

CONCURRENT EVALUATION OF IMPLEMENTATION OF NATIONAL FOOD SECURITY ACT, 2013 IN ANDHRA PRADESH

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Abstract

The Public Distribution System (PDS) which was started to manage food supplies during scarcity has evolved as a system for distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. The Central Government, through Food Corporation of India (FCI), has the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The main objective of this study is to assess the overall progress of implementation of NFSA (2013) in Andhra Pradesh State and also measure as well as monitor the change it has brought in. Andhra Pradesh is one among the 36 states and Union Territories in the country. Based on the size of the state and number of districts, 1 to 6 sample districts have been considered for the study in a state of Andhra Pradesh. A multi-stage sample design was adopted for the concurrent evaluation. Districts / cities / towns / villages / urban wards and households form the first, second and third stages of sampling, respectively. The selection of the beneficiary and issue of ration card in the state has been made transparent. Information on these aspects has been made available on the public domain. Srikakulam district ranks first with 91.50% among the three districts with respect to considering the eldest woman as head of the household. More than 85 percent of the total ration cards in the sample districts belong to priority households (PHH). The beneficiaries are able to access the FPSs very easily, to collect food grains as most of the FPSs are well connected by pucca roads and their houses are within the range of 0.10 to 1.50 km from the FPSs. Use of E-PoS at the FPS has made distribution of food grains, very easy, fast and transparent. The same was expressed by the beneficiaries, dealers and officials. Overall, it is observed that distribution of PDS food grains ensured the food security of the poor. It is observed that the average tonnage per Fair Price Shop is 100 Quintals and average population covered per shop is 1,200 to 2,500 persons. The list of beneficiaries should be reviewed every 3 to 6 months after a thorough tracking / monitoring the history of the beneficiary with respect to collection of food grains from any of the FPSs in the state. The FPS level vigilance committees may be constituted as the NFSA, 2013 envisages vigilance committees at four levels i.e., state level, district level, mandal / block level and FPS level.

Keywords: *Food security, Food grains, public distribution system, food and nutrition, subsidy.*

Introduction

The National Food Security Act (NFSA) 2013, which was passed on July 5, 2013, represents a paradigm shift in the aspect of food security, moving away from a welfare-based approach to one based on rights. Up to 75% of the rural population, as well as 50% of the urban population, are legally entitled to receive subsidised food grains through the Targeted Public Distribution System, according to the Act. Therefore, the Act covers almost two-thirds of the population in order to provide them with heavily subsidised food grains. The National Food Security Act of 2013 (NFSA) is being implemented throughout all of India's States and UTs.

The Public Distribution System (PDS) which was started to manage food supplies during scarcity has evolved as a system for distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society. PDS is operated under the joint responsibility of the Central and the State Governments.

The Central Government, through Food Corporation of India (FCI), has the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of ration cards, distribution of food grains through Fair Price Shop (FPS) and supervision of the functioning of Fair Price Shops (FPS) rests with the State Governments. Under the PDS, commodities, namely, wheat, rice and coarse grains are being allocated to the some of the States / UTs for distribution. States / UTs also distribute additional items of mass consumption through the PDS outlets such as sugar, pulses, edible oil, iodized salt, spices, *etc.* as per their requirement.

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). The main objective of the National Food Security Act (NFSA) is providing food and nutrition security to people by providing access to food grains at affordable prices. The Act provides for coverage of up to 75% of the rural population and up to 50% of the urban population for receiving subsidized food grains under Targeted Public Distribution System (TPDS), thus covering about two-thirds of the population. The eligible persons are entitled to receive 5 Kg of food grains per person per month at subsidized prices for rice / wheat / coarse grains. The existing Antyodaya Anna Yojana (AAY) households, which constitute the poorest of the poor, will continue to receive 35 Kg of food grains per household per month at highly subsidized price.

Since enactment of the NFSA, the progress is being monitored by the ministry mainly through official sources like periodic progress reports, regular meetings, field visits *etc.* But the information regarding exact implementation of the scheme at ground is lacking. There is a need, however, for more in-depth, inclusive and comprehensive monitoring of the implementation process on regular basis for adequate empirical evidence for the qualitative evaluation of the programme. Hence, concurrent evaluation is a tool to provide a fairly good information of outputs and key outcome indicators on quarterly basis with main objectives of facilitating action for improved quality of implementation / service delivery and to serve the end' beneficiaries with quality services. This study provides insights of National Food Security Act, 2013 and help to take policy reforms and decision for effective implementation of NFSA.

Objectives Of The Study

- The main objective of the study is to assess the overall progress of implementation of NFSA (2013) in Andhra Pradesh State
- To analyze the progress of various aspects of the NFSA 2013.
- To evaluate the benefits of NFSA on the target groups to achieve the objectives of the NFSA.

Methodology

The list of 2011 Census districts and villages / cities / towns constituted the sampling frame. During fourth quarter, four districts one each from a NSSO region (due to variations in social and economic characteristics within a state) were selected. The NSSO regions are demarcated on the basis of homogeneity in cropping patterns, vegetation, climate, physical features, rainfall pattern, *etc.* The districts that were selected for evaluation during each of the quarters are indicated in the Table # 1. A multi-stage sample design was adopted for the concurrent evaluation. Districts / cities / towns / villages / urban wards and households form the first, second and third stages of sampling, respectively. Therefore, the NSSO region is a group of districts within a state that are similar in respect of agro-climatic features was randomly selected using the equal probability approach as the first stage sample unit (FSU). Village / Urban ward (where FPS is located) form the second stage units' (SSU) of the selection from which a sample of households was selected. Four Villages and one Urban ward (where FPS is located) from rural / urban areas in each district (based on urban rural distribution of NFSA population) in the State were randomly selected. In each village, 15 sample NFSA beneficiary households (*i.e.*, 10 PHH & 5 AAY) were selected using a systematic random sampling method (Table # 1).

