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# Government Free Food Distribution Policy and its Impact on Economy and Poor People

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**ABSTRACT:** The **public distribution system (PDS)** or Government Free Food Distribution Policy is an Indian food security system that was established by the Government of India under the Ministry of Consumer Affairs, Food and Public Distribution to distribute food and non-food items to India's poor at subsidised rates. Major commodities distributed include staple food grains, such as wheat, rice, sugar and essential fuels like kerosene, through a network of fair price shops (also known as ration shops) established in several states across the country. Food Corporation of India, a government-owned corporation, procures and maintains the PDS.

Today India has the largest stock of grain in the world besides China, the government spends Rs. 750 billion. Distribution of food grains to poor people throughout the country is managed by state governments. As of 2011 there were 505,879 fair price shops (FPS) across India. Under the PDS scheme, each family below the poverty line is eligible for 35 kg of rice or wheat every month, while a household above the poverty line is entitled to 15 kg of foodgrain on a monthly basis, redeemable with a card. However, there are concerns about the efficiency of the distribution process.

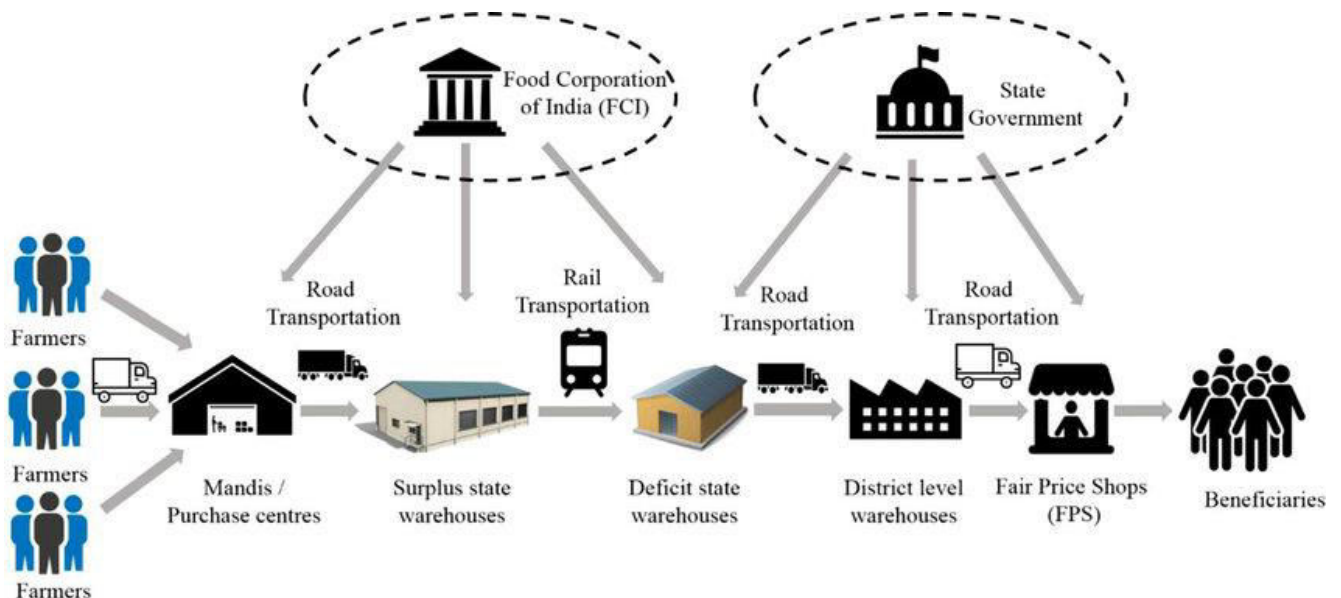
In coverage and public expenditure, it is considered to be the most important food security network. However, the food grains supplied by the ration shops are not enough to meet the consumption needs of the poor. The average level of consumption of PDS seeds in India is only 1 kg per person per month. The PDS has been criticised for its urban bias and its failure to serve the poorer sections of the population effectively. The Targeted PDS is costly and gives rise to much corruption in the process of extricating the poor from those who are less needy.

