

Chapter 7 Scale and Price of Foodgrain

7.1 Approved Scale

The main objective of the PDS is to ensure distribution of foodgrain to beneficiaries at a scale and price in a timely manner, as envisaged in the guidelines.

Initially in 1997, the scale of issue of foodgrain was 10 kg per family per month. Subsequently, the scale of issue under APL, BPL and AAY has been revised to 35 kg per family per month with effect from January 2002 with a view to enhancing the food security and liquidating surplus stocks of foodgrain in the Central Pool.

7.2 End retail price

7.2.1 Approved price

As per the guidelines of Government of India, the State Government was requested to keep the end retail price at FPS level with not more than 50 paise per kg towards margins for whole sellers /retailers, transportation charges, levies, local taxes etc. over the CIP (₹5.65 per kg) for BPL rice. However, the State Government fixed the end retail price ranging from ₹6.27 per kg to ₹6.56 per kg for plain areas and from ₹6.38 per kg to ₹6.67 per kg for hill areas depending upon the distance of FPSs from the notified lifter's (Co-operative Societies/GPSS) godowns. Thus, the end retail prices fixed by the State, were higher by ₹0.12 to ₹0.41 per kg for plain areas and by ₹0.23 to ₹0.52 per kg for hill areas than the price actually to be fixed as per GOI's guidelines. Thus, the beneficiaries were charged higher rates and the objective of allowing subsidy by GOI, particularly in respect of the poorest of the poor segment of beneficiaries, was diluted.



STOCK BOARD			
GAIGAON WHOLESALE CONSUMERS COOPT.SOCIETY LTD.			
REGISTER NO-D-3/67-68			
DATE- 06-05-2010			
COMMODITIES	OPENING STOCK	RATE	REMARKS
RICE (BPL)	10.68.581g	500F	1146. FIC
RICE (APL)	50.00.00	800F	
RICE (AAY)	6.42.283g	300F	583.00 FIC
K.OIL	24.41g	10	
WHEAT BRAN	6.6.5.0	450F	10.00F
RICE (MDM)	40.4.1.00	NIL	
LEVY SUGAR	162.50.00	130F	

M/S GAMBARIBIL S.S.LTD.				
P.O. - GURUFELA				
DIST. - KOKRAJHAR (B.T.C.)				
RECD. NO. - K-59/73/74				
DATE - 11-4-73				
STOCK BOARD				
Sl.No	Date	Description	Quantity	Rate
1.	22-5-16	L. SUGAR	125.55	
2.		RICE BPL	NIL	
3.		RICE A.A.Y.S.	NIL	
4.		WHEAT	50L	
5.		ATTA	41.00	
6.		S.K. OIL	NIL	
7.		RICE APL	292.00	

STOCK BOARD			
M.K.C.S Dt- 13/6/10			
Stock on hand	Qts	R3	RE Remarks
BPL Rice	357.6800	588.12	
AAY Rice	196.13.000	300F	
APL Rice	6.86.000	870F	
Sugar	25.61.000	1370F	
A Ha	NIL	740F	
S.K.OIL	46.50.000	10.00	
MDM	94.11.700	X	

Stock Boards with quantity and rate displayed by WCCS/GPSSs

7.2.2 Selling price

Out of 120 test-checked FPSs, data in respect of selling price at FPS level could be obtained from 66 FPSs. Twenty seven to sixty three (41 to 95 per cent) FPSs were selling one or more PDS items at prices higher than the price approved by the State Government, as detailed in the table below:

Table - 1
Position of Higher Sale Price at FPS level

Commodity	Government approved rate (Maximum) (₹)	Sale Price of FPS (Maximum) (₹)	Percentage of higher selling price at FPS level	No. of test-checked FPSs selling at higher rate
1	2	3	4	5
APL Rice	9.43	11.00	17	48
BPL Rice	6.67	7.00	5	24
AAV Rice	3.00	4.00	33	41
Levy sugar	13.50	17.00	26	63
SKO	10.00	12.00	20	42
Atta	8.00	10.00	25	27

Source: FPS formats and records of the Director, FCS&CA, Assam.

Thus, the Department failed to ensure availability of PDS commodities even at the State Government approved rates, which is higher than the rate approved by GOI.

7.3 Scale of allocations

In Dibrugarh district, having a single sub-division, audit scrutiny of the records revealed that allotments at the rate of 11,050 quintals of APL rice per month were made by the Director to the district during the period from April 2008 to March 2010. The sub-divisional authorities, in turn, sub-allotted the quantity to the GPSSs/ WSCCs and to FPSs for rural and urban beneficiaries respectively. A detailed scrutiny of the above sub-allocations revealed that against the approved scale of allotment of 35 kg per family, the quantity allotted in urban and rural areas was 10.17 to 3.61 kg per family respectively. Thus, there was a large discrepancy not only with respect to approved scale but also in the scale of allocations amongst the rural and urban families. This resulted in a skewed distribution whereby the concerns relating to approved scale and equity in distribution were not addressed by the district/sub-divisional authorities.

In sum the rural populace was denied of the intended benefits of having PDS items at a correct scale and price in a timely manner.

Recommendation

The Government should ensure distribution of foodgrain to the beneficiaries at the prescribed scale and in a timely manner.