



## FUNCTIONING OF FAIR PRICE SHOPS UNDER PDS IN HARYANA -AN OVERVIEW

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**Abstract:** *The efficiency and success of distribution system to a greater extent depends on the working of FPSs as the fair price shops are the centre of the functioning of PDS. The present paper deals with the functioning of FPSs and the related facts. In total 23 fair price shops from the sample 16 villages were surveyed. This paper describes profile of the FPS, general functioning, the profile of FPS dealers, information regarding entitlements and prices according to FPS dealer. This paper also deals with the profits/earnings of FPS dealers, their perceptions and suggestions over this and facts regarding the functioning of shop. The study reveals that all the dealers complained of the less profit/earning, not getting their allotment timely and about supply of underweight bags so they get less quantity than the allotted one.*

**Key words-** *Public Distribution System, Fair Price Shops, allotment, BPL, AAY*

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## **INTRODUCTION**

Public Distribution System (PDS) is basically a welfare programme that implies distribution of subsidized essential commodities to the needy. PDS is an important mechanism to meet the basic needs of the people who cannot afford to depend upon the market forces alone to obtain essential commodities. PDS is considered as a safety net for the vulnerable population.

The efficiency and success of distribution system to a greater extent depends on the working of FPSs as the fair price shops are the centre of the functioning of PDS.

This paper deals with the functioning of FPSs in Haryana state and the related facts. The facts presented here are based on the information collected through a questionnaire designed especially for FPS dealer. In total 23 fair price shops from the sample 16 villages from four districts of Haryana i.e. Ambala, Hisar, Rohtak and Gurgaon were surveyed. This paper describes profile of the FPS, general functioning, the profile of FPS dealers, information regarding entitlements and prices according to FPS dealer. This paper also deals with the profits/earnings of FPS dealers, their perceptions and suggestions over this and facts regarding the functioning of shop.

## **SCOPE OF THE STUDY**

This study is undertaken mainly to highlight the functioning of fair price shops under public distribution system in Haryana state.

## **OBJECTIVES OF THE STUDY**

1. To study the socio economic profile of FPS dealers.
2. To study the functioning of fair price shops under PDS.
3. To know the problems of FPS dealers.

## **PROFILE OF FAIR PRICE SHOPS**

Almost all of the fair price shops (95.7 percent) were owned by individual persons. Only one fair price shop (4.3 percent) was run under cooperative ownership. (Table 1.1) It is clear from the table that all the selected fair price shops were exclusive for only PDS commodities. (Table 1.2)



**Table 1.1 Ownership Status**

	District				
	Ambala	Hisar	Rohtak	Gurgaon	Total
Individual	3	6	9	4	22
	75.0%	100.0%	100.0%	100.0%	95.7%
Joint	-	-	-	-	-
	-	-	-	-	-
Cooperative	1	0	0	0	1
	25.0%	.0%	.0%	.0%	4.3%
NGO	-	-	-	-	-
	-	-	-	-	-
Gram Panchayat	-	-	-	-	-
	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

**Table 1.2 Type of Shop**

	District				
Type of Shop	Ambala	Hisar	Rohtak	Gurgaon	Total
Only PDS Commodities	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
PDS cum Retailer	-	-	-	-	-
	-	-	-	-	-
PDS cum Any other business	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

## PROFILE OF THE FAIR PRICE SHOP DEALERS

Education-wise distribution, age and caste distribution of the fair price shop dealers is summarized in the table 5.29. The selected fair price shop owners were all educated. It is clear from the table, majority (52.2 percent) of them was educated up to secondary level and 21.7 percent of fps dealers were educated up to senior secondary level. Less fps dealers were educated up to graduation or post graduation. It was surprising to know that a few of them were educated only up to middle level. However none of dealers were illiterate or educated up to primary level. As far as age distribution is concerned, majority of them were from 40-60 and 20-40 age groups i.e. 47.8 and 43.5 percent in the age groups respectively. Only 8.7 percent were above 60 years. If we see the caste of the dealers, an overwhelming



majority (79.9 percent) comes from the general category and only 17.4 percent and 8.7 percent comes from SC and OBC categories respectively.