Table 1: Details of sample respondents and study area

| District | Mandal | Village / Town | Sample size | | | | | |
|---------------------|------------------|----------------|-----------------------|-----|-----------------|-------------------------------|-----------------|------------------------------------|
| | | | No. of HHs under NFSA | | Fair Price Shop | FPS level Vigilance committee | District Godown | District level Vigilance committee |
| | | | PHH | AAY | | | | |
| ANANTAPUR | Pamidi | Pamidi | 10 | 5 | 1 | 1 | 1 | 1 |
| | Atmakur | Atmakur | 10 | 5 | 1 | 1 | | |
| | Atmakur | Atmakur | 10 | 5 | 1 | 1 | | |
| | Anantapur | Ward # 28 | 10 | 5 | 1 | 1 | | |
| | Pamidi | P.Kothapalli | 10 | 5 | 1 | 1 | | |
| KRISHNA | Vijayawada Rural | Ambapuram | 10 | 5 | 1 | 1 | 1 | 1 |
| | Vijayawada Rural | Vemavaram | 10 | 5 | 1 | 1 | | |
| | Bapulapadu | Ogirala | 10 | 5 | 1 | 1 | | |
| | Gannavaram | Gannavaram | 10 | 5 | 1 | 1 | | |
| | Vijayawada Urban | Ward # 20 | 10 | 5 | 1 | 1 | | |
| SRIKAKULAM | Amadalavalasa | Kothavalasa | 10 | 5 | 1 | 1 | 1 | 1 |
| | Kotabommali | Ward # 8 | 10 | 5 | 1 | 1 | | |
| | Kotabommali | Kothapeta | 10 | 5 | 1 | 1 | | |
| | Etcharla | Bonthalakoduru | 10 | 5 | 1 | 1 | | |
| | Narasannapeta | Srirampuram | 10 | 5 | 1 | 1 | | |
| Total Sample | | | 150 | 75 | 15 | - | 3 | 3 |

Sampling Technique

1. In each quarter three to four districts each from a NSS region were randomly selected using the equal probability approach as first stage sample unit. Within the state, districts were selected randomly in such a way that not more than one district is covered per NSSO regions per quarter.
2. Village / Urban ward (where FPS is located) formed the second stage units of selection from which sample of households were selected.
3. Five units (4 villages and 1 urban ward) (where FPS is located) from rural / urban in each district (based on urban rural distribution of NFSA population in the State) were randomly selected.
4. In each village, 15 sample NFSA beneficiary house hold (*i.e.* 10 PHH and 5 AAY) were selected using a systematic random sampling method. Adequate representation of ST / SC, Poor and vulnerable population were ensured in the sample.
5. In each village in addition to 15 NFSA households, one fair price shop was also covered.
6. At District level inspection of one godown and interaction with District level Vigilance Committee, District Grievance Redressal Officer (DGRO) and one District level Food and Civil supplies officer each were undertaken.

Results and Discussions

The below table (Table 3) indicates the demographic details, coverage of HHs under the NFSA, number of ration cards and number of fair price shops in the three sample districts of Andhra Pradesh.

Table 3: NFSA Implementation Profile of the sample districts

| S. No | Name of the District | Total Population | Number of HHs | % of population covered under NFSA | NFSA Coverage Details | | | | No. of Fair Price Shops | | |
|-------|----------------------|------------------|---------------|------------------------------------|-----------------------|-------------|--------------------|-------------|-------------------------|-------------|--------|
| | | | | | AAY Cards | AAY Members | PHH Cards | PHH Members | POS online | POS Offline | Manual |
| 1 | ANANTAPUR | 40,81,148 | 9,68,160 | 54.32 (22,17,272) | 99,326 (14.29%) | 3,05,458 | 5,95,917 (85.71%) | 19,11,814 | 2,997 | 9 | 9 |
| 2 | KRISHNA | 45,17,398 | 12,37,428 | 53.50 (24,16,808) | 64,571 (9.39%) | 1,52,164 | 11,97,503 (90.61%) | 33,58,262 | 2,237 | 0 | 0 |
| 3 | SRIKULAM | 27,03,114 | 8,61,040 | 56.48 (15,26,719) | 49,504 (7.64%) | 1,23,166 | 4,78,127 (92.36%) | 14,03,618 | 1,989 | 26 | 26 |

AT HH LEVEL

The selection of the beneficiary and issue of ration card in the state has been made transparent. Information on these aspects has been made available on the public domain. Since the concept of Below Poverty Line has been discontinued in NFSA and a broader concept of Priority Household has been introduced, the State has simplified the Exclusion Criteria to 4 broad points such that no genuine beneficiary is excluded.

Mechanism to Identify Eligible Households / Beneficiaries

Total number of households / members identified under NFSA, in the district and their details are as follows:

1. The genuine beneficiaries are identified on the basis of Exclusion Criteria devised by the State Government.
2. The Exclusion Criteria that have been defined by the State Government for identification of PHH beneficiaries are:
 - Without considering salary, all permanent employees of Government or Government aided Organisations or Government sponsored / Government owned organizations / Boards / Corporations / Deemed organizations and all families remitting Income Tax / Service Tax / VAT / Professional Tax
 - 3 Hectare Dry land or equivalent Irrigation land in Rural areas or in Urban areas, families owning self-owned pakka house with a dimension of not more than 750 square feet
 - Families owning four-wheeler other than those owning self driven commercial vehicle either Tractor, Maxicab, Taxi *etc* for livelihood purpose
 - Those who are not within the income limit of ₹ 1,20,000
 - Consumer of > 200 units of electricity

Srikakulam district ranks first with 91.50% among the three districts with respect to considering the eldest woman as head of the household, followed by Krishna (90.04%) and Anantapur (85.48%) districts (Table 4).

