Chapter III

Public Distribution System in Andhra Pradesh - An Overview
The Public Distribution System (PDS) is an important mechanism to channelise essential food products to the needy and downtrodden people, particularly those who are living below the poverty line. A detailed analysis of this vital mechanism will give a clear vision and understanding of its role and functions, its success and failures. Towards this end an attempt has been made in this chapter to clearly discuss various aspects of the Public Distribution System at the National and State Levels.

The PDS plays a key role in the food economy of developing countries. In India, the British introduced the PDS in 1939 to meet food shortages and famine conditions. Inequality of income and wealth, unemployment and under employment is characteristic of any developing country. The poverty index evolved by Human Resource Development attaches particular importance to public intervention in this area.

The Second World War created scarcity of essential goods and as a result, there was rapid rise in prices of all commodities, agricultural produce, in particular. In order to deal with the supply and distribution of essential commodities, a Food and Price Control Department was established in December, 1942 under the British rule. The Bengal Famine (1943) which was actually man-made wiped out more than a million people mainly due to erratic distribution of food grains. The price of food grains increased five to six times the normal level, while the wages remained stationary. The worst sufferers were the poor class the area and that drew the attention of the government. In order to meet the situation,
the government at that time felt the need for evolving a framework for a comprehensive food grain policy. A committee (1943) appointed for the purpose recommended increase in food production through the "Grow more food" campaign, stoppage of exports, procurement of food grains, to create a central food reserve and distribution of food grains through the FPS in deficit areas. Accordingly, rationing was introduced for the first time with the opening of FPS all through the country to ensure an equitable distribution of essential commodities to consumers, at reasonable prices.

In the initial years of independence, there was a deficit of food grains in the country on account of the loss of a major irrigation system, which was given to Pakistan at the time of partition. The second food grain policy committee was setup in 1947 to review the situation in respect of the availability of food grain in the country. The committee suggested a policy of progressive decontrols of food grain supplies. As a result, controls imposed on food grain supplies were relaxed from early 1948 but the expectations of the government were not realised. By July 1948, price rise became steep and as a result, in the conference of all states in September 1948, it was again decided to reimpose control to distribute essential consumption items through the FPS as a part of the overall policy of fighting the price rise. Barring two short-lived attempts at food decontrols (1948, 1953, 1954) the PDS or rationing has continued to this day. The objectives and modus operandi, however, have undergone some significant modifications to suit the changing needs of the times.
Concept of PDS

The distribution of essential commodities through Fair Price Shops at Government Controlled Prices has come to be known as the PDS.

The PDS is a system, which is managed by a dual market mechanism (i.e. Open Market and Controlled Market). The PDS deals with the controlled market with the basic motive of maximising social benefits.

The PDS is a whole or part of the distribution system, in principle owned and controlled by public authorities on behalf of the general public and run by them for the good of the general public or specific group thereof. It refers to the co-ordinated activities of public undertakings, Government and cooperative institutions which are functioning as controllers of demand, supply and prices of essential commodities and ensuring the availability of essential commodities and their basic needs for their livelihood to the lower and middle income groups of the general public.

Distribution is a crucial function of marketing. It provides a vital link between the producers and customers by making available goods and services. The PDS is the distribution System undertaken by the Government or any public agency.

"A Public Distribution System is the whole or part of distribution system in principle owned and controlled by public authorities on behalf of the general public or specific group thereof". Public Distribution is basically an aspect of demand and supply management. Its aims at meeting the basic needs of the
vulnerable sections of the community who cannot afford to depend upon the market forces to obtain their supplies. The Public Distribution is direct "State intervention in public affairs".

The concept of PDS in India has some specific connotations. It is not a system of distribution under public ownership as in the case of many socialist countries, nor is it an independent system of consumer cooperative of the type found in the Scandinavian countries. The PDS in India is a retailing system supervised and guided by the State. The system of Public Distribution of essential commodities has become a permanent feature of the Indian economy and has been in existence for nearly five decades.

Need for PDS

Open market operations in food production and supply are successful in those countries in which food production is abundant, as in some capitalistic countries. But in India, we have not yet reached self-sufficiency in nutritious food. So the lower income and middle class people are not able to compete with general public to buy their basic needs. A democratic government has the obligation of providing the minimum basic needs of life such as food, clothing, shelter etc. to all individuals in the nation. So the Government of India is obliged to enter the dual pricing system i.e. Public Distribution.
Features

The PDS has specific features as detailed below:

1. It is a system of sale of selected commodities through agencies such as Fair Price Shops or Cooperatives to serve public interest. These agencies operate under government control and direction.

2. The operation of the above agencies does not dispense with the functioning of the free market mechanism but works along with it, giving rise to the phenomenon of mixed economy in essential commodities. It is largely optimal, in the sense that cardholders are free to purchase the items from the open market also.

3. Of the commodities supplied, Rice, Wheat and Sugar have continued to occupy a predominant position. Kerosene and controlled cloth are other important commodities.

4. The Government feeds the PDS with supplies, fixes the prices and the quantity per head. The Government obtains the supplies by internal procurement and/or by imports and maintains a buffer stock for the purpose.

5. The aim is to provide at least a minimum quantity of essential items at reasonable prices especially to the vulnerable sections of the population and also to stabilize open market prices or at least to prevent an undue rise in such prices under conditions of shortage.
6. The prices charged are usually lower than the open market prices and generally lower than the cost of supplies incurred by the Government, thereby necessitating subsidies. The PDS is thus a relief agency. The Central and State Government participate in the formulation and implementation of the distribution policy.

Objectives of PDS

The PDS has constituted to cater the food requirements of the needy people. It aims at:

- Equalizing demand and supply of food grains in the economy
- Comprehensive coverage of vulnerable sections
- Coverage of both deficit and surplus states
- Charging a price that the weaker sections can bear
- Price Stability
- Ensuring consumer satisfaction in its operations

To achieve these objectives, the following policy instruments are being used.

- Procurement of food grains
- Price Support operations
- External and Internal movement of food grains
- Operation of food grain buffer stocks
- Public Distribution through Fair Price Shops
Management of PDS in India

The planning commission, Government of India, after detailed discussion decides the basic approach to the PDS by an expert group. The Planning Commission, which is the main policy formulation body of the Government, decided about the Objectives to be assigned to the PDS, such as:

- Stabilizing prices of essential commodities,
- Equitable distribution of essential commodities,
- Provision of essential goods to the vulnerable sections of the population at reasonable prices.

