

PRICES, WAGES AND PUBLIC DISTRIBUTION

4 Chapter

PRICES:

One of the foremost concerns of Government is to have a regular and periodic check on the movement of prices of essential commodities since a change in price level is likely to have an impact on the pattern of consumption of the common man. This attaches

great importance to collection and analysis of prices. The Directorate of Economics and Statistics collects the prices of essential commodities from selected centres across the State on daily basis.

Rice, Red gramdal, Groundnut Oil, Tamarind (without seed), Red Chillies (dry) and Onions are the

Table 4.1 : State average daily retail prices of essential commodities (Rs./Kg)

Commodity	2013 - 14 (Apr to Nov 2013)	2014 - 15 (Apr to Nov 2014)	Growth (%) of Apr - Nov 2014 over Apr - Nov 2013
Rice (II sort)	24.83	25.84	4.07
Redgramdal (II sort)	62.38	67.08	7.53
Groundnut Oil	110.25	91.58	-16.93
Common Tamarind (Without seed)	62.74	71.24	13.55
Red Chillies Dry (Gr II)	74.96	81.41	8.60
Onions(Gr II)	26.89	18.87	-29.83

Source : Directorate of Economics and Statistics, Hyderabad

six essential commodities for which prices are being monitored. The State average daily retail prices of essential commodities are shown in Table 4.1.

Recent price trend indicate that the Average Daily Retail Prices of Rice (II sort), Redgramdal (II sort), Common Tamarind (Without seed) and Red Chillies Dry (Gr. II) have shown increasing trend where as the price of Groundnut Oil and Onions (Gr. II) has shown decreasing trend during the period from April to Nov14 compared to the corresponding period of last year. The year-wise average daily retail prices of six essential commodities from 2004-05 to April to Nov 14 are shown in Annexure – 4.1

Price Index- an economic barometer

Price Index is a statistical tool for measuring the relative change in price level with reference to time, geographical location and other characteristics. It is

also considered as a barometer of economic activity.

Consumer Price Index is of great relevance for

Table 4.2 : Consumer Price Index Numbers for Industrial Workers (Base : 2001 =100)

Note:CPI-IW from 2006-07 to 2013-14 is for combined AP and Growth rate pertains to 13 districts of AP)

Source: Labour Bureau, Simla

Consumer Price Index Numbers for Agricultural Labour (Combined AP)

The Labour Bureau, Simla compiles the Consumer Price Index Numbers for Agricultural Labour (CPI-AL) with 1986-87 as base year. The Table 4.3 given below indicates the indices during April to November, 2014. The Consumer Price Index Numbers for Agricultural Labour increased by 6.63% in the State and 7.12% at All India compared to the corresponding period in previous year.

Table 4.3 Consumer Price Index Numbers for Agricultural Labour (Base : 1986-87 =100)

Source: Labour Bureau, Simla

Consumer Price Index Numbers for Rural,

Year	Andhra Pradesh	All India
2006-07	125	125
2007-08	132	133
2008-09	147	145
2009-10	168	163
2010-11	185	180
2011-12	195	195
2012-13	216	215
2013-14	239	236
Growth rate (%) April to Nov'2014 over April to Nov'2013	5.35	6.38

Urban and Combined (United AP)

The Government of India observed that Consumer Price Index (CPI) Numbers compiled and released

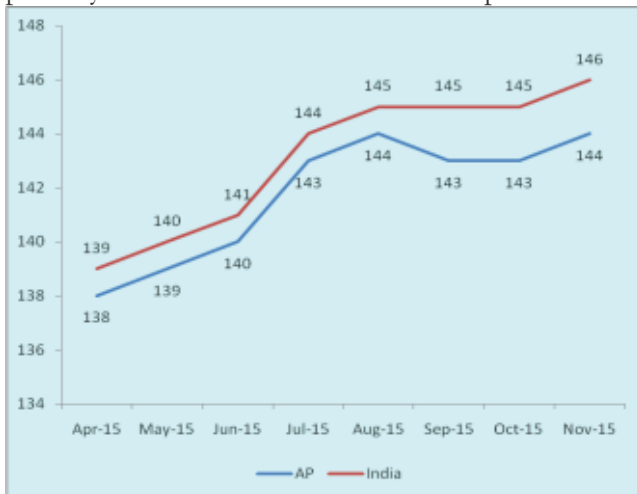
for industrial workers, agricultural labourers and rural labourers, reflect the fluctuations in retail prices pertaining to these specific segments only and do not encompass all segments of the population and as such do not capture the true picture of price behavior in the country.

It therefore calls for a new series of CPI for the entire urban population, viz. CPI (Urban), and CPI for the entire rural population, viz. CPI (Rural), which will reflect changes in price levels of various goods and services consumed by respective population groups.