Table 4: Status of considering the eldest woman as head of the household

| S.No | Name of the District | Households where the eldest women recognized as Head of the Household | |
|------|----------------------|---|-----------------------|
| | | Number | % to total Households |
| 1 | ANANTAPUR | 6,35,982 | 85.48 |
| 2 | KRISHNA | 7,56,851 | 90.04 |
| 3 | SRIKAKULAM | 4,82,901 | 91.50 |

The beneficiaries were fully aware of their entitlement to food-grains / commodities and their share as well as the prices of the commodities (Table 5). There were no complaints regarding quality of food grains, under-weightment or over charging for commodities.

Table 5: Opinion on Quantity & Price

| S.No | District | Knowledge of Entitlement of Quantity and Price of Commodities | Whether full quota of food-grains received | Instances of voluntarily not buying food grains from PDS | Any experience of under weightment of commodities received from PDS / over charging |
|------|------------|---|--|--|---|
| 1 | ANANTAPUR | Fully Aware | Yes | Nil | No |
| 2 | KRISHNA | Fully Aware | Yes | Nil | No |
| 3 | SRIKAKULAM | Fully Aware | Yes | Nil | No |

The beneficiaries are quite satisfied with the timing and duration of opening of PDS shops. The beneficiaries at all the 15 FPSs that were visited were fully satisfied with the quality of food grains and grain preference (Table 6). All the beneficiaries at all the 15 FPSs that were visited as a part of the first quarter sample have mentioned that not even once did, they skip an opportunity to buy food grains from the PDS. But there are instances at some of the FPSs where the beneficiaries are not interested to collect food grains from the FPS because they themselves grow better rice than that distributed through PDS. In such instances, there is a possibility of corruption creeping into the system.

Table 6: Opinion on Quality & Grain Preference

| S.No | District | Display as a sample of Food Grains purchased | Quality of Food Grains Received | | |
|------|------------|--|--|--|-----------------------|
| | | | Presence of Foreign Particles in the food grains | Rising of concern on the quality of food grains with the officials | Level of Satisfaction |
| 1 | ANANTAPUR | No | No | Nil | 100% |
| 2 | KRISHNA | No | No | Nil | 100% |
| 3 | SRIKAKULAM | No | No | Nil | 100% |

The beneficiaries are able to access the FPSs very easily, to collect food grains as most of the FPSs are well connected by pucca roads and their houses are within the range of 0.10 to 1.50 km from the FPSs. As far as information regarding availability and distribution of food grains is concerned, it doesn't require any specific attempt or effort from the beneficiaries or the FPS dealers or the department, as the dates and timing of opening of the FPSs is fixed in the entire state (Table 7). Nevertheless, information about the availability of food grains and open or closed status of the FPS is shared / collected from the fellow residents. However, during festival months the range of commodities distributed are more and the distribution time and days are being enhanced as *festival tohfa*.

Table 7: Service Delivery

| S.No | District | Distance of FPS | Source of information regarding distribution of food grains | Awareness about Time and Days of Opening of FPS | Levels of satisfaction on the opening of FPS | Availing of Food grains | |
|------|------------|-----------------|--|---|--|----------------------------|--|
| | | | | | | Door – step Delivery | Facility to nominate others to lift food grains on your behalf |
| 1 | ANANTAPUR | 0.10 to 1.5 km | Days of distribution in a month and time of opening and closing of FPS in a day are Standard and Fixed | Fully Aware as they are standard and fixed across the state | Fully Satisfied | For old, sick and disabled | Available |
| 2 | KRISHNA | 0.10 to 1.5 km | | | | | |
| 3 | SRIKAKULAM | 0.10 to 1.5 km | | | | | |

Transparency portals and grievance redressal mechanisms – Transparency Portals and Online Grievance Registration system / Toll-free helpline numbers (1967/1800-series) are available in all the sample districts

Many of the beneficiaries are not aware of the toll-free number nor, they are familiar on the role of the institutions that are established for the purpose such as District Grievance Redressal Officer (DGRO) or State Food Commission (SFC) and also not aware of the procedure to register their grievances on the redressal platform (Table 8). Even those who claimed to know the Toll-Free number failed to recall when asked to do so. A negligible number of beneficiaries (a little less than 2 to 7% the three districts) are aware of the number. However, for none of them the need did arise.

Table 8: Grievance Redressal

| S.No | District | Recall the Toll Free Helpline Number (%) | Awareness on the role of the DGRO / SFC (%) | Complaints / grievances raised | General issues of grievances | Grievances redressed | Time taken for redressal | Satisfaction on grievance redressal |
|------|--------------------|--|---|--------------------------------|------------------------------|----------------------|--------------------------|-------------------------------------|
| 1 | ANANTAPUR (75 HHs) | 4.00 | 2.67 | Nil | PoS related issues | Not Applicable | Not Applicable | Not Applicable |
| 2 | KRISHNA | 6.67 | 5.33 | Nil | and Delay in | Not Applicable | Not Applicable | Not Applicable |

| | | | | | | | | |
|---|---------------------|------|---|-----|--------------------------------|----------------|----------------|----------------|
| | (75 HHs) | | | | Addition and Deletion of names | | le | |
| 3 | SRIKAKULAM (75 HHs) | 2.67 | 0 | Nil | | Not Applicable | Not Applicable | Not Applicable |

Digitisation of beneficiary details and seeding of aadhaar number and bank account in ration card has already been completed in all districts in Andhra Pradesh. But seeding of mobile number has been possible only with respect to those who have mobile phones (Table 9)

Table 9: Digitisation of Beneficiary details

| S.No | District | Seeding of Aadhar Number / Bank Account in Ration Card (%) | Seeding of Mobile Number in Ration Card (%) | Successful Aadhar based Bio-metric Authentication / e-KYC at FPS (%) |
|------|---------------------|--|---|--|
| 1 | ANANTAPUR (75 HHs) | 100 | 96.00 | >95 |
| 2 | KRISHNA (75 HHs) | 100 | 90.66 | >95 |
| 3 | SRIKAKULAM (75 HHs) | 100 | 81.33 | >95 |

Use of E-PoS at the FPS has made distribution of food grains, very easy, fast and transparent. The same was expressed by the beneficiaries, dealers and officials. On successful biometric authentication, local language interface – voice over, a printed receipt of the item wise entitlement for the month along with the price to be paid for each commodity is generated. The pace of disbursement of the food grains is determined by the speed of operation of the e-PoS which in turn is dependent on the quality of network connectivity. Barring a few occasions due to poor connectivity during peak periods, the e-PoS machine is functioning exceedingly well at the FPS level (Table 10).