The country has a three-tier structure in public distribution management. At the apex level there are the national level agencies with the task of processing, storing and attending to other logistic management functions. They include the Food Corporation of India, State Trading Corporation, Coal India Limited, The Public Sector Oil Companies, the National Cooperative Marketing Consumer Federation and the National Agriculture Cooperative Consumer Federation. They procure and supply certain key commodities of mass consumption to the state-level agencies such as the Civil Supplies Corporation, the State Cooperative Consumer Federation etc. Some of these state-level agencies operate their own retail outlets too.

At the base level there are Fair Price Shops, Retail Outlets of Central and State-Level agencies and the Primary Cooperatives to distribute the essential commodities to the cardholders.
ORGANISATIONAL DESIGN OF THE PDS IN INDIA

Policy Formulation: Govt. of India, Planning Commission

Objectives: Decided by the Department of Food and Civil Supplies and Planning Commission, Government of India

Implementation: Ministry of Food and Civil Supplies, Department of Food

Procurement: From Farmers, Traders/Millers and Imports By FCI and NAFED

Distribution: Warehousing Corporation, FCI

Warehousing & Transportation: Regional Depots

State Civil Supplies Department and/or Corporation

District Supply Officer

Block Revenue Officer

Retailing:

Fair Price Shops

PDS Consumer

Consumer Advisory Council

CACP Recommends Prices

State Cooperative Marketing Federation
Private Trader as Agents

Wholesalers
Floor Mills Export

Consumer/Advisory Committees

Types of FPS Cooperative, Private Government
Procurement System

The PDS has two distinct functions - Procurement and Distribution. To meet the requirements of the PDS, food grains are to be acquired. Prior to the establishment of the Food Corporation of India in 1965, procurement from internal sources was limited. It was the responsibility of the State Department of Revenue and the Department of Civil Supplies to procure food grains by imposing a levy on farmers, traders and millers. Since 1965, internal procurement has been managed by the FCI and State agencies such as the Civil Supplies Department or Corporation. As a part of the strategy, cooperatives are encouraged as agencies through which these organisations could procure food grains.

The important decisions to be made in procurement are: 'how much to procure' and 'what prices should be offered'. Procurement prices to be offered are recommended by the BACP. The BACP takes into account the cost of production for agricultural commodities, stocks, crop situation etc. The Government generally accepts its recommendations and instructs the FCI to procure goods at the suggested prices.

The decision about the quantity to be purchased is difficult. Generally, a target is fixed keeping in view the crop situation. Since a support price is given to farmers the FCI has to buy whatever is offered by them. The procurement data for different states indicates that a large proportion of procurement of Wheat is concentrated in four States - Punjab, Haryana, Andhra Pradesh and Madhya
Pradesh and in the case of Rice the concentration is in Punjab, Haryana, Andhra Pradesh and Tamil Nadu.

**Distribution System**

Distribution involves the following issues:

1. Quantity of food grains which the different states should get
2. What should be the issue price?
3. What should be the distribution agency at the retail level and the allocative agency at the different regional levels?
4. Arrangements for transportation, storage and coordination
5. What should be the retail price and margins of different agencies?

Storage and transport have been the responsibility of the FCI up to the regional depots. There are more than 2,200 such depots all put together in the different states. Transport is generally arranged through private contractors. Lifting of grain from the regional depot is the responsibility of each State Government and it is the responsibility of the FPS from the depots, except in some states such as Andhra Pradesh where transport is provided by the State Government itself up to the FPS level.

Fixing the total quota of food grains to be supplied to each state is determined by the Central Government keeping in view the production of food grain in each, and the off take in the previous months.
Prices for the consumer are determined by taking into consideration marketing costs, open market prices, fiscal burden and the paying capacity of the consumer. If the prices are less than the cost of marketing and procurement, the Government reimburses the FCI from the general exchequer. A part of the reimbursement is the cost of administration while another part is a subsidy to the consumer.

District level officials keeping in mind the suitability of the applicants and the size of the village take decisions about the location of Fair Price Shops. Local political pressures also play an important role in this decision.

Commodities to be covered are generally fixed by the State Government. But the Central Government has listed Wheat, Rice, Sugar, Kerosene, Oil, Gas, and Cloth as essential items, while the respective state governments can add other commodities to the list depending upon local situations. However, the arrangement for procurement of other commodities has to be made by the Particular State Government concerned.

The objective of the Government's Food Security Policy is to ensure the availability of food grains to the public at an affordable price. The Public Distribution System (PDS) has, over the years, become an important instrument of the Government's policy for regulating the open market prices of essential commodities and for ensuring food security at the household level.

Under the PDS the Central Government has assumed responsibility for procurement and supply of essential commodities, viz. Wheat, rice, levy sugar,
imported edible oils, kerosene and soft coke to the State Governments and the Union Territories for distribution at almost uniform and affordable prices to the public. These commodities are made available to the States/UTs at fixed Central Issue Prices (CIP) which are determined by the Central Government and generally involve subsidies borne by the Central Government. Some States/UTs also distribute additional items of mass consumption through the PDS outlets.

Centre State Coordination

The implementation of the PDS is the joint responsibility of the Central Government and state governments/UT Administrations. The Central Government is responsible for procuring the commodities, storing and transporting the PDS items up to the Central Godowns and making them available to the State. The responsibility for actual distribution to consumers and administration of the PDS is entirely that of the respective state Governments and UT Administrations.

A Committee on Allocation has been constituted under the Chairmanship of the Secretary, Department of Consumer Affairs and Public Distribution System to consider and finalise allocation of the PDS commodities to the States/UTs month-wise. Secretaries in the Ministries of Food, Coal and Petroleum and Natural Gas are members of this Committee.

Increased emphasis has been laid in the past few years on improving the reach of the PDS to remote, far-flung and inaccessible areas. Mobile fair price
shops/vans are pressed into service in these areas. So far funds, for the purchase of 1209 vehicles have been sanctioned to the various States/UTs.

**Pricing of Commodities under PDS**

The PDS commodities are issued to all the states/Union Territories at uniform Central Issue Prices (CIP) which generally involve subsidies borne by the Central Government. The Central Issue Prices of food grains are fixed by the Ministry of Food after taking into account the Minimum Support Price of food grains, statutory charges/taxes payable on the Minimum Support Prices and interest charges at the prescribed rate on interest. The Central Issue Prices of food grains for RPDS areas are Rs.50 per quintal lower than the Central Issue Price of food grains for the normal Public Distribution System areas. In the case of other items like sugar, kerosene, soft coke and imported edible oils, the cost of procurement/production, margins to dealers, transport incidentals, etc are included as the case may be, while working out the Central Issue Prices.

