



Grassroots Research and Advocacy Movement

Rapid Assessment of the Annabhagya Scheme

Evaluation Report

Submitted to,
The Commissioner,
Department of Food, Civil Supplies & Consumer Affairs,
Government of Karnataka

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June 2014

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Abbreviations:

AAY	Antyodaya Anna Yojana
ABS	Anna Bhagya Scheme
APL	Above Poverty Line
BPL	Below Poverty Line
FPS	Fair Price Shop
GoK	Government of Karnataka
Kg	kilogram
MSP	Minimum Support Price
km	kilometer
NFSA	National Food Security Act
OBC	Other Backward Classes
PDS	Public Distribution System
PKY	Padithara Khatri Yojana
Rs.	Rupees
SC	Scheduled caste
ST	Scheduled tribes

Executive Summary

Food subsidization and public distribution systems are the cornerstone for the assessment and eradication of food insecurity in India. While the Government of India passed the National Food Security Bill, the Government of Karnataka implemented a revised food distribution system, known as the Annabhagya Yojana Scheme. Taking into consideration the severity of food security in the state of Karnataka, the scheme must become optimized in order to efficiently allocate and distribute food for the people at affordable prices. Therefore, a rapid assessment of the ABS was conducted to understand the successes and shortcomings of the scheme, as directly reported by the stakeholders and further filtered through the analytical lens of research.

The methodology consisted of qualitative and quantitative examinations of the collected data. Comparative analysis was used to account for the wide geographical distribution of the data and to understand if the errors of the scheme were due to regional differences. In order to ensure the statistical significance of the sample size, the sample extended throughout the state of Karnataka covering four administrative divisions, choosing two districts from each division, and within each district one rural and one urban site was selected. With 52 consumers and 4 traders from each location, the total numbers of respondents were 836 and 64, respectively.

To understand the exact issues with the ABS, separate questionnaires were designed for traders and for consumers, which gave them the opportunity to express their concerns. In addition to the demographic information, hypothetical scenarios were asked to visualize how they would respond to potential changes in the system.

Key Findings – Consumers

From the data regarding the demographics, it was found that the average family size was 4.61, with an average of 1.2 acres of land owned per family. In addition, food staples of most homes included a combination of rice and ragi, wheat, or jowar. Consumers complained about the volume gap between the required and provided amount for both kerosene and sugar. However, nearly 95% of consumers looked favorably upon having non-PDS goods sold in the FPS. In regards to consumption patterns, 97% of the ragi grown by the families is consumed. This could be the underlying cause for the lack of supply of ragi in the public distribution system (PDS).

Although the services provided by the FPS were highly rated, there were concerns regarding the timing of the distribution, and 92% of the respondents felt the need to open the FPS in accordance with the time specification of the PKS. Also, our results displayed a clear lack of information regarding various aspects of the ABS: 55% of consumers were unaware of the biometric machines, 12.8% were aware of the PKY, 22% witnessed visits of food inspectors, and 12.5% were aware of the toll free complaint line with only 2% receiving feedback from calling the number.

Key Findings – Traders

Amongst the traders, 73% showed support for the implementation of biometric machines. Regarding the Age Limit Clause for the FPS owners, nearly 70% of the traders opposed the incorporation of the legislation. Contrary to the consumers, only half of the traders supported the PKY, mentioning the difficulties with keeping the shop open for extended periods throughout the month. However, when we proposed the possibility of including non-PDS commodities, 95% of traders agreed it would allow them to remain open for the entirety of the month. We found each trader spends around 138 hours/month completing all of their required tasks, 86 hours of which was the actual distribution of goods to the cardholders. Based on the calculations, if the food grains were pre-packed, each transaction time could be cut in half to nearly 3 to 4 minutes.

The final analysis investigated the cost-benefit ratio for traders. Monthly operational costs amounted to Rs. 7543 and Rs. 6743 for urban and rural FPS owners, respectively. As for the commission rates, the traders' demands for food commodities, transportation charges, and hamali charges are Rs. 53, Rs. 1.5, and Rs. 8, respectively. Lastly, the urban FPS owners received a monthly income of Rs. 10824 and rural FPS owners received Rs. 11194, indicating they both operate at an economically feasible level.

Recommendations

Ultimately, the proposed recommendations address six main concerns about the current ABS:

1. Although the consumers demanded greater quantities of grains, kerosene, and sugar, the pragmatic analysis of the field situation reveals that the requested amount of grains and sugar were too high. However, kerosene levels should be increased, and some quantity should be made available for APL families as well.

2. It is strongly expressed by respondents and persuaded by research 'to use the pre-packed packets and biometric machines to significantly cut down on distribution time and simplify the carrying process for traders and consumers'.
3. The PKY should be enforced but it must be restructured to address the geographical differences of the FPS.
4. To combat the long queues of the FPS, a token system, where the consumer receives a number and the trader specifies which numbers will be served per day, could be implemented.
5. The commission rates should be increased to provide a greater and more stable financial income for the traders.
6. The current monitoring, inspecting, and grievance systems are inadequate. We recommend increasing the number of inspectors, placing a greater emphasis on the formation of vigilance committees, and strengthening the call centers.