Table 10: Opinion on FPS Automation

| S.No | District | Use of e-PoS for collecting food grains | Functioning of e-PoS machine | Printed Receipt | Alternative Arrangement For e-pos if Machine fails | Frequency of visiting FPS for food grains | Average time taken to receive food grains from FPS | Freedom to receive food grains from other FPS |
|------|--------------------|---|------------------------------|-----------------|--|---|--|---|
| 1 | ANANTAPUR (75 HHs) | 100 % | 100 % | 100 % | Iris Scanning / VRO authentication | 1 to 2 times | 1 to 2 minutes | > 99 % Not aware |
| 2 | KRISHNA | 100 % | 100 % | 100 % | Iris Scanning / | 1 to 2 times | 1 to 2 minutes | > 99 % Not |

| | | | | | | | | |
|---|----------------------------|-------|-------|-------|---|-----------------|-------------------|------------------------|
| | (75 HHs) | | | | VRO authenticati on | | | aware |
| 3 | SRIKAK ULAM (75 HHs) | 100 % | 100 % | 100 % | Iris Scanning / VRO authenticati on | 1 to 2 times | 1 to 2 minutes | > 99 % Not aware |

The beneficiaries in all the three sample districts of Andhra Pradesh have expressed their preference to collect food grains than to receive cash subsidy (Table 11). The main reason for non-preference of cash subsidy is the prevailing prices of the food grains in the open market, which are higher by many folds than the cash subsidy. The other reason that some of the beneficiaries have expressed is the risk of misuse of cash by diverting to unproductive purposes. In none of the FPSs in the three districts the dealers are engaged in any of the activities like banking correspondent, CSC operations, digital payments *etc.* Hence, seeking the beneficiaries' interest is not relevant and hence not obtained. Nevertheless, their knowledge on these issues is also very poor.

Table 11: Cash Transfers & Digital Payments in PDS

| S.No | District | Preference for Cash subsidy instead of Food Grains | Facilities interested to avail at the FPS | | | |
|------|------------------------|---|---|--------------------------|-------------------|------------------------------------|
| | | | Digital Payment | Banking Correspondent | CSC Operations | Sale of Non- PDS Commodities |
| 1 | ANANTAPUR (75 HHs) | Not interested | Services not available | | | |
| 2 | KRISHNA (75 HHs) | Not interested | Services not available | | | |
| 3 | SRIKAKULAM (75 HHs) | Not interested | Services not available | | | |

Overall Satisfaction

Overall, it is observed that distribution of PDS food grains ensured the food security of the poor (Figure 9). The beneficiaries expressed the need to increase the entitlement limits of the food grains that are already in distribution and need to bring more essential commodities like kerosene, cooking oil, *etc.*, under the ambit of PDS. Though the beneficiaries who frequently encounter biometric authentication issues are happy with the alternative arrangement of issue of the ration on the authentication of the Village Revenue Officer (VRO), still feel the need to design a strategy to overcome this problem.

From dealer's point of view, it is expressed that the commission per bag could be increased, delivery of food grains has to be made through the department and alternative thumb impression facility has to be introduced at FPS level.