**KEYWORDS:** Public, distribution, free food, government, policy, corporation, India, security, poor, corruption

## I. INTRODUCTION

**Food distribution** is the process where a general population is supplied with food. The Food and Agriculture Organization (FAO) considers food distribution as a subset of the food system. The process and methodology behind food distribution varies by location. Food distribution has been a defining characteristic of human behavior in all societies, and recordings of food distribution date back for thousands of years. Most governments and societies are highly shaped by the systems created to support food distribution.[1,2]

There are a multitude of risk factors that can affect food distribution. War, economic failure, political problems, and weather conditions all play a role in determining the efficiency of any food system. Two recent examples of war and economic failure impacting food distribution includes the decline of food distribution in Japan during World War II and food recession in Sub-Saharan Africa during the late 1970s and early 1980s. In both cases, food distribution was hindered and the population in these areas consequently suffered.



Special organizations exist today to prevent any total collapses in food distribution, assist in developing food distribution and food systems in underdeveloped areas, and respond to food distribution crises. At the international level, the Food and Agriculture Organization (FAO) plays a key role in facilitating the growth of food distribution systems all over the world. At the national level different countries have developed more complex support systems; by example, a mixture of federal, non-profit, and volunteer organizations function in the United States to safeguard the well-being of the US food distribution system. Within the United States, there is an issue of food insecurity where food distribution is one of the key solutions to target food insecurity. This creates a "food bank industry" where many organizations use tactics of business and trade skills within the food distribution sector to give food to communities that are in need.[3,4]

**Food policy** is the area of public policy concerning how food is produced, processed, distributed, purchased, or provided. Food policies are designed to influence the operation of the food and agriculture system balanced with ensuring human health needs. This often includes decision-making around production and processing techniques, marketing, availability, utilization, and consumption of food, in the interest of meeting or furthering social objectives. Food policy can be promulgated on any level, from local to global, and by a government agency, business, or organization. Food policymakers engage in activities such as regulation of food-related industries, establishing eligibility standards for food assistance programs for the poor, ensuring safety of the food supply, food labeling, and even the qualifications of a product to be considered organic.

Most food policy is initiated at the domestic level for purposes of ensuring a safe and adequate food supply for the citizenry. In a developing nation, there are three main objectives for food policy: to protect the poor from crises, to develop long-run markets that enhance efficient resource use, and to increase food production that will in turn promote an increase in income.

Food policy comprises the mechanisms by which food-related matters are addressed or administered by governments, including international bodies or networks, and by public institutions or private organizations. [5,6]



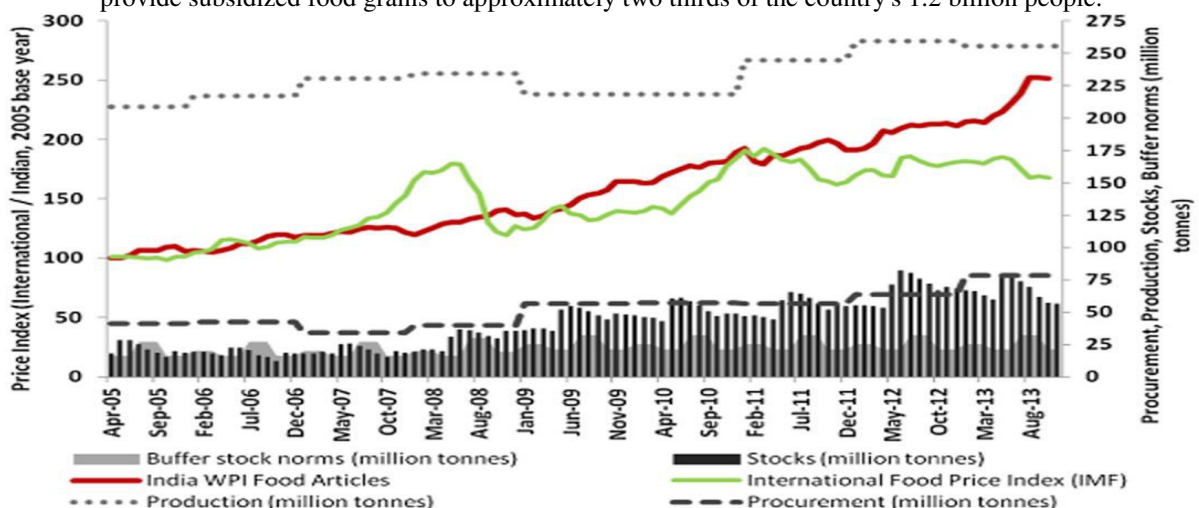


Agricultural producers often bear the burden of governments' desire to keep food prices sufficiently low for growing urban populations. Low prices for consumers can be a disincentive for farmers to produce more food, often resulting in hunger, poor trade prospects, and an increased need for food imports.