The Central Government supplies the PDS items in bulk to the state governments/UT Administrations for distribution through the Public Distribution System. The state governments/UT Administrations in turn fix the end retail prices themselves after taking into account margins for wholesalers/retailers transport charges, levies, local taxes etc. which may vary from item to item in the various states/UTs. The states/UTs have been advised not to add more than 25 paisa per Kg. over the CIP for the RPDS areas while fixing the end retail prices.
However, in the case of sugar the end retail prices of levy sugar supplied through the PDS in all the States/UTs is fixed by the Ministry of Food.

Monitoring and Inspection

The Public Distribution System being an area of Joint Responsibility between the Central and State Governments/UT Administrations, the need for constant interactions between them is essential to obtain systematic feedback for regular monitoring of the system. Meetings were held at frequent intervals with State Ministers and officials to review the functioning of the PDS, particularly the implementation of the Revamped PDS in the different States and UTs. The interaction between the Centre and States was useful in the coordination of activities and formulation of policies.

Food Security and Public Distribution System

The phenomenal increase in food grain output in India resulted in excessive buffer stocks, which in turn increased the per capita availability of food grains. However, what was not ensured was food security to the millions of the poor in the country. That is, the government was successful in filling the warehouses of Food Corporation of India (FCI) by using the instrument of procurement price/support price, but it failed to take the food grains to reach the poor through the Public Distribution System.
Buffer Stocks

Buffer Stocks are intended to meet food shortage due to bad monsoon, if any, in future, on the one hand and price stabilisation on the other. They are also supposed to help the smooth operation of the PDS. In a society where a considerable section of the population is still living below the poverty line, the challenge of ensuring food security to it in the least expensive manner continues to engage policy makers of the land.

Food Security

There are two components in the framework of ensuring food security to the poor. The first is maintaining an increased growth rate in the real income of the poor. That is, keeping up their purchasing power. The second component is the PDS. The hope of the poor lies in the effective functioning of the PDS/Fair Price Shops to get their essentials at a cheaper rate or at a rate which is lower than the open market rate.8

Operational Efficiency of PDS

However, of late, the PDS has been operated upon at a higher cost leading to welfare loss rather than bring any net gain to the poor.
FOOD MANAGEMENT

Increase in Procurement Price

Increase in Procurement Quantity Level

Increase in PDS issue Price

Narrowing of open market & PDS price Differential

Fall in off take through PDS

Build up of Stocks

Rise in Carrying Cost and Storage

Budgetary Implications:
Rise in Food Subsidies & Deficits

Welfare Loss


The welfare loss has yet another dimension: the poor are getting low quality food stuffs though they are entitled to get nutritious food stuffs for the hard earned money they pay, since the stocks are prone to get deteriorated in the warehouses/godowns. Similarly, the operating cost of the PDS has two sides: explicit and implicit. The explicit cost is the food subsidies which represent the expenditure incurred on procurement of food grains, warehousing storage, and distribution via the PDS of food grains through retail outlets called ration shops or fair price shops, net of all the sales proceeds. The implicit cost is the leakages in the PDS, which is defeating the very purpose of the system for which it was
created. Thus, in the strict economic sense, the operational efficiency of PDS has been very poor.

The factors that contribute to this deplorable situation are many. To mention the important one among them:

1) There are considerable regional disparities in the allocation of food grains under the PDS
2) Urban bias in the PDS
3) Regional disparities in the PDS issue prices. While the central government issues food grains to the states for the PDS at a uniform price, the state governments fix the consumer end retail price for the PDS.
4) Leakages in the PDS. Diversion of food grains to the free market (bogus entries), and losses in transport and storage.
5) Finally the political dimension, populist schemes, which instead of benefiting the poor, lead to higher fiscal deficit and inflation.
   a) Many empirical studies have shown that the poor have been not benefited much from the PDS. The dependence of the poor on the PDS in rural areas for many commodities is less than 16 per cent.
   b) The cost effectiveness of reaching the poorest households through the PDS cereals is small. For every rupee spent less than 22 paise reach the poor.
**Streamlining the PDS with its focus on the Poor**

The Common Minimum Programme (CMP) of the United Front Government stressed the need for streamlining the PDS with the objective of improving the basic minimum services. The PDS was sought to be streamlined as follows:

(i) Food grains to be sold only to the families below the poverty line (BPL) at specially subsidised prices;

(ii) The PDS need not cater to the affluent sections of society

(iii) The management of the PDS shops to be entrusted to elected Panchayats and Nagar Palikas.

The issue of streamlining the PDS with its focus on the poor was discussed in the conference of Chief Ministers on Basic Minimum Services held during 4-5 July, 1996. While welcoming the proposals for targeted PDS the conference felt that measures should be taken to ensure availability of essential commodities for the population above the poverty line also, who at present were getting the benefit of the PDS. The conference suggested that the States should be consulted before finalising the BPL population. It was also felt that the actual running of the FPS by elected Panchayats/Nagar Palikas need not be insisted upon but supervision and monitoring of the FPS could be entrusted to the Panchayats.

**The Revamped Public Distribution System**

To strengthen and streamline the PDS to improve its reach to far-flung, hilly, remote and inaccessible areas where a substantial section of the poor live.
The Programme of Revamped PDS was launched by the then Prime Minister on 1st January, 1992 in 1700 blocks which had been covered by area specific programmes such as Drought Prone Area Programme (DPAP), Integrated Tribal Development Projects (ITDP), Desert Development Programme (DDP) and certain Designated Hill Areas (DHA) identified in consultation with State Governments. These were chosen for special focus for improving the PDS infrastructure. The programme of action under the RPDS included:

(i) Adopting the area approach for ensuring effective reach of the PDS commodities especially to these areas;

(ii) Delivery of the PDS commodities by the State Governments at the doorsteps of Fair Price Shops in the identified areas wherever feasible;

(iii) Additional ration cards to be issued in the identified areas to families who have not been issued family card so far. Simultaneously, efforts to be made to eliminate bogus units/cards in the entire State/UT especially in urban areas;

(iv) Infrastructure requirements such as additional Fair Price Shops and additional storage capacity to be met in the identified areas;

(v) Additional commodities such as tea, salt, pulses, soap etc., to be included for distribution using the PDS outlets, subject to local needs and availability.
The significant features of the new revamped PDS are given below:-

- The central issue price was reduced by Rs. 50 per quintal for wheat and rice in identified areas since June, 1992
- 1,100 new ration shops were opened in the revamped PDS area, 26.4 lakh new ration cards were issued and 1.46 lakh metric tonnes storage capacity was created till March, 1993
- 80 per cent of the Fair Price Shops were covered by the vigilance committee. 45,805 Fair Price Shops were covered under the door shop delivery scheme
- Three tier redress agencies at district, state and national levels also were set up
- Essential commodities Act was extended for a further period of 5 years with effect from September, 1992 to check the hoarding and black marketing of essential commodities.
- A ministerial committee was set up to suggest a national policy on the PDS to ensure large allocation to the PDS of Commodities to serve deserving classes.