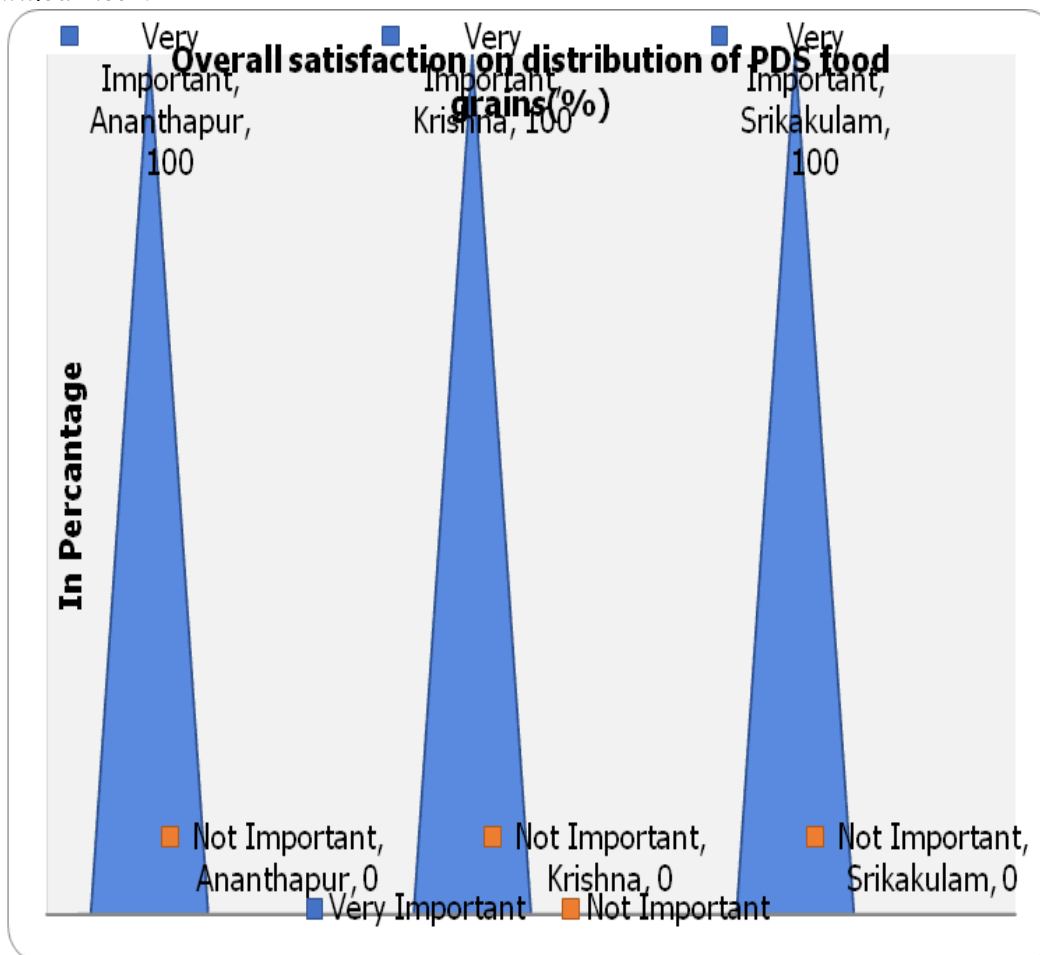


Figure 1: Overall satisfaction level of beneficiaries

AT FPS LEVEL

It is observed that the average tonnage per Fair Price Shop is 100 Quintals and average population covered per shop is 1,200 to 2,500 persons (Minimum of 600 cards in rural areas and 1,500 in urban areas with exception to hilly and tribal colonies).

OWNERSHIP PATTERN OF FAIR PRICE SHOPS: As per Civil Supplies department selection and appointment of Fair Price Shop Dealers under the Andhra Pradesh State Targeted Public Distribution System (Control) Order, 2018.

i) State Government owned Corporations / Undertakings or Companies or Gram Panchayats / Urban Local Bodies.

ii) Societies:

1. Co-operative Marketing Society
2. Primary Agricultural Co-operative Society
3. DWACRA

iii). Individual:

The population or distance criteria followed by the State government while issuing the FPS license

1. G.O. Ms. No. 4 Dated: 28th February 2014 of the department of Consumer Affairs, Food and Civil Supplies (CS-1) Distance criteria have not been specified in the State Public Distribution System (Control) Order. But in order ensure economic viability of fair price shop in terms of retail margin paid to them, minimum number of ration cards per fair price shop in urban and rural area has been fixed at 800 and 450 cards respectively. However, an exemption of reduction in minimum cards by 100 has been provided to fair price shops situated in tribal thandas (Minimum 500 households / RCs in rural and 800 in urban areas with exception to hilly and tribal colonies. Distance norm is that the FPS should be within a range of 1 to 2 km.
2. **Commission rate for food grains and other commodities:** The retail Commission fixed by the State Government for food grain distribution is ₹ 70 per quintal. An additional margin of ₹17/- per quintal for issue of food grains through POS devices. ₹ 70/- per quintal retail commission has been fixed for distribution of toor dal (₹ 70 +17 per quintal).

The following functionality is available for use in the PoS

1. e-KYC, Best Finger Detection and Fusion finger
2. Seed or update Aadhaar / Mobile and obtain consent from beneficiaries regarding use of Aadhaar
3. Non-integrated electronic weighing machine (Bluetooth / Cable) at godowns and FPSs
4. Local language interface – voice over / printed in local language
5. Total transactions in the district are reflected in the State portal and Central Portal (Annavitaran) as well
6. There is a system in place at the district level to assess the Silent Ration Cards (RCs against which food grains are not lifted for three consecutive months)
7. State level portability is already implemented to address the issues of food grains allocation and distribution between FPS dealers and consumers that move out of their villages on migration.
8. Keeping the above in view, a total of 15 Fair Price Shops (12 rural and 3 urban) were covered in 3 sample districts of Andhra Pradesh during the first quarter of concurrent evaluation of the monitoring of the implementation of NFSA-2013. More than 90 per cent of the eligible population is covered under NFSA in all the three sample districts. All FPSs are well connected by road and electronic point of sale is in practice in almost all of them. Allotment and distribution of food grains to the FPSs, during the last three months is as per the entitlement with respect to the NFSA coverage of AAY and PHH cards in all the three sample districts. It is observed that all the with respect to allotment and distribution are absolutely transparent which is instantaneously updated and is reflected on the online portal. At the MLSPs, no leakage point is observed.
9. Ownership of FPS dealer is mostly private in nature. There are a few shops maintained by consumer cooperative societies. All FPS shops are well maintained, accessible and well connected. Cleanliness is also maintained in and around FPSs (Table 12).

Table 12: FPS Profile

| S.No | District | Ownership of the FPS | Accessibility to FPS | Status of cleanliness of FPS |
|------|-----------------------|------------------------|------------------------------|------------------------------|
| 1 | ANANTAPUR (5 FPSs) | Private and Individual | Well connected by pucca road | Reasonably clean |
| 2 | KRISHNA | Private and | Well connected by | Reasonably clean |

| | | | | |
|---|------------------------|---------------------------|---------------------------------|------------------|
| | (5 FPSs) | Individual | pucca road | |
| 3 | SRIKAKULAM (5 FPSs) | Private and Individual | Well connected by pucca road | Reasonably clean |

10 kg rice is being distributed free of cost for Annapurna card holders who are destitute, HIV patients. In Andhra Pradesh, under NFSA, rice is being distributed @ 5 kg per person for PHH cardholders and @ 35 kg per card (irrespective of number of members in the family) for AAY cardholders. Stocks are being delivered at the doorstep of the FPSs very promptly and the same is being distributed to the beneficiaries by the FPSs without any lapse after successful biometric authentication. ePoS devices are being used at all stages of the food grain movement (Table 13). The same is also made available on the public domain.