In a more developed country such as the United States, food and nutrition policy must be viewed in context with regional and national economic concerns, environmental pressures, maintenance of a social safety net, health, encouragement of private enterprise and innovation, and an agrarian landscape dominated by fewer, larger mechanized farms. Industrialized countries strive to ensure that farmers earn relatively stable incomes despite price and supply fluctuations and adverse weather events. The cost of subsidizing farm incomes is passed along to consumers in the form of higher food prices. [7,8]

## II. DISCUSSION

The **National Food Security Act 2013** (also 'Right to Food Act') is an Indian Act of Parliament which aims to provide subsidized food grains to approximately two thirds of the country's 1.2 billion people.



It was signed into law on 12 September 2013, retroactive to 5 July 2013.

The National Food Security Act, 2013 (NFSA 2013) converts into legal entitlements for existing food security programmes of the Government of India. It includes the Midday Meal Scheme, Integrated Child Development Services scheme and the Public Distribution System. Further, the NFSA 2013 recognizes maternity entitlements. The Midday Meal Scheme and the Integrated Child Development Services Scheme are universal in nature whereas the PDS will reach about two-thirds of the population (75% in rural areas and 50% in urban areas).[9,10]

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Under the provisions of the bill, beneficiaries of the Public Distribution System (or, PDS) are entitled to 5 kilograms (11 lb) per person per month of cereals at the following prices:

- Rice at ₹3 (3.8¢ US) per kg
- Wheat at ₹2 (2.5¢ US) per kg
- Coarse grains (millet) at ₹1 (1.3¢ US) per kg.

Pregnant women, lactating mothers, and certain categories of children are eligible for daily free cereals.

The bill has been highly controversial. It was introduced into India's parliament on 22 December 2011, promulgated as a presidential ordinance on 5 July 2013, and enacted into law on 12 September 2013. Odisha government announced implementation of the act in 14 district from 17 November 2015. Assam government implemented the Act on 24 December 2015.

## Central Initiatives



- The Food Corporation of India (FCI) was established in 1965 for the purpose of procurement, storage and distribution of foodgrains. It has been playing a major role in the food security of India. [11,12]
- The National Food Security Act, 2013 (NFSA 2013) converts into legal entitlements for existing food security programmes of the Government of India. It also includes the Midday Meal Scheme, Integrated Child Development Services scheme and the Public Distribution System. In 2017-18, over Rs 1500 billion (7.6% of the government's total expenditure) have been allocated to provide food subsidies under the Targeted Public Distribution System (TPDS).
- The NFSA 2013 also recognizes maternity entitlements. Pregnant women, lactating mothers, and certain categories of children are eligible for daily free cereals.

## State Initiatives

- Karnataka has launched the 'Indira Canteen', which serves breakfast, lunch, and dinner at a very low price. This idea was implemented by Siddaramaiah as CM so that no one in the state would go hungry and everyone would get healthy food.

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- Andhra Pradesh has supported the Nalabothu Foundation, which provides free meals to people in need by redistributing excess food from homes, restaurants, businesses, canteens, and gatherings. This scheme was brought to national attention by Prime Minister Modi.
- Tamil Nadu has launched 'Amma Unavagam' (Mother's canteen), or more commonly known as Amma canteen. The genesis of this program could be traced to the scheme proposed by Nimbkar Agricultural Research Institute in 2012.
- The State of UP in 2013 passed a food bill. Food that is going to be wasted from parties will be preserved and distributed to poor and needy people.[13,14]
- The **Chhattisgarh Food Security Act, 2012** law was enacted by the Chhattisgarh government. It was passed on 21 December 2012, by the State Assembly unopposed to ensure “access to adequate quantity of food and other requirements of good nutrition to the people of the State, at affordable prices, at all times to live a life of dignity.”

