

Realized food subsidy in Assam through the Targeted Public Distribution System (TPDS)

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ABSTRACT: The Targeted Public Distribution System (TPDS) is the major food subsidy programme in India. Currently, it covers all the corners of India. It is the primary channel of providing subsidized food to the needy in the country. Assam, a state of India is not exceptional in this regard. The state of Assam has implemented the NFSA in the year 2015-16. Despite having a central programme of food subsidy, the Government of Assam has also implemented state-level food subsidy initiatives to make the beneficiaries better off. The Affordable Nutrition and Nourishment Assistance (ANNA) Yojana is such a scheme. The scheme was implemented in 2019-20 to provide additional subsidies along with the central subsidy under TPDS. Again, in the year 2020, the Government of Assam has implemented an in-cash food subsidy programme that is Orunodoi Scheme. The schemes and programmes that target the beneficiaries mainly aim at achieving food security among the people. The current study sets the objective of finding the food subsidy actually reaching the beneficiaries through the TPDS. Here, it is termed as the realized subsidy.

KEY WORDS: Food subsidy, realized subsidy, allocation and off-take.

INTRODUCTION

The Targeted Public Distribution System (TPDS) covers all the states and union territories of India, which is the central mechanism of providing food subsidy to vulnerable households in the country. The state of Assam also implemented TPDS in 1997-98. In the state, the TPDS is the primary path of food subsidization to the beneficiaries. In line with the other states of India, the TPDS categorized the beneficiaries in Assam under three categories, Below Poverty Line (BPL), Antodaya Anna Yojana (AAY), and Above Poverty Line (APL). This categorization was sustained until the National Food Security Act (NFSA) of 2013 was implemented. The state of Assam has implemented the NFSA in the year 2015-16. With this, already existing three schemes, the TPDS, the Mid-Day Meal (MDM), and the Wheat-Based Nutrition Programme (WBNP) have been considered under the umbrella of NFSA. Along with the implementation of NFSA in the state, the categorization of beneficiaries under TPDS has also been named Antodaya Anna Yojana (AAY) and Priority Household (PHH) categories, and a small part of subsidized food grains (rice and wheat) are allocated under the tide over allocation at the APL rate. Here, the AAY category households have the norm to receive 35 kilograms of rice in a month and the PHH category of households have the norm to receive 5 kilograms of rice per member with a maximum of 25 kilograms per month. The Government of Assam also plays a necessary role identification of beneficiaries, distribution of food grains through the fair price shops etc. The beneficiaries are identified according to their eligibility criteria. Accordingly, the Department of Food and Civil Supplies, Assam issues ration cards to the beneficiaries on behalf of the Government of Assam. The department also makes timely reviews and accordingly updates the list of beneficiaries under the system (Government of Assam, 2021-22).

The TPDS is the major food subsidy programme in Assam which provides subsidized food grains to the beneficiaries to maintain the food security in the state. Despite having a central programme of food subsidy, the Government of Assam has also implemented state-level food subsidy initiatives to make the beneficiaries better off. The Affordable Nutrition and Nourishment Assistance (ANNA) Yojana is such a scheme. The scheme was implemented in 2019-20 to provide additional subsidies along with the central subsidy under TPDS. During the time of implementation of the ANNA Yojana, the central government issued subsidized rice under TPDS to the beneficiaries at ₹3 per kilogram for both the categories of beneficiaries AAY and PHH respectively. The ANNA Yojana facilitates an additional subsidy of ₹ 2 per kilogram of rice so that the beneficiaries can receive the food grains at ₹1 per kilogram by both the AAY and PHH beneficiaries under TPDS. Along with that, the rice was distributed at zero price to the tea garden beneficiaries under the TPDS (Government of Assam, 2021-22).

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PROCUREMENT OF FOOD GRAINS IN ASSAM

There are two procurement systems in India, procurement through FCI (Centralized Procurement System) and procurement through states (Decentralized Procurement System). In 1997-98, the Decentralized Procurement System (DCP) was implemented in India. Under this, the states and union territories of the nation have the liberty of choosing the procurement system (Food Grain Bulletin, 2021-22). Still FCI plays a vital role in Assam. The FCI is the leading agency in maintaining stock and distributing the food grains under the TPDS. In the state, the allocation of food grains is made by the central government according to its norms for various categories under TPDS. Accordingly, the state Government withdraws (offtake) the required amount of food grains from the central pool for distribution under TPDS. Now, the actual food subsidy associated with the TPDS in Assam can be better understood by knowing the amount of realized consumer food subsidy to different categories of beneficiaries under the TPDS.