Year	Andhra Pradesh	All India
2009-10	534	513
2010-11	589	564
2011-12	654	611
2012-13	711	672
2013-14	805	750
Growth rate (%) April to Nov'2014 over April to Nov'2013	6.63	7.12

Consequently, the Central Statistics Office (CSO) of the Ministry of Statistics and Programme

business circles. It is released on monthly basis by the Office of the Economic Adviser, Ministry of Commerce & Industries, GOI. It covers 676 commodities, of which 102 are from 'Primary Articles' group, 555 from 'Manufactured Products' group and 19 from 'Fuel and Power' group. WPI for All Commodities increased from 180.8 in Apr 2014 to 181.5 Nov 2014. It increased from 242.4 to 252.4 for Primary Articles group, from 154.6 to 155.4 for Manufactured Products and decreased from 211.8 to 199.3 for Fuel & Power group during the same period. Month wise Index and Inflation rates for primary articles and manufactured products are



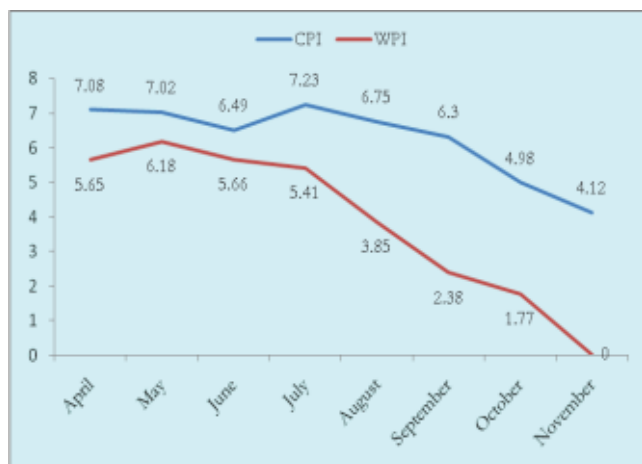
depicted in Charts 4.2 and 4.3. Inflation rates for All India WPI & CPI are depicted in chart 4.4

Chart 4.2: WPI and Inflation rate for primary

Year	Andhra Pradesh	All India
Rural	141	145
Urban	142	141
Combined	142	143



Chart4.4: Inflation rates for All India WPI & CPI (April to Nov, 2014)



Wages

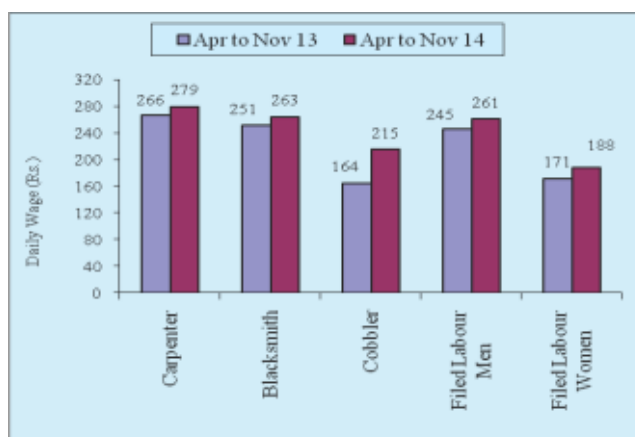
On account of various social and economic factors, agricultural labour and artisans in rural areas constitute the weakest segment of labour force. They are in the un-organized sector. Wages data is being collected from 44 centres spread over the State covering 42 divisions and 23 occupations. Average daily wages of artisans and field labour in the State are presented in Table 4.5 and depicted in the Chart 4.5 below.

Table 4.5: State average daily wages of artisans and field labour

Category	April to Nov 2013	April to Nov 2014
Carpenter	266.21	278.91
Blacksmith	250.88	263.44
Cobbler	164.36	215.02
Field Labour		
Men	245.00	260.53
Women	171.47	187.87

Source: Directorate of Economics and Statistics

Chart: 4.5 Average daily wages of artisans and field labour



The Average daily wages of artisans and field labour (both men and women) have increased during Apr 14 to Nov 14 when compared to the corresponding period of previous year.

PUBLIC DISTRIBUTION

Fair Price Shops

28,953 Fair Price (FP) shops are functioning in the State as on 30.11.2014. Of these, 4,598 are in urban areas and 24,355 are in rural areas. On an average, each shop has 450 cards/ families. There is one shop for every 1,725 persons in Andhra Pradesh vis-à-vis the Government of India's norm of one fair price shop for every 2,000 persons.