**Table 1.3 Profile of the Fair Price Shop dealers**

Districts →	Ambala	Hisar	Rohtak	Gurgaon	Total
<b>Education</b>					
Literate upto	-	-	-	-	-
Primary	-	-	-	-	-
Middle	1	0	1	0	2
	25.0%	.0%	11.1%	.0%	8.7%
Secondary	1	4	5	2	12
	25.0%	66.7%	55.6%	50.0%	52.2%
Senior Secondary	0	2	1	2	5
	.0%	33.3%	11.1%	50.0%	21.7%
Graduation	2	0	1	0	3
	50.0%	.0%	11.1%	.0%	13.0%
Post Graduation	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Age distribution</b>					
20-40	0	4	3	3	10
	.0%	66.7%	33.3%	75.0%	43.5%
40-60	4	2	4	1	11
	100.0%	33.3%	44.4%	25.0%	47.8%
>60	0	0	2	0	2
	.0%	.0%	22.2%	.0%	8.7%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Caste</b>					
SC	1	2	1	0	4
	25.0%	33.3%	11.1%	.0%	17.4%
OBC	0	0	1	1	2
	.0%	.0%	11.1%	25.0%	8.7%
GEN	3	4	7	3	17
	75.0%	66.7%	77.8%	75.0%	73.9%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

## BUSINESS STATUS

Table 5.32 depicts the responses of the fair price shop dealers regarding the business status. The table shows that 69.6 percent dealers adopted that it is their whole time business and 30.4 percent told that it is their part time business.



**Table 1.4 Business Status**

Districts →	Ambala	Hisar	Rohtak	Gurgaon	Total
Whole time	1	5	6	4	16
	25.0%	83.3%	66.7%	100.0%	69.6%
Part time	3	1	3	0	7
	75.0%	16.7%	33.3%	.0%	30.4%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

#### **Satisfaction over the Present Level of Profit and Suggestions to Increase Profit**

To obtain the information regarding the average profits, the respondents were asked the direct question what average profit they earn. The responses were much diversified. It contained moderate level of Rs.3000 to very low level as Rs.385. The district-wise average profit was Rs.941, Rs.2317, Rs.1844, Rs.1163 for Ambala, Hisar, Rohtak, Gurgaon respectively. While in total the average profit was Rs. 1692. To the question whether they are satisfied with the present level of profit, the dealers responded as in the table 1.5.

**Table 1.5 Satisfaction over the Present Level of Profit**

	District				
Satisfied	Ambala	Hisar	Rohtak	Gurgaon	Total
Yes	-	-	-	-	-
	-	-	-	-	-
No	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

It was found that none of the respondents in any of the districts was satisfied with the present level of profit. The respondents were asked to suggest the measure to increase the profit. It was interesting to note that all the respondents suggested increasing the commission or fixing the salary. (Table 1.6)



**Table 1.6 Suggestions to Increase Profit**

	District				
Suggestions	Ambala	Hisar	Rohtak	Gurgaon	Total
Increase commission	-	-	-	-	-
	-	-	-	-	-
Fix the salary	-	-	-	-	-
	-	-	-	-	-
Increase the commission or fix the salary	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
Addition of more commodities	-	-	-	-	-
	-	-	-	-	-
Increase the number of cards	-	-	-	-	-
	-	-	-	-	-
Any other	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

### Opening Days and Sufficient Opening Days

The FPS dealers were asked how many days their shop remain opened. The responses have been presented in the table 5.35. The table shows that 78.3 percent of the dealers said that they remain their shop opened for more than 15 days and 17.4 percent said 6-15 days. Only one dealer told 2-5 days.