Food, Civil Supplies & Consumer Affairs Department

The Public Distribution System in Andhra Pradesh is managed and organised by the Department of Food, Civil Supplies & Consumer Affairs
Department. Detailed information about Food, Civil Supplies & Consumer Affairs Department of Andhra Pradesh is presented in this part.

I. Organisational Set up of the Department

The Department of Food, Civil Supplies and Consumer Affairs has control and watch over the functions of the Heads of different sections under its control.

1. The functions of the Department could be broadly classified into the following categories:

   i. Procurement of food grains;
   
   ii. Distribution of Essential Commodities under the Public Distribution System;
   
   iii. Enforcement of Essential Commodities Act and various Control Orders;
   
   iv. Implementing Consumer Protection Act, 1986
   
   v. Legal Metrology – Enforcement of Weights & Measures

2. Under this administrative department, there are three Heads of Departments.

   The Commissioner of Civil Supplies and Consumer Affairs, who is also the Ex.Officio Secretary to Government, Food, Civil Supplies and Consumer Affairs Department, head the Civil Supplies Department. He is assisted by one Director of Civil Supplies and Ex. Officio Joint Secretary to Government, two Additional Directors, one Joint Director, one Deputy Director and one Accounts Officer with necessary staff stationed at Hyderabad.
3. Each District has one District Supply Officer with supporting staff to look after matters of Civil Supplies. There is a Special Deputy Tahsildar (CS) for each of the 304 erstwhile Taluks for implementing the Public Distribution System up to the Village level.

4. The Chief Rationing Officer, with one District Supply Officer and 9 Assistant Supply Officers, is functioning in Hyderabad City to look after the Public Distribution System in the twin cities of Hyderabad and Secunderabad. At the district level, the District Collector, Joint Collector and Executive Director assisted by the District Supply Officer/District Manager have been looking after Civil Supplies administration. 2 Assistant Supply Officers in the city; 3 Assistant Supply Officers in Visakhapatnam city and three Assistant Supply Officers for the urban agglomeration area of the Ranga Reddy District, are looking after the Public Distribution System. The posts of Asst. Grain Purchasing Officers existing in the districts have been re-deployed at Guntur, Nellore, Warangal and Rajahmundry in the larger interests of procurement.

5. There are 142 Inter-State Civil Supplies Checkposts, 5 Integrated Checkposts besides seven Mobiles Squads, to curb unauthorised movement of food grains. All the 5 Integrated Checkposts are located at border points to curb clandestine business like illegal transportation of paddy/rice and other essential commodities.
6. The Vigilance Cell of the Civil Supplies Department is headed by the Inspector General of Police assisted by six Superintendents of Police/Addl. Superintendents of Police stationed at Tirupati, Nizamabad, Vijayawada, Visakhapatnam, Hyderabad and Nellore with the necessary executive and ministerial staff attached to each administrative unit. The main functions of the Cell are to enforce the E.C. Act of 1955, thereby to curb black-marketing, hoarding and illicit transport of food grains and other essential commodities.

7. The Legal Metrology (Weights & Measures) Department is headed by the Controller, Legal Metrology. He is assisted by 7 Regional Deputy Controllers, 46 District Inspectors, 18 Asst. Controllers and 98 Inspectors to enforce the various Laws under the Weights and Measures.

8. There is State Consumer Disputes Redressal Commission under the Consumer Protection Act, 1986; and the Commission is headed by its President (a retired judge of High Court) and he assisted by a Registrar of the rank of a sitting District Judge with supporting staff at Hyderabad. There is a District Forum, for each of the 23 districts and Two District Forums at Hyderabad and Vijayawada for speedy disposal of consumer grievances. The complaints where the value of the goods or services and the compensation if claimed exceeds Rs. 5 lakhs but does not exceed Rs. 20 lakhs will only be entertained and disposed off by the State Commission at Hyderabad. Where the value of the goods or services and the compensation
if any claimed does not exceed Rs. 5 lakhs is entertained and disposed off by the District Forum under the Consumer Protection Act, 1986.

9. The A.P. State Civil Supplies Corporation Limited was established in 1975. It deals with the purchase, storage, processing, transport, and distribution of food grains, foodstuffs, and establishment of laboratories for the purpose of ensuring quality control.

Procurement

Rice is procured in the State through mill levy. The year-wise procurement of rice (including the rice purchase by the A.P. State Civil Supplies Corporation Limited) from the Crop Year 1991-92 onwards for a decade is furnished in Table No. 3.1.

<table>
<thead>
<tr>
<th>Crop Year (October to September)</th>
<th>In Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>22,61,916</td>
</tr>
<tr>
<td>1992-93</td>
<td>33,04,579</td>
</tr>
<tr>
<td>1993-94</td>
<td>39,72,527</td>
</tr>
<tr>
<td>1994-95</td>
<td>40,17,342</td>
</tr>
<tr>
<td>1995-96</td>
<td>36,75,363</td>
</tr>
<tr>
<td>1996-97</td>
<td>45,03,585</td>
</tr>
<tr>
<td>1997-98</td>
<td>38,20,585</td>
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<td>1998-99</td>
<td>50,72,026</td>
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<tr>
<td>1998-2000</td>
<td>55,21,896</td>
</tr>
<tr>
<td>2000-2001 (as on 22-02-2000)</td>
<td>39,05,447</td>
</tr>
</tbody>
</table>

Distribution of Rice

1. Distribution of rice at subsidised rates to the below poverty line (BPL) families is an important measure to eradicate poverty and reduce malnutrition. It could be treated as direct transfer of income from the rich to the poor.

2. The State Government’s Policy is to ensure easy availability of rice in the open market at reasonable prices all over the State. To facilitate this, the Collectors have been entrusted with the responsibility of moving levy free rice to their districts. No restrictions are placed upon the free movement and secondary sale of rice anywhere within the State. In order to ensure that these instructions are actually implemented, the Collectors of the surplus districts have been instructed to ensure the sale of levy free rice within their districts as well as the deficit districts by constant review of the situation. To ensure easy availability of rice and the essential commodities, the Collectors of the border districts and the Vigilance Staff have been instructed to seal off the State borders to prevent smuggling of rice to outside the State.

