below the poverty line, its urban bias, negligible coverage in the states with the highest concentration of the rural poor and lack of transparent and accountable arrangements for delivery. Realising this, the Government has streamlined the PDS by issuing special cards to families Below Poverty Line (BPL) and selling foodgrains under PDS to them at specially subsidised prices. This is likely to benefit about 6 crore poor families.

3. While the provision for food subsidy is made in the non-Plan budget of the Central Government, for strengthening the operational machinery of the PDS, the Planning Commission provides funds under its plan programmes for the following schemes:

- Construction of Godowns.
- Purchase of Mobile Vans/Trucks.
- Training, Research and Monitoring.

4. The godowns scheme is intended to assist the State Governments/UTs for construction of small godowns of the capacity upto 2000 tonnes. The Mobile Vans scheme is intended to provide financial assistance to the State Government/UT administrations for purchase of mobile vans/trucks for distributing essential commodities in rural/hilly/remote and other disadvantaged areas where static/regular Fair Price Shops are not found viable/feasible. The training scheme aims at strengthening and upgrading the skill of personnel engaged in PDS and also to improve the management of supplies. The efforts of the State Governments/UT administrations, Civil Supplies Corporations etc. are supplemented by providing financial assistance for organising training programmes on PDS. Evaluation studies, research studies on various aspects of PDS are also sponsored under the scheme. Plan outlay/expenditure under these schemes is shown in Table 4.3.1.

TABLE 4.3.1
PDS Schemes – Plan Outlay/Expenditure

Scheme	(Rs. crore)		
	1998-99	1999-200	2000-01 (BE)
Construction of Godowns	12.50	22.29	12.50
Purchase of Vans/Trucks	9.50	1.06	1.30
Training, Research & Monitoring	0.35	0.49	1.50
Total	22.35	23.84	15.30