Table 13: Rates and quantities of scheduled commodities that are distributed to beneficiaries of various categories of beneficiaries in Andhra Pradesh under PDS

| S.No | Scheduled Commodity | Scale of Distribution | Cost of Commodity to be remitted by the FPS Dealer per Kg in ₹ | Dealers commission per Kg in ₹ | End consumer price per Kg in ₹ |
|------|--------------------------------|---|--|--------------------------------|--------------------------------|
| 1. | Rice to Priority / White cards | 5 Kg. per Unit in the ration card | 0.30 | 0.70 | 1.00 |
| 2. | Rice to AAY cards | 35 Kg. per card (irrespective of number of members in the family) | 0.30 | 0.70 | 1.00 |
| 3. | Rice to Annapurna cards | 10 Kg. per card | - | - | Free of cost |
| 4. | Sugar | 1 Kg. per AAY card only | 13.35 | 0.15 | 13.50 |
| | | ½ Kg. per ANP / WAP / PHH card | 19.85 | 0.15 | 20.00 |
| 5. | Wheat Atta | 1 Kg. per card | 15.50 | 1.00 | 16.50 |
| 6. | Redgram dal | 2 Kg. per BPL Card | 39.30 | 0.70 | 40.00 |
| 7. | Ragi (Millet) | Up to 3 Kg. per card (in lieu of Rice) | 0.30 | 0.70 | 1.00 |
| 8. | Jowar (Millet) | Up to 3 Kg. per card (in lieu of Rice) | | | |

The expenditure of the FPS owner is varied in nature and it also depends on the number of ration cards allotted (Table 14). The expenditure on the maintenance of the Fair Price Shop would be lower if the dealer is operating from his / her own building, engaging own family labour towards assisting him / her in the operations. The FPS dealer has to bear the unloading charges at his / her end. The unloading charges are in the range of ₹ 8 to ₹ 10 per bag depending upon the locality (rural or urban).

Table 14: Expenditure incurred by FPS Dealer

| S.No | District | Details of Monthly Expenditure (₹) | | | | | Deposits for Monthly Procurement (₹) | One-time Expenses (₹) |
|------|------------|------------------------------------|------------|------------------------|----------------|---------------|---|-----------------------|
| | | Salaries | Rent | Electricity / Internet | Hamali Charges | Total | | |
| 1 | ANANTAPUR | 750 – 1,000 | 200 – 2000 | 150 – 250 | 750 – 4,500 | 1,850 – 7,750 | As per the entitlement of the number of cards | Nil |
| 2 | KRISHNA | 750 – 1,000 | 200 – 2000 | 150 – 250 | 750 – 4,500 | 1,850 – 7,750 | | Nil |
| 3 | SRIKAKULAM | 750 – 1,000 | 200 – 2000 | 150 – 250 | 750 – 4,500 | 1,850 – 7,750 | | Nil |

Supply Chain Management And Door Step Delivery

Food Cycle

In an attempt to ensure smooth and uninterrupted delivery of food grains to the beneficiaries, the Civil Supplies Corporation is following the following food calendar / cycle:

- 1st to 15th of every month = Distribution of food grains to all categories of card Holders (For those beneficiaries whose biometric authentication has failed, a date is announced for distribution of food grains)
- 11th to 18th of every month = Payment to the Corporation by the FPS dealers towards ration for next month (through NEFT / RTGS). However, the FPS dealers are allowed to make the payment till the last day of second stage transport.
- 20th to 30th of every month = Door step delivery of food grains to the Fair Price Shops

At Godown Level

Transport Of Food Grains

STAGE I: FCO godown / buffer stock godown to Mandal Level Stock Point (MLSP).

Through a public notification in popular national and local daily newspapers (English, Hindi and native language), tenders are called for undertaking transport of food grains from the FCO godown to MLSP. On receipt and opening of the bids, allotment and sanction is awarded to the lowest bidder.

STAGE II: MLSP to FPSs

Through a public notification in popular national and local daily newspapers (English, Hindi and native language), tenders are called for undertaking transport of food grains from the MLSP godown to FPSs. On receipt and opening of the bids, allotment and sanction is awarded to the lowest bidder.

The route and time of travel from the MLSP to the FPS is geo tagged. Alerts are received at the office of the Joint Collector, the District Supplies Officer, the District Manager and other officials of the Civil

Supplies department, in the event of deviation in the standard route. Explanation is sought for the violation and action is initiated against the erring officials if explanation is found unsatisfactory.