3. The following table will indicate the quantity of rice distributed through the Public Distribution System during each financial year from 1991-92 onwards, for a decade.
Table No. 3.2
Distribution of Rice through PDS

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Quantity Distributed (in lakh tonnes)</th>
<th>Economic Cost (Rs. In Crores)</th>
<th>Realisation value at subsidised rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>22.42</td>
<td>799.57</td>
<td>448.00</td>
</tr>
<tr>
<td>1992-93</td>
<td>18.24</td>
<td>983.90</td>
<td>638.40</td>
</tr>
<tr>
<td>1993-94</td>
<td>21.47</td>
<td>1159.59</td>
<td>751.47</td>
</tr>
<tr>
<td>1994-95</td>
<td>22.55</td>
<td>1559.26</td>
<td>789.25</td>
</tr>
<tr>
<td>1995-96</td>
<td>25.20</td>
<td>1880.77</td>
<td>756.00</td>
</tr>
<tr>
<td>1996-97</td>
<td>23.60</td>
<td>1616.84</td>
<td>826.00</td>
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<td>1997-98</td>
<td>22.80</td>
<td>1456.00</td>
<td>798.00</td>
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<td>1998-99</td>
<td>22.80</td>
<td>1576.80</td>
<td>798.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>22.13</td>
<td>1837.35</td>
<td>774.55</td>
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<tr>
<td>2000-2001</td>
<td>18.30</td>
<td>1696.96</td>
<td>937.62</td>
</tr>
</tbody>
</table>


Subsidised Rice Scheme

Families having an annual income of Rs. 11,000/- or less, who are below the poverty line (BPL) are provided with White Cards. Those above these levels of income, who are above the poverty line (APL) are provided with pink cards. Those with white cards are supplied rice w.e.f. 25-07-2000 at Rs. 5.25 per kg. The scale of rice being distributed is 4 Kgs, per head, subject to a maximum of 20 kgs. per card. Distribution of rice at Rs. 5.25 per Kg. is meant for the benefit of the poorest of the poor like agricultural labourers, small and marginal farmers, rural artisans and urban slum dwellers. At present 1,13,60,090 white cards and 53,97,160 pink cards totaling 1,67,57,250 cards are in circulation.
Fair Price Shops

Under the PDS, 40,567 Fair Price Shops have been functioning in the State. 7,659 are in urban areas while 32,908 are in rural areas. They are set up according to the reservations provided: 15 per cent for the Scheduled Castes; 6 per cent for the Scheduled Tribes; 25 per cent for the Backward Classes; 3 per cent for the Physically Handicapped and 30 per cent for Women candidates. Of the total number of 40,567 shops, 6,944 fair price shops are run by Scheduled Caste persons, 1,549 by those belonging to the Scheduled Tribes, 831 by Physically Handicapped persons, 10,999 by Backward Class candidates. 1768 fair price shops are in the co-operative sector. The Girijan Co-operative Corporation (GCC) is running 833 fair price shops in the Agency area (Tribal areas). As on date, 12,623 Fair Price Shops are being run by women. The minimum general educational qualification required to be appointed as Fair Price Shop dealers is that the candidate should have passed the 10\textsuperscript{th} Class. In case, such candidates are not available, those with lesser qualification, but not less than the 5\textsuperscript{th} class are considered. The upper age limit prescribed for appointment as F.P. Shop dealers is 40 years.

The powers of sanctioning of new Fair Price Shops vest with the District Collectors and the Chief Rationing Officer in Hyderabad. To ensure that Fair Price Shops are located within the easy reach of consumers, Collectors have been instructed to open new fair price shops at the rate of one shop for every 1,650 persons, subject to its economic viability.
Whole Stockists Functions

All the Mandal Level Stockist points are being run departmentally either by the A.P. State Civil Supplies Corporation or by the Girijan Co-operative Corporation as shown below:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the Agency</th>
<th>No. of Stockist Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Civil Supplies Corporation</td>
<td>401</td>
</tr>
<tr>
<td>2.</td>
<td>Girijan Co-operative Corporation</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>431</td>
</tr>
</tbody>
</table>

Targeted Public Distribution System – Rice Distribution

The Government of India launched the Targeted Public Distribution System on 1.6.1997. It originally in June, 1997 identified 22.19 per cent of the population in Andhra Pradesh as comprising families living below the poverty line (BPL). This percentage was subsequently increased to 25.68 per cent. Thus the total number of households identified by the Government of India as BPL in Andhra Pradesh was 37.78 lakhs and these families were entitled to rice up to a maximum of 20 kgs per month per family. The allotment of rice for these families was 75,560 tonnes per month from April, 2000 to November, 2000. From December, 2000, Government of India has been releasing rice to these families from the Food Corporation of India @ 81,256 MTs per month at half of the Central Issue Price viz., Rs. 5.65 per Kg. and that the end price for release from F.P. Shop after adding the margin of Rs. 0.50 per Kg. towards transport, handling, storage, charges, and interest on capital. The Fair Price Shop Dealer’s margin etc should
not exceed Rs. 6.15 per Kg w.e.f. 25-7-2000. The Government of India has also increased the allocation of rice under the BPL to 81,256 Tonnes per month covering 40.628 lakh BPL families. According to its norms, only 40.628 lakhs families are identified as BPL families and these have to be supplied rice at Rs. 6.15 per Kg. The Government of AP is supplying rice at the subsidized rate of Rs. 5.25 per Kg. to all the 113.60 lakh BPL families @ 4 Kgs. Per head subject to a maximum of 20 Kgs per family.

A quantity of 22.80 lakh tonnes of rice per annum (9.75 lakh tonnes of rice at half the Central Issue Price and the balance of 13.05 lakh tonnes of rice at full Central Issue Price) is being drawn from the Central Pool (FCI) of which 21.60 lakh tonnes are released to white (BPL) cardholders at Rs. 5.25 per Kg. and 1.20 lakh tonnes to Social Welfare Hostels at Rs. 4.00 per Kg.

**Annapurna Scheme**

Under the Annapurna Scheme, Government of Andhra Pradesh has identified 93,200 beneficiaries for supply of 10 Kgs. Of free rice per month to the indigent senior citizens who are eligible for pension and have remained uncovered under the National Old age Pension Scheme in Andhra Pradesh. This scheme is being implemented with effect from 01-05-2000.

The Government of India has released funds to the tune of Rs. 6,24,42,611/- for 41,905 beneficiaries, but in Andhra Pradesh, as per the original target given by the Government of India, 93,200 beneficiaries are being supplied
free rice @ 10 Kgs. per month per beneficiary. So far, a quantity of 6,710 MTs of rice has been supplied.