Food availability is not that reliable in India. The challenge to produce more and more for the growing population is becoming increasingly hard for a country of its size and economic growth. Since the land in India is a shrinking resource for agriculture, the production rate for agriculture needs to be higher per unit of land and irrigation water. Over 60% of the Indian population depend on agriculture for their daily meals. India produces around 100 million tonnes of rice every year. Accessing food in India can be considered to be more difficult than in Australia. While there might be enough food for the whole population of India, many families and especially children in India don't have access to food because of financial problems. Thus, this is the cause of millions of malnourished children around India. The cultural knowledge in India allows them to have a very nutritional and balanced diet. Nearly the whole of the Indian population has rice at least once a day which allows them to have carbohydrates in their system. Since India is most commonly known for producing and exporting rice to other countries, their lifestyle will be mainly dominated by rice

**Food politics** is a term which encompasses not only food policy and legislation, but all aspects of the production, control, regulation, inspection, distribution and consumption of commercially grown, and even sometimes home grown, food. [15]



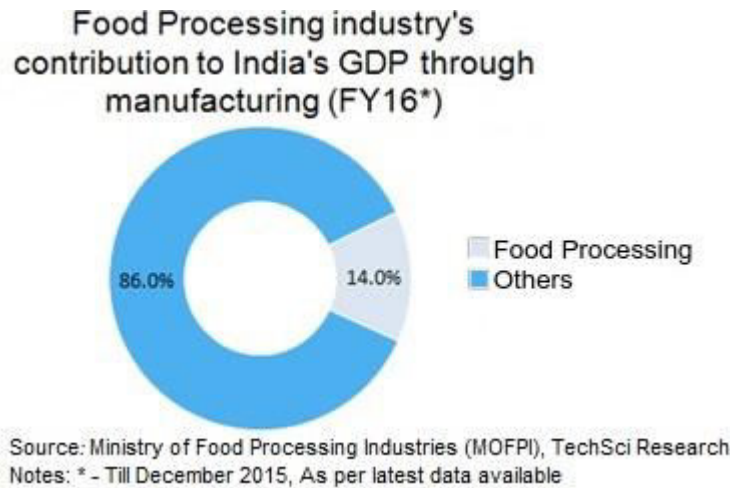


Source: Jayson Lusk, Purdue University

The commercial aspects of food production are affected by ethical, cultural, and health concerns, as well as environmental concerns about farming and agricultural practices and retailing methods. The term also encompasses biofuels, GMO crops and pesticide use, the international food market, food aid, food security and food sovereignty, obesity, labor practices and immigrant workers, issues of water usage, animal cruelty, and climate change.

### III. RESULTS

Government policies around food production, distribution, and consumption influence the cost, availability, and safety of the food supply domestically and internationally. On a national scale, food policy work affects farmers, food processors, wholesalers, retailers and consumers. Commodity crops, such as corn, rice, wheat, and soy are most often at the heart of agricultural policy-making. While most food policy is initiated domestically, there are international ramifications. Globally, protectionist trade policies, international trade agreements, famine, political instability, and development aid are among the primary influences on food policy. Increasingly, climate change concerns and predictions are gaining the attention of those most concern with ensuring an adequate worldwide food supply.[16]



As with many industries, the food industry has experienced growth in the capacity to produce food with the use of improved technologies. In developed countries, there are a number of important trends at play. Yields, or the amount of food harvested per acre of cropland, have increased less than one percent per year in since at least the 1960s and the amount of land devoted to crop use is in decline due to development pressures for housing and other economic concerns. In the U.S. alone, about 3000 acres of productive farmland are lost each day. This places a premium on quality yields from existing acres of farmland. In addition, the demand for meat products worldwide, expected to double by 2020, has accelerated a trend toward raising more animals on fewer acres of land [17]



A **food bank** is a non-profit, charitable organization that distributes food to those who have difficulty purchasing enough to avoid hunger, usually through intermediaries like food pantries and soup kitchens. Some food banks distribute food directly with their own food pantries.