Objective of the Study: The main objective of the current study is to find the realized consumer subsidy in the state of Assam during 2001-02 to 2019-20.

Methodology of the Study:

The study considers the actual subsidy that is realized by the beneficiaries through TPDS during the period 2001-02 to 2019-20.

Realized Consumer Subsidy = Total offtake of food grain (rice) in quintals $\times$ Consumer subsidy of food grain (rice) in rupees per quintal

RESULTS AND DISCUSSION

As the current study aims to find the realized consumer subsidy associated with the provided food grain (rice) through TPDS, it is necessary to depict the trend of allocation and off-take of rice during the pre-NFSA and post-NFSA periods. The allocation here defines the amount of food grain allotted for the stated according to its norm. But, off-take is the amount actually withdrawn for distributing among the beneficiaries. Therefore, the off-take is the actual amount of food grain that reaches the beneficiaries.

Table 1: Allocation and Offtake of Rice in Prior-NFSA through TPDS in Assam

Allocation and Off-take of Rice in Assam (in Thousand Tons)						
Prior-NFSA						
Year	Allocation			Offtake		
	BPL	AAY	APL	BPL	AAY	APL
2001-02	515.06	28.15	311.28	429.83	28.52	45.3
2002-03	682.28	118.24	475.14	529.47	104.93	46.32
2003-04	682.28	118.24	475.14	628.17	112.27	125.38
2004-05	650.43	150.09	475.14	622.27	139.18	119.58
2005-06	625.42	175.1	618.12	595.48	181.09	164.34
2006-07	476.7	294.22	689.6	476.08	272.05	511.74
2007-08	475.47	295.45	310.2	480.02	298.03	354.89
2008-09	475.22	295.69	410.98	473.79	295.01	412.06
2009-10	475.22	295.69	437.54	472.79	294.94	409.37
2010-11	475.22	295.69	575.27	467.05	292.78	523.92
2011-12	475.22	295.69	295.69	471.58	293.83	293.83
2012-13	475.22	295.69	295.69	471.39	293.59	293.59
2013-14	475.22	295.69	1115.94	472.07	294.01	1021.96
2014-15	475.22	295.69	740.26	464.68	291.49	704.46
2015-16	316.82	197.13	394.38	320.85	198.27	392.78

Source: Food grain bulletin, various issues

Table 2: Allocation and Offtake of Rice in Post-NFSA through TPDS in Assam

Post-NFSA				
	Allocation		Offtake	
	AAY/PHH	Tide Over	AAY/PHH	Tide Over
2015-16	520.93	33.09	362.56	31.23

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2016-17	1610.01	76.85	1508.05	56.65
2017-18	1625.75	69.38	1626.57	64.03
2018-19	1625.75	69.38	1622.41	68.62
2019-20	1625.75	69.38	1632.79	69.35

Source: Food grain bulletine, various issues

The Table 1 and Table 2 demonstrates the total allocation and off-take of food grains through the TPDS. The Table 1 covers the period from 2001-02 to 2015-16. Again, the Table 2 covers the period after implementation of the NFSA in the state of Assam which is from 2015-16 to 2019-20. In the year 2015-16, the implementation of NFSA was through a phase manner. The realized consumer subsidy of rice in Assam from 2001-02 to 2019-20 has been shown in Table 3 and Table 4.

Table 3: Realized Consumer Subsidy of Rice in Assam (in ₹/Crores) in the Prior-NFSA Period

Prior-NFSA			
Year	Subsidy to BPL	Subsidy to AAY	Subsidy to APL
2001-02	229.08	22.76	12.14
2002-03	317.70	90.77	15.52
2003-04	421.56	105.09	50.92
2004-05	459.60	139.68	56.63
2005-06	467.85	190.27	85.57
2006-07	393.33	296.86	287.18
2007-08	472.75	372.50	255.47
2008-09	580.29	439.50	395.49
2009-10	593.38	448.33	405.30
2010-11	662.33	492.78	604.14
2011-12	734.69	535.63	379.90
2012-13	820.16	588.61	433.01
2013-14	967.98	680.78	1824.72
2014-15	1105.28	770.58	1488.93
2015-16	821.53	560.21	901.61