**Antyodaya Anna Yojana Scheme**

The "Antyodaya Anna Yojana" announced by the Government of India to help poorest of the poor by providing food grains at very cheap rates, a quantity of 25 Kgs. of food grains could be supplied to each family at the rate of Rice @ 3/- per Kg. or Wheat @ 2/- per Kg. per month. Thus under this scheme 6.228 lakh BPL families could be supplied. Government of India has provided guidelines for the implementation of the scheme and for the identification of beneficiaries and they have been communicated to all District Collectors for identification of BPL families under the Antyodaya Anna Yojana. The scheme was launched in Andhra Pradesh with effect from 01-02-2001.

**Monitoring of Prices**

The prices of essential commodities are being reviewed daily and action is being taken to send stocks to the places where the prices are running high, as a measure to control the prices. The Research & Monitoring wing for Essential Commodities (RAMWEC) has been created in the Civil Supplies Department for advising the Government about the steps to be taken for procuring the essential commodities during the harvesting season, and supplying them during the lean period, when the prices tend to rise. This cell is also entrusted with the task of studying the cropping pattern of various essential commodities, their production,
demand and supply, shortfall, measures to be taken for bridging the gap between demand and supply, so that the procurement could be resorted within and outside the State and ensure their availability to the consumers.

Distribution of Essential Commodities

The Distribution of other essential commodities through Public Distribution System in Andhra Pradesh is as follows:

1. Wheat

The Government of India has been allotting 8,000 MTs. APL wheat per month for distribution through the Public Distribution System. The consumer price of wheat is Rs. 7/- per kg. w.e.f. 01-12-2001.

2. Sugar

From 1-1-2000, Government of India has been allotting levy sugar at 28,267 MTs. based on the population figures of 1991 census. The end consumer price of sugar is Rs. 13.50 per kg. Now as per the Government of India’s norms, Income Tax assesses are eliminated from the supply of levy sugar through the PDS. According to the Government of India only the BPL families are entitled to levy Sugar @ 500 grams per head p.m. from February, 2001. Accordingly it has reduced the allocation of Sugar to 9.690 tonnes p.m. from 30.400 tonnes p.m., working out on the number of BPL families of 40.63 lakh arrived at by Government of India @ 500 grams per head p.m. This has totally eliminated the APL families. But the allotted sugar calculated on the basis of 1991 figures of
40.63 lakh BPL families is not adequate for the BPL families in Andhra Pradesh. The Government of India therefore is being addressed in the matter to release 19,000 tonnes of Sugar for the BPL families in the state.

3. Kerosene Oil

A quantity of 69,633 Kls. kerosene is being released every month. Wholesalers lift it as per the allotment made by the Collectors. Wholesalers also transport kerosene to the retail points and deliver at the doorsteps of the retailers. The end consumer price of Kerosene is Rs. 9.50/- per litre w.e.f. 01-03-2002.

4. Palmolein Oil

The Government of India allots Palmolein Oil based on the requirement and lifting of Andhra Pradesh. The Consumer price of Palmolein Oil is Rs. 24/- per litre. (Sachet)

Food Advisory Committees

Food Advisory Committees have been constituted at various levels as shown below:

1. State Food Advisory Committee
2. District Food Advisory Committee
3. Mandal Food Advisory Committee
4. Corporation Food Advisory Committee
5. Circle Food Advisory Committee
6. Municipality Food Advisory Committee
7. Ward Food Advisory Committee (In Municipalities)
8. Divisional Food Advisory Committee
9. Fair Price Shop (Urban) Food Advisory Committee
10. Fair Price Shop (Rural) Food Advisory Committee

The composition of Food Advisory Committees at various levels is broad based, as membership is provided not only to women and youth but also to the SCs/STs/BCs/Minorities and also to Social Workers and representatives of Consumer Organisations. Representation has been provided to all the recognised political parties on the Food Advisory Committees at the District, Corporation, Mandal, Circle and Municipality levels. Specific dates have been fixed for the holding of the Food Advisory Committee meetings at various levels. The Food Advisory Committee at the Fair Price Shop level is brought under the chairmanship of the Sarpanches in rural areas and Corporators/Councilors of Municipal corporations/Municipalities in urban areas. Collectors ensure that the meetings of all the Food Advisory Committees are held regularly.

Vigilance Cell

The Vigilance cell in the state has been working effectively and it is far ahead of its counterparts in all the States in the Country in the implementation of various Control Orders under the Essential Commodities Act. The Vigilance Cell officers not only inspects fair price shops and private dealers in food grains, edible oils, pulses, sugar, petroleum products etc, but also inspect the Mandal Level
Stockist Points and promptly reports against the erring officials are sent for necessary action to ensure that the commodities meant for the Public Distribution System reach the fair price shops, and not diverted.

**Preventive Detentions**

Apart from conducting regular raids and booking cases against erring officials, the Cell has been taking stringent action against smugglers, blackmarketeers and hoarders who act in a manner prejudicial to the maintenance of supplies of essential commodities to the community by detaining them under "PREVENTION" of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980. These detentions have had a salutary effect on unscrupulous traders who are deterred from resorting to such undesirable practices. The Advisory Board, Andhra Pradesh High Court and Supreme Court confirm more than 70 per cent of the detentions, which is a remarkable achievement in the annals of Preventive Detentions.

Number of persons detained, year-wise, for the past 10 years is furnished below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>5</td>
</tr>
<tr>
<td>1992</td>
<td>12</td>
</tr>
<tr>
<td>1993</td>
<td>23</td>
</tr>
<tr>
<td>1994</td>
<td>24</td>
</tr>
<tr>
<td>1995</td>
<td>6</td>
</tr>
<tr>
<td>1996</td>
<td>5</td>
</tr>
<tr>
<td>1997</td>
<td>4</td>
</tr>
<tr>
<td>1998</td>
<td>2</td>
</tr>
<tr>
<td>1999</td>
<td>10</td>
</tr>
<tr>
<td>2000</td>
<td>--</td>
</tr>
</tbody>
</table>
Besides the field staff of the Vigilance Cell, the Civil Supplies Department has been instructed to intensify the number of its inspections of business premises, establishments and Fair Price Shop dealers etc., to unearth hoarding, black-marketing and diversion of commodities from the Public Distribution System into the black-market, and take stringent action against the erring dealers.