**Table 1.7 FPS Opening Days**

	District				
Days	Ambala	Hisar	Rohtak	Gurgaon	Total
Only one day	-	-	-	-	-
	-	-	-	-	-
2-5 days	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%
6-15	0	0	3	1	4
	.0%	.0%	33.3%	25.0%	17.4%
>15	4	6	5	3	18
	100.0%	100.0%	55.6%	75.0%	78.3%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

Then the FPS dealers were asked how many days are sufficient for distribution according to them. It was astonishing to note that all the respondents answered 3-5 days sufficient for distribution.



**Table 1.8 Sufficient Opening Days**

	District				
Days	Ambala	Hisar	Rohtak	Gurgaon	Total
1-2	-	-	-	-	-
	-	-	-	-	-
3-5	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
5-15	-	-	-	-	-
	-	-	-	-	-
>15	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

### Lifting of Quota and Stocking pattern

The dealers were asked when they receive their allotment for the present month and the results were surprising. The responses are displayed in the table 1.9. All of them accepted that they do not receive the allotment on a fixed time.

**Table 1.9 Schedule of receiving the allotment for the present month**

	District				
Date of Receiving	Ambala	Hisar	Rohtak	Gurgaon	Total
On a fixed date	-	-	-	-	-
	-	-	-	-	-
First week of the month	-	-	-	-	-
	-	-	-	-	-
After first week of the month	-	-	-	-	-
	-	-	-	-	-
Not on a fixed time	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

To the question whether there are any instances when supply to FPS from godown was less than the allotted quota, the dealers responded as in the table...

**Table 1.10 Instances When Supply to FPS was Less than the Allotted Quota**

	District				
Response	Ambala	Hisar	Rohtak	Gurgaon	Total
Yes	0	0	7	2	9
	.0%	.0%	77.8%	50.0%	39.1%
No	4	6	2	2	14
	100.0%	100.0%	22.2%	50.0%	60.9%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey



The table depicts that 60.9 percent denied the fact that the supply from the godown to FPS was less than the allotted quota. 39.1 percent of the dealers accepted that there were instances when supply to FPS from godown was less than the allotted quota.

Then the dealers, who accepted the above fact, were asked how many times the supplied quota was less than the allotted quota. All the dealers told that it was 1-5 times.(Table 1.11)

**Table 1.11 Frequency of Receiving less Quantity than the Allotted Quota**

	District				
	Ambala	Hisar	Rohtak	Gurgaon	Total
1-5 times	-	-	7	2	9
	-	-	100.0%	100.0%	100.0%
6-10 times	-	-	-	-	-
	-	-	-	-	-
>10 times	-	-	-	-	-
	-	-	-	-	-
Total	-	-	7	2	9
	-	-	100.0%	100.0%	100.0%

Source –Field Survey

They were also asked the reasons for not supply of whole quota. And it was surprising to note that all of them told that the weight per bag supplied is less than the printed weight.

**Table 1.12 Reasons for Non-supply of Full quota**

	District				
Reasons	Ambala	Hisar	Rohtak	Gurgaon	Total
Availability at godown was not sufficient	-	-	-	-	-
	-	-	-	-	-
Insufficient money with the dealer for purchase	-	-	-	-	-
	-	-	-	-	-
Weight per bag supplied was less than print weight	-	-	7	2	9
	-	-	100.0%	100.0%	100.0%
Any Other	-	-	-	-	-
	-	-	-	-	-
Total	-	-	7	2	9
	-	-	100.0%	100.0%	100.0%

Source –Field Survey

The dealers were asked who makes arrangement for lifting and transportation from the godown. The responses are displayed in the table 1.13.



