

CHAPTER 19

PUBLIC DISTRIBUTION SYSTEM

1. The public distribution system (PDS), ensures the distribution of essential items such as selected cereals, sugar and kerosene at subsidized prices to holders of ration cards. The PDS also helps to regulate open- market prices for commodities that are distributed through the system.

2. In Delhi, unlike most other states, the PDS distributes commodities to all card-holders irrespective of their income group. The main items distributed through the PDS are cereals such as rice and wheat and essential items such as sugar, edible oil and kerosene. According to the Department of Food & Supplies, there were 3,214 PDS outlets in Delhi in March 1999. Of these, 2,811 outlets were in urban areas and 403 in rural areas. On an average, each Fair Price Shop handles 1,000 ration cards. The number of households in Delhi that carry ration cards increased from 23.02 lakh in 1990-91 to 33.53 lakh in 1998-99 .

3. The distribution of ration cards, cereal and sugar units and other relevant data is indicated below:

Statement 19.1

Important Indicators of PDS-Delhi

S.No.	Item	1990-91	1998-99
1.	No. of Cards (in '000')	2362	3353
2.	No. of Cereal Units (in '000')	20312	30721
3.	No. of Sugar Units (in '000')	11866	17793
4.	Fair Price Shop (in number) (i+ii)	3579	3214
(i)	Urban	3299	2811
(ii)	Rural	280	403

5. No. of Licensed Shops of kerosene oil 1840 2342

Year-wise details are in Table 19.1

4. The quantity of cereals and sugar allotted to Delhi and its distribution through the PDS

Statement 19.2

DISTRIBUTION of Cereals in Delhi, 1998-99

(in million tonnes)			
Item	Allotted Quantity	Quantity Lifted for Distribution	Percentage Distributed
Rice	1,64,680	1,05,831	64.3
Wheat	6,94,800	4,84,292	69.7
Sugar	1,45,478	1,45,478	100.0

NSS Survey on Public Distribution System

5. To assess the extent to which items are available to consumers through Delhi's Public Distribution System, a sample survey (NSS-49th Round) was conducted in January-June 1993 both in the rural and urban areas. Informants were asked to provide information about the quantity and value of selected commodities purchased both from the PDS as well as from other sources in the 30 days preceding the date of the survey. Households that were not using the PDS were asked to specify the reasons. The main findings of the survey are given below:

- (i) In the urban areas, 63-77% of the rice and wheat requirement was met through the PDS. In the rural areas, 71% of the requirement for rice and 54% for wheat was met through the PDS.
- (ii) About 60% of the sugar requirement in both rural and urban areas was met through the PDS.
- (iii) The PDS adequately met the demand for kerosene, since 86% of the kerosene purchased in the rural sector was from the PDS. In the urban sector, 78% was bought through the PDS.
- (iv) An analysis of the relative use of the PDS in a cross-section of consumers represented by various fractile groups of monthly per capita expenditure (MPCE) indicated that the system was more popular with the lower and middle income groups than with the higher income groups.
- (v) The purchase of atta and edible oil (in percentage terms) from the PDS was insignificant.
- (vi) The main reasons consumers did not use PDS was either that they did not have ration cards or found the quality of the commodities not upto their satisfaction . When the prices in the open market are higher than through the PDS, demand under the PDS increases, resulting in increased lifting through the PDS

Table 19.1

**No. of Ration Cards, Cereal Units,
Fair Price Shops, Licensed Kerosene Oil Shops**

Sl.No.	Item	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
1	2	3	4	5	6	7	8	9	10	11
1.	No. of Cards (in '000')	2362	2516 3	2617	2764	2845	2970	3063	3116	335
2.	No. of Cereal Units (in '000')	20312	21238	22047	23124	24077	25330	26489	28103	30721
3.	No. of Sugar	11866	12489	13075	13796	14389	15222	15836	16444	17793

	Units (in '000')									
4.	Fair Price Shop	3579	3555	3547	3422	3264	3183	3189	3211	3214
	Urban	3299	3276	3394	3057	2894	2705	2752	2799	2811
	Rural	280	279	153	365	370	478	437	412	403
5.	No. of Licensed Shops of kerosene oil	1840	1876	1931	1958	2092	2230	2314	2319	2342

Source : Food & Supplies Department, Government of NCT of Delhi.