A.P. State Civil Supplies Corporation Limited

The A.P. State Civil Supplies Corporation Ltd., was incorporated on 31.12.1974 as a Company under the Indian Companies Act, 1956 with an authorised share capital of Rs. 10.00 crores. The paid up share capital of this Corporation is Rs. 3.00 crores. This Corporation has been functioning since 01-4-1975. Its objects are to engage in the operations relating to finance, production, purchase, storage, processing, transport, distribution of food grains, foodstuff and other essential commodities, and to establish laboratories for the purpose of ensuring quality control.

The A.P. State Essential Commodities Corporation Ltd., was set up by the Government of Andhra Pradesh with an authorised share capital of Rs. 2.00 crores and registered under the Companies Act on 21.4.1981. The paid up share capital of this Corporation is Rs. 112.50 lakhs. The Corporation was intended mainly for the Public Distribution System to arrange the distribution of essential commodities to the public through fair price shops. Government of Andhra Pradesh vide G.O.Ms. No. 694, F&A (CS.III) Department, dt. 1.10.1991 issued orders
transferring the activities of A.P. State Essential Commodities Corporation Limited to the A.P. State Civil Supplies Corporation Limited on 1.11.1991.

The Government of Andhra Pradesh reiterated interalia through G.O.Ms.No. 635 F&A (CS.III) Dept., dated 28.9.1991 that the A.P. State Civil Supplies Corporation Limited is a Welfare organisation and therefore, is not to look for any profits and its motive is the distribution of essential commodities like rice, edible oil, etc., basically to the poorer sections of the society on behalf of the Government.

Distribution of PDS Rice

The A.P. State Civil Supplies Corporation Ltd., is involved in the prestigious Government Scheme of subsidised rice distribution to white cardholders (BPL families), and also in the supply of rice to pink cardholders (APL) at the economic cost. The Corporation also supplies rice and other essential commodities to the Social Welfare Hostels and Govt. institutions like Jails, Hospital, etc.

Movement of Levy Sugar

The A.P. State Civil Supplies Corporation Limited purchases levy sugar and arrange movement from various sugar factories to all the MLS points in the A.P. State for the Public Distribution System.
Movement of Commodities

Under the two-tier system (i.e. Stage-I & Stage-II) essential commodities are being lifted from the FCI, STC of India, Sugar factories, as the case may be, and moved to the M.L.S points under Stage I and from there to Fair Price Shop in villages under Stage II.

The Essential commodities are stored in 401 MLS points handled by the A.P. State Civil Supplies Corporation Limited in addition to the 30 MLS points of Girijan Co-operative Corporation. Totally there are 431 MLS points in the entire State.

A unique scheme of transport of food grains from the MLS points to villages under Stage-II through castors/tractors/hippo haulers, bullock carts by unemployed youth from the weaker sections is being organised. At the moment, 345 vehicles are in operation and above 345 beneficiaries mostly belonging to the weaker sections of society are provided with self-employment.

Intervention of APSCSC Ltd. In Market Operation

To control the prices of some essential commodities, the APSCSC Ltd., has been procuring and distributing commodities like chillies, onions, tomatoes, tamarind, redgram dal, edible oils etc. through F.P. Shops as per the directions of the Government.
Girijan Cooperative Corporation

Despite several measures undertaken by the Government of Andhra Pradesh for the distribution of food items, some other measures have also advised in this context. In order to supplement the state Civil Supplies Department, keeping in view the dire necessity of another agency, which is rightly suitable to the tribal areas, the GCC was established.

Girijan Cooperative Corporation (GCC) Limited, established in 1956 by the Government of Andhra Pradesh to achieve socio-economic upliftment of the tribals, is actively engaged in the following major activities:

a) Procurement of Minor Forest Produce (NTFP) and Agriculture Produce (AP) from the tribals and the marketing of the same to the best advantage of the tribals.

b) Supply of Essential Commodities under the Public Distribution System (PDS) and other Domestic Requirements (DRs) to the tribals at fair & reasonable prices.

c) Provision of credit to the tribals for seasonal agricultural operations.

At present 2,433 employees of the corporation are engaged in the service of 2.6 million tribals, through a network of 1 regional office, 12 Divisional Offices, its affiliated 45 Girijan Primary Cooperative Marketing Societies (GPCMSs) and their 850 DR Depots, work in close coordination with the 9 Integrated Tribal Development Agencies (ITDA) of the State.
Performance at a Glance

The performance of the GCC is analysed by considering various indicators in order to assess its efficiency in running its business outlets successfully by giving maximum benefit to the tribal people.

The performance of the GCC in terms of its business operations is presented in Table No. 3.3. It is observed from the table that the performance of the GCC is recorded a mixed trend for the last one decade.

<table>
<thead>
<tr>
<th>Table No. 3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>---</td>
</tr>
<tr>
<td>Procurement</td>
</tr>
<tr>
<td>NTFP</td>
</tr>
<tr>
<td>AP</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>NTFP</td>
</tr>
<tr>
<td>AP</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Supply of Drs.</td>
</tr>
<tr>
<td>Supply of Agri. Inputs</td>
</tr>
<tr>
<td>Turnover(2+3)</td>
</tr>
<tr>
<td>Credit disbursement</td>
</tr>
<tr>
<td>Grant Total</td>
</tr>
</tbody>
</table>

a) MFP/AP Procurement

Gum, Addaleaf, Tamarind, Nigerseed, Honey, Cotton and French beans form the major procurement items of the Corporation. Coffee procurement was also started from 1995-96. The procurement of gum in terms of quantity is slowly decreasing from year to year, the reason being the natural death of plantation, no
fresh plantations, and some of the tribals shifting from Minor Forest Produce collection to selected agricultural operations. The GCC, from 1996-97, has initiated steps for the regeneration of MFP and allotted Rs. 4.5 lakhs to the GCPDC, Visakhapatnam for raising an MFP nursery. During 1997-98, the ITDAs also initiated steps for the regeneration of MFP out of their horticulture funds.

As the forested area is decreasing year after year resulting in the decrease of MFP procurement operation, the GCC has made arrangements to procure various agricultural produce by tribal farmers. During the current year arrangements are made to procure Niger seed, Rajamah, cotton, chillies, pulses etc. from tribal farmers. This measure is expected to provide better market accessibility to the tribal farmers.

b) Loaning Strategy and Performance

After the GCC was provided with a separate line of credit to provide loans to the tribals in 1990, the GCC introduced loaning programme during 1990-91 and so far it has disbursed Rs. 55.05 crore. Out of the total disbursement, approximately 59 per cent is disbursed in cash and the balance in kind i.e. fertiliser. The overall recovery is Rs. 29.33 crore (52 per cent), the GCC has extended the unique facility to the tribals of accepting repayment in kind.