**Table 1.13 Arrangement for Lifting and Transportation**

	District				
Response	Ambala	Hisar	Rohtak	Gurgaon	Total
Delivered by the government	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
Own arrangement	-	-	-	-	-
	-	-	-	-	-
Any other	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

It is clear from the table that all of them accepted that the allotment is delivered by the government. Moreover all of them told that the transportation cost is born by the civil supplies department.(Table 1.14)

**Table 1.14 Bearing of Transportation Cost**

	District				
	Ambala	Hisar	Rohtak	Gurgaon	Total
FPS dealer	-	-	-	-	-
	-	-	-	-	-
Civil Supplies department	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
Jointly by dealer & supply deptt.	-	-	-	-	-
	-	-	-	-	-
Any other	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

The FPS dealers were asked whether there are any instances when the shop was left with some stock undistributed. The responses are displayed in the table ..

### Transparency of Records

Just like any other system, the performance of PDS also depends on the level of awareness of the beneficiaries as well as the transparency maintained at the fair price shops. We asked some questions relating to the dealers regarding transparency and the responses are summarized in the table 1.15 and table 1.16. To the question whether the dealers maintain the updated records of stocks, lifting and distribution details, almost all the FPS dealers (95.7 percent) answered 'yes'.



**Table 1.15 Maintaining of the Updated Record**

Maintenance of Updated Record	District				Total
	Ambala	Hisar	Rohtak	Gurgaon	
Yes	4	6	8	4	22
	100.0%	100.0%	88.9%	100.0%	95.7%
No	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Stock details</b>					
Yes	4	6	8	4	22
	100.0%	100.0%	88.9%	100.0%	95.7%
No	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%
<b>Lifting Details</b>					
Yes	4	6	8	4	22
	100.0%	100.0%	88.9%	100.0%	95.7%
No	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%
<b>Distribution details</b>					
Yes	4	6	8	4	22
	100.0%	100.0%	88.9%	100.0%	95.7%
No	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%

Source –Field Survey

To the question whether they display the necessary information related to the list of beneficiaries, prices, entitlements, timings and authority for lodging complaints at a prominent place, we got varying answers. It was found that all the FPS dealers has not displayed the list of AAY and BPL beneficiaries and the authority for lodging complaints. It is clear from the table that 73.9 percent has not displayed the information about entitlement of commodities and the retail issue prices. It is also found that 69.6 percent has not displayed the timing of opening and closing of FPS.

**Table 1.16 Display of Information**

	District				
Response	Ambala	Hisar	Rohtak	Gurgaon	Total
Display of list of AAY and BPL beneficiaries					
Yes	-	-	-	-	-
	-	-	-	-	-
No	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%
Display of entitlement of commodities					
Yes	0	0	6	0	6
	.0%	.0%	66.7%	.0%	26.1%
No	4	6	3	4	17
	100.0%	100.0%	33.3%	100.0%	73.9%
Display of Retail issue price					
Yes	0	0	6	0	6



	.0%	.0%	66.7%	.0%	26.1%
No	4	6	3	4	17
	100.0%	100.0%	33.3%	100.0%	73.9%
<b>Display of timing of opening and closing FPS</b>					
Yes	1	0	6	0	7
	25.0%	.0%	66.7%	.0%	30.4%
No	3	6	3	4	16
	75.0%	100.0%	33.3%	100.0%	69.6%
<b>Display of the authority for lodging complaints</b>					
Yes	-	-	-	-	-
	-	-	-	-	-
No	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

### Monitoring System of the FPS

There are different authorities to monitor and check the functioning of Fair Price Shops so that they would perform efficiently. But during the survey it was found that the situation regarding monitoring of the shops is not satisfactory. To the question, who monitors the shops, the dealers responded as in the table 1.17.