Rationalization of Fair Price Shops

Rationalization of existing FP shops has been done to ensure effective functioning of PDS and for enabling card holders to have easy access to F.P. shops without having to travel long distances. Rural areas: 400 to 450 BPL and 50 Pink ration cards are attached to each F.P. shop in rural areas. Urban Areas: 500 to 550 BPL and 250 Pink ration cards to each F.P. shop in urban areas. Municipal Corporations: 600 to 650 BPL and 250 Pink ration cards are attached to each F.P. shop in Municipal Corporations.

Subsidy Rice Scheme

Government of Andhra Pradesh attaches utmost importance to supply of rice at subsidized rate to below poverty line families through Targeted Public Distribution System (TPDS). Since 1.11.2011, rice is

being supplied at Rs1 per Kg. to all white cardholders and AAY cardholders. It is an important constituent of the strategy for the up-liftment of Below Poverty Line (BPL) population. The endeavor of the Government is to implement TPDS effectively, efficiently and transparently for the best advantage of beneficiaries.

At present, 113.13 white cardholders are being supplied 4 Kg. rice per person subject to a maximum of 20 Kgs per family per month at Rs.1 per Kg. The requirement of rice for eligible card holders (White cards only) is 1.36 lakh MTs per month. At present 9.45 lakh AAY families are being supplied 35 Kg. rice at Rs.1 per Kg per family as against the target of 9.08 lakh AAY families. A quantity of 33103 MTs of rice is being supplied under AAY scheme at Rs.1 per Kg. against the allotment of 31798 MTs per month.

A quantity of 129.140 Mts of rice is being supplied to the cardholders under Annapurna Scheme @ 10 kg per card at free of cost.

Under PDS 1.68 LMTs of rice is being supplied to all BPL cardholders every month. The requirement of rice is being met from out of the allocation of 68,494 MTs of BPL rice (i.e 51,131 MTs as regular and 17363 MTs as additional adhoc allocation), 31,798 MTs of AAY rice and 104584 Mts (i.e.,76594 Mts as regular and 27990 as addl adhoc allocation) per month allotted by the Govt. of India and the difference of cost of rice is being borne by the Government as subsidy.

Kerosene

22,680 KLs. of Kerosene is being allocated per month for distribution to all BPL cardholders.

Issue of Iris-based Ration cards

Ration cards have been issued by using iris technology to cover all eligible families and to avoid duplicate/ ghost cards. The eligibility for obtaining white ration card is a limit of annual family income up to Rs.60,000 in Rural areas and up to Rs.75,000 in Urban areas. Guidelines prescribed by the Government of India have been followed regarding AAY and Annapurna schemes.

Ration cards

The Government had earlier distributed new ration

cards and coupons in various developmental programmes undertaken in campaign mode. Details on the ration card position is given in Table 4.6 and district wise card position is given in Annexure 4.3.

Table 4.6 : Ration Cards Position

1	White ration cards including coupons	1,20,26,517
2	AAY	9,45,809
3	Annapurna	12,914
4	Pink	14,79,713

Source: Civil Supplies Dept.

AADHAR

Unique Identification Authority of India

The UIDAI has a mandate to issue a unique identification number (UID) to all residents of India. This project is being implemented by the Government of India in coordination with State Governments. Andhra Pradesh is one of the pioneering states in the country in implementation of Aadhar. The UIDAI signed a Memorandum of Understanding (MoU) with the Government of Andhra Pradesh in which Department of Civil Supplies has been identified as Registrar for enrolling residents of Andhra Pradesh.

The Commissioner, Food & Civil Supplies is one of the Registrars among others like IT &C Dept., State Bank of India, Union Bank of India, National Security Depository Limited (NSDL), Registrar General of India (RGI), etc. UIDAI has empanelled a number of Enrolment Agencies (EAs) which can be engaged by the Registrars for the purpose of enrolling residents for UID.

Food and Civil Supplies (F&CS) department has undertaken enrolment process in the districts Srikakulam, East Godavari, Anantapur, Chittoor, in the 1st phase of Aadhaar. Subsequently, F & CS Dept. also undertook enrolment in the Municipal areas of Visakhapatnam, West Godavari, Krishna, Guntur, Prakasam, SPS Nellore, Kurnool and YSR districts. Subsequently, the enrolment work has been entrusted to IT&C/ NPR in the districts of Kurnool. Out of the total population of 4.95 crore, UID numbers have been generated to 4.72 crores. 1260 enrolment centres are functioning for the purpose.

Seeding of Aadhaar details into ration card database

Seeding of Aadhaar details into ration card database would help identify bogus beneficiaries and duplicate cards with the same persons. The seeding work at the State level is being done through the KYR+ data submitted by the enrolment agencies and xml files obtained from UIDAI through systems which can be called as inorganic seeding. Seeding work other than inorganic seeding done at state level has to be done at the field level, called as Organic Seeding. About 98.4% of details in the ration cards have been seeded so far. It is proposed to complete the entire seeding process in a short time.