- Monthly distribution cycle for food grains is followed in the State *i.e.*, food grains pertaining to distribution in the next month are allocated and delivered at the doorstep of the FPS during the second fortnight of the previous month, so that food grains are available at the fair price shops for distribution to ration card holders from 1st of the distribution month. It is observed that the FPSs are mapped to the nearest godown and all godowns at district / mandal level are automated (ePoS device, computer, printer, CCTVs and UPS *etc.*) and internet connectivity / power is also ensured.
- Closing balance (CB) in the wholesale depot is closed once the lifting of monthly entitlement is completed by the fair price shops tagged / attached to the depot. The Fair Price Shops, on completion of distribution of food grains as per entitlements to ration cardholders for that particular month, CB will be auto uploaded in case of POS shops and in case of Non POS shops, card wise transactions are uploaded through IVRS by FPS owner, and also uploading RC wise details by the concerned food inspector in their login.
- Allocation Orders are generated online by the system from State level to Fair Price Shops. Closing balance of Fair Price Shops is received automatically and centralised allotment is generated after considering the CB closure by Fair Price Shops. Wholesale CB is also being received online.
- The wholesale transporters selected through tendering, lift monthly NFSA food grain (Rice) from FCI godown to Mandal Supply Points (MLSPs). Thereafter, in mandals where retail transporters have been finalized, food grains are delivered to fair price shops by retail transporters and in places where retail transporters have not been finalized, fair price shop owners lift food grains from wholesale godowns for which they are provided transportation and hamali charges as notified by the State Government. The receipt of stock from wholesale transporters and dispatch of stock to retail transporters and fair price shop owners is based on online stock in and online billing at wholesale godowns. The concerned District Managers, Assistant Managers and Deputy Tahsildars oversee the receipt and distribution process. Hence, adequate persons manage supply chain at both block and district level.
- Stock position of all godowns & FPSs are captured online in real time manner. Delivery Orders, Release Orders, Truck Challans, Gate Passes, *etc.* for NFSA commodities are generated from system and they are available on Transparency Portals. They are system generated.
- Payment acknowledgement is generated online. There is facility for dispatch of SMS Alerts of food grain arrival to citizens / beneficiaries / FPS Dealers. People can subscribe for SMS alerts through portals. SMS alert facility is in place to citizens and fair price dealers. But people cannot subscribe for alerts through portals. Details of allocation, off take and distribution are reported correctly on NFSA dashboard. The allotment and lifting statistics are available on the ANNAVITARAN portal.
- The district and / or mandal level godowns are maintained by the State Civil Supplies Corporation. At a majority of locations, the MLSPs are being operated from the Corporation's own buildings. Otherwise, the storage and supply has been outsourced to private operators.
- The study team visited 3 sample districts where the maintenance of godowns was observed.

- Three kinds of godowns are present in the state: Corporation's own godowns, Agricultural Market Committee godowns and Private Godowns (those operated and maintained by private persons / individuals).
- The godowns owned by the Civil Supplies Corporation are modernised and well maintained with rest rooms, drinking water facilities and first aid kits.
- The conditions at the godowns operated and maintained by the other agencies need to be improved.
- Whether a godown is own or private or cooperative, have to operate / maintain the commodities as per the standard procedures of the Food Corporation of India (FCI) and Central Warehousing Corporation (CWC). That means, they should have good ventilation, undertake proper control practices against pests like rats and insects, undertake periodical fumigation, stacking of the bags, *etc* should be carried out. Electronic weighing scales, ePoS, computer and printer and internet connectivity and fire control measures should exist as per the norms of State Civil Supplies Corporation.
- It is observed that there is no delay in receiving and dispatch of stock from godown to FPS. The validity period for allocation of food grains and lifting is followed strictly from godown to FPS (Table 15).

Table 15: District level Godown Dispatch of Food Grains

| S.No | PARTICULARS | DISTRICT | | |
|------|---|-----------|----------|------------|
| | | ANANTAPUR | KRISHNA | SRIKAKULAM |
| 1 | Delay in receiving stocks | No delay | No delay | No delay |
| 2 | Delay in dispatch of stocks to FPS | No delay | No delay | No delay |
| 3 | Number of months during last six months when allocated food grains were not lifted within the validity period | None | None | None |

Movement of food grains from godown to FPS, payments and transmission of SMS alerts is fully automated and online in all the three sample districts. Food grains weighed at the MLSP godown are weighed on electronic weighbridge that is linked to the online system (Table 16).

Table 16: District level Godown: Automation of Supply Chain

| S.No | Particulars | District | | |
|------|---|-----------|---------|------------|
| | | Anantapur | Krishna | Srikakulam |
| 1 | Supply Chain application deployed in the godown | Yes | Yes | Yes |
| 2 | Training on Supply Chain Management to the Godown staff | Yes | Yes | Yes |
| 3 | Has any User Manual been provided | Yes | Yes | Yes |
| 4 | Stock position captured online | Yes | Yes | Yes |
| 5 | Stock position captured online and fully automated | Yes | Yes | Yes |
| 6 | Movement of food grains captured online | Yes | Yes | Yes |

| | | | | |
|----|---|-----|-----|-----|
| 7 | Movement of food grains captured online and fully automated | Yes | Yes | Yes |
| 8 | Payment flow from FPS / payment acknowledgement captured online | Yes | Yes | Yes |
| 9 | Payment flow from FPS / payment acknowledgement captured online and fully automated | Yes | Yes | Yes |
| 10 | SMS alert service for arrival of food grains captured online | Yes | Yes | Yes |
| 11 | Is route mapping done for all FPSs | Yes | Yes | Yes |
| 12 | Food grains weighed at godown with electronic weighbridge linked to online system | Yes | Yes | Yes |
| 13 | Food grains delivered to FPSs weighed using FPSs level electronic weighing machine linked to ePoS | Yes | Yes | Yes |
| 14 | Has there been any instances of black marketing from the godown in the last one year | No | No | No |
| 15 | Stock position of godown are in public domain | Yes | Yes | Yes |
| 16 | Movement of food grains are in public domain | Yes | Yes | Yes |
| 17 | SMS alert service about arrival of food grains at FPS | Yes | Yes | Yes |

Table 17: MLSP Information and Tagging

| S.No | District | Number of MLSPs in the district | Number of Mandals that are catered by the MLSPs | Number of FPS served by the MLSPs | Farthest FPS tagged to the MLSP (km) |
|------|------------|---------------------------------|---|-----------------------------------|--------------------------------------|
| 1 | ANANTAPUR | 23 | 63 | 2,998 | 55.7 |
| 2 | KRISHNA | 16 | 60 | 2,206 | 72.2 |
| 3 | SRIKAKULAM | 19 | 39 | 2,007 | 61.2 |

Among the sample districts, the number of MLSPs is highest in Anantapur (23) followed by Srikakulam (19) and Krishna (16) while the number of FPSs is the highest in Anantapur (2,998) followed by Krishna (2,206) and Srikakulam (2,007) (Table 17).