**Table 1.17: Monitoring System**

	District				
	Ambala	Hisar	Rohtak	Gurgaon	Total
Panchayat members	0	6	0	1	7
	.0%	100.0%	.0%	25.0%	30.4%
Vigilance officials	0	0	1	0	1
	.0%	.0%	11.1%	.0%	4.3%
Government officials	4	0	2	3	9
	100.0%	.0%	22.2%	75.0%	39.1%
None	-	-	-	-	-
	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
P V	-	-	-	-	-
	-	-	-	-	-
P G	-	-	-	-	-
	-	-	-	-	-
V G	0	0	6	0	6
	.0%	.0%	66.7%	.0%	26.1%
P V G	-	-	-	-	-
	-	-	-	-	-
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

PV-Panchayat members and Vigilance officials, VG- Vigilance officials and Government officials, PVG- Panchayat members, Vigilance officials and Government officials



The table shows that 30.4 percent of the respondents told that only Panchayat monitors their shops. 26.1 percent accepted that government officials/ food and supply officials and vigilance committee monitor the shop. 39.1 percent responded that government officials/ food and supply officials monitor the shop and only one respondent said that only vigilance committee monitors the shop.

### Quality of the PDS articles

The dealers were asked how the quality of PDS articles supplied to their shops for distribution is. They responded as in the table 1.18, 1.19 and 1.20.

**Table 1.18 Quality of Wheat Supplied to FPS**

Quality	District				Total
	Ambala	Hisar	Rohtak	Gurgaon	
Most of the Times Poor	0	0	5	0	5
	.0%	.0%	55.6%	.0%	21.7%
Sometimes Poor	2	0	4	3	9
	50.0%	.0%	44.4%	75.0%	39.1%
Normally Good	2	5	0	1	8
	50.0%	83.3%	.0%	25.0%	34.8%
Very Good All the Times	0	1	0	0	1
	.0%	16.7%	.0%	.0%	4.3%
Total	4	6	9	4	23
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey

**Table 1.19 Quality of Sugar Supplied to FPS**

Quality	District				Total
	Ambala	Hisar	Rohtak	Gurgaon	
Most of the Times Poor	0	0	5	0	5
	.0%	.0%	55.6%	.0%	22.7%
Sometimes Poor	2	0	4	1	7
	50.0%	.0%	44.4%	25.0%	31.8%
Normally Good	2	4	0	3	9
	50.0%	80.0%	.0%	75.0%	40.9%
Very Good All the Times	0	1	0	0	1
	.0%	20.0%	.0%	.0%	4.5%
Total	4	5	9	4	22
	100.0%	100.0%	100.0%	100.0%	100.0%

Source –Field Survey



**Table 1.20 Quality of Kerosene Oil Supplied to FPS**

Quality	District				Total
	Ambala	Hisar	Rohtak	Gurgaon	
Most of the Times Poor	-	-	-	-	-
	-	-	-	-	-
Sometimes Poor	-	-	-	-	-
	-	-	-	-	-
Normally Good	4	5	9	2	20
	100.0%	83.3%	100.0%	100.0%	95.2%
Very Good All the Times	0	1	0	0	1
	.0%	16.7%	.0%	.0%	4.8%
Total	4	6	9	2	21
	100.0%	100.0%	100.0%	100.0%	100.0%

*Source –Field Survey*

In case of the quality of wheat 34.8 percent dealers were satisfied with quality of wheat saying the quality is normally good. 39.1 percent of the dealers accepted that the quality is sometimes poor. But 21.7 percent of the dealers complained that the quality of wheat is poor for most of the time. As far as the quality of sugar is concerned, the dealers responded varyingly. The table depicts that 40.9 percent of the dealers accepted that the quality of sugar is normally good and 31.8 percent told that the quality is sometimes poor. The table shows that 22.7 percent of the dealers not satisfied with the quality of sugar saying that it is poor most of the times. In case of kerosene oil, the picture was good as all the respondents were satisfied with the quality and said that the quality is normally good or very good all times.

## CONCLUSION

- All most all the dealers complained of the low margins and small profits while operating FPS.
- All most all the dealers complained of not getting their allotment timely.
- Some of them even complained about supply of underweight bags so they get less quantity than the allotted one.
- Most of them said that it is unfeasible and useless to open the shop for the whole month.
- The monitoring system was not performing its role satisfactorily.
- There is no display of necessary information regarding entitlements, BPL & AAY list, authority to complain etc.
- All most all the dealers suggested to increase the commission or to fix salary.