End to End Computerization of TPDS Operations

The State Government is initiating end to end computerization of Targeted Public Distribution System. The software is under preparation by the NIC. The component-wise estimates for computerization of TPDS, including the cost of Point of Sale (PoS) devices at the fair price shops, State Godowns etc. in the State were furnished to the GoI during 2012. Recently, the Government of India clarified that under component-II, automation of Fair Price Shops would be taken in the next phase, as it would involve capturing of biometrics of beneficiaries, complete Aadhaar/NPR coverage, issuance of smart cards, if required. and as such has not earmarked any amount for this purpose. Government of India was requested for an amount of Rs.48.62 crore under Component-I. However, the Government has agreed to provide 50% of the amount i.e. Rs.24.31 crore towards Component-I of Computerization of TPDS Project.

Meanwhile, the state Government concurred to provide 50% of the amount towards Component-I of computerisation of TPDS Project in the light of which a Memorandum of Understanding (MoU) has been communicated to Govt. of India.

e-POS cum electronic weighing scales

Distribution of commodities to BPL families through ePOS solution using online authentication

services provided by UIDAI was taken up in 100 fair price shops in East Godavari District on pilot basis. The savings noticed is around 15% to 20% on implementation of distribution of e-POS devices in the selected fair price shops. This system ensures supply of commodities to family members of a ration card holder only and thus eliminates scope of misuse by fair price shop dealers to the extent of the commodities not drawn.

It is considered necessary to introduce this (in 6 districts to start with) as positioning of e-POS cum weighing devices would result in substantial savings both in terms of quantity and subsidy to Central and State Governments. An amount of Rs.143.05 crores is required for implementation of Weighing cum Point of Sale using online authentication provided by UIDAI for supply of commodities in 28,953 F.P. shops.

Procurement at Minimum Support Price

Minimum Support Price is being ensured to farmers for their produce. The Government relaxed the specifications for purchase of paddy imposing cuts in the value/MSP to facilitate disposal of paddy which does not conform to specifications.

It has been made mandatory on the rice millers that they purchase paddy of Fair Average Quality (FAQ) at a price not less than minimum support price of Rs.1400/- per quintal for Grade A and Rs.1360/- per quintal for common paddy for Kharif Season 2014-15. Only rice millers who purchase FAQ paddy at a price not less than MSP and above or non – FAQ paddy with value cuts as prescribed by the Government are permitted to deliver levy to the Food Corporation of India. Procurement of paddy by Government agencies under MSP operations are 77.08 Lakh MTs rice millers in 2013-14. 0.24 Lakhs MTs paddy was procured by the Govt., agencies and millers in KMS 2014-15 (upto 30-11-2014). 37.35 lakh MTs of Rice was procured during crop year (incl. Custom Milled Rice) and 17.37 lakh MTs of Rice distributed in 2013-14.

Market Intervention Scheme

The public distribution system distributes Palmolein Oil, Redgramdal to BPL cardholders to control prices in the open market and offer assistance to BPL families, insulating them from rising prices.

Palmolein Oil

The Civil Supplies Corporation purchases imported Refined, Bleached and Deodorized (RBD) Palmolein oil under Government of India subsidy scheme at Rs.15 per Kg or Rs. 13.65 per litre and makes it available for distribution through PDS to BPL families at subsidized rates. All BPL card holders are being supplied 1 litre per card at Rs.40/- per litre. Presently, the scheme is being run by the State Government. The average off take per month during this year is 10,604 MTs and is consumed by 1.16 Crore cardholder families.

Redgramdal

The Civil Supplies Corporation makes Redgramdal available for distribution to BPL families at subsidized rates through the PDS. Redgramdal is being allotted to all BPL cardholders at Rs.50/- per kg @ 1kg per family. Presently the scheme is being run by the State Government at a subsidy of Rs.10/ per Kg. The average off take per month during this year is 4861 MTs and consumed by 48.61 lakh card holder families.

Chandranna Sankranti Kanuka

The Government has supplied 6 commodities kept in a bag to all white card holders at free of cost on the eve of Sankranti festival, incurring an expenditure of about Rs.286 crore. Details are shown in Table 4.7

Table 4.7 Commodities Supplied to Card holders

Sl. No.	Commodity	Entitlement (per card)	Quantity allotted (in MTs)
1.	Redgram Dal	Kg	6514.073
2.	P. Oil	Ltr	6514.073
3.	Bengalgram	1 Kg	13028.145
4.	Jaggery	Kg	6514.073
5.	Wheat Atta	1 Kg	13028.145
6.	Ghee	100 Grams	1302.815

Source: Civil Supplies Department