Hamali charges: The hamalis are being paid @ ₹ 95 per ton towards loading and unloading of food grains at the MLSPs. Each hamali is getting around ₹ 5,000 to ₹ 15,000 depending upon the volume of handling and number of hamalis at the MLSP. The transportation and handling charges (loading at the MLSP) is taken care by the department.

The FPS dealers on the conclusion of the distribution of food grains in any given month assess the requirement of food grains for the next month as per the number of cards that are assigned to that FPS, place an online indent to the MLSP by making online payment towards the price of the food grains after deducting his / her commission and the alerts are received at the MLSP which could be viewed online and monitored by the officials of the Civil Supplies department and MLSP in-charge.

Grievance Redressal

As per the NFSA, 2013, the states will have the flexibility to use the existing machinery or set up separate mechanism.

UTILIZATION OF TOLL-FREE HELPLINE: Many of the beneficiaries are not aware of the toll-free number nor, they are familiar on the role of the institutions that are established for the purpose such as District Grievance Redressal Officer (DGRO) or State Food Commission (SFC)

SOURCE OF INFORMATION REGARDING TOLL FREE HELPLINE: Most of the beneficiaries that are aware of the toll-free number have come to know of it through media publicity (TV and or newspapers). The department of civil supplies has been organising publicity campaigns to create awareness about the existence of the platforms for grievance redressal. In a majority of FPSs that were visited, the number was neither displayed nor displayed prominently.

AWARENESS ABOUT STATE FOOD COMMISSION AND DISTRICT GRIEVANCE REDRESSAL OFFICER: Not at all aware about the existence of State Food Commission and or the district Grievance Redressal Officer.

ANY GRIEVANCES ADDRESSED: Every Monday, 'MEEKOSM' – a grievance redressal forum is held at the district collectorate in the presence of the district officers of all departments and any person with any kind of an issue including those related to PDS could get their issues resolved then and there itself. Most of the PDS grievances are on issues like not opening of the FPSs on the scheduled days, failure of biometric authentication, addition and deletion of names *etc.* These grievances are being addressed very promptly.

Table 18: Grievance Redressal

| S.No | District | Number of Applications received during the last one year | Number of Applications disposed during the last one year | Percent of Applications disposed |
|------|------------|--|--|----------------------------------|
| 1 | ANANTAPUR | 8,972 | 8,276 | 92.24 |
| 2 | KRISHNA | 8,295 | 7,284 | 87.81 |
| 3 | SRIKAKULAM | 4,456 | 3,849 | 86.37 |

Recommendations

In Andhra Pradesh, NFSA 2013 implementation issues include ensuring accurate beneficiary identification, addressing leakages in the Public Distribution System (PDS), and ensuring timely and adequate foodgrain availability, while also ensuring that the Act's provisions for pregnant women, lactating mothers, and children are effectively implemented.

Accurate Beneficiary Identification and Inclusion/Exclusion:

Challenge

Ensuring that the right people are included in the NFSA scheme and that ineligible individuals or households are excluded is crucial.

Solutions

States/UTs continuously identify beneficiaries, excluding ineligible/fake/duplicate ration cards and those who have died or migrated, while including genuine left-out households and those born into the system.

Aadhaar-enabled systems

The use of Aadhaar-enabled technical architecture ensures that only rightful beneficiaries receive their intended benefits.

1. The criteria for selection of beneficiaries should be reviewed
2. The list of beneficiaries should be reviewed every 3 to 6 months after a thorough tracking / monitoring the history of the beneficiary with respect to collection of food grains from any of the FPSs in the state. If a beneficiary doesn't collect food grains for 3 months for reasons other than health and migration, he / she may be dropped from the list of eligible candidates.
3. Ration card should be delinked from housing / fee reimbursement / pensions / Arogyasri schemes. Most of the beneficiaries that don't collect food grains are still holding on to the ration cards just to avail benefits under these schemes. Presence of such card holders give a lot of opportunity and scope for corruption in the implementation of NFSA, 2013 and corruption in Andhra Pradesh is mainly because of this issue.
4. The monthly entitlements of the food grains may be increased from the current levels.
5. The department may consider increasing the range of commodities that are under PDS by bringing more food items like cooking oils, tamarind, and other pulses (bengal gram, black gram, green gram, *etc*) chillies, which are of daily use. This would certainly provide a lot of relief to the poor. Since, the prices of onions in the open market are highly instable and at times are sold at ₹ 100 per kg, they also be supplied through FPSs. This would enhance the income of the FPS dealers too.
6. The monthly income of the FPS dealers is not sufficient to maintain themselves (especially the rural FPSs, as the number of cards per FPS is small and the beneficiaries too migrate to other places for livelihood). Hence the FPS dealers may be allowed to sell non-PDS commodities too, to enhance sustainability of their operations. This could also bring down the compulsion to indulge in corruption.
7. At present the FPS dealers are distributing food grains, iodised salt, palmolein oil and other items towards ICDS and MDM schemes and also to jails and model schools. Though there is a proposal to pay commission to the dealers @ ₹ 129.20/MT of rice for MDM and ₹ 200/MT of rice for ICDS, still they are not being paid any commission for this activity. This may be considered / resolved.
8. The FPS level vigilance committees may be constituted as the NFSA, 2013 envisages vigilance committees at four levels *i.e.*, state level, district level, mandal / block level and FPS level (though the study team did not find any reason to constitute vigilance committees at the FPS level).
9. Members should not be appointed / nominated just because of political affiliations or proximity to the powers, but should be on merit. Education, intelligence, comprehension, understanding should be considered while constituting the district or mandal or FPS level vigilance committees.
10. Members of the vigilance committees should be sensitised about the NFSA, 2013 guidelines and other parameters in practice in the state.