

Targeted Public Distribution System

5.33 In order to make PDS more responsive to the needs of the poor, the Targeted Public Distribution System (TPDS) was introduced in June, 1997. This system attempts to target families below the poverty line (BPL) at heavily subsidised rates. The quantity of foodgrains earmarked to meet BPL requirement (including Antyodaya families) is 18.52 million tonnes per annum (at the rate of 25 kg per family per month) benefiting an estimated 65.2 million poor families, while for the population above poverty line (APL) a quantity of 10.33 million tonnes of foodgrains per annum is earmarked for distribution under TPDS.

5.34 Wheat and rice are issued by the Central Government at uniform Central Issue Prices (CIPs) to the States/UTs for distribution under TPDS. Issue prices under PDS are indexed to the increase in the MSPs. BPL prices were fixed at 50 percent of the economic cost, while APL issue prices were by policy required to be equal to the economic cost incurred by the FCI. (Table 5.9) However, because of large accumulated stocks, the issue price for APL was reduced recently by 30 percent to encourage PDS offtake. The end retail price of foodgrains for supplying under the PDS is fixed by the States/Union Territories after taking into account margins for wholesalers/retailers, transportation charges, levies, local taxes etc.

Current PDS Issue Price

	Wheat	Rice	Per cent of Economic Cost
BPL	4.15	5.65	48
APL	6.10	8.30	70
Antyodaya	2.00	3.00	-
Food for Work		Free	

Antyodaya Anna Yojana

5.35 The Antyodaya Anna Yojana was launched in December 2000. The scheme contemplates identification of 10 million poorest families out of the total BPL population of 65.2 million, and providing them with 25 kg of foodgrains per family per month at a low price of Rs 2 per kg for wheat and Rs 3 per kg for rice. The estimated annual allocation of foodgrains for Antyodaya families would be 30 lakh tonnes, involving a subsidy of Rs 2,315 crores.

TABLE 5.9
PDS Issue Price of Wheat and Rice
(Rs/quintal)

Year	Wheat	Per cent change	Rice	Per cent change
1990-91	234		289	-
1991-92	280	19.7	377	30.4
1992-93	280	0.0	377	0.0
1993-94	330	17.9	437	15.9
1994-95	402	21.8	537	22.9
1995-96	402	0.0	537	0.0
1996-97	402	0.0	537	0.0
1997-98				
BPL	250	-	350	-
APL	450	-	700	-
1998-99				
BPL	250	0.0	350	0.0
APL	650	44.4	905	29.3
1999-2000				
BPL	250	0.0	350	0.0
APL	682	4.9	905	0.0
2000-01				
BPL	415	66.0	565	61.4
APL	830	21.7	1130	24.9
2001-02				
BPL	415	0.0	565	0.0
APL	610	26.5	830	26.5
FCI's Economic Cost				
1997-98	799	-	937	-
1998-99	800	-	995	-
1999-00	872	-	1111	-
2000-01	830	-	1148	-
2001-02	839	-	1174	-