St. Mary's Food Bank was the world's first food bank, established in the US in 1967. Since then, many thousands have been set up all over the world. In Europe, their numbers grew rapidly after the global increase in the price of food which began in late 2006, and especially after the financial crisis of 2007–2008 began to worsen economic conditions for those on low incomes.



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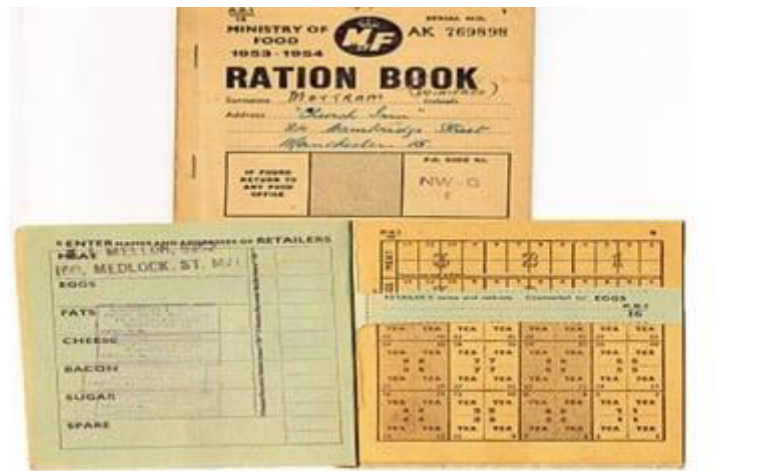
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The growth of food banks has been welcomed by commentators who see them as examples of an active, caring citizenship. Other academics and commentators have expressed concern that the rise of foodbanks may erode political support for welfare provision. Researchers have reported that in some cases food banks can be inefficient compared with state-run welfare.

**Ration cards** are an official document issued by state governments in India to households that are eligible to purchase subsidised food grain from the Public Distribution System under the National Food Security Act (NFSA). They also serve as a common form of identification for many Indians. [18]