Source: Calculated from Food Grain Bulletin, Various Issues

Table 4: Realized Consumer Subsidy of Rice in Assam (in ₹/Crores) in Post NFSA Period

Post-NFSA		
Year	AAY/PHH	Tide Over
2015-16	1024.4	71.69
2016-17	4230.02	128.88
2017-18	4847.68	156.89
2018-19	5101.02	179.38
2019-20*	5584.24	200.43

Source: Calculated from Food Grain Bulletin, Various Issues

(*Note: The state subsidy through the Affordable Nutrition and Nourishment Assistance Yojana is excluded)

Table 3 and Table 4 show the realized consumer food subsidy of rice for different types of beneficiaries under TPDS for the prior-NFSA and post-NFSA periods in Assam. The prior NFSA period is from 2001-02 to 2015-16. The NFSA was implemented in December 2015 in Assam. Therefore, before December 2015, the food grains under TPDS were distributed according to the norms before NFSA. Again, the post-NFSA period in the state is from 2015-16 to 2019-20.

From Table 3, it can be noticed that during the prior-NFSA period from 2001-02 to 2014-15, the realized consumer subsidy of rice for the BPL category has increased at a compound annual growth rate of 11.90%, and that has increased at 28.60% for the AAY category. After the implementation of NFSA, the beneficiaries are categorized into two types AAY and PHH. From 2015-16 to

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2019-20, the combined realized consumer subsidy of rice for both AAY and PHH has increased from ₹ 2406.14 crores to ₹ 5584.24 crores, respectively. This is shown in Table 2.

In the year 2020-21, due to the emergence of the COVID-19 pandemic, the Government of India introduced the Pradhan Mantri Garib Kalyan Yojana, as already mentioned. This scheme benefited all AAY and PHH beneficiaries with an additional 5 kg of rice across India (Government of India, 2022). The Government of Assam followed the directives of the Government of India.

In its budget for 2020-21, the Assam Government highlighted that food subsidy is a critical social security measure in the prevalent COVID-19 situation. The ANNA Yojana, 2019 was prepared to provide free food grains to all categories of beneficiaries under TPDS. Here, the government made it a priority to distribute food grains at zero pricing. All the AAY and PHH beneficiaries were extensively covered by this free ration system. This free distribution of rations to the beneficiaries was extended to 2021-22 (Government of Assam, 2022).

Apart from the existing ANNA Yojana, the Government of Assam started another food security measure scheme, the 'Orunodoi Scheme', started in the October, 2020. This scheme transfers a cash amount of Rs. ₹830 to the beneficiaries' accounts in 2020-21. This amount has been increased to ₹1000 in 2021-22. In 2020-21, around 17 lakh families in Assam availed of that scheme. It aimed at meeting the expenditure of buying non-cereal nutritious food items like pulses, sugar, and fruits (Government of Assam, 2022).

Thus, the study provides an overall picture of Assam's existing food subsidy schemes. Based on its overall situational analysis, the Government of Assam has implemented other schemes like the Affordable Nutrition and Nourishment Assistance (ANNA) Yojana and Orunodoi Scheme, in addition to the central programme, TPDS. Thus, the Government of Assam prioritizes making the food subsidy programme, highly effective and widespread.

CONCLUSION

The study on the existing food subsidy system in the state of Assam shows that TPDS is the major food subsidy programme in the state. Again, the realized consumer food subsidy through the TPDS has been found to increase from 2001-02 to 2019-20 in the state. However, the Government of Assam has also initiated programmes like the ANNA Yojana and Orunodoi Scheme by prioritizing food security in the state.

Thus, both the total food subsidy expenditure and realized food subsidy through the TPDS have been found to increase during the study period. It indicates the significance of food subsidy in India as well as the importance of policy tools used by the government for attaining food security. By providing subsidy on essential food grains, the nation ensures availability of sufficient food for survival. As food subsidy in India is a cereal-centric, it may not satisfy the nutritional requirement. The nutritional requirement is achieved by diversification of food basket. The dietary diversity is important to achieve a good nutritional status among the people of the nation. Therefore, the study necessitates a detailed study examining the current dietary patterns and nutritional status of the people of India.

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