Figures of Short Term/Seasonal Agricultural Operations Loans Disbursement and Recovery, Year-wise are given in the following table:


Table No. 3.4
Disbursement and Recovery of loans through GCC

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of loans</th>
<th>Amount Disbursed</th>
<th>Recovery</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>8064</td>
<td>162.64</td>
<td>73.26</td>
<td>45</td>
</tr>
<tr>
<td>1991-92</td>
<td>40132</td>
<td>659.28</td>
<td>311.91</td>
<td>47</td>
</tr>
<tr>
<td>1992-93</td>
<td>84819</td>
<td>1363.33</td>
<td>586.38</td>
<td>43</td>
</tr>
<tr>
<td>1994-95</td>
<td>39522</td>
<td>969.49</td>
<td>706.89</td>
<td>73</td>
</tr>
<tr>
<td>1995-96</td>
<td>24777</td>
<td>600.89</td>
<td>364.44</td>
<td>61</td>
</tr>
<tr>
<td>1996-97</td>
<td>16687</td>
<td>491.32</td>
<td>315.47</td>
<td>64</td>
</tr>
<tr>
<td>1997-98</td>
<td>9245</td>
<td>218.44</td>
<td>202.28</td>
<td>92</td>
</tr>
<tr>
<td>1998-99</td>
<td>8928</td>
<td>286.69</td>
<td>173.70</td>
<td>61</td>
</tr>
<tr>
<td>1999-2000</td>
<td>15390</td>
<td>292.90</td>
<td>200.00</td>
<td>67</td>
</tr>
<tr>
<td>2000-2001</td>
<td>29000</td>
<td>460.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5505.51</td>
<td>2933.33</td>
<td></td>
</tr>
</tbody>
</table>


c) Sale of Domestic Requirements

In order to facilitate distribution of domestic requirements (DRs) including essential commodities like rice, sugar, wheat, kerosene, palmolein etc. to the tribals, the GCC has been operating 850 DR Depots as of now. Efforts are made to place all items in the depots by the 14th of every month. In addition, the GCC also supplies provisions to all tribal welfare hostels.

The detailed list of articles supplied through GCC is furnished in Table No. 3.5. It is clear from the table that the GCC is supplying other essential items also apart from rationed items.
The following initiatives are taken to improve the sale of various commodities in the tribal areas.

1. **Decentralisation of Purchases**

Divisional Managers are given powers to purchase various commodities for sale through the DR Depots. This arrangement is done to make more commodities available to the tribals at reasonable prices.

### Table No. 3.5

<table>
<thead>
<tr>
<th>No.</th>
<th>Commodity</th>
<th>No.</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Cereals</strong></td>
<td>5</td>
<td>Coconut Oil</td>
</tr>
<tr>
<td></td>
<td>Rice</td>
<td>6</td>
<td>Kerosene Oil</td>
</tr>
<tr>
<td></td>
<td>Wheat</td>
<td>7</td>
<td>Salt</td>
</tr>
<tr>
<td>2</td>
<td><strong>Pulses</strong></td>
<td>8</td>
<td>Soaps</td>
</tr>
<tr>
<td></td>
<td>Red Gram dal</td>
<td>9</td>
<td>Condiments</td>
</tr>
<tr>
<td></td>
<td>Bengal Gram dal</td>
<td></td>
<td>Chillies</td>
</tr>
<tr>
<td></td>
<td>Green Gram dal</td>
<td></td>
<td>Turmeric</td>
</tr>
<tr>
<td>3</td>
<td>Sugar</td>
<td>10</td>
<td>Joggery</td>
</tr>
<tr>
<td>4</td>
<td><strong>Edible Oils</strong></td>
<td></td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>Palmolein oil</td>
<td></td>
<td>Matches</td>
</tr>
<tr>
<td></td>
<td>Groundnut oil</td>
<td></td>
<td>Tea Packets</td>
</tr>
<tr>
<td></td>
<td>Cotton seed oil</td>
<td></td>
<td>Dry Fish</td>
</tr>
<tr>
<td></td>
<td>Other edible oils</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Opening of Mini Super Bazaars

In about 40 central locations in the tribal areas, mini super bazaars are opened wherein various Domestic Requirements are sold to the tribals at reasonable prices. Similarly the GCC has also introduced purchases on consignment basis in certain items like cloth, utensils etc.

3. Mobile Sale Counters

In all places where there are no regular DR Depots, the GCC has made arrangements to open extension counters for the sale of Domestic Requirements in all shandies, and these counters would be operated only on the shandy day.

4. Government Support

The Government of Andhra Pradesh has vested monopoly procurement rights of the NTFP with the corporation and waived forest rentals, and commercial taxes. Government also provides staff subsidy to the corporation to the tune of Rs. 1408.00 lakhs per year. The present expenditure on staff is approximately Rs. 1650.00 lakhs.

5. Industries

For value addition to the NTFP, the GCC has set up small industrial units like honey-processing, sheekakai and soap nut grinding units at Rajahmundry, a modern honey-processing unit at Araku, a soap unit at Vizianagaram and a soap base unit at Nirmal.
6. Retail Marketing

The retail marketing functions strengthened by the ongoing AP Tribal Development Project has consolidated efforts for the establishment of strong retail coverage to gain more visibility and shelf space. Distributors have been appointed for Vijayawada and Visakhapatnam. Discussion is going on to appoint distributors for GCC products at Hyderabad, and all district head quarters. The products and their packaging have been given a new look.

7. Research and Development

The new technique for tapping has increased the quality of gum many fold, which resulted in higher returns to tribals. The value addition to raw honey resulted in good market for GCC honey. NATFLOC prepared out of cleaning nut has gone through all tests and now it is ready for launch. It will reduce cost of water clarification by 50 per cent. The bioflocculant again extracted from cleaning nut has a very high potential use in atomic field. This Bioflocculant has the property of binding heavy metals like Uranium, Thorium, Gold, Arsenic etc. The Product was heavy metals like Uranium, Thorium, Gold, Arsenic etc. The product was successfully tested at NFC, Hyderabad for Uranium absorption upto PPB level.

8. AP Tribal Development Project

The international fund for agricultural development (IFAD) and Netherlands Government are financing a tribal development project in four Coastal Tribal Districts of Andhra Pradesh. The total project outlay is Rs. 10800 lakhs. Out of that an amount of about Rs. 1500 lakhs has been provided to GCC.
References:

1. Indian Economy, Ruddar Dutt & K.P.M., Sundaram

2. Indian Economy, Ruddar Dutt & K.P.M., Sundaram


6. Ibid