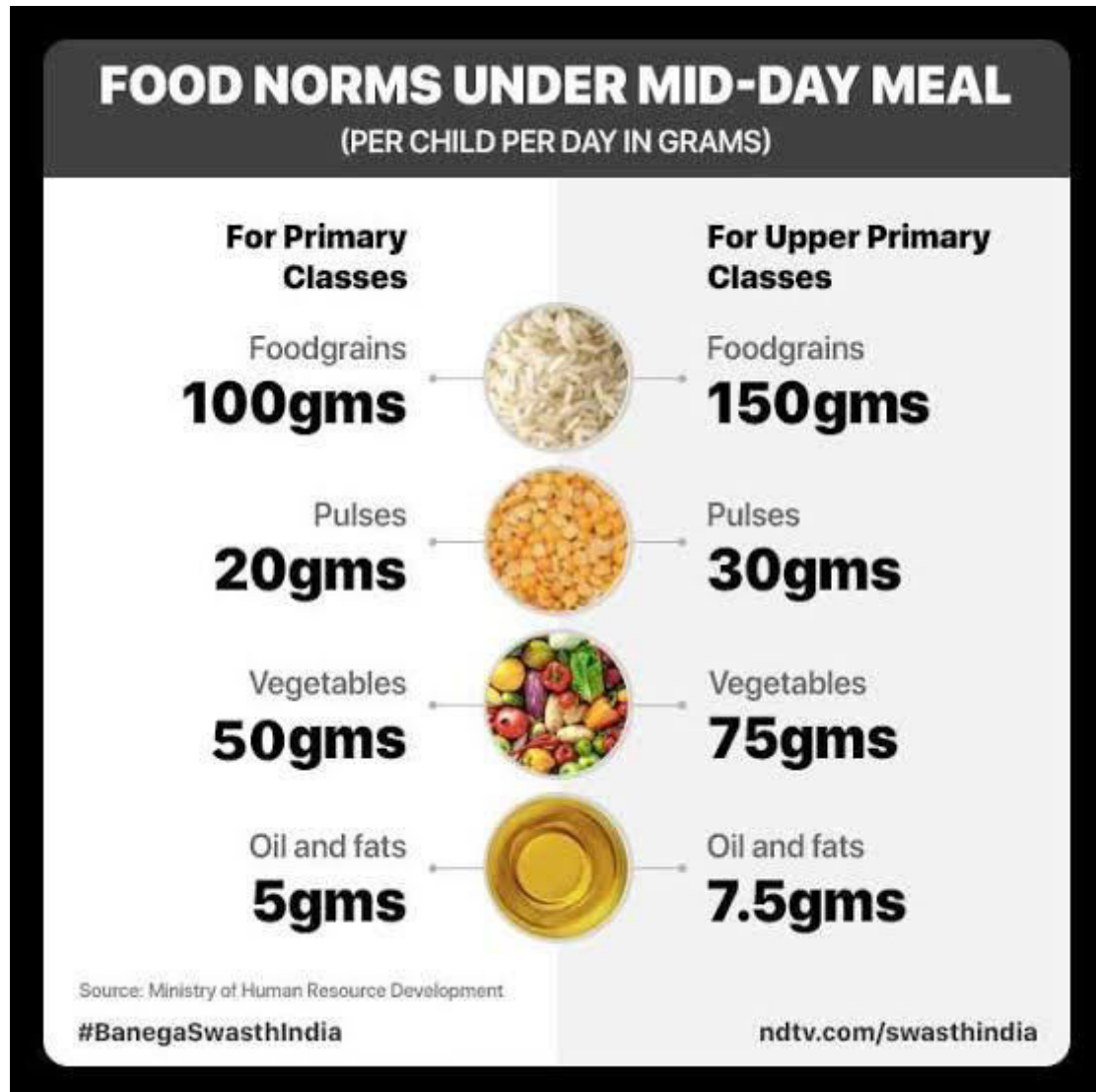


Under the NFSA, all state governments in India have to identify households that are eligible for purchasing subsidised food grain from the Public Distribution System and provide them with ration cards. There are two types of ration cards under NFSA:

- **Priority Household (PHH) ration cards** are issued to households that meet the eligibility criteria set by their state government. Each priority household is entitled to 5 kilograms of food grain per member per month.
- **Antyodaya Anna Yojana (AAY) ration cards** are issued to "poorest of poor" households. Each AAY household is entitled to 35 kilograms of food grain per month.

"One Nation, One Ration Card" is Aadhaar-based national ration card portability scheme to ensure food security for all, including internal migrants within India, under which beneficiaries can purchase subsidised food anywhere in India. For example, a migrant worker can obtain his share of food in his migrant destination location while his family can obtain their share in their source/native home location.

The **Midday Meal Scheme** is a school meal programme in India designed to better the nutritional standing of school-age children nationwide.[16]



The programme supplies free lunches on working days for children in primary and upper primary classes in government, government aided, local body, Education Guarantee Scheme, and alternate innovative education centres, Madarsa and Maqtabas supported under Sarva Shiksha Abhiyan, and National Child Labour Project schools run by the ministry of labour. Serving 120 million children in over 1.27 million schools and Education Guarantee Scheme centres, the Midday Meal Scheme is the largest of its kind in the world.[17]

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## IV. CONCLUSIONS

The primary policy objective of the Department of Food & Public Distribution is to ensure food security for the country through timely and efficient procurement and distribution of Food grains. This involves procurement of various Food grains, building up and maintenance of food stocks, their storage, movement and delivery to the distributing agencies and monitoring of production, stock and price levels of Food grains. The focus is on incentivizing farmers through fair value of their produce by way of Minimum Support Price mechanism, distribution of Food grains to Below Poverty Line (BPL) families and covering poor households at the risk of hunger under Antyodaya Anna Yojana (AAY), establishing grain banks in food scarce areas and involvement of Panchayati Raj Institutions in Public Distribution System (PDS) or Government Free Food Distribution Policy. The Department is also responsible for formulation of policies concerning the sugar sector such as fixing of Fair and Remunerative Price (FRP) of sugarcane payable by Sugar factories, development and regulation of sugar industry (including training in sugar technology) and regulation of supply of free sale sugar. The Department also formulates policies on export and import of Food grains, sugar and edible oils.[18]

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